

NOTICE

SEPTEMBER 1, 2005



ESTABLISHMENT OF LATE PAYMENT PENALTY

**TO: All Certificated Telecommunications Companies
(except payphone providers and shared tenant service providers)**

This notice is to advise you that on August 29, 2005, the Missouri Universal Service Board approved the establishment of a late payment penalty structure for remittances that are not received into the Missouri Universal Service Fund on a timely basis.

TWO-PART PENALTY STRUCTURE

- [A] **\$16.00 fixed penalty charge if a monthly payment has not been made by the due date, and**
- [B] **1.5% per month penalty on overdue balances.**

Payments are deemed overdue if not received by the 22nd day of each month. If the 22nd day of the month falls on a weekend or holiday, the first business day following will be deemed the due date.

Penalties will apply to overdue balances beginning September 22, 2005.

Please continue to be aware that QSI Consulting **will not provide monthly invoices** to carriers for their assessments due. Given that the net jurisdictional revenues of each carrier will vary for each reporting period, QSI has no means of determining those amounts and as such could not render precise invoices. It is the responsibility of all eligible carriers to make timely filings and remittances to the Missouri Universal Service Fund.

Beginning the last week of September 2005, QSI Consulting will begin mailing late payment collection statements to carriers that have not remitted timely payments.

Please see the reverse side of this notice for examples of the penalty application. Also shown on the reverse are reminders of filing dates for monthly and quarterly remittance due dates.

If you have questions, please contact the Missouri Universal Service Fund Administrator.

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PENALTY APPLICATION EXAMPLES

Example 1

A carrier owing \$200.00 fails to remit payment for October 2005 but does make its November 2005 and December 2005 payments. Carrier finally remits payment for October 2005 on January 20, 2006.

The penalties associated with the October late payment are:

1. A one-time \$16.00 penalty for the late October 2005 payment.
2. An additional \$6.00, comprised of \$3.00 (1.5% of \$200.00 due for October 2005 that was not paid in October) and another \$3.00 (1.5% of \$200.00 due for October 2005 that was still not paid in November). Because the October 2005 payment was received before the December 2005 payment was due (that being January 22, 2005) no penalty would be imposed for December 2005.

Example 2

A carrier owing \$200.00 fails to remit payment for October 2005, November 2005, and December 2005 payments. Carrier makes January 2006 payment on time.

The penalties associated with the three months of late payments are:

1. A \$16.00 penalty applied three times (once each for late October 2005, November 2005, and December 2005 late payments).
2. An additional \$3.00 for each month the payments are late (1.5% of \$200.00 due for each month), or \$9.00 for the October payment, \$6.00 for the November payment, and \$3.00 for the December payment, totaling an additional \$18.00.

MONTHLY FILING DATES

Carriers with MONTHLY JURISDICTIONAL NET REVENUES in excess of \$50,000.00 must file and remit surcharge payments each month. The filing and remittance dates for the remainder of 2005 are set forth below:

Reporting and Collection Period	Filing and Remittance Date
May 1, 2005 through May 31, 2005	June 22, 2005
June 1, 2005 through June 30, 2005	July 22, 2005
July 1, 2005 through July 31, 2005	August 22, 2005
August 1, 2005 through August 31, 2005	September 22, 2005
September 1, 2005 through September 30, 2005	October 22, 2005
October 1, 2005 through October 31, 2005	November 22, 2005
November 1, 2005 through November 30, 2005	December 22, 2005
December 1, 2005 through December 31, 2005	January 22, 2006

QUARTERLY FILING AND REMITTANCE OPTION FOR ELIGIBLE CARRIERS

In May 2005 the Missouri Universal Service Board approved quarterly filing and remittance for carriers that have less than \$50,000.00 (fifty thousand) in MONTHLY JURISDICTIONAL NET REVENUES. Filings and remittances for carriers eligible to file quarterly shall be made on a calendar quarter basis and shall be as follows for the remainder of 2005:

Reporting and Collection Period	Filing and Remittance Date
May 1, 2005 through June 30, 2005	July 22, 2005
July 1, 2005 through September 30, 2005	October 22, 2005
October 1, 2005 through December 31, 2005	January 22, 2006