

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

In the Matter of the Application of Comtel)	Case No. TA-2006-0214
Telcom Assets LP for a Certificate of)	Tariff File Nos. YC-2006-0569,
Service Authority to Provide Basic Local)	YC-2006-0570, YC-2006-0571,
and IXC Telecommunications Services in)	YC-2006-0572, YC-2006-0573,
the State of Missouri and to Classify Said)	YC-2006-0574, YC-2006-0575, and
Services and the Company as Competitive)	YC-2006-0576

STAFF RECOMMENDATION

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

1. The application of Comtel Telecom Assets LP, as supplemented by addenda, requests the following certificates of service authority:

Certificate Name	Certificate Type
Comtel Telecom Assets LP d/b/a VarTec Telecom	Basic local exchange and interexchange services
Comtel Telecom Assets LP d/b/a Excel Telecommunications	Basic local exchange and interexchange services
Comtel Telecom LP d/b/a VarTec Solutions	Interexchange services
Comtel Telecom Assets LP d/b/a Clear Choice Communications	Interexchange services

2. In pending Case No. TM-2006-0186, Comtel is seeking Commission approval to acquire the assets and customer accounts of VarTec Telecom, Inc., Excel Telecommunications, Inc., VarTec Solutions, Inc., and VarTec Telecom, Inc. d/b/a Clear Choice Communications (the VarTec Companies).

3. Comtel has filed, in this case, title sheets and adoption notices to assume the VarTec Companies' tariffs so that the customers which it seeks to acquire in Case No. TM-2006-0186 will receive the same services at the same rates, terms and conditions at the time of the transfer.

4. In the attached Memorandum, which is labeled Appendix A, the Staff recommends that the Missouri Public Service Commission grant (1) Comtel Telecom Assets LP d/b/a VarTec Telecom and (2) Comtel Telecom Assets LP d/b/a Excel Telecommunications separate certificate of service authority to provide basic local exchange telecommunications service in the service areas of Southwestern Bell Telephone L.P., d/b/a SBC Missouri, (now d/b/a AT&T Missouri) Sprint Missouri, Inc. d/b/a Sprint, CenturyTel of Missouri, LLC, and Spectra Communications Group, LLC, conditioned upon certain access rate provisions.

The Staff recommends that the Commission grant (1) Comtel Telecom Assets LP d/b/a VarTec Telecom, (2) Comtel Telecom Assets LP d/b/a Excel Telecommunications, (3) Comtel Telecom Assets LP d/b/a VarTec Solutions, and (4) Comtel Telecom Assets LP d/b/a Clear Choice Communications separate certificate of service authority to provide interexchange telecommunications services.

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. (See §§ 392.430 and 392.440 RSMo 2000.)

5. Staff also recommends that the Commission classify Comtel and its services 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. (See § 392.361.2 RSMo 2000.) All the services a competitive company provides must be classified as competitive. (See § 392.361.3 RSMo 2000.)

6. Staff further recommends that the Commission approve the standard waivers listed in the Notice of 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 RSMo. (See §§ 392.185, 392.361.3 and 392.420 RSMo 2000.)

7. Finally, Staff recommends approval of Comtel's proposed title sheets and adoption notices.

WHEREFORE, the Staff recommends that the Commission grant two certificates to provide basic local exchange telecommunications services in the service areas described above, conditioned upon the access rate provisions; grant four certificates to provide interexchange telecommunications service; grant Comtel competitive classification, and approve the proposed title pages and adoption notices.

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 26th day of January 2006.

/s/ William K. Haas

William K. Haas

MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No: TA-2006-0214 File No: YC-2006-0569, 2006-0570, 2006-0571,
2006-0572, 2006-0573, 2006-0574, 2006-0575,
2006-0576

Applicant: Comtel Telcom Assets LP d/b/a VarTec Telcom, Comtel Telecom Assets LP d/b/a Excel Telecommunications, Comtel Telcom Assets LP d/b/a VarTec Solutions, Comtel Telcom Assets LP d/b/a Clear Choice Communications

From: Sara Buyak
Telecommunications Department

William Voight 1/25/06 /s/ William K. Haas 1/25/06
Utility Operations Division/Date General Counsel's Office/Date

Subject: Staff Recommendation for Approval of Certificate, title sheets and adoption notices

Date: 1-25-06

Filing Deadline: January 26, 2006(by 4:00 pm 7 working days prior to proposed effective date)

The Telecommunications Department Staff (Staff) recommends that (1) Comtel Telcom Assets LP d/b/a VarTec Telcom and (2) Comtel Telcom Assets LP d/b/a Excel Telecommunications be granted the following certificate(s), as indicated below, to be effective on the same date the tariff becomes effective:

certificate to provide basic local exchange telecommunications services in the following service areas.

- All of SBC
- All of Sprint
- All of CenturyTel
- All of Spectra
- Other _____ (please describe)

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.

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:)

The Staff recommends that (1) Comtel Telecom Assets LP d/b/a Vartec Telecom, (2) Comtel Telecom Assets LP d/b/a Excel Telecommunications, (3) Comtel Telecom Assets LP d/b/a VarTec Solutions, and (4) Comtel Telecom Assets LP d/b/a Clear Choice Communications be granted the following certificate(s), as indicated below, to be effective on the same date the tariff becomes effective:

certificate to provide interexchange telecommunications services.

certificate to provide local exchange telecommunications services.*

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

Tariff Adoption sheets are:

Comtel Telecom Assets LP d/b/a VarTec Telecom adopts VarTec Telecom, Inc. PSC Mo. No 1, Local Exchange Services Tariff, YC-2006-0569;

Comtel Telecom Assets LP d/b/a Clear Choice Communications adopts VarTec Telecom, Inc d/b/a Clear Choice Communications, PSC Mo. No. 1, Interexchange Services Tariff, File No. YX 2006-0576;

Comtel Telecom Assets LP d/b/a Excel Telecommunications adopts Excel Telecommunications, Inc., PSC Mo. No. 2, Interexchange Services Tariff, YC-2006-0573;

Comtel Telecom Assets LP d/b/a VarTec Solutions adopts VarTec Solutions, Inc. formerly eMeritus Communicaions, Inc., PSC Mo. No. 2, Interexchange Services Tariff, YX-2006-0575;

Comtel Telecom Assets LP d/b/a VarTec Telecom adopts VarTec Telecom, Inc. PSC Mo. No. 3, Interexchange Services Tariff, File No. YX 2006-0570;

Comtel Telecom Assets LP d/b/a Excel Telecommunications adopts Excel Telecommunications, Inc., PSC MO. No. 3, Local Access Services Tariff, YX-2006-0572;

Comtel Telecom Assets LP d/b/a VarTec Telecom adopts VarTec Telecom, Inc. PSC Mo. No. 4, Intrastate Switched Access Services, File No. YX-2006-0571 and;

Comtel Telecom Assets LP d/b/a Excel Telecommunications adopts Excel Telecommunications, Inc. PSC Mo. No. 4, Local Exchange Tariff, YC-2006-0574.

Tariffs are Effective on: February 6, 2006.

Tariff was not submitted with application. Pursuant to 4 CSR 240-3.510(1)(C), the applicant cannot lawfully provide service until tariffs are effective.

Staff recommends the applicant and its services receive competitive classification. In addition, Staff recommends approval of the waivers listed in the Notice.

Company intends to submit the interconnection agreement before offering basic local telecommunications services in Missouri.

Review Items for IXC, Non-switched Local and CLEC Certificate Applications (as required by 4 CSR 240-2.060):

- Proper Secretary of State authorization
- Statement of character of business performed.
- Statement declaring no pending action or final unsatisfied judgments
- Statement declaring no overdue annual reports/assessment fees
- Application includes an affidavit.

- The applicant is requesting waivers of rules or statutes previously granted to a competitively classified company

(as required by 392.430/.440):

- Application shows that grant of authority is in the public interest.

Additional Review Items for CLEC Applications (as required by 392.455):

- Possesses sufficient technical, financial and managerial resources and abilities.
- Identifies geographic area (no smaller than an exchange).
- Statement that applicant will offer basic local service as a separate and distinct service.
- Statement that applicant will give equitable access to all Missourians.

Tariff Review Items (applicable for all competitively classified companies):

- Properly formatted: (Company name, PSC MO No., Page #, Page revision #, proposed effective date)
- Identifies competitive classification.
- Identifies waivers granted.
- Customer specific pricing, if proposed, limited for private line, special access or Centrex-like services or to business customers in exchanges where the incumbent local exchange company has had its business services declared competitive pursuant to Section 392.245. (392.200(8))
- Proposed rates do not establish geographic deaveraged rates (if not checked, explain in attachment). (392.200(4)).
- If an alternative operator service provider (receives more than 40% of revenues from traffic aggregators) operator service rates do not exceed: Person-to-Person (\$12.50), Station-to-Station/card (\$7.50). (392.515(1)).

Tariff Review Items (applicable only for CLECs):

- Interconnection agreement approved (if not checked, explain in attachment).
- Tariff clearly indicates areas offering local service (392.455(3)). Tariff identifies by exchange the areas where it offers basic local telecommunications service.
- Tariff offers local service as a separate and distinct service. (392.455(4))
- Switched access rates capped at ILEC's rates.