

In the Matter of the Application of United)
Communications Systems, Inc. d/b/a Call One)
for a Certificate of Service Authority to Provide)
Basic Local Exchange, Non-Switched Local) **File No. LA-2011-0230**
Exchange and Interexchange Telecommunications)
Services in the State of Missouri and to Classify)
Said Services and the Company as Competitive)

On January 7, the Commission issued its Notice of Applications, establishing January 27 as the deadline for intervention. No applications to intervene were received. On February 10, the Staff of the Commission recommended that the requested certificates,

classifications and waivers be granted. With regard to the company's request that the Commission grant a waiver of 4 CSR 240-32.050(4)(B), however, Staff recommends a variance. The rule requires United to provide a telephone directory. Staff recommends that this requirement be discharged only when AT&T does not deliver a directory and United informs the end-user of how to obtain a directory. 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 392.¹ The Commission finds that the waiver of those statutes and regulations is consistent with the purposes of Chapter 392, and will waive those provisions for United.

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,² and that the grant of authority is in the public interest.³ Based on the verified application and Staff's uncontested recommendation, the Commission finds that United satisfies the requirements for certification and that granting such certificates is in the public interest.

United also requests that it and its services be classified as competitive. The Commission may classify a telecommunications service as competitive if the Commission determines that the applicant is subject to a sufficient degree of competition to justify a

¹ See Sections 392.185, 392.361.3 and 392.420.

² 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.

³ Sections 392.430 and 392.440.

lesser degree of regulation.⁴ The Commission may only classify a telecommunications carrier as competitive if all of its services are so classified.⁵

The Commission finds that the intrastate interexchange market is competitive and that the interexchange services United will offer are subject to competition. In addition, United will compete with incumbent local exchange carriers, as well as other competitive local exchange carriers in the exchanges in which it provides basic local telecommunications service. The Commission finds that United will be subject to a sufficient level of competition to justify a lesser degree of regulation. Furthermore, all of the services United will offer are qualified for classification as competitive services.

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

The Commission places United on notice that failure to comply with certain obligations pursuant to law may result in penalties 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.

⁴ Section 392.361.2.

⁵ Section 392.361.3.

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. 2008, 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.

THE COMMISSION ORDERS THAT:

1. United Communications Systems, Inc. d/b/a Call One is granted a certificate of service authority to provide basic local telecommunications services in all exchanges throughout the state of Missouri, subject to the conditions and recommendations contained in the Staff's Memorandum.

2. United Communications Systems, Inc. d/b/a Call One is granted certificates of service authority to provide nonswitched local exchange and interexchange telecommunications services in the state of Missouri.

3. United Communications Systems, Inc. d/b/a Call One and its services are granted competitive classification.

4. United Communications Systems, Inc. d/b/a Call One's originating and terminating access rates will be no greater than the lowest Commission-approved corresponding access rates in effect for each incumbent local exchange carrier within whose service area United 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 United Communications Systems, Inc. d/b/a Call One is operating, decreases its originating or terminating access service rates, United 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. 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 - 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(4)
and (5)(A) - quality of service reports
- 4 CSR 240-10.020 - depreciation fund income
- 4 CSR 240-30.040 - uniform system of accounts
- 4 CSR 240-32.060 - engineering and maintenance
- 4 CSR 240-32.070 - quality of service
- 4 CSR 240-32.080 - service objectives and surveillance levels
- 4 CSR 240-33.040(1-3)
and (5-10) - billing and payment standards
- 4 CSR 240-33.045 - appearance of charges on bills
- 4 CSR 240-33.080(1) - company name and toll-free number on bills
- 4 CSR 240-33.130(1),
(4) and (5) - operator service requirements

and 4 CSR 240-32.050(4)(B) as set out in the body of this order.

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

9. This order and United Communications Systems, Inc. d/b/a Call One's certificates shall become effective on March 7, 2011.

10. This file shall be closed on March 8, 2011.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'S. Reed', is written over a faint, larger signature.

Steven C. Reed
Secretary

(S E A L)

Kennard L. Jones, Senior Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 25th day of February, 2011.