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October 19, 1998

FILED

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Missouri Public
Service Commission

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
301 West High Street, Suite 530
Jefferson City, MO 65101

Re: An Investigation into the Provision of Community Optional Calling Service In
Missouri
Case No. TW-97-333

Dear Mr. Roberts:

Enclosed for filing is an original and fourteen copies of the Response of Sprint
Missouri, Inc. to Motion to Stay. Please file stamp the extra copy for our records.

If you have any questions, please do not hesitate to contact me at (913) 345-
7915.

Sincerely,

Linda K. Gardner
Linda K. Gardner *by Denis Bergmyer*

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Enclosures
cc: All Parties

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Missouri Public Service Commission

**BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI**

In the Matter of an Investigation into the)
Provision of Community Optional Calling)
Service in Missouri.)

Case No. TW-97-333

RESPONSE OF SPRINT MISSOURI, INC. TO MOTION TO STAY

As Sprint Missouri, Inc. indicated in its Response to Motions for Clarification of Commission's Order, it plans to eliminate COS return calling for calls to COS customers in Conception Junction, Stoutland and Eldridge on February 26, 1999 (not November 9, 1998 as the STCG's Motion to Stay indicates). This schedule allows the Secondary Carriers additional time to implement intraLATA presubscription, to develop an alternative service, or to prepare its customers for the elimination of COS. Sprint has no objection if, on an interim basis, the alternate service is a one-way service offering from the STCG member petitioning exchange to the Sprint target exchange as STCG suggests in paragraph 8 of its Motion.¹ However, Sprint does object to delaying the elimination of two-way COS beyond February 26, 1999 in those exchanges.

As the Commission previously found:

The uncontroverted evidence reflects that COS is a below-cost service. The effects of mandating this service at a below-cost rate are that: (1) the PTC must make up this subsidy from its other customers; and, (2) telecommunications competitors may be unable to obtain similar subsidies to compete for this traffic. Finally, there is no means test to establish the financial need of those customers who petition for COS.

. . . The Commission finds that COS is not necessary for the provision of local telecommunications service and that mandatory COS is inconsistent

¹ The Commission previously found that one-way COS duplicates OCA service and brings with it barriers to competition for new entrants into local telecommunications services. (Report and Order, p. 11, Case No. TW-97-333)

with the current competitive environment and acts as a barrier to entry for new CLECs.

(Case No. TW-97-333, Report and Order, Issued October 16, 1997, p. 14)

These are no less legitimate reasons to eliminate COS today as they were a year ago. COS continues to be a below-cost service and it is particularly acute for these three routes where Sprint is the PTC for the target exchange but not the petitioning exchange. Because COS is offered in the petitioning exchange, SWBT collects the COS revenue and pays the petitioning exchange SC its originating access and pays Sprint its terminating access. However, for the return calling, Sprint collects nothing. Sprint receives no COS revenue since the target exchange does not pay for the two-way feature. Nor does Sprint receive access since it is the PTC responsible for that return call. In fact, Sprint must pay terminating access on that call for which it collects no revenue. It is for this reason, Sprint does not believe it can or should continue to offer two-way COS in the identified exchanges. As indicated, if SWBT, as the petitioning exchange PTC, or the SC wishes to offer a one-way COS service, Sprint would not object.²

The elimination of COS and the implementation of 1+ intraLATA presubscription are not so inherently linked that one cannot be eliminated without implementation of the other. As the Commission recently recognized when it approved Sprint's tariff to eliminate COS in certain exchanges, including routes where SWBT serves the petitioning exchange, ". . . there is nothing in the Commission's order that would prohibit

² While Sprint does not object, in theory, to an interim solution of one-way COS, Sprint reserves the right to examine any one-way offering and to object to certain conditions that may be objectionable. For

Sprint from voluntarily eliminating COS and implementing intraLATA presubscription in accordance with its already-approved implementation plan." (Order Approving Tariff, p. 3, Case No. TT-99-81) Sprint is simply proceeding with its approved implementation plan.

Respectfully Submitted,

SPRINT MISSOURI, INC.

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was mailed, US Mail, postage prepaid or hand-delivered to all counsel of record on October 19, 1998.

example, Sprint may be opposed to the specific terms of a one-way COS offering if it did not receive its terminating access charges.