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Sponsoring Party: MOPSC Staff  
Company:  
Case No.: TA-88-218, et al.

MISSOURI PUBLIC SERVICE COMMISSION  
UTILITY DIVISION

CASE NO. TA-88-218, et al.

DIRECT TESTIMONY  
OF  
JOHN B. VAN ESCHEN

Jefferson City, Missouri  
August, 1988

**FILED**  
AUG 19 1988  
PUBLIC SERVICE COMMISSION

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Date: 7/20/88  
Case No. TA-88-218  
Reporter: [Signature] *exa*

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

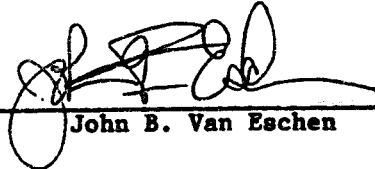
In the matter of the application of                       )  
American Operator Services, Inc. for                    )  
a certificate of service authority                     )  
to provide Intrastate Operator-Assisted                )  
Resold Telecommunications Services, et al.)

Case No. TA-88-218, as consolidated

AFFIDAVIT OF JOHN B. VAN ESCHEN

STATE OF MISSOURI    )  
                              ) ss  
COUNTY OF COLE     )

John B. Van Eschen, of lawful age, on his oath states: that he has participated in the preparation of the attached direct testimony in question and answer form, consisting of 14 pages and 3 schedules, to be presented in the above case; that the answers in the attached direct testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

  
\_\_\_\_\_  
John B. Van Eschen

Subscribed and sworn to before me this 19th day of August, 1988.

  
\_\_\_\_\_  
Notary Public

My commission expires June 18, 1989.

Joyce C. Neuner, Notary Public  
Gage County, State of Missouri  
My Commission Expires June 18, 1989

1 PREPARED TESTIMONY

2 OF

3 JOHN B. VAN ESCHEN

4 CASE NO. TA-88-218, et al.

5  
6 Q. Please state your name and give your business address.

7 A. John Brandt Van Eschen, P.O. Box 360, Jefferson City,  
8 Missouri, 65102.

9 Q. By whom are you employed?

10 A. I am employed by the Missouri Public Service Commission's  
11 (Commission's) Division of Utilities.

12 Q. How long have you been employed by this Commission?

13 A. Since May, 1984.

14 Q. What has been the nature of your duties and responsibilities  
15 with the Commission?

16 A. Since March 14, 1988 I have been temporarily assigned the  
17 duties of Assistant Manager of Rates and Tariffs in the Division of  
18 Utilities' Communications Department. This position's responsibilities  
19 include the review of proposed changes to telephone utility tariffs and  
20 rates and making recommendations to the Commission based on that review.  
21 Prior to this assignment I held the position of Economist in the  
22 Communications Department and assisted in this same review and  
23 recommendation process for many proposed changes to telephone utility  
24 tariffs and rates.

25 Q. Have you previously testified before the Commission?

26 A. Yes.

27 Q. Will you please state your educational background?  
28

1           A. I have a Master of Arts Degree in Economics from Kansas  
2 State University and a Bachelor of Science degree in Psychology with a  
3 minor in Business Administration from the University of Iowa.

4           Q. Mr. Van Eschen, what is the purpose of your testimony?

5           A. My purpose is to provide Staff's recommendation regarding  
6 the provision of operator services by the five applicants in this case,  
7 American Operator Services, Dial U.S., Dial U.S.A., International  
8 Telecharge, and Teleconnect. I will ultimately recommend that these  
9 companies be allowed to provide operator services if they can comply with  
10 certain requirements.

11           Q. Do all five applicants possess a certificate of service  
12 authority to provide service within Missouri?

13           A. No. The Commission previously has granted a certificate of  
14 service authority for four (4) of the five (5) applicants, Dial U.S., Dial  
15 U.S.A., International Telecharge, and Teleconnect. American Operator  
16 Services has a pending application for a certificate of service authority.

17           Q. Among the four (4) applicants possessing a certificate of  
18 service authority, do these companies have Commission approved tariffs to  
19 provide operator services?

20           A. No, none of the four companies presently have Commission  
21 approved tariffs for operator services.

22           Q. Are there any companies, other than AT&T and the local  
23 exchange companies, which have Commission approved tariffed rates for  
24 operator services?

25           A. Yes, there are presently three companies, US Sprint, LTS,  
26 and American Communications, Inc. Tariffed operator service rates, as  
27 well as directory assistance, have been available from US Sprint since  
28 July 1, 1986 for person-to-person, and station-to-station calls. LTS has

1 offered person-to-person operator assistance since November 24, 1986.  
2 American Communications, Inc. has offered operator assistance on a "when  
3 needed" basis since August 17, 1987, however no surcharges have ever been  
4 listed in its tariffs.

5 Q. Has the Commission previously expressed an indication that  
6 competition should be allowed for operator services?

7 A. The Commission has not specifically addressed operator  
8 services; however, the Commission has indicated that toll competition  
9 generally is in the public interest. For example, the Commission stated:

10 Based upon the evidence presented in this case the  
11 Commission finds that authorizing intraLATA toll  
12 competition will result in new and improved services,  
13 lower prices and faster responses to customers' needs  
14 which will benefit the public....

15 In the matter of the investigation into WATS resale  
16 by hotels/motels, Case No. TO-84-222, et al, (1986).

17 In addition, recent Commission orders appear to reinforce the concept that  
18 market forces rather than regulation would be more appropriate in  
19 addressing whether a company's proposed service satisfies a public need.

20 For instance, the Commission concluded:

21 ...In Case No. TX-85-10, the Commission stated  
22 that if an applicant is found to be fit pursuant to  
23 the Commission's standards, then the Commission will  
24 assume that additional competition in the interLATA  
25 market is in the public interest and a certificate of  
26 public convenience and necessity (now a "certificate  
27 of service authority" pursuant to House Bill 360)  
28 should be granted. Since the intraLATA toll market  
has been opened for competition, the Commission did  
not deem it necessary in Case No. TO-84-222, et al.,  
to determine a public need for each reseller's  
services as the market would eliminate any reseller  
for which there was no public need....

29 In the matter of the application of MidAmerican Long  
30 Distance Company for permission, approval and a  
31 certificate of convenience and necessity authorizing  
32 it to offer resale telecommunications service to the  
33 public in the State of Missouri, Case No. TA-88-144,  
34 (1988).

1 Q. In your opinion, should other companies, other than AT&T,  
2 local exchange companies, US Sprint, LTS, and American Communications, be  
3 allowed to offer operator services?

4 A. Yes. The Commission has previously indicated that  
5 additional competition, at least for toll services, would be in the  
6 public's interest. In order to compete, some interexchange carriers may  
7 find it necessary to offer complementary services, such as operator  
8 services, with their other toll services so that they can be a "full  
9 service" provider. Companies which solely provide operator services, may  
10 also be appropriate if the interexchange carrier would prefer to contract  
11 for their services rather than employ their own operator staff.

12 Q. Should American Operator Services be granted a certificate  
13 of service authority?

14 A. American Operator Services would simply be another supplier  
15 of this product, therefore I see no reason to deny American Operator  
16 Services a certificate of service authority. I would also recommend that  
17 the certificate be conditioned upon American Operator Services submitting  
18 appropriate percentage of interstate/intrastate interLATA and intraLATA  
19 use reports to appropriate local exchange companies and the Commission  
20 Staff within thirty (30) days of granting of the certificate.

21 Q. Would you recommend approval of the proposed tariffs of the  
22 five applicants?

23 A. Not as presently proposed. I would recommend that these  
24 companies comply with certain requirements before they can be permitted to  
25 offer operator services. In this respect, the potential for complaints  
26 could be minimized.

1 Q. Has the Commission received any complaints regarding any  
2 providers of operator services other than AT&T or the local exchange  
3 companies?

4 A. Yes. The Commission has received eighteen (18) complaints  
5 since the initial complaint on December 11, 1987. As a comparison, the  
6 Commission's Customer Service Department has only received three (3)  
7 complaints against AT&T operators in the past three (3) years.

8 Q. What is the nature of these complaints?

9 A. Schedule 1 identifies and classifies these complaints into  
10 various categories. It should be noted that some of these complaints  
11 involved interstate calls but were nevertheless included in the list. As  
12 the schedule will show, the majority of the complaints are concerned with  
13 lack of operator identification and high rates, which are also the two  
14 main types of complaints found in the NARUC Task Force's findings in their  
15 nationwide survey of complaints concerning alternative operator service  
16 providers (or sometimes referred to as operator service providers).

17 Q. Do you believe that many of these types of complaints could  
18 be prevented if additional rules or requirements would be established by  
19 the Commission?

20 A. Yes. For example, if all providers of operator services are  
21 required to identify themselves and to quote all rates, when requested,  
22 then the two main types of complaints could be minimized.

23 Q. Specifically, what type of notice requirements would you  
24 require for providers of operator services?

25 A. In order to minimize complaints concerning lack of operator  
26 identification, I would recommend that all providers of operator services  
27 identify themselves during the operator's initial verbal contact with the  
28

1 caller. In addition, operators should identify themselves to the third  
2 party on third party calls, and the called party on collect calls.

3 Q. Would you propose any other requirements?

4 A. In order to minimize complaints regarding rates, I would  
5 propose that all providers of operator services provide rate quotes, upon  
6 request, at no charge. If a caller inquires about the company's rates,  
7 the operator should be able to provide the appropriate rates for the  
8 initial minute and additional minute (or other rate structure as  
9 appropriate), operator surcharge, and any additional charges. In  
10 addition, no charges should be knowingly billed for any incomplete calls.

11 Q. Do the companies, which presently offer or propose to offer  
12 operator services, have drastically different rate structures?

13 A. No. In fact, the rate structures are fairly similar with  
14 only some slight differences. Schedule 2 provides a comparison of the  
15 operator assisted rates for US Sprint, LTS, AT&T, Southwestern Bell and  
16 the proposed rates of the five applicants. As this schedule will show,  
17 the usage rates of all the companies are either identical or approximately  
18 the same as AT&T's or Southwestern Bell's rates. One notable exception is  
19 that American Operator Services has an \$.80 per call charge rather than a  
20 per minute rate for calls approximately within the first three mileage  
21 bands. The operator surcharges of all the companies are nearly identical,  
22 with only a few minor exceptions.

23 Q. Would you object if the companies providing operator  
24 services had significantly different rate levels than rate-base regulated  
25 telecommunications companies?

26 A. No. I believe that each company may have different cost  
27 characteristics which may require different rate structures and rates.  
28 Each company may also provide a different array of operator services which



1 could create a different cost structure. In this respect I do not believe  
2 that it would be appropriate to establish the current rate-base regulated  
3 telecommunications companies' rates as a rate ceiling because a rate-base  
4 regulated company would only coincidentally have the same costs as another  
5 company. In addition, not all rate-base regulated telecommunications  
6 companies have rates established for forms of operator services. For  
7 example, AT&T does not charge for one type of operator service, namely  
8 directory assistance. If an operator service provider wanted to expand  
9 services to include directory assistance, a rate ceiling based on AT&T  
10 rates may prevent other companies from even charging for it.

11 Q. Should all operator service provider's rates be controlled  
12 by the Commission?

13 A. Yes. However, the extent of this control may depend on the  
14 classification of operator services that is currently being investigated  
15 in Case No. TO-88-142 (In the matter of the investigation for the purpose  
16 of determining the classification of the services provided by  
17 interexchange telecommunications companies within the State of Missouri).

18 Q. What has been the nature of rate protection afforded  
19 customers utilizing the telecommunications facilities commonly served by  
20 alternative operator service providers?

21 A. For many years, consumers have had minimal, if any, rate  
22 protection at the vast majority of locations served by alternative  
23 operator service providers. For example, hotels, hospitals, and  
24 universities have been able to independently establish rate levels for  
25 telephone services supplied to their respective guests, patients, and  
26 students. Private payphone providers are also not limited in the amount  
27 that they can charge for toll calls (although the Commission has  
28 established a \$.25 maximum rate per local call).

1 Q. Would you permit the billing of any additional charges (for  
2 example, location surcharges) beyond the operator service provider's  
3 tariffed rates?

4 A. Yes, however I would recommend certain restrictions if these  
5 charges are going to be placed on a customer's local exchange bill.  
6 First, these additional charges should be separately identified and  
7 specifically associated with each call on the customer's local bill.  
8 Second, these charges should not be rolled into the operator service  
9 provider's charges, except under limited circumstances. Additional  
10 charges can only be rolled into the operator service provider's charges if  
11 the additional charges are established by a party which has a certificate  
12 of service authority from the Missouri Public Service Commission and has  
13 also submitted current rates to the Commission.

14 Q. If charges associated with operator assisted calls are  
15 placed on a caller's local exchange bill, should local exchange service be  
16 disconnected if the caller does not pay these charges?

17 A. Yes, but only if these charges were established by a  
18 certificated party with current rates on file at the Commission.

19 Commission Rule 240-33.070 (2) states:

20 The failure to pay charges not subject to  
21 Commission jurisdiction shall not constitute  
cause for a discontinuance.

22 In addition, Southwestern Bell's General Exchange Tariff, P.S.C. Mo.-No.  
23 35, Section 22, Original Sheet 1 describes under what conditions a  
24 subscriber's residential service can be disconnected:

25 For nonpayment of undisputed, delinquent state  
26 or interstate long distance service charges  
27 billed by Southwestern Bell or undisputed,  
28 delinquent exchange service charges including  
any FCC-approved end user charge or both, after  
a written notice has been furnished to the  
customer....

1 I would recommend that service could be discontinued for any delinquent  
2 charge(s) established by a Missouri Commission certificated party with  
3 charges on file at the Commission. However, any delinquent charges which  
4 are associated with a noncertificated party should not constitute a cause  
5 for discontinuance of service.

6 Q. Do you believe that the Commission could still effectively  
7 regulate the interests of consumers in this type of an arrangement?

8 A. Yes. If the rates submitted by these parties are  
9 unreasonable or if the Commission has received a significant number of  
10 complaints concerning a particular certificated party, the Commission  
11 could remove the party's certificate of service authority. In this  
12 respect, a private payphone provider, without an approved certificate,  
13 could no longer operate. However, in other cases, all charges established  
14 by a noncertificated party would be separately identified on the bill and  
15 a customer could simply refuse to pay the charges and still not have their  
16 phone service disconnected.

17 Q. Can you foresee any problems with the billing arrangements  
18 of some operator service providers?

19 A. Yes. Many operator service providers use the services of a  
20 billing agent to place charges on a local exchange company's telephone  
21 bill. This arrangement can cause some customer confusion if a particular  
22 operator service provider is identified for a call but is later billed  
23 under the billing agent's name.

24 Q. What would you recommend in order to minimize customer  
25 confusion?

26 A. I would recommend that the name of the operator service  
27 provider be listed on a local exchange company's bill to the customer  
28 rather than the billing agent. However, operator service providers can

1 use billing agents, if desired, to perform the details of billing  
2 administration and customer inquiries.

3 Q. Do you have any other comments regarding billing practices  
4 of operator service providers?

5 A. Yes. Problems may exist regarding the billing of telephone  
6 company calling (credit) cards and the credit verification procedures used  
7 by some companies in the processing of these cards. Some operator service  
8 providers list calls which use a telephone calling card as a billed to  
9 third number call, thus causing later customer confusion when the bill is  
10 received. I would recommend that if the charges cannot be listed as a  
11 credit card call, then the provider must inform the caller as to how it  
12 will be listed on the caller's bill. In addition, calls should only be  
13 processed if the caller's origination point and the called party's  
14 termination points can be correctly listed on the local exchange bill.

15 Q. What problems may exist regarding credit verification  
16 procedures of telephone company calling cards?

17 A. Some operator service providers contact the local exchange  
18 company operator as if they were placing the call to verify the credit  
19 risk of a calling card. For example, a recent trade journal stated:

20 In the meantime, AOS companies have devised some  
21 clever ways of reducing their exposure to calling card  
22 fraud. Some surreptitiously validate the calling card  
23 number by dialing it through AT&T's network while  
24 placing the call through their own. If the number  
25 validates via AT&T, they terminate that call and let  
26 the original one go through on their own network.  
27 AT&T considers its numbers proprietary.

28 "Operator Services Who Owns the '0'?" Telephone  
Engineer and Management, April 1, 1988, page 53.

In my opinion, the operator service provider must utilize reasonable  
calling card verification procedures which are also acceptable to the  
company issuing the calling card.

Prepared Testimony of  
John Van Eschen

1 Q. Would you allow companies, other than AT&T and the local  
2 exchange companies, to handle "0-" calls?

3 A. Yes, "0-" calls (or calls in which the caller simply dials  
4 "0") could be offered as long as emergency calls could be adequately  
5 handled in an expeditious and efficient manner. However, further  
6 investigation is needed before the Commission should allow companies,  
7 other than AT&T or the local exchange companies, to provide "0-" calls.

8 Q. Why is it important to have adequate call handling  
9 capabilities on "0-" calls?

10 A. In emergency situations in which a caller is trying to  
11 contact the fire/police department, ambulance services, poison control  
12 centers, etc. the caller may simply dial "0". The caller may not receive  
13 any assistance, assistance may be delayed, the wrong agency or a more  
14 distant agency might be contacted if the operator is unable to  
15 appropriately handle the call.

16 Q. What requirements would you propose to ensure that emergency  
17 calls would be properly handled on "0-" calls?

18 A. Companies, other than AT&T and local exchange companies,  
19 which propose to offer operator services on an "0-" basis should be  
20 required to explicitly describe how emergency service calls would be  
21 handled. I would recommend that the company have the ability to connect  
22 the caller to the appropriate emergency service agency, at no charge to  
23 the caller. The caller should not be expected to hang-up and redial in  
24 order to be connected with the emergency agency or local exchange company  
25 operator. The operator should be required to stay with the call until the  
26 call has been completed in order to determine if the caller requires any  
27 additional assistance. Staying with the call is also important if the  
28 caller faints or is somehow unable to complete the call, so that the

1 operator might be able to direct the emergency service to the appropriate  
2 location.

3 Q. Do you have any concerns which should be brought to the  
4 Commission's attention before any other companies are allowed to handle  
5 "0-" calls?

6 A. Yes. Alternative operator service providers need to  
7 adequately demonstrate that they are able to respond to a caller in an  
8 expeditious manner. For instance, Alan Taylor, Chief of the Bureau of  
9 Service Evaluation for the Florida Public Service Commission expressed a  
10 concern over the length of time necessary to transport the call to the  
11 operator after the caller dials "0":

12 ...Some AOS companies have emergency response  
13 capability others do not. AOS answer time is  
14 generally at least 30 seconds, not necessarily  
15 because of inadequate staffing but because of  
16 the time it takes the network to establish a  
17 connection after 1+800+NXX-XXXX is dialed....

18 Review of the requirements appropriate for alternative  
19 operator services and public telephones, Docket Number  
20 871394-TP, June 13, 1988.

21 Therefore, until alternative operator service providers can satisfactorily  
22 demonstrate that "0-" calls would not be unnecessarily delayed, I would  
23 recommend that all "0-" calls be handled by AT&T or the local exchange  
24 companies.

25 Q. Do you have any other comments regarding alternative  
26 operator service providers?

27 A. Yes. The provision of operator services by companies other  
28 than AT&T or the local exchange company is relatively new. Consumers may  
not be aware that other companies offer operator services or that their  
rates may differ. Therefore, if operator services can be provided by  
other companies, consumers will need to be educated. This education

1 process might be in the form of additional Commission press releases such  
2 as the release issued on July 20, 1988, as shown on Schedule 3. I would  
3 also encourage local exchange companies to include bill inserts which  
4 contain information regarding the existence of other companies, besides  
5 the local exchange company or AT&T, which supply operator services. In  
6 addition, I would promote the use of tent cards, signs and stickers which  
7 could be placed near or on phones to inform callers which company is  
8 providing operator services at that location.

9 Q. Mr. Van Eschen, could you please summarize your testimony?

10 A. I have recommended that the Commission allow other companies  
11 to provide operator services, if they can comply with certain  
12 requirements. These proposed requirements are:

- 13 1. The operator service provider must not knowingly bill  
14 for any incomplete calls or emergency calls.
- 15 2. The operator service provider must provide  
16 identification of the operator's company to the caller  
17 during the initial verbal contact as well as to the  
18 billed party on third number billed calls and collect  
19 calls.
- 20 3. Upon request, the operator service provider must  
21 provide rate quotes, at no charge, which include the  
22 rates associated with the initial minute and additional  
23 minute (or other appropriate rate structure), operator  
24 surcharge, and any additional charges.
- 25 4. Only charges established by certificated parties that  
26 have also submitted rates to the Commission may be  
27 combined into a single charge on a customer's local  
28 exchange bill and also receive discontinuance of  
service for nonpayment. All other charges established  
by noncertificated parties must be separately  
identified and specifically associated with each call.
- 5 The operator service provider's name should be listed  
on the local exchange bill rather than the billing  
agent's name.
- 6 If telephone company calling cards are used, the  
operator service provider must appropriately bill for  
these charges, including the correct identification of  
the caller's location and the called party's location.

1 The operator service provider must also utilize  
2 reasonable calling card verification procedures, which  
3 are acceptable to the company issuing the calling  
4 cards.

- 5 7. Operator service providers may eventually handle "0-"  
6 calls, if the company can satisfactorily demonstrate  
7 that emergency calls would be adequately and  
8 efficiently handled. However, until this can be  
9 demonstrated, all "0-" traffic will be handled by AT&T  
10 or the local exchange companies.

11 If the applicants in this case agree to restructure their proposed tariffs  
12 in order to comply with these requirements, I would then recommend  
13 approval of their respective tariffs. My testimony also commented that  
14 the rates established by rate-base regulated telecommunications companies  
15 should not be used as rate ceilings. I would also recommend that American  
16 Operator Services be granted a certificate of service authority upon the  
17 condition that the company would submit appropriate percentage of  
18 interstate/intrastate interLATA and intraLATA use reports to appropriate  
19 local exchange companies and the Commission Staff within thirty (30) days  
20 of the granting of the certificate.

21 Q. Do you have any final comments regarding your listed  
22 requirements for operator service providers?

23 A. Yes. I would like to see these same requirements apply to  
24 all providers of operator services. However, my legal counsel has advised  
25 me that a rulemaking proceeding may have to be established in order to  
26 accomplish this objective.

27 Q. Does this conclude your testimony?

28 A. Yes, it does.



<u>COMPLAINT NUMBER</u>	<u>COMPLAINT DATE</u>	<u>COMPANY</u>	<u>COMPLAINT</u>			<u>CUSTOMERS' ADDITIONAL COMMENTS</u>
			High Rate	No Notification	Billing Delay	
1	12/11/87	Pentagon Computer Servs.	X	X		The caller used an AT&T calling card to place a call from a hospital's private payphone.
2	12/15/87	Nat'l. Tels. Services	X			The call's origination point was incorrectly listed as Georgia. National Telephone Service 800 number always busy.
3	2/10/88	Nat'l. Tele. Services	X	X		The caller used an AT&T calling card to place calls from hotel. The caller considers it fraudulent and very dissatisfied. NTS 800 number always busy.
4	2/11/88	Central Corporation	X	X		The caller placed a call from the Holiday Inn in downtown St. Louis and was charged \$.99 per minute.
5	2/29/88	Pentagon Computer Servs.			X	Long distance calls placed during September and October from Clarion Hotel in St. Louis were just now being billed (used AT&T calling card).
6	3/10/88	Central Corporation	X			The collect calls from Texas averaged \$.99/minute.
7	5/25/88	?	X			The caller was charged \$1.15 per minute.
8	5/25/88	Internat'l. Telecharge	X			The caller used an AT&T credit card to place a call from motel in Illinois which resulted in an excessive bill.

<u>COMPLAINT NUMBER</u>	<u>COMPLAINT DATE</u>	<u>COMPANY</u>	<u>COMPLAINT</u>			<u>CUSTOMERS' ADDITIONAL COMPLAINTS</u>
			High Rate	No Notification	Billing Delay	
9	6/3/88	OAN Inc.	X			The caller was billed \$1.90 for a directory assistance call placed on AT&T credit card from a hotel. The caller felt the charge was excessive and that these companies should be regulated.
10	6/3/88	Internat'l. Telecharge	X	X		The caller used an AT&T calling card and was charged "triple" the AT&T rate. Should regulate AOS. Why AOS allowed to bill in this manner?
11	6/4/88	Internat'l. Telecharge	X			Billed for an incomplete call from Irving, Texas.
12	7/7/88	Internat'l. Telecharge	X	X		It is not fair to disconnect local service for these excessive rates.
13	7/11/88	Internat'l. Telecharge	X			Excessive rates. The caller experienced trouble with the local telephone company on billing and rebilling this call.
14	7/12/88	Internat'l. Telecharge	X			The calls were billed at <u>triple the AT&amp;T rate</u> . Why is ITI not regulated and why are rates so high?
15	8/1/88	Internat'l. Telecharge	X	X		The charge was excessive and was never informed of the operator's company.
16	8/1/88	Internat'l. Telecharge	X	X		Excessive charge for a call placed from Branson using an AT&T calling card. Billed for two calls which were never completed. Operator did not provide identification.

<u>COMPLAINT NUMBER</u>	<u>COMPLAINT DATE</u>	<u>COMPANY</u>	<u>COMPLAINT</u>			<u>CUSTOMERS' ADDITIONAL COMMENTS</u>
			High Rate	No Notification	Billing Delay	
17	8/3/88	Nat'l. Tele. Services		X		The bill incorrectly displayed the termination point.
18	8/4/88	Internat'l. Telecharge	X			Charges excessive. These carriers should not be able to place their charges on the local exchange bill.

**OPERATOR SERVICES - DAYTIME TOLL CHARGES**

Mileage	Initial Minute						AMERICAN OPERATOR <sup>®</sup> SERVICES, INC.		LTS, INC.	
	A T & T (Inter LATA)	SWB (Intra LATA)	US SPRINT (Inter & Intra LATA)	TELECONNECT <sup>®</sup> (Inter & Intra LATA)	DIAL US DIAL USA (Inter & Intra LATA)	INTERNATIONAL (Inter LATA)	TELECHARGE <sup>®</sup> (Intra LATA)	(Inter LATA & Intra LATA)	(Inter LATA)	(Intra LATA)
10	\$0.11	\$0.12	\$0.10	\$0.11	\$0.11	\$0.11	\$0.12	\$0.80 \CALL	\$0.09	\$0.10
11 - 14	\$0.15	\$0.16	\$0.14	\$0.15	\$0.15	\$0.15	\$0.16	\$0.80 \CALL	\$0.12	\$0.13
15 - 18	\$0.18	\$0.20	\$0.17	\$0.18	\$0.18	\$0.18	\$0.21	\$0.80 \CALL	\$0.14	\$0.17
19 - 23	\$0.23	\$0.26	\$0.22	\$0.23	\$0.23	\$0.24	\$0.27	\$0.27	\$0.19	\$0.22
24 - 28	\$0.36	\$0.39	\$0.35	\$0.36	\$0.36	\$0.38	\$0.42	\$0.42	\$0.30	\$0.34
29 - 33	\$0.39	\$0.43	\$0.38	\$0.39	\$0.39	\$0.41	\$0.46	\$0.46	\$0.33	\$0.37
34 - 40	\$0.40	\$0.45	\$0.39	\$0.40	\$0.40	\$0.42	\$0.48	\$0.48	\$0.34	\$0.38
41 - 50	\$0.42	\$0.48	\$0.41	\$0.42	\$0.42	\$0.44	\$0.50	\$0.50	\$0.35	\$0.40
51 - 60	\$0.46	\$0.51	\$0.45	\$0.46	\$0.46	\$0.48	\$0.54	\$0.54	\$0.38	\$0.43
61 - 80	\$0.47	\$0.53	\$0.46	\$0.47	\$0.47	\$0.49	\$0.56	\$0.56	\$0.39	\$0.45
81 - 100	\$0.48	\$0.54	\$0.47	\$0.48	\$0.48	\$0.50	\$0.57	\$0.57	\$0.40	\$0.46
101 - 125	\$0.48	\$0.56	\$0.47	\$0.48	\$0.48	\$0.50	\$0.58	\$0.58	\$0.40	\$0.46
126 - 150	\$0.51	\$0.57	\$0.50	\$0.51	\$0.51	\$0.53	\$0.61	\$0.61	\$0.42	\$0.49
151 - 190	\$0.54	\$0.60	\$0.53	\$0.54	\$0.54	\$0.56	\$0.64	\$0.64	\$0.45	\$0.52
191 - 300	\$0.57	\$0.63	\$0.56	\$0.57	\$0.57	\$0.59	\$0.67	\$0.67	\$0.47	\$0.54
301 - 430	\$0.59	\$0.64	\$0.58	\$0.59	\$0.59	\$0.60	\$0.68	\$0.68	\$0.48	\$0.54
Over 430	\$0.60	---	\$0.59	\$0.60	\$0.60	\$0.61	\$0.70	\$0.70	\$0.49	\$0.56

**Additional Minute**

Mileage	Additional Minute						AMERICAN OPERATOR <sup>®</sup> SERVICES, INC.		LTS, INC.	
	A T & T (Inter LATA)	SWB (Intra LATA)	US SPRINT (Inter & Intra LATA)	TELECONNECT <sup>®</sup> (Inter & Intra LATA)	DIAL US DIAL USA (Inter & Intra LATA)	INTERNATIONAL (Inter LATA)	TELECHARGE <sup>®</sup> (Intra LATA)	(Inter LATA & Intra LATA)	(Inter LATA)	(Intra LATA)
1 - 10	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.10	\$0.80 \CALL	\$0.07	\$0.08
11 - 14	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.14	\$0.80 \CALL	\$0.10	\$0.11
15 - 18	\$0.16	\$0.17	\$0.16	\$0.16	\$0.16	\$0.16	\$0.18	\$0.80 \CALL	\$0.13	\$0.14
19 - 23	\$0.17	\$0.19	\$0.17	\$0.17	\$0.17	\$0.17	\$0.20	\$0.20	\$0.14	\$0.17
24 - 28	\$0.20	\$0.22	\$0.20	\$0.20	\$0.20	\$0.20	\$0.23	\$0.23	\$0.16	\$0.18
29 - 33	\$0.22	\$0.24	\$0.22	\$0.22	\$0.22	\$0.22	\$0.25	\$0.25	\$0.18	\$0.20
34 - 40	\$0.24	\$0.26	\$0.24	\$0.24	\$0.24	\$0.24	\$0.27	\$0.27	\$0.19	\$0.22
41 - 50	\$0.25	\$0.27	\$0.25	\$0.25	\$0.25	\$0.26	\$0.29	\$0.29	\$0.21	\$0.23
51 - 60	\$0.27	\$0.30	\$0.27	\$0.27	\$0.27	\$0.28	\$0.32	\$0.32	\$0.22	\$0.26
61 - 80	\$0.30	\$0.33	\$0.30	\$0.30	\$0.30	\$0.31	\$0.35	\$0.35	\$0.25	\$0.28
81 - 100	\$0.31	\$0.34	\$0.31	\$0.31	\$0.31	\$0.32	\$0.36	\$0.36	\$0.26	\$0.29
101 - 125	\$0.34	\$0.37	\$0.34	\$0.34	\$0.34	\$0.35	\$0.39	\$0.39	\$0.28	\$0.31
126 - 150	\$0.36	\$0.40	\$0.36	\$0.36	\$0.36	\$0.38	\$0.42	\$0.42	\$0.30	\$0.34
151 - 190	\$0.36	\$0.42	\$0.36	\$0.36	\$0.36	\$0.38	\$0.44	\$0.44	\$0.30	\$0.35
191 - 300	\$0.40	\$0.44	\$0.40	\$0.40	\$0.40	\$0.42	\$0.47	\$0.47	\$0.34	\$0.38
301 - 430	\$0.42	\$0.46	\$0.42	\$0.42	\$0.42	\$0.44	\$0.49	\$0.49	\$0.35	\$0.39
Over 430	\$0.43	---	\$0.43	\$0.43	\$0.43	\$0.45	\$0.51	\$0.51	\$0.36	\$0.41

**OPERATOR SURCHARGES**

	A T & T	SWB	U S SPRINT	TELE- CONNECT	DIAL U.S. DIAL U.S.A.	ITI	LTS INC.	AMERICAN OPERATOR SERVICES
Credit Card, Third Number Bill	\$0.50	\$0.30	\$0.50	\$0.50	\$0.50	\$1.05	N/A	\$1.05
Operator Sta. - to - sta.	\$1.05	\$1.05	\$1.55	\$1.05	\$1.05	\$1.05	N/A	\$1.05
Operator Person-to-Person	\$2.40	\$2.40	\$3.00	\$2.40	\$2.40	\$2.40	\$1.50	\$2.40
Directory Assistance	\$0.00	\$0.45 **	\$0.50	N/A	\$0.60	\$0.60	\$0.25	\$0.60
		\$0.90 ***						

\* For calls billed to major credit cards there is a 5% discount.

\*\* Direct Dial Assistance

\*\*\* O- Assistance

N/A Not Available

(Note: American Communications, Inc. offers operator assistance when needed; however, no operator surcharges are listed in their tariffs.)



# PSC NEWS

## MISSOURI PUBLIC SERVICE COMMISSION

Contact: *Kevin Kelly*  
FY-89-14

Office: (314) 751-9300

*Harry S Truman State Office Building*  
*5th floor - North*

### PSC ADVISES CONSUMERS TO ASK QUESTIONS ABOUT ALTERNATIVE OPERATOR SERVICES

Jefferson City (July 20, 1988)--The Missouri Public Service Commission is urging Missouri citizens as well as those traveling through the State of Missouri to be aware of a new type of telephone service called Alternative Operator Services or AOS. AOS is another example of a new service resulting from increased competition in the telecommunications industry.

Alternative Operator Services (AOS) providers contract with the owners of hotels, motels, privately-owned pay telephones, colleges and hospitals to furnish operator services. The telephone owner usually receives a commission from the AOS provider each time a customer uses this service. AOS companies provide operator services for operator-assisted calls such as those involving directory assistance, person-to-person, collect, third-party billed or credit cards. A customer is usually connected to an AOS provider when he or she dials "0" at a facility which is under an AOS contract.

Several public utility commissions in other states have received complaints regarding AOS. Often the customer is unaware that he or she is doing business with an AOS provider or that the rates charged by the AOS provider may be higher than those charged by a long-distance carrier or the local exchange telephone company. In many cases, the customer does not know he or she dealt with an AOS provider until they receive a monthly telephone bill. Failure to pay the AOS bill could result in the termination of the customer's local telephone service. Customers have also complained that in some cases AOS providers do not provide emergency access.

The Missouri Public Service Commission urges customers to ask questions in order to find out whether they are using alternative operator services. Consumers should ask the operator what company they work for and what rates they charge. Customers may also want to ask the management of the hotel, motel or other facility to identify its long-distance carrier and what rates they charge. By asking questions, Missouri consumers will be able to make an informed choice as to whether they want to use the AOS service or go to a different telephone to make the call.

In the near future, the Missouri Public Service Commission will determine the extent to which AOS providers will be regulated in Missouri.