BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

APR 2 2 2011

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In the Matter of the Proceedings to Conduct a)	Juan Zaliffy
Financial and Operational Audit of Kansas)	71. 020
Relay Services, Inc.'s (KRSI) Administration)	
Of the Dual Party Relay Service and) Doc	ket No. 07-KRST-143-KSF
Telecommunications Access Program (TAP)	
To Determine that Costs Recovered Through)	
The Kansas Universal Service Fund (KUSF)	
For These Programs are Reasonable and)	
Accurate.	

PETITION OF KRSI FOR RECONSIDERATION AND FOR HEARING

COMES NOW KRSI by and through its counsel Robert A. Fox, and Petitions the Commission to reconsider its Order, dated April 12, 2011, in the above captioned matter. In support hereof, KRSI states as follows:

1. In Docket No. 168,334-U, by order dated January 24, 1997, the Commission created KRSI and its management board. At paragraph 15 of that order, the Commission ordered "KRSI will contract with KTA" (now known as KTIA)" to perform the day-to-day managerial functions necessary for the administration of KRSI." "The contract will establish a monthly administrative fee for normal duties and will provide for additional, unusual expenses for normal duties and will provide for additional, unusual expenses to be recovered as they occur." This Commission has made a finding, without evidentiary support, that the fee it ordered is unreasonable and that it is abrogating, without evidence or hearing, the contract between KRSI and KTA. The Commission, in order to protect the constitutional due process rights of KTIA and KRSI, must open the 168,334-U docket, notify KRSI and KTIA of action to be undertaken, hold evidentiary

hearings, and only then can the Commission, based upon substantial, competent evidence, adduced at hearing, change the 1997 order.

- 2. On February 25, 2011, this Commission issued an order denying Staff's recommendation for the issuance of an RFP to obtain a manager for KRSI. The Commission found no support in the request and properly denied it. Staff filed a Petition for Reconsideration and/or Clarification of the February 24th order on March 24, 2011. KRSI timely filed an objection. On April 12, 2011, without hearing or considering any evidence, other than whatever was provided by Staff to the Commissioners individually, the Commission issued its Order reversing itself. No findings were made based upon Staff's Petition for reconsideration.
- 3. At paragraph 6 of its latest Order, the Commission states, "The 2010 Study is less than what the Commission anticipated." This statement appears to infer that KRSI has done something wrong thus justifying the reversal in the Commission's position. As KRSI has previously informed the Commission, Staff has been aware of the 2010 Study and its contents for well over a year. For the Commission to suggest that the Study, which it did not order, was less than anticipated is incongruous. As has been stated to the Commission, KRSI has time and again requested guidance from Staff regarding what was needed. Because Staff did not provide the requested information, KRSI undertook, on its own volition, to conduct the time/cost study. For the Commission To further criticize the KRSI study as it does in paragraph 9 of its order is unjustified and unfair.
- 4. At paragraph 10, the Commission appears to chastise KRSI for not addressing Staff's concerns regarding the alleged "fixed fee" problem. The fixed fee

"problem" was first raised in Staff's Petition for Reconsideration and KRSI fully addressed it. The only problem with the fixed fee is Staff's unwillingness to work with KRSI to fully address it. Clearly KRSI's procedural due process rights were ignored when the order makes findings of blame never made in any pleading before it. KRSI is entitled to a hearing to address information provided to the Commission without KRSI input or response.

- 5. Finally, as if to add insult to injury, in paragraph 11 of it's order, the Commission suggests, "by this order, the Commission by no means excludes the present KRSI management from bidding the RFP". Yet the order states, without evidentiary justification, that the KRSI study is inadequate, that KRSI didn't address the fixed fee issue and a RFP for new management should be issued. In essence, the Order makes a finding, without basis in fact or law, that KRSI is incapable of management.
- 6. As KRSI has pointed out, and as the commission initially found, it is far less costly for Staff to work with KRSI to address the only two issues identified by Staff, than to issue a RFP. Now, the Commission will have to open a matter under the 168 docket, bring in KTIA as an indispensable party, hold hearings in which Staff, KTIA and KRSI will appear, provide testimony, and make argument, file briefs and the Commission will have to make rulings. The required process will not be cost effective since the costs far outweigh the benefits. The Commission should reverse the latest order and reinstate the February 25, 2011 order. In doing so, it should order its staff to work with KRSI in resolving the two minor issues presented. In any event, the Commission must reverse its latest order due to the issues raised by its prior orders in the 168, 334-U docket.

WHEREFORE, KRSI petitions the Commission to reverse itself again and order Staff to work with KRSI to address the two identified issues. No RFP is necessary. In the alternative, KRSI requests the Commission reverse its order, open a hearing in the 168,334-U docket, name KTIA an indispensable party, and properly determine if a new management contract is necessary and if the current Commission ordered fixed fee is proper.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that on the 22 day of April, 2011, I hand delivered a copy of the foregoing document to:

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Robert A. Fox