

ANDERECK, EVANS, MILNE, PEACE & JOHNSON, L.L.C.

ATTORNEYS AT LAW

Marmaduke House

700 East Capitol

P.O. BOX 1438

JEFFERSON CITY, MISSOURI 65102-1438

TELEPHONE 573-634-3422

FAX 573-634-7822

EUGENE E. ANDERECK

TERRY M. EVANS

ERWIN L. MILNE

JACK PEACE

CRAIG S. JOHNSON

RODRIC A. WIDGER

GEORGE M. JOHNSON

BEVERLY J. FIGG

WILLIAM S. LEWIS

VICTOR S. SCOTT

COREY K. HERRON

MATTHEW M. KROHN

LANETTE R. GOOCH

SHAWN BATTAGLER

ROB TROWBRIDGE

JOSEPH M. PAGE

LISA C. CHASE

OF COUNSEL:

MARVIN L. SHARP

PATRICK A. BAUMHOER

GREGORY C. STOCKARD (1904-1993)

PHIL HAUCK (1924-1991)

July 7, 2000

Mr. Dale Hardy Roberts
Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

FILED²

JUL 07 2000

Missouri Public
Service Commission

Re: Case No. TO-2000-667

Dear Mr. Roberts:

Enclosed please find for filing the original plus 8 copies of MITG's Suggestions of the MITG in Support of Including Small Company Issues in Scope of Case. Thank you for seeing this filed.

Sincerely,



Lisa Cole Chase

LCC

Enc.

cc: Via Facsimile

Bill Haas

Michael Dandino

Paul DeFord

W.R. England, III

Leo Bub

Kevin Zarling

MITG Managers

TRENTON OFFICE
9th AND WASHINGTON
P.O. BOX 547
TRENTON, MISSOURI 64683-0547
660-359-2244

DOCUMENTS DOCUMENTS

SPRINGFIELD OFFICE
1111 S. GLENSTONE
P.O. BOX 4929
SPRINGFIELD, MISSOURI 65808-4929
417-864-6401

PRINCETON OFFICE
207 NORTH WASHINGTON
PRINCETON, MISSOURI 64673
660-748-2244
FAX 660-748-4405

SMITHVILLE OFFICE
119 E. MAIN STREET
P.O. BOX 654
SMITHVILLE, MISSOURI 64089
816-532-3895

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

FILED²
JUL 07 2000

In the Matter of the Investigation into the)
Effective Ability for Resale of South-)
Western Bell Telephone Company's)
Local Plus Service by Interexchange)
Carriers and Facilities-Based Comp-)
etitive Local Exchange Companies.)

Case No. TO-2000-667

Missouri Public
Service Commission

**Suggestions of the MITG in Support of Including
Small Company Issues in Scope of Case**

At the June 27, 2000 prehearing conference, the parties were requested by the regulatory law judge assigned to this case to address the desirability of including the small company issues in this case. These are the MITG's suggestion in support of including the small company issues.

The MITG filed its application to intervene on April 25, 2000, and the STCG filed its application to intervene on or about May 9, 2000. The small companies' applications to intervene rather clearly set forth the issues and interests they were desirous of presenting in this case. The Commission's May 24, 2000 Order Granting Intervention granted all small companies intervention. The Commission found that the public interest would be served by granting intervention to the small companies, as well as AT&T. The MITG believed the Commission's Order granting intervention recognized that the small company issues should be addressed in this generic docket established to once again revisit Local Plus. Nevertheless, the following are the MITG's suggestions in support of including the small company issues in this case.

Since enactment of the Telecommunications Act of 1996, this Commission has entertained various proceedings in which tariffs and interconnection agreements have been considered. It is clear that changes in the way incumbent carriers interconnect and deliver traffic and records to one another involves changes in rather involved systems in place for traffic signalling, carrier identification, traffic jurisdictionalization, record

creation and exchange, and intercompany compensation. It is also clear that the introduction of new carriers' and their traffic involves similarly complex considerations in determining how network traffic signaling, carrier identification, traffic jurisdictionalization, record creation and exchange, and intercompany compensation is to be conducted.

Unfortunately, the terms of interconnection between SWB and another carrier do not impact just those two carriers. Invariably carriers interconnecting with SWB plan and do hand off traffic to SWB delivered for small LECs. A lesson the small companies have learned from the SWB wireless tariff case, the wireless interconnection agreement proceedings, the CLEC interconnection agreement proceedings, and even the MCA investigation, is that it is better for the Commission and affected carriers to attempt to address the ramification of new carriers placing traffic on the network prior to delivery of such traffic, rather than after the fact. Leaving such questions for a later date creates opportunities for taking without compensation. It creates an environment ripe for formal or informal complaints, as well as general hostility. It is understandable that small LECs resent being deprived of the opportunity to establish business relationships, or an approved mechanism therefore, prior to discovering they are receiving unidentifiable traffic without an opportunity to establish the appropriate compensation arrangements. It is highly preferable that the Commission, when available, attempts to promote acceptable arrangements for new carriers or new methods of handling traffic before they are implemented.

This docket was established as a generic case in which to consider the resale of Local Plus. The small companies believe it is preferable in such generic dockets for the Commission to have input from all potentially affected carriers.

The PTC Plan has been terminated. Nevertheless, SWB continues to terminate interexchange calls, including Local Plus, to small LEC exchanges. The Commission in its Order terminating the PTC Plan determined that, effective April 1, 2000, SWB was to deliver terminating records in a 92 record format. Not only is SWB continuing to terminate Local Plus traffic and 1+ toll traffic, it has also allowed other carriers (CLECs and wireless carriers) to place non 1+ traffic on SWB's network which terminates to the small LECs. Small LECs are not being provided with any traffic information, records, or

compensation for any such CLEC traffic. With respect to wireless traffic small LECs are receiving CTUSR reports, but no compensation is being paid. Small ILECs have no way of determining whether the terminating traffic from wireless carriers is indeed that wireless carrier's intra-MTA traffic, or traffic of other IXC's, CLECs, or other wireless carriers.

It has also come to the small LECs' attention that many other types of traffic from carriers that are not supposed to be delivering toll traffic to SWB are in fact doing so. This traffic is terminating to the small LECs without any terminating records or compensation being provided. It could be that the CLECs and wireless carriers are using their interconnections with SWB to deliver IXC traffic, and/or other forms of traffic.

As a result, since termination of the PTC Plan, small ILECs are seeing a growing discrepancy between the total traffic terminating to them over SWB's interconnection, and that terminating traffic for which they are provided terminating records or compensation. This discrepancy is significant, with some small LECs being provided with compensation for only 50 to 80 per cent of the total.

Local Plus traffic is or may be part of the problem. To date the small LECs are not being provided with terminating records that distinguish LP calls from 1+ toll calls. One issue to be addressed in this case is the systems SWB has implemented for recording and passing LP terminating compensation billing information, and whether it is adequate for accurately terminating compensation.

As Local Plus (LP) was originally approved for SWB offering, for LP calls terminating to small LECs the compensation approved was terminating access compensation. However, because LP was not to be dialed on a "1+" basis, SWB had to develop special provisioning. Special provisioning was required because the normal 1+ systems in place for the identification, record creation, and billing for terminating compensation was not applicable.

In the past SWB has insisted that it would not be responsible for creating terminating records or paying terminating compensation for traffic that other carriers, pursuant to interconnection agreements, handed off to SWB for termination to small LECs. After these other companies hand this traffic off to SWB, neither SWB nor those other companies are making any arrangements to provide terminating records or

terminating compensation to small LECs. Although this is in violation of the terms of the interconnection agreements and/or Commission Orders approving them, no effort has been made to see that records or compensation is passed to the small LECs.

SWB has made it clear that they will only provide records and compensation for LP traffic originated by SWB or by "pure resellers". In TT-2000-258, CLECs and IXC's made a complaint that they are not being allowed to resell LP on either a "pure" reseller basis, or on a facilities based or "UNE" basis. The transcript of that case indicates that SWB is structuring resale of LP to be available, as a practical matter, only on a facility-based resale basis. The transcript indicates SWB is pushing all resellers to become "facilities based", and develop interconnection agreements, in order to resell LP. SWB appears to contemplate requiring a resale account profile, resale agreement, purchase of UNE switchport facilities and/or SWB switch functionalities, and non-SWB line class codes, which is considered by SWB to be "facilities based". See TT-2000-258 transcript, pages 31-38, 49-123, 150-160.

It is apparent to the small LECs that for the substantial part, if not all, of resold LP, SWB will take the position it has no obligation to provide terminating records or terminating compensation for LP traffic terminating to small LECs.

This generic LP resale proceeding should consider the methods and systems by which SWB and carriers reselling LP, will meet their obligation to properly record LP traffic, pass LP compensation records, and pay terminating compensation to ILECs and CLECs serving the called party. Intercompany compensation is a necessary ingredient of any docket considering the exchange of traffic between two or more carriers. The Commission's failure to consider these issues can result in harm to LECs and CLECs to whom LP calls terminate.

As demonstrated by the transcript in TT-2000-258, the Commission in this case will be considering rather complex systems and structures SWB apparently will attempt to impose upon LP resellers. The inclusion of the small company issues as to who will be responsible for terminating compensation, how the resellers and/or SWB will record this traffic, identify it as traffic for which intraLATA terminating access is due for LECs, and what systems will be utilized for creating records, possibly passing records, and billing and collecting for terminating compensation, will not unduly enlarge the scope of this

proceeding, or result in undue delay. Over two years have passed during which LP was to be available for resale for both CLECs and IXC's. Any additional time, if any, necessitated by including the small company issues at this time cannot be said to create any undue delay.

ANDERECK, EVANS, MILNE,
PEACE & JOHNSON, L.L.C.

By Lisa Chase
Craig S. Johnson MO Bar No. 28179
Lisa Chase, MO Bar No. 51502
Marmaduke House
700 East Capitol
Post Office Box 1438
Jefferson City, Missouri 65102

Telephone: (573) 634-3422
Facsimile: (573) 634-7822

ATTORNEYS FOR MITG

CERTIFICATE OF SERVICE

The undersigned does hereby certify that a true and accurate copy of the foregoing was mailed, via U.S. Mail, postage prepaid, this 7 day of July, 2000, to:

Lisa Chase
Lisa Chase, MO Bar No. 51502