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March 22, 2000

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P. O. Box 360
Jefferson City, MO 65102

FILED²

MAR 22 2000

Missouri Public
Service Commission

RE: Case No. TA-2000-536

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and fourteen (14) conformed copies of the **STAFF RESPONSE TO COMMISSION'S SECOND ORDER REQUESTING RESPONSE**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Marc D. Poston
Senior Counsel
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MP/lb
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²

MAR 22 2000

Missouri Public
Service Commission

In the Matter of the Application of)
Capsule Communications, Inc. for a)
Certificate of Service Authority to Provide)
Interexchange Telecommunications)
Services in the State of Missouri and for)
Competitive Classification.)

Case No. TA-2000-536

STAFF RESPONSE TO COMMISSION'S
SECOND ORDER REQUESTING RESPONSE

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its response to the Commission's *Second Order Requesting Response* states as follows:

1. On March 9, 2000, the Commission issued its *Order Requesting Response* in which it asked the Staff to respond by March 14, 2000 and advise the Commission whether it could handle the case in an expedited manner. The Staff's response to the Commission's *Order Requesting Response* was to file the Staff Recommendation, thus handling the case in an expedited manner.

2. Attached to the Staff Recommendation was a memorandum labeled Appendix A. The memorandum recommended that Capsule Communications, Inc. (Capsule) be granted a certificate to provide interexchange telecommunications services. On the second page of the memorandum, an "x" was incorrectly placed in the box that was labeled "Private Line," thus giving the appearance that Capsule sought to provide private line services. However, upon further review the Staff realized the error and recommends that the Commission approve all of the services recommended in the memorandum with the exception of private line services. A

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certificate to provide private line service is not being sought after by Capsule and is not contained within Capsule's proposed tariffs.

3. On March 16, 2000, the Commission issued its *Second Order Requesting Response* in which it ordered the Staff to file a pleading stating whether or not an interexchange carrier can provide private line services without having local exchange authority. Private line services can be provided by interexchange carriers so long as the private line services cross an exchange boundary pursuant to Section 386.020 (24) RSMo. (Supp. 1999), which defines interexchange telecommunications service as "telecommunications service between points in two or more exchanges." If a carrier sought certification to provide private line services within an exchange, it would be necessary for the carrier to have local exchange authority.

WHEREFORE, the Staff respectfully submits the above response to the Commission's *Second Order Requesting Response*.

Respectfully submitted,

DANA K. JOYCE
General Counsel

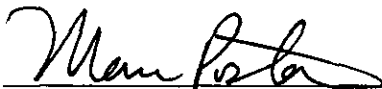


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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 22nd day of March 2000.



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Case No. TA-2000-536
March 22, 2000**

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