
Rules of
Department of Economic
Development
Division 240—Public Service Commission
Chapter 31—Missouri Universal Service Fund

Title	Page
4 CSR 240-31.010 Definitions	3
4 CSR 240-31.020 Organization and Meetings of the Board	3
4 CSR 240-31.030 The Fund Administrator	4
4 CSR 240-31.040 Eligibility for Funding—High Cost Areas	4
4 CSR 240-31.050 Eligibility for Funding—Low-Income Customers and Disabled Customers	5
4 CSR 240-31.060 Assessments for MoUSF Funding	6
4 CSR 240-31.065 Collection of MoUSF Surcharge from End-User Subscribers	6
4 CSR 240-31.070 Receipt of MoUSF Funds	7
4 CSR 240-31.080 Applications for MoUSF Funds	7
4 CSR 240-31.090 Disbursements of MoUSF Funds	7
4 CSR 240-31.100 Review Procedures for Support Payments	8
4 CSR 240-31.110 Review of Board and Fund Administrator Activities	8

**Title 4—DEPARTMENT OF
ECONOMIC DEVELOPMENT
Division 240—Public Service Commission
Chapter 31—Missouri Universal Service
Fund**

4 CSR 240-31.010 Definitions

PURPOSE: This rule defines terms used in the rules comprising Chapter 31.

(1) **Applicable Carrier**—All telecommunications companies certificated to provide telecommunications services in Missouri except: pay telephone providers, shared tenant services (STS) providers, and those companies with annual net jurisdictional revenue below a *de minimis* level of twenty-four thousand dollars (\$24,000).

(2) **Commission**—The Missouri Public Service Commission.

(3) **Cost**—Cost of a telecommunications company in providing essential local telecommunications service as determined by the commission.

(4) **Disabled customer**—Any customer who requests or receives residential essential local telecommunications service and who meets the definition of disabled set out in section 660.100.2, RSMo 2000.

(5) **Economically disadvantaged customer**—see low-income customer.

(6) **Essential local telecommunications services**—Two (2)-way switched voice residential service within a local calling scope as determined by the commission, comprised of the following services and their recurring charges:

(A) Single line residential service, including Touch-Tone dialing, and any applicable mileage or zone charges;

(B) Access to local emergency services including, but not limited to, 911 service established by local authorities;

(C) Access to basic local operator services;

(D) Access to basic local directory assistance;

(E) Standard intercept service;

(F) Equal access to interexchange carriers consistent with rules and regulations of the Federal Communications Commission (FCC);

(G) One (1) standard white pages directory listing; and

(H) Toll blocking or toll control for qualifying low-income customers.

(7) **Fund Administrator**—The agency, individual, firm, partnership, or corporation selected by the Missouri Universal Service Board to act as the independent neutral administrator of the Missouri Universal Service Fund.

(8) **Local calling scope**—The geographic area determined by a local exchange telecommunications company's tariffs filed with and approved by the commission, within which telecommunications service is furnished under a non-optional, flat, monthly rate. A local calling scope may include one (1) or more exchange service areas.

(9) **Low-income customer**—Any customer who requests or receives residential essential local telecommunications service and who has been certified by the Department of Social Services as economically disadvantaged by participation in Medicaid, food stamps, Supplementary Security Income (SSI), federal public housing assistance or Section 8, or Low Income Home Energy Assistance Program (LIHEAP).

(10) **Missouri Universal Service Board (board)**—The board established by section 392.248.1, RSMo Supp. 2000 and comprised of members of the commission and the Public Counsel, which shall supervise the management of the MoUSF.

(11) **Missouri Universal Service Fund (MoUSF or Fund)**—The universal service fund established by section 392.248, RSMo Supp. 2000 to be used:

(A) To ensure the provision of reasonably comparable essential local telecommunications service, as defined in this rule, throughout the state including high cost areas, at just, reasonable, and affordable rates;

(B) To assist low-income customers and disabled customers in obtaining affordable essential telecommunications services;

(C) To pay the reasonable, audited costs of administering the MoUSF; and

(D) To permit eligible incumbent local exchange companies to recover the reasonably projected changes in revenues from reductions in Federal Universal Service Fund (USF) payments caused by changes to the Federal USF program announced by the FCC no later than December 31, 1997, as determined by the commission.

(12) **Net jurisdictional revenue**—Net jurisdictional revenue shall include all revenues received by an applicable carrier from retail customers resulting from the provision of intrastate regulated telecommunications services, but shall not include revenue from pay-

phone operations, taxes and uncollectibles. Revenues received from another provider of telecommunications services for the provision of switched and special exchange access services and for the provision of unbundled network elements and resold services, shall not be considered retail revenues.

(13) **Toll blocking**—“Toll blocking” is a service provided by carriers that lets customers elect not to allow the completion of outgoing toll calls from their telecommunications channel.

(14) **Toll control**—“Toll control” is a service provided by carriers that allows customers to specify a certain amount of toll usage that may be incurred on their telecommunications channel per month or per billing cycle.

AUTHORITY: sections 392.200.2, 392.248 and 392.470.1, RSMo 2000. Original rule filed Aug. 15, 1997, effective April 30, 1998. Amended: Filed Oct. 30, 2002, effective July 30, 2003.*

**Original authority: 392.200, RSMo 1939, amended 1987, 1988, 1996; 392.248, RSMo 1996; and 392.470.1, RSMo 1987.*

4 CSR 240-31.020 Organization and Meetings of the Board

PURPOSE: This rule establishes the organization and meetings of the board and other related responsibilities.

(1) Within thirty (30) days after the effective date of this rule, the board shall convene its initial organizational meeting, at which time it shall elect a chairperson, a secretary, and such other officers as the board deems appropriate.

(A) The chairperson shall preside over the initial, the regular and any special meetings of the board unless otherwise provided by a majority of the board.

(B) The secretary shall be responsible for recording the minutes of the meetings of the board, which minutes shall be open records in accordance with Chapter 610, RSMo Supp. 1997.

(C) Other officers of the board shall have those responsibilities as are delegated to them by the board.

(2) The principal office of the board is located at the offices of the Missouri Public Commission in Jefferson City, Missouri.

(3) The initial, regular, and any special meetings of the board shall be held in the agenda

room of the commission unless otherwise posted. All meetings of the board shall be open to the public in accordance with Chapter 610, RSMo Supp. 1997. The time of each meeting and the matters to be discussed will be posted at the commission offices and will also be available to the public by accessing the commission's home page on the Internet.

(4) A simply majority of the board will constitute a quorum for the transaction of business, the performance of any duty, or the exercise of any power by the board.

(5) At the initial meeting of the board, or no later than thirty (30) days thereafter, the board will develop, and submit to the commission for its approval, a plan of operation for the Missouri Universal Service Fund (MoUSF) in accordance with section 392.248.8, RSMo Supp. 1997.

(6) The board shall adopt procedures, which will include a competitive bid process, to retain an independent neutral Fund Administrator who will be responsible for the day-to-day operations of the MoUSF. These procedures shall provide, among other things, for the periodic review of the Fund Administrator and the opportunity for selection of an alternative Fund Administrator no less frequently than every four (4) years. The board may establish other procedures as needed to facilitate the orderly administration of the MoUSF.

(7) The board shall also have the power to propose to the commission for its adoption such additional rules, or modifications to existing rules, which in the board's judgment are necessary and convenient to further implement and administer the MoUSF.

(8) Nothing in these rules shall require the board to take any actions that are inconsistent with federal statutes, administrative rules, or court decisions concerning the provision of essential local telecommunications service.

AUTHORITY: sections 392.200.2 and 392.248, RSMo Supp. 1997 and 392.470.1, RSMo 1994. Original rule filed Aug. 15, 1997, effective April 30, 1998.*

**Original authority: 392.200, RSMo 1939, amended 1987, 1988, 1996; 392.248, RSMo 1996; and 392.470.1, RSMo 1987.*

4 CSR 240-31.030 The Fund Administrator

PURPOSE: This rule establishes the qualifications for and the responsibilities of the Fund Administrator.

(1) The Fund Administrator may be an agency, individual, firm, partnership or corporation. It shall be neutral and independent from the commission, the public counsel and any telecommunications company. It may not have any financial interest in a telecommunications company as defined by section 386.020(51), RSMo Supp. 1997, or in any other communications company including, but not limited to, a wireless carrier or cable television company.

(2) The Fund Administrator shall be a fiduciary with trust company powers. It shall keep the books and records relating to its administration and operation of the Missouri Universal Service Fund (MoUSF) in accordance with generally accepted accounting principles. Said books and records shall be open records in accordance with Chapter 610, RSMo Supp. 1997 and shall be audited on an annual basis by an independent auditor selected by the board.

(3) The Fund Administrator is authorized to establish accounts with a bank of this state for the deposit of moneys into the MoUSF. The Fund Administrator shall ensure that the moneys deposited in the MoUSF are insured to the maximum extent permitted by law and that they earn a return commensurate with other moneys of the state on deposit with banks.

AUTHORITY: sections 392.200.2 and 392.248, RSMo Supp. 1997 and 392.470.1, RSMo 1994. Original rule filed Aug. 15, 1997, effective April 30, 1998.*

**Original authority: 392.200, RSMo 1939, amended 1987, 1988, 1996; 392.248, RSMo 1996; and 392.470.1, RSMo 1987.*

4 CSR 240-31.040 Eligibility for Funding—High Cost Areas

PURPOSE: This rule provides requirements for determining the eligibility of telecommunications companies for universal service funds for high cost areas.

(1) In order for a telecommunications company to be eligible to receive high cost support from the Missouri Universal Service Fund (MoUSF) it must meet the following requirements:

(A) It must charge a rate for essential local telecommunications services no greater than the rate set by the commission as the just, reasonable and affordable rate for that geographic area;

(B) It must offer all essential local telecommunications services throughout the entire high cost area and have carrier of last resort obligations in that high cost area; and

(C) It must be a telecommunications company providing telecommunications service as defined in section 386.020(53), RSMo Supp. 1997 using its own facilities, in whole or in part, throughout the service area. "Own facilities" for purposes of this section includes facilities obtained as unbundled network elements. A telecommunications company providing service to end-user customers exclusively through the resale of another carrier's retail services will not be deemed to be providing essential local telecommunications service using its own facilities, in whole or in part, to those customers.

(2) Designation of Carriers of Last Resort.

(A) Incumbent local exchange telecommunications companies, at the effective date of this rule, are designated as carriers of last resort, until such time as the designation is changed.

(B) Local exchange telecommunications companies other than the incumbent local exchange telecommunications companies may apply to the commission for carrier of last resort status. An applicant for such status shall—

1. Identify the high cost areas for which it seeks such designation;

2. Provide evidence that it can offer essential local telecommunications service to all customers who request service in that geographic area, using its own facilities in whole or in part;

3. Certify to the commission that it will not abandon the obligation to serve that area without approval from the commission;

4. Provide evidence that a grant of the application for certification is in the public interest; and

5. Provide other evidence relevant to such a determination as the applicant deems appropriate or as may be requested by the commission.

(C) Upon receipt of an application for carrier of last resort status the commission shall provide notice and convene hearings, if necessary, to determine whether the applicant qualifies for such status and whether a grant of such application is in the public interest.

(3) Determination of Just, Reasonable, and Affordable Rates for Essential Local Telecommunications Service.

(A) The commission shall, upon proper notice and hearings, determine the just, reasonable, and affordable rates for essential local telecommunications service for each local calling scope in the state;

(B) If circumstances change sufficiently to warrant a review of the determination of just, reasonable, and affordable rates for a local calling scope, a local exchange telecommunications company or the Office of the Public Counsel may petition for, or the commission on its own motion may institute, a proceeding to review the appropriateness of the rates.

(C) No later than four and one-half (4 1/2) years after establishing just, reasonable, and affordable rates for a local calling scope, the commission will institute a proceeding to review the appropriateness of such rates, and will issue an order within five (5) years of establishing such rates to reestablish just, reasonable, and affordable rates for the future period.

(4) Identifying Costs of Essential Local Telecommunications Service.

(A) Upon adoption of methods and procedures by the commission, local exchange telecommunications companies may request identification of high cost areas by submitting an application to the Fund Administrator, along with the studies required to comply with the adopted methods and procedures, to the commission. The Fund Administrator shall review such application and make a recommendation to the commission. The commission will review this recommendation and the studies required to comply with the adopted methods and procedures, and will initiate appropriate action necessary to make a determination of the cost of providing essential local telecommunications service in the requested high cost areas.

(B) In determining the cost of providing essential local telecommunications service a telecommunications company may propose, and the commission may, if appropriate, approve the costs of groups of exchanges or high cost areas with similar cost characteristics, and attribute the costs of providing service to each of the exchanges or high cost areas included in the group.

(5) Identifying High Cost Areas.

(A) A local exchange telecommunications company eligible to receive MoUSF funds for high cost areas shall identify such areas by comparing the cost of serving each local calling scope (determined pursuant to commission rules and procedures to identify such

costs) with the just, reasonable, and affordable rate for essential local telecommunications service established by the commission for such calling scope.

(B) Those local calling scopes where the cost of providing essential local telecommunications service exceeds the just, reasonable, and affordable rate for essential local telecommunications service shall be designated as high cost areas and eligible for support from the MoUSF.

(6) Restriction on Disbursements.

(A) The disbursement for any high cost area shall be for an amount no greater than the cost of providing service in that high cost area, adjusted for subsidies and other payments as determined by the commission, less the just, reasonable, and affordable rate.

(B) The effect of disbursements from the MoUSF shall be revenue neutral, with offsetting reductions in rates for other services to be determined by the commission.

(7) The commission may grant a waiver of, or variance from, this provision or from any provision of 4 CSR 240-31.010 through 4 CSR 240-31.110 for good cause, upon request or upon its own motion. A party wishing to obtain a waiver or variance shall file an application with the commission setting out the reason for its request.

AUTHORITY: sections 392.200.2 and 392.248, RSMo Supp. 1997 and 392.470.1, RSMo 1994. Original rule filed Aug. 15, 1997, effective April 30, 1998.*

**Original authority: 392.200, RSMo 1939, amended 1987, 1988, 1996; 392.248, RSMo 1996; and 392.470.1, RSMo 1987.*

4 CSR 240-31.050 Eligibility for Funding—Low-Income Customers and Disabled Customers

PURPOSE: This rule establishes the eligibility of telecommunications companies to receive support from the Missouri Universal Service Fund (MoUSF) for essential local telecommunications services provided to low-income and disabled customers, and the individual eligibility requirements for participation in the MoUSF by low-income and disabled customers.

(1) A telecommunications company shall be eligible to receive support to assist low-income customers and disabled customers if it—

(A) Provides eligible low-income customers and disabled customers with essential local telecommunications services;

(B) Provides such local telecommunications services which are identical to the telecommunication services required by the Federal Lifeline Program at the rate established by the commission for such customers; and

(C) Is a telecommunications company providing telecommunications service as defined in 386.020(53), RSMo 2000.

(2) Reporting Requirements.

(A) Telecommunications companies meeting the criteria of section (1) above will report the number of low-income customers and disabled customers receiving discounted services supported by the Missouri Universal Service Fund (MoUSF) to the Fund Administrator on a monthly basis; and

(B) The eligible telecommunications companies shall maintain a record of low-income customers and disabled customers receiving discounted services supported by the MoUSF by reporting period.

(3) Individual Eligibility.

(A) Individuals will be eligible to receive essential local telecommunications service as established by the commission for low-income customers if they satisfy the definition of “low-income customer” found at 4 CSR 240-31.010(9).

(B) Individuals will be eligible to receive essential local telecommunications service as established by the commission for disabled customers if they satisfy the definition of “disabled customer” found at 4 CSR 240-31.010(4).

(C) Individuals will only be eligible to receive discounted services supported by either the low-income or disabled segment of the MoUSF for essential local telecommunications service provided to residential customers.

(D) Individuals who qualify for low-income or disabled support shall certify in writing on an application designed for that purpose that they are eligible for the programs. Such application shall require the applicant to certify under penalty of perjury that the individual receives benefits from one of the qualifying programs and identify the program or programs from which that individual receives benefits. On the same document, a qualifying low-income or disabled individual also must agree to notify the carrier if that individual ceases to participate in the program or programs. The companies shall rely upon this certification to provide the benefits under these programs until the

individual advises the company that they are no longer qualified or until the company is advised by the administrator that the individual may not be eligible.

(E) Any eligible individual submitting an application within sixty (60) days of initiating service will be entitled to the applicable low-income or disabled discounts from the date of service initiation. If applicable, the company may provide either a refund or credit, as determined by the company. Any eligible individual submitting an application after sixty (60) days of initiating service will begin receiving the appropriate discounts on a prospective basis.

(F) The fund administrator shall be authorized by the board to conduct audits of individual self-certification using records that can be lawfully made available from the administrators of qualifying programs. If as a result of these audits, the administrator determines that a recipient may not be eligible for low-income or disabled support, the individual shall be required to verify eligibility for continuing to receive support pursuant to administrative procedures established by the fund administrator and approved by the board.

(4) Determining participation for essential local telecommunications service: The amount of support provided by the MoUSF for services to low-income customers and disabled customers will be set at the level necessary pursuant to Federal Universal Service Fund rules to gain the maximum Federal Universal Service funding for services to such customers. However, the amount of combined federal and state lifeline support for any customer will not exceed the sum of the federal Subscriber Line Charge (SLC) and the recurring charges for essential local telecommunications services (including the basic service rate, Touch-Tone calling charge, extended area service additive, and mileage additives, if any).

(5) The commission may grant a waiver of, or variance from, this provision or from any provision of 4 CSR 240-31.010 through 4 CSR 240-31.110 for good cause, upon request or upon its own motion. A party wishing to obtain a waiver or variance shall file an application with the commission setting out the reason for its request.

AUTHORITY: sections 392.200.2, 392.248 and 392.470.1, RSMo 2000. Original rule filed Aug. 15, 1997, effective April 30, 1998. Amended: Filed Oct. 30, 2002, effective July 30, 2003.*

**Original authority: 392.200, RSMo 1939, amended 1987, 1988, 1996; 392.248, RSMo 1996; and 392.470.1, RSMo 1987.*

4 CSR 240-31.060 Assessments for MoUSF Funding

PURPOSE: This rule establishes and determines the methods of assessment for MoUSF funding.

(1) All telecommunications companies providing telecommunications service as defined in section 386.020(53), RSMo 2000 in Missouri will be subject to assessment for contributions to the Missouri Universal Service Fund (MoUSF).

(2) Assessments for the MoUSF will be based on the Missouri net jurisdictional revenues of each telecommunications company and other nondiscriminatory factors as determined by the commission.

(3) Assessments will be based on the level of net jurisdictional revenues from the preceding calendar year or for some shorter time period as may be determined by the commission.

(4) Collection of Data for Assessments.

(A) The commission will furnish to the Fund Administrator by December 31 of each year, or more frequently as may be determined by the commission, a list of all telecommunications companies holding certificates of service authority in the state of Missouri.

(B) The Fund Administrator will periodically submit to each telecommunications company a request for information regarding its Missouri net jurisdictional revenues. Such report will be due to the Fund Administrator ninety (90) days from the receipt of the request.

(5) Determination of Assessments.

(A) The Fund Administrator shall summarize the funding requests from companies serving high cost areas and from companies providing service to low-income customers and disabled customers to calculate a statewide funding requirement for the MoUSF. At the inception of the fund, the Fund Administrator may also make estimates of the funding requirements for those companies whose funding has not been finally determined.

(B) The Fund Administrator shall submit to the board its determination of the funding requirements, along with its determination of the revenues upon which the assessment shall be made, and the percentage assessment to be

made upon the net jurisdictional revenues of each applicable carrier.

(C) The board shall review the Fund Administrator's submission and approve an appropriate percentage assessment to be made upon the applicable revenues to each Missouri telecommunications company to provide funding for the MoUSF.

(6) Notices of Assessments.

(A) Notices of assessment, as determined under 4 CSR 240-31.060(5)(B) above, shall be sent by the Fund Administrator to every applicable carrier.

(B) Payments shall generally be assessed to be paid on a monthly basis although the Fund Administrator may establish payments on a quarterly or annual basis for those companies where it would be inefficient to collect payments on a monthly basis.

(7) Adjustments to Assessments.

(A) The Fund Administrator will report to the board on a monthly basis the status of fund receipts and disbursements. Included in this report will be the Fund Administrator's assessment of the appropriateness of the current assessment level in relationship to known fund requirements.

(B) The Fund Administrator will recommend to the board, or the board on its own action, may implement changes in assessment levels as is appropriate to adjust the fund's receipts to meet its funding obligations.

AUTHORITY: sections 392.200.2, 392.248 and 392.470.1, RSMo 2000. Original rule filed Aug. 15, 1997, effective April 30, 1998. Amended: Filed Oct. 30, 2002, effective July 30, 2003.*

**Original authority: 392.200, RSMo 1939, amended 1987, 1988, 1996; 392.248, RSMo 1996; and 392.470.1, RSMo 1987.*

4 CSR 240-31.065 Collection of MoUSF Surcharge from End-User Subscribers

PURPOSE: This rule establishes the procedures for the collection of the MoUSF surcharge by assessed telecommunications carriers.

(1) All applicable carriers shall place on each retail end-user customer's bill, a surcharge equal to the percentage assessment ordered by the commission.

(2) The surcharge shall appear as a separate line item detailed as "Missouri Universal Service Fund."

(3) The surcharge percentage shall be applied to each customer's total charges equating to the applicable carrier's net jurisdictional revenues.

(4) All applicable carriers shall remit to the Fund Administrator the funds received as a result of the application of the MoUSF surcharge. The remittance of all funds received as a result of the application of the MoUSF surcharge shall constitute full satisfaction of a carrier's annual percentage assessment.

(5) No carrier may recover its Universal Service Fund (USF) assessment in any way other than through this surcharge.

AUTHORITY: sections 392.200.2, 392.248, and 392.470, RSMo 2000.* Original rule filed Oct. 30, 2002, effective July 30, 2003.

*Original authority: 392.200 RSMo 1939 amended 1987, 1988, 1996; 392.245, RSMo 1996; and 392.470, RSMo 1987.

4 CSR 240-31.070 Receipt of MoUSF Funds

PURPOSE: This rule establishes the procedures for remittance of assessments to the Fund Administrator of the MoUSF.

(1) Payment of all assessments for the Missouri Universal Service Fund (MoUSF) shall be made to the Fund Administrator by such means and into such accounts as may be specified by the Fund Administrator.

(2) The Fund Administrator shall schedule dates for payments of assessments in a manner which will provide sufficient cash flow and timing so that the Fund Administrator will be able to meet the fund's obligations to make support payments.

(3) Payments of assessments shall not begin until a time in close proximity to the time that support payments shall begin so that the fund will not accrue an unnecessary cash surplus.

(4) Adjustments in payment schedules and assessments necessary to maintain appropriate cash flow for the fund can be made upon recommendation and approval of the board.

(5) Penalties for Late Payments.

(A) The Fund Administrator shall establish, with approval of the board, an appropriate penalty or penalties for late payments to the fund.

(B) Any telecommunications company in arrears in its payments to the fund cannot

draw support payments from the fund until its past due payments have been made, and current payments are being made in full on a timely basis.

AUTHORITY: sections 392.200.2 and 392.248, RSMo Supp. 1997 and 392.470.1, RSMo 1994.* Original rule filed Aug. 15, 1997, effective April 30, 1998.

*Original authority: 392.200, RSMo 1939, amended 1987, 1988, 1996; 392.248, RSMo 1996; and 392.470.1, RSMo 1987.

4 CSR 240-31.080 Applications for MoUSF Funds

PURPOSE: This rule establishes procedures for applying for funds from the MoUSF.

(1) Any telecommunications company seeking to receive funds from the Missouri Universal Service Fund (MoUSF) must file a written application for same with the Fund Administrator. All applications for funds shall comply with the requirements of 4 CSR 240-2.060(1)(A)–(H) and 4 CSR 240-2.080. In addition, applications shall set forth the following information:

(A) Applications for funds to ensure the provision of reasonably comparable essential local telecommunications service throughout the state, including high cost areas, at just, reasonable and affordable rates (high cost assistance), shall include the following information:

1. That the applicant is a telecommunications company as that term is defined by section 386.020(51), RSMo Supp. 1997;

2. That applicant offers all essential local telecommunications service, throughout an entire high cost area using its own facilities, in whole or in part, and has carrier of last resort obligations in that high cost area;

3. The specific identity of the geographic area(s) which applicant believes to be high cost areas for which assistance is sought;

4. Documentation showing that the cost to applicant of providing essential local telecommunications service in high cost areas exceeds the just, reasonable and affordable rate for such service as determined by the commission;

5. The sources and amounts of support revenue; and

6. The rate reductions to maintain revenue neutrality; and

(B) Applications for funds to assist low-income customers and/or disabled customers in obtaining essential local telecommunications service shall include the following information:

1. That applicant is a telecommunications company as that term is defined by section 386.020(51), RSMo Supp. 1997; and

2. That applicant is providing essential local telecommunications service to low-income customers and/or disabled customers as defined by commission rule or procedures pursuant to a discounted rate established by the commission for such customers.

(2) Applications by the Fund Administrator for reimbursement of its reasonable, audited costs of administering the MoUSF shall be made in writing and verified in accordance with 4 CSR 240-2.060(1)(F) and shall include the following information:

(A) A detailed description of the Fund Administrator's cost in administering the MoUSF; and

(B) A statement by an independent auditor that said costs—

1. Have been incurred by the Fund Administrator; and

2. Are, in the auditor's opinion, reasonable and appropriate.

(3) Applications for modification of support payments by a telecommunications company may be made at any time provided such telecommunications company can demonstrate that its cost of providing essential local telecommunications service has changed materially and that a modification in its support payment is appropriate and consistent with section 392.248, RSMo Supp. 1997.

AUTHORITY: sections 392.200.2 and 392.248, RSMo Supp. 1997 and 392.470.1, RSMo 1994.* Original rule filed Aug. 15, 1997, effective April 30, 1998.

*Original authority: 392.200, RSMo 1939, amended 1987, 1988, 1996; 392.248, RSMo (1996); and 392.470.1, RSMo 1987.

4 CSR 240-31.090 Disbursements of MoUSF Funds

PURPOSE: This rule establishes the procedures for disbursements from the MoUSF to fund recipients and the Fund Administrator.

(1) The Fund Administrator shall make disbursements from the Missouri Universal Service Fund (MoUSF) by wire transfer, check or other appropriate means to fund recipients.

(2) The Fund Administrator shall not make any disbursements to itself unless said disbursements have been first approved by the board.



(3) The Fund Administrator shall keep accurate and complete records of all disbursements from the fund showing, at a minimum, for each disbursement:

- (A) The recipient;
- (B) The amount of the disbursement;
- (C) The date of the disbursement; and
- (D) The purpose of the disbursement (e.g., high cost assistance, assistance to provide service to low-income customers and/or disabled customers, costs of administering the fund, etc.)

(4) Any interested entity that objects to a disbursement from the MoUSF by the Fund Administrator may seek review of that disbursement by the board and/or the commission pursuant to 4 CSR 240-31.110 of these rules.

AUTHORITY: sections 392.200.2 and 392.248, RSMo Supp. 1997 and 392.470.1, RSMo 1994. Original rule filed Aug. 15, 1997, effective April 30, 1998.*

**Original authority: 392.200, RSMo 1939, amended 1987, 1988, 1996; 392.248, RSMo 1996; and 392.470.1, RSMo 1987.*

4 CSR 240-31.100 Review Procedures for Support Payments

PURPOSE: This rule establishes the procedures for the periodic review of the commission's definition of essential local telecommunications service, the qualification for assistance by a high cost area and the level of support payments to a fund recipient.

(1) No more frequently than once every three (3) years, the commission shall review the definition of essential local telecommunications service with the goal that every citizen of this state shall have access to a wide range of services, that are reasonably comparable between urban and rural areas, at rates that are reasonably comparable between urban and rural areas.

(2) If after such review, the commission adopts a different definition of essential local telecommunications service, then the commission shall also review, and adjust if necessary, the support payments to fund recipients in order to ensure just, reasonable and affordable rates for essential local telecommunications service, as that definition is revised by commission rule.

(3) No less frequently than once every five (5) years, the commission shall review its determination that a high cost area qualifies

for assistance from the Missouri Universal Service Fund (MoUSF).

(4) No less frequently than once every five (5) years, the commission shall review the level of support payments to fund recipients. In reviewing such support payments, the commission shall ensure that no fund recipient receives more or less support than necessary to—

(A) Ensure the provision of reasonably comparable essential local telecommunications service, as that definition may be updated by the commission by rule, throughout the state including high cost areas, at just, reasonable and affordable rates; and

(B) Assist low-income customers and disabled customers in obtaining affordable essential telecommunications service.

AUTHORITY: sections 392.200.2 and 392.248, RSMo Supp. 1997 and 392.470.1, RSMo (1994). Original rule filed Aug. 15, 1997, effective April 30, 1998.*

**Original authority: 392.200, RSMo 1939, amended 1987, 1988, 1996; 392.248, RSMo 1996; and 392.470.1, RSMo 1987.*

4 CSR 240-31.110 Review of Board and Fund Administrator Activities

PURPOSE: This rule establishes the procedures for reviewing any actions taken or decisions issued by the Fund Administrator or the board.

(1) Any action taken or decision issued by the Fund Administrator may be reviewed by the board. Review may be had upon the board's own motion or upon motion by any interested entity. If an entity other than the board seeks review of the Fund Administrator's action or decision it must do so, in writing, within thirty (30) days of the date upon which the action is taken or the decision is issued. The Fund Administrator must, and any other interested entity may, file a written response to the motion for review within ten (10) days after the filing of the motion for review.

(2) Within sixty (60) days of receipt of a motion for review the board shall issue its decision, in writing, affirming, reversing or modifying the action taken or the decision issued by the Fund Administrator. If the board does not issue its decision within sixty (60) days, then the action taken or decision issued by the Fund Administrator shall be deemed to be approved by the board.

(3) Any action taken or decision issued by the board may be reviewed by the commission upon motion by any interested entity, including the Fund Administrator. Motions for review of any action taken or decision issued by the board must be filed with the commission within thirty (30) days of the date the action is taken or the decision is issued. Any responses to the motion for review must be filed within ten (10) days of the filing of the motion for review. The commission may set the matter for hearing or it may issue its decision based upon the written pleadings. Upon review, the commission shall issue its decision either affirming, reversing or modifying the action taken or decision issued by the board.

(4) Review of any commission decision affirming, reversing or modifying the board's action or decision may be sought pursuant to section 386.500, RSMo Supp. 1997, et seq.

AUTHORITY: sections 392.200.2 and 392.248, RSMo Supp. 1997 and 392.470.1, RSMo 1994. Original rule filed Aug. 15, 1997, effective April 30, 1998.*

**Original authority: 392.200, RSMo 1939, amended 1987, 1988, 1996; 392.248, RSMo 1996; and 392.470.1, RSMo 1987.*