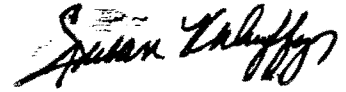


BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

STATE CORPORATION COMMISSION

In the Matter of the Proceeding to Conduct a )  
Financial and Operational Audit of Kansas )  
Relay Services, Inc.'s (KRSI) Administration )  
Of the Dual Party Relay Service and )  
Telecommunications Access Program (TAP) )  
To Determine that Costs Recovered Through )  
The Kansas Universal Service Fund (KUSF) )  
For These Programs are reasonable and )  
Accurate. )

MAR 25 2011



Docket No. 07-KRST-143-KSF

**RESPONSE AND REPLY OF KRSI TO STAFF PETITION FOR  
CLARIFICATION AND/OR RECONSIDERATION**

COMES NOW KRSI by and through its counsel Robert A. Fox, and hereby makes the following response and reply to the Staff Petition filed March 24, 2011, in the above captioned docket . KRSI respectfully makes the following comments:

1. Staff has not indicated that it was aggrieved by the Commission Order dated February 25, 2011 and reconsideration is not appropriate.
2. At paragraph 6 of it's Petition Staff suggests that the proposal for an RFP is based primarily on the overarching problem that KRSI's payments to KTIA are based upon a fixed cost that exceeds the amount of documented costs allocated to KRSI from KTIA. KRSI points out that this is not an overarching problem or even a problem. The costs can be determined and the contract payments from KRSI to KTIA can be set at whatever amount is appropriate. Staff should know but apparently does not, that the contract between KRSI and KTIA is renewable every 5 years. The renewal year is 2011 and the

payments for the new contract can easily be set at “appropriate” costs. An RFP is unnecessary

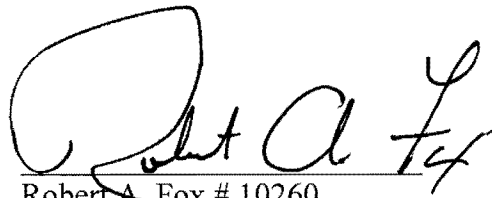
3. At paragraph 7 of Staff’s petition, staff resurrects an incorrect assumption that KTIA’s current allocation process is not current nor well supported. As filed with Commission pursuant to its February 25<sup>th</sup> order, KTIA performed a year-long employee time/cost study to determine the percentages of daily time spent on what issues, KTIA vs KRSI vs TAP. Staff has known of this time/cost study for over a year.
4. At paragraph 9 of its petition, Staff “requests the Commission reconsider how to address the KRSI issue.” First of all, Staff has the expertise and should know what it wants to set the new payments between KTIA and KRSI. It seems disingenuous for Staff to appear to be bewildered on a cost determination issue involving KRSI with a Staff of 4 people, but can handle cost issues of public utilities with hundreds of millions of dollars in revenues and thousands of employees. Staff further states in paragraph 9 that “it is Staff’s opinion that a competitively-bid RFP process will result in cost-based fixed fees for the day-to-day management of KRSI, thereby negating the need to document and track common costs for any successful bidder.” Staff has failed to provide any evidence to support this assertion which the Commission has correctly rejected. If Staff would simply tell KRSI what it wants KRSI to do, which it has had several years to do, we could easily address the issue. Issuing an RFP is unnecessarily time consuming and costly. In an era of economic problems and tight budgets, increasing costs makes no sense. Staff

seems to want to place in jeopardy the jobs of the 4 KRSI employees, and the people who rely on KRSI and TAP by loosing the instutional mempry and personally relationships built by the employees of KRSI, some of which have been there since the inception of KRSI and the TAP program/

5. At paragraph 11 of its's Petition, Staff seeks clarification of what is meant byt the term "cost study" used in the February 25, Order. The order clearly addresses the 2010 time/cost study performed by KRSI and filed by KRSI as required by that order. Once again, Staff has been aware of the study for over a year. Why it needs clarification is a mystery especially when it fully discusses that "cost study " at the end of its paragraph 11.

KRSI respectfully objects to Staff's requests contained in it's Petition. KRSI has nearly begged Staff to tell KRSI what Staff needs/wants so that its concerns are met. Instead of meeting with KRSI to discuss the matter, Staff continues to make filings with the Commission seeking an RFP that is totally unjustified, unnecessary, and costly. Staff also seeks clarification on the use of the term "cost study" when Staff clearly knows what the Commission was referencing and which KRSI filed pursuant to the February 25<sup>th</sup> order, and which Staff references and discusses in its Petition. Staff's petition should be denied and Staff should be directed to work with KRSI, forthwith, to provide Staff with what it thinks it needs to meet Staff's concerns.

Respectfully submitted,



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**CERTIFICATE OF SERVICE**

I certify that on this 25<sup>th</sup> day of March, 2011, I hand delivered a copy of the foregoing document to:

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Topeka, KS 66604

