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Mr. Cecil I. Wright
Executive Secretary
Missouri Public Service Commission
P. O. Box 360
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Re: **Community Optional Service**
Case No. TW-97-333

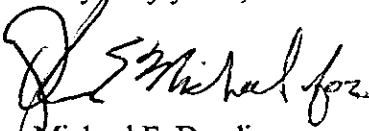
FILED
JUL 30 1997
MISSOURI
PUBLIC SERVICE COMMISSION

Dear Mr. Wright:

Enclosed for filing, in the above-referenced case, please find the original and fourteen copies of the **Office of the Public Counsel's Initial Brief**. Please "file" stamp the extra enclosed copy and return it to this office. I have also on this date mailed and/or hand-delivered the appropriate number of copies to all counsel of record.

Thank you for your attention to this matter.

Very truly yours,


Michael F. Dandino
Senior Public Counsel

MFD:rjr

cc: Counsel of Record

Enclosure

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

FILED

JUL 30 1997

**MISSOURI
PUBLIC SERVICE COMMISSION**

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

Case No. TW-97-333

INITIAL BRIEF OF THE OFFICE OF THE PUBLIC COUNSEL

The Office of the Public Counsel ("Public Counsel") opposes the elimination of two-way Community Optional Calling Service ("COS") without the availability of a suitable substitute service. The move to eliminate COS is driven by competition and the related issue of intraLATA equal access. While equal access is important to consumers, COS has a high value to those customers who subscribe to COS. The promise of competitive local exchange service under the Telecommunications Act of 1996 and Senate Bill No. 507 is to bring better service, more choices and lower prices to consumers. The proposals to eliminate two-way COS or to drastically change it to generate toll revenues in lieu of flat rate service violates this covenant with the consumer. Under telecommunications competition, the consumer should be better off rather than worse off. While COS will cause difficulties for the telephone companies under intraLATA equal access, the customer and the customer's needs should be the primary focus of this COS debate.

COS was developed to fill a need to maintain a community of interest when the population and community outgrew the traditional boundaries of the exchanges. The network no longer fit the needs of the customers and the previous local calling scope did not represent calling patterns of the community. The customers' demands were not being met and services were not being supplied by competition in the toll market or by the local exchange companies. To meet this void, the Commission authorized COS in Case Nos. TO-87-131 and TO-92-306.

Competition in the local exchange market is still a vision in the distance. The existing toll market has not developed to a point where any company has come forward with any product to satisfy the consumer's needs under COS. It is premature to speak of the elimination of COS or its conversion to a one-way service when competition has not been developed to provide any service comparable in price and scope.

Public Counsel asks the Commission to consider that another key consideration in the COS investigation is its effect on rural Missouri. COS provides a means to equalize rural and urban communities in the value of service of both areas so that the rural areas have the similar convenient and affordable access to the community of interest in local calling. Without COS, the rural communities would be forced to pay more toll to reach their "local" schools, businesses, neighbors, and relatives.

Although there has been a migration into the far suburbs and rural communities, many customers in those rural communities live there not by choice, but because of social, family or economic reasons. The drastic alteration of COS without offering these consumers a substitute would create an unjust and unreasonable reduction in the value of telecommunications services for rural customers. Competition will no doubt occur at a later time and slower (if at all) in the rural areas than in the urban and suburban areas. To abolish two-way COS would result in these areas having an "inferior" service for a long time. This is inconsistent with the intent of Senate Bill No. 507 and the federal telecommunications act.

In the pursuit of area code relief, the Commission may be faced with the prospect of throwing out the traditional methods of solving the problem. Public Counsel suggests that the ultimate solution to COS is to throw out the inadequate exchange boundaries which no longer

service today's calling scopes. Perhaps a new era of competition calls for some new parameters. Rather than embarking on such a long ranging and complicated restructuring of exchanges, the present system of COS can be maintained and service the customers. Competition does not and should not disadvantage the customers. Prospectively, the Commission could redraft the criteria for COS so that future COS will address those areas which have a high degree of community of interest. But it would not be in the public interest or fair to take this service away from the consumers without a suitable and reasonably priced alternative. Nor is it in the public interest or fair to change the rules or the qualification criteria for those who have applied and now qualify under the Commission's current COS standards and rules.

Public Counsel urges the Commission to view the COS proposals from the view point of the consumer. Two-way COS should not be abolished at this time. Prior to any final decision to abolish COS, the Commission should announce its intent and hold public hearings in the affected communities to fully advise the public and to gauge the level of customer interest and desire for COS.

Respectfully submitted,
OFFICE OF THE PUBLIC COUNSEL

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been mailed, faxed, or hand-delivered to the following counsel of record on this 30th day of July, 1997:

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