



**Rebecca B. DeCook**  
Senior Attorney

Room 1575  
1875 Lawrence Street  
Denver, CO 80202  
303 298-6357

May 4, 2002

Secretary of the Commission  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65101

**FILED<sup>2</sup>**  
**SEP 03 2002**  
Missouri Public  
Service Commission

Re: Case No. TR-2001-65

Dear Secretary of the Commission

Attached for filing with the Commission is the original and eight (8) copies of the AT&T Communications of the Southwest, Inc., TCG St. Louis, Inc. and TCG Kansas City, Inc. Statement of Position

I thank you in advance for your cooperation in bringing this matter to the attention of the Commission.

Yours truly,

Rebecca DeCook

Attachment

Cc: All Parties of Record

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>2</sup>

SEP 03 2002

Missouri Public  
Service Commission

In the Matter of an Investigation of the )  
Actual Costs Incurred in Providing )  
Exchange Access Service and the Access )  
Rates to be Charged by Competitive Local )  
Exchange Telecommunications )  
Companies in the State of Missouri. )

Case No. TR-2001-65

**POSITION STATEMENT**

COMES NOW AT&T Communications of the Southwest, Inc. TCG Kansas City, Inc.  
and TCG St. Louis, Inc. ("AT&T Companies) and states:

The Commission's March 14, 2002 *Order Adopting Procedural Schedule, Clarifying the Scope of this Proceeding, and Concerning Motion to Waive Service Requirement and Motion to Compel Discovery*, directed the parties to file their position statements no later than September 2, 2002.

1. **What is the appropriate cost methodology (i.e. TSLRIC, LRIC, embedded, stand alone, etc.) to be used in determining the cost of switched access?**

The AT&T Companies believe that the Total Service Long Run Incremental Cost standard consistent with the FCC rules is the appropriate cost and pricing standard.

2. **Should the cost methodology (i.e. TSLRIC, LRIC, embedded, stand alone, etc) for determining switched access costs be uniform and consistent for all Missouri LECs?**

As long as there is a rational and justifiable reason for differing treatment, the Commission does not need to adopt a one-size fits all approach.

3. **Should loop costs be included in the determination of the cost of switched access, and if so, at what level?**

The AT&T Companies do not believe that loops costs are relevant to determining the cost of switched access.

4. **What are the appropriate assumptions and/or the appropriate values for the following inputs:**

- a. **Cost of capital**
- b. **Switch discounts**
- c. **Depreciation**
- d. **Maintenance factors**
- e. **Common and shared costs**
- f. **Fill factors**
- g. **Other major assumptions and/or inputs.**

The AT&T Companies are not in a position to address these issues.

5. **Is the current capping mechanism for intrastate CLEC access rates appropriate and in the public interest?**

AT&T supports retaining the current capping mechanism for intrastate CLEC access rates with the three exceptions set forth in Issue No. 6.

6. **Are there circumstances where a CLEC should not be bound by the cap on switched access rates?**

The AT&T Companies support three exceptions to the cap on switched access. The first exception is for a CLEC that files an appropriate TSLRIC cost study that demonstrates its costs of providing switched access are higher than the rates allowed under the cap.

The second exception is the situation that may occur when an ILEC reduces access rates and receives offsetting receipts from the Missouri Universal Service Fund or offsetting revenues from another mechanism that is not available to the CLEC. If this exception were not permitted, the competing ILEC rates would be reduced with revenue neutral offsets while a CLEC may be denied the same revenue opportunity as its competitor.

The third exception is to permit a CLEC, at its discretion, to charge reciprocal terminating access in the same manner as the compensation scheme that applies to the exchange of local traffic. Under this mechanism, a CLEC may elect to assess reciprocal terminating access rates for terminating interexchange traffic from other ILECs or CLECs and their identifiable wholly-owned affiliates terminating

7. **What, if any, course of action can or should the Commission take with respect to switched access rates as a result of this case?**

At a minimum, in this proceeding, the Commission should make the current interim CLEC rate cap permanent and adopt the three exceptions proposed by the AT&T Companies. In addition, the Commission should adopt a specific cost standard and methodology to be used in assessing the cost of switched access. The Commission should also resolve all jurisdictional issues affecting its ability to make changes to access rates.

The Commission should take steps now to eliminate the Carrier of Common Line Charge and, to the extent it determines it is necessary, offset the revenues associated with the CCL, recover those revenues with via a per-line surcharge, the MO USF, or both. Taking this action is required by the Act to make the implicit subsidy that currently is recovered through the CCL explicit. Once the CCL has been eliminated, the Commission should begin moving switched access rates to their appropriate TSLRIC.

Respectfully Submitted,

AT&T Communications of the Southwest,  
Inc., TCG St. Louis, Inc. and TCG Kansas  
City, Inc.

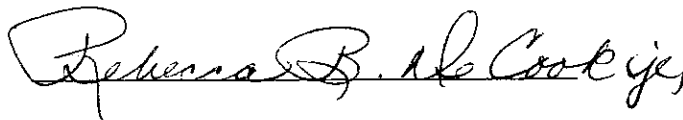
By. Rebecca DeCook (w\*)

Rebecca B. DeCook CO# 14590  
1875 Lawrence St., Suite, 1575  
Denver, CO 80202  
(303) 298-6557  
(303) 298-6301  
[decook@att.com](mailto:decook@att.com)

J. Steve Weber MO #20037  
101 W. McCarty, Ste. 216  
Jefferson City, MO 65101  
(573) 635-5198  
(573) 635-9442  
[jsweber@att.com](mailto:jsweber@att.com)

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing in Docket TO-2001-65 was served upon the parties on the following service list on this <sup>4<sup>th</sup></sup> Day of May, 2002 by either hand delivery or placing same in postage page envelope and depositing in the U.S. Mail.



Thomas R. Parker  
GTE Midwest Inc. d/b/a Verizon Midwest  
601 Monroe Street, Suite 304  
Jefferson City, MO 65101

Craig S. Johnson  
Andereck/Evans/Milne/Peace/Baumhoer  
(MITG)  
301 East McCarty Street, PO Box 1438  
Jefferson City, MO 65102

Mary Ann Garr Young  
P.O. Box 104595  
Jefferson City, MO 65114

Tony Conroy  
Southwestern Bell Telephone Company  
One Bell Center, Room 3520  
St. Louis, MO 63101

Brian T. McCartney/W.R. England, III  
Brydon, Swearngen & England P.C.  
312 East Capitol Avenue  
P.O. Box 456  
Jefferson City, MO 65102-0456

Sheldon K. Stock  
Greensfelder, Hemker  
& Gale, P.C.  
10 South Broadway, Suite  
St. Louis, MO 63102

Carl J. Lumley/Leland B. Curtis  
Curtis, Oeitting, Heinz, Garrett & Soule  
130 South Bemiston, Suite 200  
St. Louis, MO 63105

Stephen F. Morris  
MCI Telecommunications Corp.  
701 Brazos, Suite 600  
Austin, TX 78701

Carol Keith  
NuVox Communications  
16090 Swingley Ridge Rd  
Suite 500  
Chesterfield, MO 63017

Paul H. Gardner  
Goller, Gardner & Feather  
131 East High Street  
Jefferson City, MO 65101

Lisa C. Hendricks, Esq.  
Sprint  
5454 West 110th Street  
Overland Park, KS 66211

James M. Fischer, Esq.  
Larry W. Dority, Esq.  
101 Madison Street, Suite  
Jefferson City, MO 65101

General Counsel  
PO Box 360  
Jefferson City, MO 65102

Office of Public Counsel  
PO Box 7800  
Jefferson City, MO 65102