

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY**

December 24, 1997

CASE NO: TW-97-333

Office of the Public Counsel, P.O. Box 7800, Jefferson City, MO 65102

Enclosed find certified copy of ORDER in the above-numbered case(s).

Sincerely,



**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

Uncertified Copy:

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Discontinuation of Community Optional Service (COS)

In order to further foster the development of competition in the local telephone market, the Missouri Public Service Commission has determined a barrier to such competition, mandatory two-way Community Optional Service (COS) must be discontinued effective March 31, 1998.

As competition in the local telephone market continues to grow, the Missouri Public Service Commission can not mandate a telecommunications company to provide a specific telephone service implicitly subsidized by all ratepayers as was COS, because the Universal Service principles now require explicit support mechanisms. The Missouri Public Service Commission has strongly encouraged and believes that telephone companies will introduce new expanded local calling service for all customers in Missouri without a mandate.

On March 7, 1997, the Missouri Public Service Commission established a case to examine COS in light of local competition and the initiation of 1+ intraLATA long-distance pre-subscription. After extensive investigation and evidentiary hearings, the Missouri Commission decided to eliminate COS in order to foster the development of local and intraLATA long distance telephone competition.

If you are using COS to access your Internet service provider, you will incur long-distance charges for that access after March 31, 1998. The Commission however, recognized that COS (a voice grade service) was never intended as a means to access the Internet (a data grade service). As a result, a separate case has been opened to examine customer access to the Internet. Case No. TW-98-155 will specifically explore possible solutions for Internet access across Missouri.

As you near the March 31, 1998 date, you need to:

- Be sure to notify everyone who uses your phone service that after (date) calls to (target community) will be charged the applicable long-distance rates.**
- Inform those who usually call you from (target community) that calls to you after (date) will be charged the applicable long-distance rates to the caller.**
- Check with your local phone company or long-distance carrier for alternative programs that may best meet your calling patterns.**

Questions on COS? Contact your local telephone company regarding alternatives to your specific COS service, the Missouri Public Service Commission at 1-800-392-4211, or the Office of the Public Counsel at (573) 751-4857.

Toll-Free Calling Changes

In order to further foster the development of competition in the local telephone market, the Missouri Public Service Commission has determined a barrier to such competition, mandatory two-way Community Optional Service (COS) must be discontinued effective March 31, 1998.

As competition in the local telephone market continues to grow, the Missouri Public Service Commission can not mandate a telecommunications company to provide a specific telephone service subsidized by all ratepayers, as was the case with COS. The Missouri Public Service Commission has strongly encouraged and believes that telephone companies will introduce new expanded local calling service for all customers in Missouri without a mandate.

If you make frequent calls to (name of petitioning exchanges), you should check with your telephone company or long-distance company for alternative programs that may apply to your calling patterns.

Questions on COS? Contact your local telephone company regarding your specific COS service, the Missouri Public Service Commission at 1-800-392-4211, or the Office of the Public Counsel at (573) 751-4857.

Att/Sec'y:

Roberts / Hagenmeyer

Date Circulated 12/24

Return by 3 p.m.

CASE NO. TW-97-333

~~Lumpkin~~, Chairman

[Signature]
Crumpton, Commissioner

[Signature]
Murray, Commissioner

~~Lumpkin~~, Commissioner

[Signature]
Draimer, Vice-Chair

STATE OF MISSOURI
OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 24th day of December, 1997.

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

