

**BEFORE THE  
ARKANSAS PUBLIC SERVICE COMMISSION**

<b>IN THE MATTER OF ADJUSTMENT</b>	)	
<b>OF THE SURCHARGE TO LOCAL EXCHANGE</b>	)	
<b>CARRIER TARIFFS OF ONE-HUNDREDTH</b>	)	
<b>OF A DOLLAR (\$0.01) PER SUBJECT ACCESS</b>	)	<b>DOCKET NO. 11-067-U</b>
<b>LINE PER MONTH AND PER WORKING</b>	)	
<b>TELEPHONE NUMBER PER MONTH FOR</b>	)	
<b>THE TELECOMMUNICATIONS ACCESS</b>	)	
<b>PROGRAM</b>	)	

**RESPONSE TO PETITION**

Comes now the General Staff of the Arkansas Public Service Commission (herein Staff), and for its Response to Arkansas Rehabilitation Services' Petition (ARS), states as follows:

1. On June 27, 2011, ARS filed a Petition requesting that the "Commission adjust the surcharge to the local exchange carrier tariffs". See, Petition at 3.
2. In accordance with Ark. Code Ann. § 23-17-119, the Arkansas Public Service Commission (herein Commission) currently imposes a monthly surcharge of three-hundredths of a dollar (\$0.03) on local exchange carrier tariffs, per subject access line and per working subject telephone number. This amount reflects the maximum surcharge allowed by Ark. Code Ann. § 23-17-119. See, Order No. 2 in Docket No. 06-080-U.
3. Act 173 of 2011 amended Ark. Code Ann. § 23-17-119 by reducing the maximum monthly surcharge from three-hundredths of a dollar (\$0.03), to two-hundredths of a dollar (\$0.02), per subject access line and per working subject telephone number. It also amended Ark. Code Ann. § 19-6-301(129) to include commercial mobile radio service providers.
4. Act 173 of 2011 will become effective on July 1, 2011. At that time, the current surcharge of three-hundredths of a dollar (\$0.03) will exceed the maximum monthly surcharge allowed by law.
5. As stated in paragraph 9 of the Application, the estimated revenue from the proposed monthly surcharge of one-hundredth of a dollar (\$0.01) is approximately \$356,661. Based upon

the level of expenditures during fiscal year 2010-2011, as well as the level of expenditures during the three previous fiscal years, the proposed monthly surcharge revenue in combination with the current fund balance of \$106,341 appears adequate to cover the normal level of annual Telecommunications Equipment Fund expenditures.

6. Accordingly, Staff recommends the Commission impose on local exchange carriers and commercial mobile radio service providers a permanent monthly surcharge of one-hundredth of a dollar (\$0.01), per subject access line and per working subject telephone number, effective July 1, 2011. Staff also recommends that no further proceedings are necessary in this matter.

7. Alternatively, if the Commission finds further proceedings are warranted, Staff recommends the Commission impose on local exchange carriers and commercial mobile radio service providers an interim monthly surcharge of one-hundredth of a dollar (\$0.01), per subject access line and per working subject telephone number, effective July 1, 2011. Staff also recommends the setting of a procedural schedule to establish a permanent monthly surcharge.

WHEREFORE, Staff requests the Commission grant ARS' Petition and impose on local exchange carriers and commercial mobile radio service providers a permanent or interim monthly surcharge of one-hundredth of a dollar (\$0.01), per subject access line and per working subject telephone number, effective July 1, 2011.

Respectfully submitted,

**GENERAL STAFF OF THE  
ARKANSAS PUBLIC SERVICE  
COMMISSION**

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**CERTIFICATE OF SERVICE**

I, John T. Elkins, hereby certify that a copy of the foregoing testimony has been served on all parties of record by electronic delivery or first class mail, postage prepared on the 28th day of June, 2011.

/s/ John T. Elkins \_\_\_\_\_