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May 23, 2002

Missouri Public Service Commission  
Attn: Secretary of the Commission  
200 Madison Street, Suite 100  
P. O. Box 360  
Jefferson City, MO 65102-0360

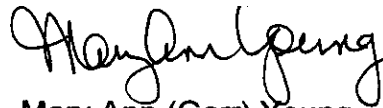
RE: Prices of UNE Services, Case No. TO-2002-397

Dear Secretary:

Enclosed are the original and eight copies of the Initial Brief of Accutel of Texas, Inc., on the issues outlined in the Commission's Notice Regarding Filing issued May 3, 2002, in Case No. TO-2002-397. Thank you for your assistance in processing this filing.

Copies are being served on the General Counsel, Public Counsel and counsel for all parties of record in the case, as shown on the attached service list, both by regular mail/hand delivery service methods and via email. An electronic copy is also being served on Regulatory Law Judge Ruth. Please contact me at 634-8109 if there are any questions.

Sincerely,



Mary Ann (Garr) Young

Enclosure

cc: Parties of Record  
General Counsel  
Public Counsel  
Mark Foster

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of the Determination	)	
of Prices of Certain	)	Case No. TO-2002-397
Certain Unbundled Network Elements.	)	

**ACCUTEL'S INITIAL BRIEF ON SCOPE OF PROCEEDING**

COMES NOW AccuTel of Texas, Inc. (hereafter simply "AccuTel") and answers the Commission's questions regarding the scope of this proceeding as follows:

**1. What is the appropriate scope of this case? Should the scope be limited to a review of the unbundled network elements that were at issue in Case No. TO-2002-222, or should it also include all pricing issues that are not part of Case Nos. TO-2002-438, TO-2002-439, and TO-2002-440? Are there any additional issues that should be included?**

This proceeding should be an overall generic review of SWBT's LINE pricing. As a result of the U.S. Supreme Court's ruling in Verizon Communications Inc. v. FCC, No. 00-511, slip op. (U.S. May 13, 2002), certainty has returned to the pricing principles that govern LINE price determinations and the FCC's TELRIC pricing rules have been upheld. Even before the recent Supreme Court decision, several states have undertaken proceedings to redetermine UNE prices in a "second generation" review of prices that were implemented through proceedings held in the 1997 time frame in response to the Federal Telecommunications Act of 1996 ("FTA"). These "second generation" LINE price cases are critical to competition in the local exchange industry. Telecommunications is a decreasing cost industry; many costs have dramatically fallen in the six years since passage of the FTA. In a very recent arbitration award, the Texas Public Utility Commissioners found:

**The Arbitrators conclude that UNE loop costs and rates should be re-evaluated.... Further, the evidence showed that SWBT's deployment of Project Pronto has changed loop plant technology, technology mix, and processes regarding loop deployment and maintenance. There is also evidence that engineering assumptions (such as higher percentage of the use of remote terminals and fiberfeeder) have changed as a result of Project Pronto. Therefore, the Arbitrators conclude Project Pronto has caused the use of more fiber, declining cost of electronics, lower cost structure for NGDLC, and a reduction of the number of dispatches in maintenance processes and lower overall costs. The evidence of such changed circumstances is sufficiently compelling to merit an investigation of SWBT's forward-looking loop costs and, therefore, the UNE rates.'**

**Other states are re-examining UNE rates. In California, UNE loop and switching rates have been lowered by 15.1 % and 69.4% respectively in an interim order adopted by the California Public Utilities Commissioners on May 16, 2002, in Decision 02-05-042. The resulting loop costs are \$8.38 for zone 1, \$11.27 for zone 2, and \$19.64 for zone 3. Georgia is currently examining UNE rates for Bell South in Docket No. 14361-U. Hearings for that case concluded on May 8, 2002. North Carolina has instituted a proceeding for examination of Bell South's UNE rates in Docket No. P-100, Sub 133d.**

**The state proceedings described above are only those in which AccuTel is participating as a party or is closely monitoring. There may well be other state agencies that are reviewing UNE prices at the present time.**

**In addition to the recurring charges for loops and switching, state agencies have also been examining the prices for UNE non-recurring charges. Examples include:**

*' See Arbitration Award dated May I, 2002, in Texas PUC Docket No. 24542 - Petition of MCImetro Access Transmission Services, LLC Sage Telecom, Inc., Texas UNE Platform Coalition, Mcleod USA Telecommunications Services, Inc., and A 7&T Communications of Texas, LP for Arbitration with Southwestern Bell Telephone Company Under the Telecommunications Act of 1996.*

**The Texas PUC has opened a new docket, No. 25834, for the investigation of the LINE rates as called for in Docket 24,542.**

**Indiana-** Cause No. 40611-S1, Phase I, In the Matter *of* the Commission *Investigation and* Generic Proceeding on Ameritech *Indiana's* Rates for Interconnection, Service, *Unbundled* Elements, and Transport and Termination. A single non-recurring service order charge of \$0.41 for installation of UNE-P was approved.

**Ohio-** In Opinion and Order in Case No. 96-922-TP-UNC, In the Matter *of* the Review *of* Ameritech Ohio's *Economic* Costs for Interconnection, *Unbundled Network* Elements, *and* Reciprocal Compensation for Transport and Termination *of Local Telecommunications* Traffic, the Ohio agency found that a "nonrecurring charge in the amount of \$0.74 for the provision on Ameritech's UNE-P is appropriate."

**Illinois-** Docket No. 98-0396, *Investigation* into the Compliance *of* Illinois Bell Telephone Company with the Order in *Docket* 96-0486/0569 Consolidated Regarding the *Filing of* Tariffs *and* the Accompanying Cost Studies for Interconnection, *Unbundled Network* Elements, *and Local* Transport and Termination *and Regarding End to End Bundling Issues* is an ongoing proceeding where the non-recurring charge for conversions or migrations has been set at \$1.02.

For Missouri, AccuTel suggests that UNE loop and switching prices should be reviewed. In addition, there are several other charges which - on their face alone - are extraordinarily high and certainly cannot be costjustified under TELRIC pricing standards. These include the following non-recurring charges:

Electronic or mechanized service order charge	\$5.00 current
Subsequent service order charge	\$5.00 current
Mechanized service order charge for conversions/migrations	\$5.00 current
Central office access charge	\$16.65 current

In addition, SWBT's Missouri charges for features listed on Appendix A hereto are outrageous and should be examined in this case. These charges of \$2.65, \$6.35, and \$32.95 compare to a \$0.05 charge in Texas.

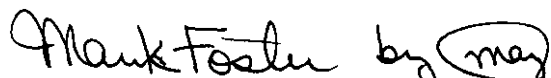
2. Should a working group be established? If so, give guidance on the group's purpose.

AccuTel concurs in the answer of staff to this question. However, AccuTel urges that a workshop not be used as a vehicle to delay requirements for an SWBT cost study, discovery on same, and a hearing on the merits.

**3. How should the results of this case be used? Should the case be used only as a benchmark for future proceedings?**

New UNE rates should be established in this docket. Any new rates should not be viewed as sacrosanct but should be subject to continued review and examination as future costs change.

Respectfully submitted,



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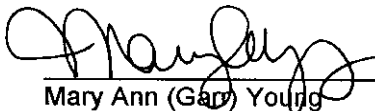


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Counsel for AccuTel of Texas, Inc.

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of this document has been hand delivered or mailed, postage prepaid, this 23rd day of May 2002, on the Office of Public Counsel, the Commission's General Counsel, and parties of record as shown on the attached service list. Copies are also being served electronically on all parties of record.

  
Mary Ann (Gar) Young

**APPENDIX A**  
**FEATURE CHARGES WHICH SHOULD BE REVIEWED**

RATE ELEMENTS	USOCS	Nonrecurring Rate First
Call Waiting	ESX	\$ 2.65
Call Waiting ID	NWT	\$ 2.65
Call Waiting ID Options (for end user Type 2.5 CPE)	NWL	\$ 2.65
Call Forwarding Variable	ESM	\$ 2.65
Call Forwarding Busy Line	EVB	\$ 2.65
Call Forwarding Don't Answer	EVD	\$ 2.65
Call Forwarding Busy Line Don't Answer	HE	\$ 2.65
Call Transfer Disconnect	FG3	\$ 2.65
Simultaneous Call Forwarding	ESD	\$ 2.65
Remote Access to Call Forwarding	RC3	\$ 2.65
Three-Way Calling	ESC	\$ 2.65
Speed Calling 8	ESL	\$ 2.65
Speed Calling 30	ESF	\$ 2.65
Auto Callback/Auto Redial	NSQ	\$ 2.65
Distinctive Ring/Priority Call	NSK	\$ 2.65
Selective Call Rejection/Call Blocker	NSY	\$ 2.65
Auto Recall/Call Return	NSS	\$ 2.65
Selective Call Forwarding	NCE	\$ 2.65
Calling # Delivery	NSD	\$ 2.65
CNAM Delivery	NMP	\$ 2.65
Calling Number/Name Delivery Blocking/Per Ln Block	NBJ	\$ 2.65
Calling Number/Name Blocking	AYK	\$ 2.65
<u>Customer Alerting Enablement</u>	<u>AWS</u>	<u>\$ 2.65</u>

Toll Restriction	DH2	\$ 2.65
International Direct Dialing Blocking	NR4BK	\$ 2.65
Personalized Ring	DRS	\$ 6.35
Personalized Ring - DN1	DRS1X	\$ 6.35
Personalized Ring - DN2	DRS2X	\$ 6.35
Hunting Arrangement	NR931	\$ 32.95
Call Trace (per feature per port)	NST	\$ 2.65
Call Trace (per successful occurrence per port)	ZZUCL	None
Usage sensitive Call Return (per feature per port)	NV9	\$ 2.65
Usage sensitive Call Return (per occurrence)	ZZURE	None
Usage sensitive Auto ReDial (per feature per port)	NV8	\$ 2.65
Usage sensitive Auto ReDial (per occurrence)	ZZUAR	None
Usage sensitive Three Way Calling (per feature per port)	3UY	\$ 2.65
<del>Usage sensitive Three Way Calling (per occurrence)</del>	<del>ZZU3W</del>	<del>None</del>



Service List for UNE Case  
Case No. TO-2002-397  
Updated 5/1/02

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