

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

In the Matter of the Application of )  
AT&T Corp. For a Certificate of Service )  
Authority to Provide Intrastate )  
Interexchange and Non-switched Local )  
Exchange Telecommunications Services )  
Within the State of Missouri )

**Case No. TA-2009-0045**

**STAFF RECOMMENDATION**

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”) and states:

1. On August 13, 2008, AT&T Corp. filed an Application with the Missouri Public Service Commission (the “Commission”) requesting a certificate of service authority to provide intrastate interexchange and non-switched local exchange telecommunications services and classification as a competitive company, with the standard waivers.
2. This application was made in conjunction with the proposed merger of AT&T Corp. and SBC Advanced Solutions, Inc., d/b/a AT&T Advanced Solutions in Case No. TM-2009-0044.
3. AT&T Corp has committed to file appropriate notices to adopt the tariffs of AT&T Advanced Solutions.
4. In its Order Directing Filing of Staff Recommendation, issued August 15, 2008, the Commission ordered Staff to file a recommendation regarding AT&T Corp.’s application no later than September 18, 2008.
5. The Commission shall grant an application for a certificate of telecommunications service authority upon a finding that the grant of authority is in the public interest. §§ 392.430 and 392.440 RSMo (2000).

6. In the attached Memorandum, labeled Appendix A, Staff states the proposed grant of a Certificate of Service Authority to be in the public interest, and recommends that the Commission grant AT&T Corp. a certificate to provide intrastate, interexchange telecommunications services and a certificate to provide local exchange telecommunications service, restricted to dedicated private line services.

7. Staff also recommends that the Commission classify the AT&T Corp. and the services it proposes to offer in its Application as competitive. The Commission may classify a telecommunications provider or its services as competitive if the Commission determines it is subject to sufficient competition to justify a lesser degree of regulation. RSMo §392.361.4. The majority of services a competitive company provides must be classified as competitive under RSMo §392.361.3, as amended by HB 1779 (effective August 28, 2008).

8. Staff further recommends that the Commission grant the waivers listed in the AT&T Corp.'s Application. The Commission may waive the application of its rules and certain statutes if the Commission determines that waiver is consistent with the purposes of Chapter 392. §§ 392.185, 392.361.5 and 392.420.

9. The Staff has no objection to AT&T Corp.'s request for expedited treatment of this matter.

WHEREFORE, Staff recommends that the Commission grant AT&T Corp. a certificate of service authority to provide intrastate, interexchange telecommunications services and a certificate of service authority to provide local exchange telecommunications service restricted to dedicated private line services; grant it the requested competitive classification; and grant the standard waivers listed in AT&T Corp.'s Application.

Respectfully submitted,

/s/ Eric Dearmont

Eric Dearmont

Assistant General Counsel

Pursuant to Missouri Rule 13

/s/ William K. Haas

William K. Haas

Deputy General Counsel

Missouri Bar No. 28701

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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 4<sup>th</sup> day of September, 2008.

/s/ Eric Dearmont

## Memorandum

To: Missouri Public Service Commission Official Case File  
Case Nos. TM-2009-0044 and TA-2009-0045

From: William Voight, Telecommunications Department  
William Voight 9/2/08 William K. Haas 9/2/08  
Utility Operations Division/Date General Counsel's Office/Date

**Subject: Staff Recommendation for Application Seeking Commission Approval of  
Competitive Company Transaction**

Date: 9/2/08

**The Telecommunications Department Staff (Staff) recommends the Commission** (check, as applicable):

- |  |  |  |
|--|--|--|
| <input checked="" type="checkbox"/> <b>Approve Merger</b><br><b>4 CSR 240-3.525</b>            | <input type="checkbox"/> <b>Approve Consolidation</b><br><b>4 CSR 240-3.525</b>          | <input type="checkbox"/> <b>Approve Sale of Assets</b><br><b>4 CSR 240-3.520</b> |
| <input type="checkbox"/> <b>Approve Name Change</b><br><b>4 CSR 240-3.545(20)</b>              |  |  |
| <input type="checkbox"/> <b>Cancel Certificate(s) &amp; Tariff(s)</b><br><b>392.410.5 RSMo</b> | <input checked="" type="checkbox"/> <b>Approve Certificate</b><br><b>4 CSR 240-3.510</b> |  |

According to Commission rule 4 CSR 240-2.060 and the rule(s) specifically cited above, competitively classified companies are required to provide information in applications to merge, consolidate or sell/transfer assets. Based on the information provided to Staff, Staff does not believe this particular transaction will be detrimental to the public interest for the following reason(s) (check all that apply):

- ☒ This transaction solely involves competitively classified companies.
- ☐ Customers have/will receive advance notice.
- ☒ Customers can switch to another provider.
- ☒ Customers will continue to receive service at the same rates, terms and conditions.
- ☒ Other: **Company has requested waiver of 4 CSR 240-3.525(2)(G). Staff recommends approval of the waiver because it affects only customers in the enterprise markets and this merger solely involves an internal realigning of operations.**

The following chart summarizes this transaction.

Companies Involved in Transaction	Customer Served By ("X", if applicable)		Sale of Assets ("X", if applicable)		Certificates* (If applicable, indicate "C" to cancel, "A" to approve)			Tariffs* (If applicable, indicate Tariff PSC MO Nos.)	
	Before	After	Seller	Buyer	IXC	Local	Basic Local	Cancel	Approve
SBC Advanced Solutions, Inc. d/b/a AT&T Advanced Solutions	X		X						
AT&T Corp. d/b/a AT&T Advanced Solutions		X		X	A				

\*See attachment to Staff recommendation for further details associated with approving certificates or tariffs.

#### Merger, Consolidation, Sell or Transfer Assets

Will affected customers be switched to a different company?

☐ No

☒ Yes

☐ Customers have been notified.

☐ Customers will be notified at least 30 days prior to being switched to a different company.  
(4 CSR 240-3.525)

#### Company Name Change Notification

☐ Company has notified its customers of the name change.

☐ Staff recommends the Commission order the Company to notify its customers at or before the next billing cycle of the name change and file a copy of the notice with the Commission.

Does this transaction involve a company in bankruptcy? ☐ Yes ☒ No

If yes, a copy of the bankruptcy order is attached.

#### Competitive Company Transaction Review Items

##### Administrative:

☒ Application solely involves competitively classified companies.

☒ No applications to intervene filed.

Noteworthy Transaction Application Requirements of 4 CSR 240-3.520 and 4 CSR 240-3.525:

☒ Will have no impact on tax revenues pursuant to 4 CSR 240-3.520(F) or 4 CSR 240-3.525(F)

☒ Appropriate Secretary of State authorization has been submitted for any applicant (or if previously submitted, reference to prior case number). Case No.

*Missouri corporations:* A Certificate of Good Standing.

*Foreign corporations:* Authorization to do business in Missouri.

*If business conducted under a fictitious name: A copy of registration of the fictitious name.*

- ☒ No pending or final judgments/decisions described in 4 CSR 240-2.060(1)(K).  
☒ A statement that no annual report or assessment fees are overdue for any applicant.

**Are there additional recommendations or special considerations?**

☒ No

☐ Yes

If yes, explain in an attachment.

- ☒ The Company is not delinquent in filing an annual report and paying the PSC assessment.  
☐ The Company is delinquent. Staff recommends the Commission grant the requested relief/action on the condition the applicant corrects the delinquency. The applicant should be instructed to make the appropriate filing in this case after it has corrected the delinquency.  
(☐ No annual report ☐ Unpaid PSC assessment. Amount owed:    )

## Attachment to Staff Recommendation

**Is this transaction requesting the granting of certificates and approval of tariffs?** ☐ No ☒ Yes  
(If yes, see below. Attach additional sheets, if necessary.)

Applicant:

The applicant has met Staff's review of requirements for obtaining a certificate of service authority and tariff approval. Therefore, Staff recommends the applicant be granted the following certificate(s), as indicated below. The certificate shall be conditioned to become effective on the same date the tariff becomes effective; however no later than the approval date of the transaction involving the competitively classified companies.

☐ certificate to provide basic local exchange telecommunications services. Granting the certificate should be based on the following conditions:

1. The applicant's originating and terminating access rates will be no greater than the lowest Commission approved corresponding access rates in effect for each ILEC within whose service area the applicant seeks authority to provide service, unless authorized by the Commission pursuant to Sections 392.220 and 392.230 RSMo.
2. The certificate and service classification for switched access service is conditioned on the continued applicability of Section 392.200 RSMo, and the requirement that any increases in switched access services rates above the maximum switched access service rates set forth herein shall be made pursuant to Sections 392.220 and 392.230 RSMo, and not Sections 392.500 and 392.510 RSMo.
3. If the directly competing ILEC, in whose service area the applicant is operating, decreases its originating and/or terminating access service rates, the applicant shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates in the directly competing ILEC's service area within 30 days of the directly competing ILEC's reduction of its originating and/or terminating access rates in order to maintain the cap.

☒ certificate to provide interexchange telecommunications services.

☒ certificate to provide local exchange telecommunications services.\*

\*local exchange authority should be restricted to dedicated, private line services.

Staff recommends the applicant and its services receive competitive classification. In addition, Staff recommends approval of the waivers normally granted to competitively classified companies (392.210.2, 392.240.1, 392.270, 392.280, 392.290, 392.300.2, 392.310, 392.320, 392.330, 392.340, 4 CSR 240-10.020, 4 CSR 240-30.040, and 4 CSR 240-3.550(5)(C) (this last rule only applies to companies providing basic local telecommunications service).

**Certificate applications, if applicable:**

- ☒ Statement of character of business performed.
- ☒ Application includes an affidavit.
- ☒ Applicant seeks waivers of rules or statutes previously granted to a competitively classified company.
- ☒ Applicant shows that grant of authority is in the public interest.



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

In the Matter of the Application of SBC )  
Advanced Solutions, Inc. for Approval of )  
Merger into AT&T Corp. )

Case No. TM-2009-0044

In the Matter of the Application of AT&T )  
Corp. for a Certificate of Service Authority )  
to Provide Intrastate Interexchange and )  
Non-Switched Local Exchange )  
Telecommunications Services Within the )  
State of Missouri. )

Case No. TA-2009-0045

**AFFIDAVIT OF WILLIAM VOIGHT**

STATE OF MISSOURI )  
 ) ss:  
COUNTY OF COLE )

William Voight, employee of the Missouri Public Service Commission, being of lawful age and after being duly sworn, states that he has participated in preparing the accompanying memorandum, and that the facts therein are true and correct to the best of his knowledge and belief.

*Bill Voight*

\_\_\_\_\_  
William Voight

Subscribed and affirmed before me this 3<sup>rd</sup> day of September 2008



SUSAN L. SUNDERMEYER  
My Commission Expires  
September 21, 2010  
Callaway County  
Commission #06942086

*Susan L. Sundermeyer*  
\_\_\_\_\_  
NOTARY PUBLIC