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January 3, 2001

The Honorable Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
301 West High Street, Floor 5A  
Jefferson City, Missouri 65101

FILED<sup>2</sup>

JAN 3 2001

Missouri Public  
Service Commission

Re: Case No. TO-2000-667

Dear Judge Roberts:

Enclosed for filing with the Commission in the above-referenced case is an original and eight copies of Southwestern Bell Telephone Company's Position Statement

Thank you for bringing this matter to the attention of the Commission.

Very truly yours,

*Leo J. Bub* /tm

Leo J. Bub

Enclosure

cc: Attorneys of Record

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>2</sup>

JAN 3 2001

Missouri Public  
Service Commission

In the Matter of the Investigation Into )  
the Effective Availability for Resale )  
of Southwestern Bell Telephone )  
Company's Local Plus® Service by )  
Interexchange Companies and )  
Facilities-Based Competitive Local )  
Exchange Companies )

Case No. TO-2000-667

**SOUTHWESTERN BELL TELEPHONE COMPANY'S  
POSITION STATEMENT**

Issue 1. Is SWBT properly making Local Plus® service available for resale to IXC's and CLEC's?

SWBT Position: Yes. SWBT's retail Local Plus service has been available for resale by both CLEC's and IXC's since Local Plus was first approved. Currently there are 16 CLEC's reselling Local Plus (SWBT, Hughes Surrebuttal, p. 4) and Staff has found the methods SWBT has put in place for IXC's to resell it to be satisfactory. (Staff, Solt Rebuttal, pp. 7-9).

In addition to making Local Plus service available for resale, a CLEC may acquire certain unbundled network elements from SWBT which can be used by the CLEC to create its own Local Plus service. SWBT is willing to negotiate terms and conditions that would allow a CLEC which is purchasing an unbundled switch port from SWBT to provide a service like Local Plus itself as a facility-based service provider. In using SWBT's unbundled local switching to provide service, the CLEC may request SWBT to modify its switch to permit the CLEC to offer an identical or a different type of expanded calling service. (SWBT, Hughes Direct, pp. 4-5; Hughes Surrebuttal, pp. 7-9)

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Issue 2. Who should be responsible for paying terminating access charges to third-party LECs when:

- a. Local Plus is being offered through pure resale of SWBT's retail Local Plus offering?

SWBT Position: There is a significant difference between the resale of SWBT's retail Local Plus service and a CLEC's provision of its own service on a facilities basis, including through the use of unbundled network elements from SWBT. When SWBT's retail Local Plus service is being resold, SWBT is the underlying facility-based service provider (the reseller is merely re-branding SWBT's retail service). As such, SWBT is the carrier responsible for paying terminating access charges to third-party LECs. (SWBT, Hughes Surrebuttal, p. 3).

- b. Local Plus is being offered through a facility-based carrier's purchase of unbundled switching from SWBT?

SWBT Position: When a CLEC provides service to its customers using SWBT's switch (i.e., by purchasing unbundled local switching as a UNE from SWBT), that CLEC is the facility-based network provider, not SWBT. And it is not SWBT's service that is being sold. Instead, the CLEC is selling a service that it is physically provisioning itself (Hughes Surrebuttal, pp. 5). As the originator, the CLEC is responsible for paying the terminating compensation associated with calls placed by its end users. Just as a CLEC is entitled as a facility-based carrier to receive access charges from IXC's for the use of its facilities (including UNEs acquired by the CLEC) in originating and terminating toll calls, so should the CLEC be responsible as a facility-based carrier for paying access charges to other LECs that terminate its own customers' calls. (See, Report and Order, issued December 23, 1997 in Case No. TO-98-115 at pp. 12-13). While incumbent LECs are obligated under the Telecommunications Act to supply UNEs to CLECs to enable them to provide service to their own customers, the Act does not require incumbent LECs

to bear the access expenses a CLEC might incur providing service to its customers. (SWBT, Hughes Surrebuttal, pp. 11-12).

c. Local Plus is being offered through a facility-based carrier's own switch?

SWBT Position: When a CLEC provides service to its customers using its own switch (i.e., using it in combination with loop UNEs purchased from SWBT, or with its own loop facilities, e.g., Cable TV facilities), the CLEC is again a facility-based network provider. SWBT is not the service provider, nor is it SWBT's service that is being sold. Rather, the CLEC is selling a service that it is physically provisioning itself. As the originator, the CLEC is responsible for paying the terminating compensation associated with a call placed by its end users. (SWBT, Hughes Surrebuttal, pp. 11-13).

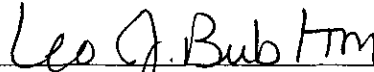
Respectfully submitted,

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**CERTIFICATE OF SERVICE**

Copies of this document were served on the following parties by e-mail and first-class, postage prepaid, U.S. Mail on January 3, 2001.

  
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