

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

In the Matter of the Petition of Craw-Kan)
Telephone Cooperative, Inc. for)
Suspension and Modification of the)
Federal Communications Commission)
Requirement to Implement Number)
Portability)

Case No. TO-2004-0505

PETITIONER'S STATEMENT OF POSITION

COMES NOW Craw-Kan Telephone Cooperative, Inc. ("Craw-Kan" or "Petitioner") and for its Statement of Position, states to the Missouri Public Service Commission ("Commission") as follows:

LIST OF ISSUES

1. Should the Commission grant a suspension and/or modification of the intermodal porting requirements?

Yes. Federal law allows the Missouri Commission to suspend and/or modify Petitioner's intermodal porting requirements.¹ Petitioner is asking for suspension and modification of the Federal Communications Commission's (FCC) local number portability (LNP) requirements to address the call rating and routing issues that were identified but not resolved by the FCC. Specifically, Petitioner seeks modification because Petitioner does not presently own facilities that would allow Petitioner to port numbers and deliver associated calls outside of its exchange boundaries. The Commission should issue an order granting modification that states, "Neither Petitioner, nor Petitioner's wireline customers will bear the financial burden for any transport or

long distance charges associated with porting numbers and any associated calls outside of Petitioner's local service area." This will ensure that Petitioner and Petitioner's customers are not forced to bear the costs for something from which they are unlikely to benefit.

(a) Adverse Economic Impact on Customers

Under the FCC's rules, Petitioner may assess a monthly, long-term LNP charge on customers to offset the initial and ongoing costs incurred in providing number portability.² If the Commission does not grant suspension, then Petitioner's customers could face an adverse economic impact associated with recovery of the costs of transporting calls outside of Petitioner's local exchange service area. The costs of establishing transport arrangements through negotiation and, if necessary, arbitration could be substantial, and the ongoing costs could also be substantial. As a small rural telephone company, Petitioner has a small customer base over which to spread these costs. Thus, although the implementation costs and ongoing costs associated with LNP may be similar across Missouri, customers of smaller companies may face substantially higher surcharges. The adverse economic impact on rural customers outweighs any questionable "benefit" that Petitioner's subscribers will receive from wireline-to-wireless LNP; therefore, Petitioner's customers should not be forced to bear additional transport costs.

(b) Undue Economic Burden on Company

Petitioner provides service in rural areas that are already challenging to serve because of high costs and low population density. In a recent letter to the National

¹ 47 U.S.C. §251(f).

² 47 CFR §52.33.

Association of Regulatory Utility Commissioners (NARUC), FCC Chairman Michael Powell urged state commissions “**to consider the burdens on small businesses**” when addressing requests for suspension.³ Modification will avoid an undue economic impact on Petitioner and prevent Petitioner from being required to divert limited funds to transport arrangements rather than applying those funds to implement services and/or upgrade infrastructure that will benefit a large number of subscribers.

(c) Technical Feasibility

Technical feasibility is not an issue in this case.

(d) Public Interest

Modification is in the public interest because it will prevent rural customers from having to pay additional costs associated with transport of ported numbers outside of Petitioner’s local exchange service area. Modification will address the rating and routing issues that were not resolved by the FCC, and it will allow wireline-to-wireless LNP to move forward for those wireless carriers that have established facilities or arrangements to transport ported calls.

2. What reasons support suspension and/or modification?

As explained in more detail above, suspension and modification are warranted in order to avoid an adverse economic impact on customers and an undue economic burden on the company.

3. If the Commission should grant a suspension, how long should the suspension last?

See response to Issue No. 4 below.

³ June 18, 2004 letter from FCC Chairman Michael Powell to the Honorable Stan Wise, President of NARUC. (Emphasis added.)

4. If the Commission should grant a modification, what are the specific conditions of the modification?

Modification should be conditioned so that if wireline-to-wireless LNP is requested before the FCC has resolved the rating and routing issues associated with LNP, then the Petitioner will notify the wireless carrier that it is not the responsibility of the Petitioner to establish facilities and/or arrangements with third party carriers to transport calls on a local basis outside of its local serving area. Petitioner will establish an intercept message for seven-digit dialed calls to ported numbers where the facilities and/or the appropriate third party arrangements have not been established. The intercept message will inform subscribers that the call cannot be completed as dialed and if possible provide information about how to complete the call.

Respectfully submitted,

/s/ Brian T. McCartney

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ATTORNEYS FOR PETITIONER

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 as shown on the service list this 19th of July 2004.

/s/ Brian T. McCartney

Brian T. McCartney