

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

In the Matter of Southwestern Bell)
Telephone, L.P., d/b/a AT&T Missouri's)
IntraLATA Long Distance Dialing Parity)
Plan.)

Case No. TO-99-535

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission and for its recommendation states:

1. On October 4, 2007, Southwestern Bell Telephone Company, d/b/a AT&T Missouri, filed a motion requesting that the Commission approve a modification of its intraLATA Toll Dialing Plan (ILDTP). AT&T Missouri requests elimination of the intraLATA equal access scripting requirement. In addition, AT&T Missouri requested that the Commission make its decision in this matter no later than October 31, 2007.

2. Commission rule 4 CSR 240-32.100(3) directs:

IntraLATA equal access presubscription will be conducted as ordered by the commission.

3. In the attached Memorandum, the Staff recommends the Commission approve AT&T Missouri's request. The Staff Memorandum explains that granting AT&T Missouri's request would be consistent with similar events which have occurred nationally.

WHEREFORE, the Staff recommends approval of AT&T Missouri's request.

Respectfully submitted,

/s/ William K. Haas

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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 23rd day of October 2007.

/s/ William K. Haas

MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No. TO-99-535
In the Matter of Southwestern Bell Telephone Company's IntraLATA Long Distance Dialing Parity Plan

From: William Voight
Telecommunications Department

Subject: Staff's Recommendation for Approval to Modify Equal Access Toll Dialing Plan by Eliminating the Scripting Requirement

Date: October 23, 2007

Procedural Matters:

On October 4, 2007, Southwestern Bell Telephone Company (SWBT) d/b/a AT&T Missouri ("AT&T") filed a Motion requesting the Missouri Public Service Commission (MoPSC or Commission) approve the elimination of the Equal Access scripting requirement from AT&T's 1+ Presubscription IntraLATA Long Distance Dialing Parity Plan (Motion). AT&T also requested expedited consideration of its Motion.

On October 11th, the Commission directed the Telecommunications Department Staff (Staff) to respond to AT&T's request for expedited treatment no later than October 15th, and to indicate by October 18th a date by which the Staff would file its recommendation. The Staff complied with each of these Commission directives. On October 11th, the Staff recommended the Commission deny AT&T's request for expedited consideration. On October 18th, the Staff submitted October 23rd as the date for filing its recommendation.

Discussion of Equal Access and Scripting Requirements:

Equal Access is the term used to describe the process by which customers may choose a preferred long distance telephone company in order to place 1+ ("one plus") dialed long distance telephone calls. Equal Access exists for both interLATA and intraLATA long distance telephone calling. Although it is common for customers to have the same long distance carrier for both interLATA and intraLATA calling, it is possible to choose a different long distance carrier for each. Equal Access came about as a result of competition in the long distance telephone market, and was one result of the divestiture of AT&T and its 22 operating Bell telephone companies, circa 1982. In Missouri, interLATA Equal Access was introduced many years prior to intraLATA Equal Access. IntraLATA Equal Access became available to AT&T's (formally SWBT) Missouri end users in 1999. The Staff wishes to note that nothing in AT&T's instant filing has any effect on the availability of Equal Access.

Discussion of Scripting Requirements:

A “scripting requirement” is an obligation placed on local exchange telephone companies to verbally assist and inform new telephone customers about the Equal Access choices available in the customer’s area. For example, customers calling to sign up for new telephone service are told that they may select from among a list of companies offering long distance telephone service. If the customer requests, the customer service representative is required to read the list of companies available to the new customer. AT&T’s (formally SWBT) scripting requirement is one aspect of its 1+ Presubscription IntraLATA Long Distance Dialing Parity Plan (ILDP) as approved by the Commission in Case No. TO-99-535, effective June 21, 1999. SWBT’s ILDP scripting requirements state in relevant part:

New Customers

After implementation [of ILDP], new customers that contact SWBT to establish local service will be asked to select an intraLATA long distance provider. SWBT will inform the customer that they have a choice of companies that can provide intraLATA toll service and that a list of participating providers can be presented to them. If requested, the list of intraLATA long distance providers will be provided in a random, continuously rotating order. Once the customer understands that choice is available, SWBT representatives will then recommend SWBT as the intraLATA long distance provider. If the customer elects not to select an intraLATA long distance provider, the customer record will reflect a “no PIC” selection and intraLATA long distance calls will not be routed to a provider if a 1+ or 0+ dialing pattern is utilized. In such circumstances, customers will be required to dial an intraLATA long distance provider access code in order to place an intraLATA long distance call. “No PIC” is considered a valid PIC selection and any subsequent PIC selection or changes will incur a PIC change charge.

AT&T’s request seeks the Commission’s permission to eliminate the above requirement to inform customers of the Equal Access choices available. As previously stated, AT&T is not requesting to eliminate Equal Access; rather, AT&T’s request is only to be relieved of the scripting requirement. As stated repeatedly throughout its Motion, AT&T has already received permission from the Federal Communications Commission to eliminate federal scripting requirements. The FCC’s Report and Order in CC Docket No. 00-175 and WC Docket No. 06-120 (adopted August 30, 2007) eliminated scripting requirements for AT&T’s interstate long distance telecommunications services. In the Staff’s opinion, granting AT&T Missouri’s request would be consistent with similar events which have occurred nationally.

Discussion of Footnote Five of AT&T's Motion:

Footnote five of AT&T's Motion requests the Commission "clarify" that intraLATA Equal Access prescription and processes in Missouri shall be conducted in accordance with the FCC's requirements. According to AT&T, such clarification would ensure continued consistency between Missouri's statutes and rules and those of the FCC. The Staff has no objection to this request, and the Staff recommends AT&T's request be granted.

Discussion of Paragraph 126 of the FCC's Long Distance Report and Order:

Paragraph 126 of the FCC's Long Distance Order specifically denies a request to expand the scripting forbearance to non-Bell Operating Companies (BOC). Due to the potential for differences in competitive market conditions, and the lack of an adequate record before it, the FCC chose not to extend its forbearance to independent incumbent local exchange carriers at this time. As discussed in Paragraph 126, the FCC is currently examining those issues in another proceeding. In the Staff's view, if the FCC eventually grants similar relief for non-BOC carriers, the Missouri Commission may expect similar relief to be requested by the independent carriers.

Recommendation:

The Staff recommends the Commission approve AT&T's Motion to be relieved of its MoPSC mandated Equal Access scripting requirement. Staff agrees with AT&T that today's marketplace has largely evolved beyond the concept of separate local and long distance telephone carriers. Section 392.185(6) RSMo allows the Commission to allow full and fair competition to function as a substitute for regulation when consistent with the protection of ratepayers and otherwise consistent with the public interest. In the Staff's opinion, granting AT&T's request is consistent with this section. Although the Staff previously recommended the Commission deny AT&T's request for expedited consideration, the Staff none-the-less respectfully requests the Commission act on AT&T's Motion no later than October 31st, as requested by AT&T. In preparing this recommendation, the Staff briefly examined the exhaustiveness of the various ILDP records before the MoPSC. The Staff wishes to note its expectation that other local exchange carriers may also seek Commission approval to eliminate similar Equal Access scripting requirements.

Lastly, and as requested in Footnote five of AT&T's Motion, the Staff recommends the Commission grant AT&T's request for clarification that interLATA Equal Access continue to be conducted in Missouri in accordance with the FCC's requirements.

In an attempt to further understand the potential implications of AT&T's request, the Staff has compiled a list of Questions and Answers, which are attached as Appendix A. Other than the possibility of similar future requests of similarly situated local exchange carriers, the Staff is unaware of any other matter that affects, or that would be affected by, this case matter.

The responses are based on the Staff's review of the FCC's Report and Order in CC Docket No. 00-175, and WC Docket No. 06-120 (adopted August 30, 2007), as well as responses to the Staff's data requests and inquiries of AT&T.

Questions and Answers:

- Q. What is the current status of scripting requirements in other AT&T jurisdictions?
- A. In addition to the FCC, the utility commissions for the states of Arkansas, Oklahoma, Kansas and Texas no longer require AT&T to provide Equal Access scripting requirements.
- Q. If the Commission grants AT&T's request, will AT&T voluntarily disclose the complete list of long distance carriers available to new customers seeking to establish local telephone service for the first time?
- A. No. Such disclosures will not be a part of the information provided to new customers.
- Q. If the Commission grants AT&T's request, what long distance carrier, if any, will be assigned to customers who neglect to select a long distance provider?
- A. Such customers will be designated a "No PIC" customer. This situation is no different than the current arrangement.
- Q. If the Commission grants AT&T's request, will AT&T provide the list of Equal Access companies to those customers requesting to be informed of the choices available?
- A. No. Such information will not be available to those customers requesting the information.
- Q. The Commission permitted AT&T to impose a per-minute surcharge on long distance carriers in order for AT&T to recover the cost of implementing intraLATA Equal Access. If the Commission now permits AT&T to eliminate the Equal Access scripting requirement, shouldn't the long distance carriers be entitled to at least a partial refund of the surcharge?
- A. No. The surcharge, which for SWBT ended on March 24, 2004, was only designed to recover the incremental cost of implementing Equal Access. On-going costs, such as those represented by a scripting requirement, were not recovered via the surcharge. Therefore, refunds would not be appropriate.
- Q. For years SWBT was required to have a scripting plan for interLATA long distance but not for intraLATA long distance. Now AT&T proclaims that having a separate intraLATA requirement would be confusing and would "thwart the FCC's objectives". Please explain.

- A. The initial confusion over interLATA and intraLATA Equal Access and associated scripting requirements was unavoidable due to the lead time required for nation-wide Equal Access implementation. Just because there was confusion initially, it does not follow that such confusion should be reintroduced.
- Q. As pointed out in footnote 5 of AT&T's October 4th Motion, Missouri's Presubscription requirements are required to be conducted in accordance with the FCC's requirements. In its August 31st Long Distance Order, the FCC granted AT&T's Forbearance Petition. In doing so, the FCC approved certain targeted safeguards such as an imputation requirement, calling plans targeted to low volume customers, and provisions for certain call detail information designed to enable customers to make informed decisions about cost effective long distance plans. If the Commission grants AT&T's request to eliminate Missouri's scripting requirement, why shouldn't the Missouri Commission impose the same safeguards as those agreed to by AT&T and the FCC?
- A. The safeguards agreed to by AT&T and the FCC were an aspect of FCC forbearance regarding certain Dominant Carrier regulations for In-region, interexchange services. Even though both issues were addressed by the FCC in the same report and order, the agreed-upon safeguards had nothing to do with forbearance of Equal Access scripting requirements. Nevertheless, the call detail disclosure information agreed to by AT&T will be available to its Missouri customers. Moreover, the 12 cent per-minute rate agreed to for interstate long distance calling will also be available for in-state Missouri calling. The 12 cent per-minute Plan, known as the AT&T One Rate Online Basic Plan, is designed specifically for low volume customers. The Plan, which has no minimum monthly usage and no monthly recurring charge, is a part of Tariff File Number JX-2008-0174, which became effective in Missouri on October 22, 2007.

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OF THE STATE OF MISSOURI

In the Matter of Southwestern Bell)	
Telephone Company's IntraLATA Long)	Case No. TO-99-535
Distance Dialing Parity Plan)	

AFFIDAVIT OF WILLIAM L. VOIGHT

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

William L. Voight, of lawful age, on oath states: that he has participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



William L. Voight

Subscribed and sworn to before me this 23rd day of October, 2007.



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



Notary Public

My commission expires 9-21-10