BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of an Investigation for the Purpose of Clarifying and Determining Certain Aspects Surrounding the Provisioning of Metropolitan Calling Area Service After the Passage and Implementation of the Telecommunications Act of 1996.	))))))	Case No. TO-99-483

REPLY BRIEF OF GTE MIDWEST INCORPORATED[1]

GTE Midwest Incorporated ("GTE") submits this Reply Brief in response to the Initial Briefs submitted by the other parties in this proceeding. Although most of the opposing arguments were anticipated and adequately addressed in GTE's Initial Brief, the following Reply Brief will respond to a few points raised by those parties. Failure to respond to all opposing arguments set forth in those briefs, should not be deemed acceptance by GTE of the positions advanced in such arguments.

As GTE set forth in its Initial Brief, the Commission should issue an order in this case that will clarify and facilitate the expeditious participation of Competitive Local Exchange Carriers ("CLECS") in the MCA Plan under the same terms and conditions as those imposed on Incumbent Local Exchange Carriers ("ILECs"). The need for expeditious action ("The Commission should take immediate action to open the MCA to competition." AT&T, p. 25) is, however, rightfully tempered by the realities of the Office of Public Counsel's admonition to "do no harm." ("The Office of

[1]GTE Midwest Incorporated recently requested Commission approval of a change of name under which it operates in the state of Missouri, to GTE Midwest Incorporated dba Verizon Midwest.

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Public Counsel is compelled by the evidence in this case and the history of competition and extended local callings scopes to take a very cautious position in this case." OPC, p. 1).

The fact that the MCA Plan was created before passage of the Federal Telecommunications Act of 1996 ("Telecom Act") should not serve as an impediment to CLEC participation, nor should it serve as a rationale to undermine the uniformity of terms and conditions which are critical to the Plan's continued viability.

> "That the MCA plan was created before passage of the Act does not diminish a CLEC's right to provide its local customer services which the Commission has approved for, and directed, all local companies to provide." Nextlink Missouri Inc., p. 12.
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> "When the Commission implemented the MCA Plan, it ordered all local exchange carriers ("LECs") operating in the metropolitan areas to offer MCA service. When the term "LEC" expanded to include both ILECs and CLECs with the passage of the Act, the needs of the metropolitan customers to receive MCA service remained unchanged. (Ex. 11, Kohly Direct, pages 8-9)." Staff, pp. 3-4.

GTE advocates the continued use of bill and keep for intercompany compensation for MCA traffic. As stated by Southwestern Bell at page 70 of its Brief:

> ". . . If a CLEC wants to participate in the MCA Plan, it must agree to follow all of the parameters of the MCA Plan, including bill and keep inter-company compensation for all calls within the MCAs. This may require a CLEC to modify its existing interconnection agreements with ILEC(s). If a CLEC does not want to participate in the MCA Plan, then the provisions of its Interconnection Agreement with SWBT (and/or any other ILEC) would apply."

GTE supports the statement contained in AT&T's Initial Brief at Page 17: "If the Commission determines that it can and should mandate bill-and-keep now or in the future for MCA traffic exchanged between MCA participants, the Commission should affirmatively state that the bill-and-keep arrangements between the participants would be the same bill-and-keep arrangements <u>that exist today</u>." (Emphasis supplied).

As other parties have stated, MCA service provides the customer with an expanded calling scope that would be economically impossible to provide without the bill and keep intercompany compensation plan that is in effect today. (SWBT, p. 53). While Sprint advocates that "bill-and keep inter-company compensation should be the default compensation," it acknowledges that "[E]ach move toward reciprocal compensation increases the pressure on the rate because the cost of provisioning the service increases." (Sprint, p. 2).

GTE opposes the request of the Missouri Independent Telephone Group ("MITG") to establish an industry committee to review the technical issues regarding traffic verification. As Southwestern Bell notes at page 73 of its Brief, the Commission established TO-99-593 to further investigate trunking arrangements and signaling protocols, and no action on this proposal should be taken in this case, given the pendency of TO-99-593.

At page 33 of the Initial Brief of Gabriel Communications of Missouri, Inc., GTE Witness Dave Evans' testimony at pages 1162-1163 of the transcript is cited as support for the following statement: "Hence, there is no need or justification for any type of revenue neutrality analysis or true-up process in conjunction with the resolution of the issues in this case." However, the clear proviso which Mr. Evans states at the beginning of the referenced answer is: "<u>All things remaining equal, no.</u>" (Tr. 1162) (Emphasis supplied). GTE consistently has advocated that CLECs be allowed to participate in the MCA Plan under the same terms and conditions as the ILECs. To the extent the Commission decides to modify the MCA Plan, the ILECs may be entitled to revenue neutrality. (See GTE Statement of Position, pp. 3-4).

In summary, GTE respectfully requests that the Commission (1) issue an Order in this case that will clarify and facilitate the expeditious participation of CLECs in the MCA Plan under the same terms and conditions as those imposed on ILECs; and (2) create an Industry Task Force to study the propriety and impacts of proposals and suggested changes regarding the MCA Plan and its continued viability in the future.

Respectfully submitted,

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ATTORNEYS FOR
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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered or mailed, postage prepaid, this 17th day of July, 2000, to counsel for all parties pursuant to the attached Service List.

Larry W. Dority