

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

In the Matter of the Application of Momentum Telecom, )  
Inc. for Certificates of Service Authority to Provide Basic )  
Local Exchange Telecommunications Services and )  
Resold Interexchange Telecommunications Services in )  
The State of Missouri and to Classify Those Services )  
And the Company as Competitive )

**Case No. LA-2008-0282**

**ORDER GRANTING CERTIFICATES TO PROVIDE**  
**BASIC LOCAL AND INTEREXCHANGE**  
**TELECOMMUNICATIONS SERVICES**

Issue Date: April 23, 2008

Effective Date: May 3, 2008

This order grants certificates of service authority to provide basic local and interexchange telecommunications services in the state of Missouri, classifies those services and the company as competitive, and waives certain statutes and regulations.

On February 26, 2008, Momentum Telecom, Inc. applied for certificates of service authority to provide basic local exchange, as well as interexchange telecommunications services within the state of Missouri, and for competitive classification. The company seeks certification to provide interexchange service throughout the state and basic local service in portions of Missouri that are currently served by Southwestern Bell Telephone, L.P., d/b/a AT&T Missouri; Embarq Missouri, Inc., d/b/a Embarq; CenturyTel of Missouri, LLC, d/b/a CenturyTel; and Spectra Communications Group, LLC, d/b/a CenturyTel. Momentum Telecom is authorized to do business in Missouri by the Missouri Secretary of State.

On March 4, the Commission issued its Notice of Applications, establishing a 15-day deadline for intervention. No applications to intervene were received. On April 11, the Staff

of the Commission recommended the requested certificates, classifications and waivers be granted.

The Commission may grant an application for a certificate of service authority to provide telecommunications service upon a showing that the applicant has met the statutory requirements,<sup>1</sup> and that the grant of authority is in the public interest.<sup>2</sup> Based on the verified application and Staff's uncontested recommendation, the Commission finds that Momentum Telecom satisfies the requirements for certification and that granting such certificates is in the public interest.

Momentum Telecom also requests that it and its services be classified as competitive and that the application of certain statutes and regulatory rules be waived. The Commission may classify a telecommunications service as competitive if the Commission determines the applicant is subject to a sufficient degree of competition to justify a lesser degree of regulation.<sup>3</sup> The Commission may only classify a telecommunications carrier as competitive if all of its services are so classified.<sup>4</sup> The Commission may waive the application of certain statutes and of its rules to a competitive carrier if it determines that such waiver is consistent with the purposes of Chapter 392.<sup>5</sup>

The Commission finds that the intrastate interexchange market is competitive and that the interexchange services Momentum Telecom will offer are subject to competition. In addition, Momentum Telecom will compete with incumbent local exchange carriers, as well

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<sup>1</sup> See Sections 392.450, 392.451 and 392.455, RSMo 2000. All statutory references, unless otherwise specified, are to the Revised Statutes of Missouri (RSMo), revision of 2000.

<sup>2</sup> Sections 392.430 and 392.440.

<sup>3</sup> Section 392.361.2.

<sup>4</sup> Section 392.361.3.

as other competitive local exchange carriers in the exchanges in which it provides basic local telecommunications service. The Commission finds that Momentum Telecom will be subject to a sufficient level of competition to justify a lesser degree of regulation. Furthermore, all of the services Momentum Telecom will offer are qualified for classification as competitive services.

The Commission may waive certain statutes and administrative rules for competitively classified carriers “if such waiver or modification is otherwise consistent with the other provisions of Section 392.361 to 392.520 and the purposes of this chapter.”<sup>6</sup> The Commission has developed a standard list of statutes and regulations that it waives for competitive local exchange and interexchange carriers. The Commission finds that the waiver of those statutes and regulation is consistent with the purposes of Chapter 392, and will waive those provisions for Momentum Telecom.

The Commission may also require a telecommunications company to comply with any conditions reasonably necessary to protect the public interest. Staff recommends that Momentum Telecom’s application be granted subject to certain restrictions regarding switched access rates. These conditions are routinely recommended by Staff and Momentum Telecom accepted them in its application. The conditions proposed by Staff are necessary to protect the public interest and will be adopted.

Staff also explains that Subsection 392.455(4) and Commission Rule 4 CSR 240-3.510 require an applicant for a basic local certificate to offer basic local telecommunications services as a separate and distinct service. Momentum Telecom’s

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<sup>5</sup> See Sections 392.185, 392.361.3 and 392.420.

<sup>6</sup> Sections 392.361.5 and 392.420.

application indicates that it will use its own switching facilities in conjunction with the outside plant facilities of various cable TV companies to provide wholesale telephone services. Because it intends to offer only wholesale services, Momentum Telecom indicates it is unable to offer basic local service as a separate and distinct service.

Staff recommends the Commission address this deficiency by placing an additional condition on Momentum Telecom's certificate restricting Momentum Telecom from providing basic local exchange services directly to end users, unless Momentum Telecom returns to the Commission to seek that additional authority. The Commission will impose the condition recommended by Staff.

The Commission places Momentum Telecom on notice that failure to comply with certain obligations pursuant to law may result in penalties being assessed against the company. These obligations include, but are not limited to, the following:

- A) The obligation to file an annual report, as established by Section 392.210, RSMo 2000. Failure to comply with this obligation will make the utility liable for a penalty of \$100 per day for each day that the violation continues. Rule 4 CSR 240-3.540 requires telecommunications utilities to file their annual report on or before April 15 of each year.
- B) The obligation to pay an annual assessment fee established by the Commission, as required by Section 386.370, RSMo 2000.
- C) The obligation to comply with all relevant laws and regulations, as well as orders issued by the Commission. If the company fails to comply it is subject to penalties for noncompliance ranging from \$100 to \$2,000 per day of noncompliance, under Section 386.570, RSMo 2000.

- D) The obligation to keep the Commission informed of its current address and telephone number.

The company is reminded that its officers may not represent it before the Commission. The company must be represented by an attorney licensed to practice law in Missouri.

In addition, Section 392.410.5, RSMo Cum. Supp. 2007, provides that the company's certificate of service authority becomes null and void one year from the date of this order unless the company has exercised its authority under that certificate.

The Commission notes that before providing telecommunications services in Missouri, a party shall possess the following: (1) an interconnection agreement approved by the Commission; (2) except for wireless providers, a certificate of service authority from the Commission to provide interexchange or basic local telecommunications services; and (3) except for wireless providers, a tariff approved by the Commission.

**IT IS ORDERED THAT:**

1. Momentum Telecom, Inc. is granted a certificate of service authority to provide basic local telecommunications services in the exchanges of Southwestern Bell Telephone, L.P., d/b/a AT&T Missouri; Embarq Missouri, Inc., d/b/a Embarq; CenturyTel of Missouri, LLC, d/b/a CenturyTel; and Spectra Communications Group, LLC, d/b/a CenturyTel, subject to the conditions and recommendations contained in the Staff's Memorandum.

2. Momentum Telecom, Inc. is granted a certificate of service authority to provide interexchange telecommunications services in the state of Missouri.

3. Momentum Telecom, Inc. and its services are granted competitive classification.

4. Momentum Telecom, Inc.'s originating and terminating access rates shall be no greater than the lowest Commission-approved corresponding access rates in effect for each incumbent local exchange carrier within whose service area Momentum Telecom seeks authority to provide service, unless authorized by the Commission pursuant to Section 392.220 and 392.230, RSMo.

5. The certificates and competitive service classification for switched exchange access are granted conditioned on the continued applicability of Section 392.200, RSMo, and the requirement that any increase in switched access service rates above the maximum switched access service rates set forth herein shall be made pursuant to Section 392.200 and 392.230, RSMo, and not Section 392.500 and 392.510, RSMo.

6. If the directly-competing incumbent local exchange carrier, in whose service area Momentum Telecom, Inc. is operating, decreases its originating or terminating access service rates, Momentum Telecom shall file an appropriate tariff amendment to reduce its originating or terminating access rates in the directly competing incumbent local exchange carrier's service area within 30 days of the directly competing incumbent local exchange carrier's reduction of its originating or terminating access rates in order to maintain the cap.

7. The Commission grants Momentum Telecom, Inc. a certificate to provide interexchange and basic local telecommunications service on the condition that it not provide basic local exchange telecommunications service directly to end users. Rather, Momentum Telecom shall only be permitted to provide basic local exchange telecommunications on a wholesale basis. If at any time in the future, Momentum Telecom desires to provide basic local telecommunications on a retail basis, it shall inform the Commission and apply to the Commission to have this restriction removed prior to

providing such service on a retail basis. Momentum Telecom shall be required to offer its services in a Commission approved tariff; however, Momentum Telecom shall be permitted to offer its wholesale services pursuant to customer-specific pricing. In addition, Momentum Telecom shall be expected to comply with certain obligations of basic local telecommunications carriers. Such obligations include the submission of an annual report to the Missouri Commission, submission of a statement of revenue to the Missouri Commission, submission of a Missouri statement of revenue to the Missouri universal service fund administrator, and the payment of any assessments administered by the Missouri Commission and Missouri universal service fund administrator.

8. Application of the following statutes and Commission rules is waived:

**Statutes**

- 392.210.2 - uniform system of accounts
- 392.240.1 - rates-rentals-service & physical connections
- 392.270 - valuation of property (ratemaking)
- 392.280 - depreciation accounts
- 392.290 - issuance of securities
- 392.300.2 - acquisition of stock
- 392.310 - stock and debt issuance
- 392.320 - stock dividend payment
- 392.330 - issuance of securities, debts and notes
- 392.340 - reorganization(s)

**Commission Rules**

- 4 CSR 240-3.550(5)(C) - exchange boundary map
- 4 CSR 240-10.020 - depreciation fund income
- 4 CSR 240-30.040 - uniform system of accounts

9. The certification granted herein is conditioned upon the company's compliance with the regulatory obligations set out in this order

10. This order and Momentum Telecom, Inc.'s certificates shall become effective on May 3, 2008.

11. This case shall be closed on May 4, 2008.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale  
Secretary

( S E A L )

Morris L. Woodruff, Deputy Chief Regulatory Law Judge,  
by delegation of authority pursuant  
to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,  
on this 23<sup>rd</sup> day of April, 2008.