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December 29, 1988

Mr. Harvey G. Hubbs
Secretary
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

Re: Case No. TA-88-218 et al.

Dear Mr. Hubbs:

Enclosed for filing in the above-captioned case please find an original and fourteen (14) conformed copies of the REPLY BRIEF of AT&T Communications of the Southwest, Inc. Copies of said Brief have been sent this date to counsel for all parties of record.

Thank you for your attention to this matter.

Sincerely,

Mark P. Royer

Enclosures

cc: Parties of Record

FILED
DEC 30 1988
Missouri Commission

CR;

FILED
DEC 30 1988
PUBLIC SERVICE COMMISSION

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) Case No. TA-88-218
provide Intrastate Operator-Assisted)
Resold Telecommunications Services.)

In the Matter of Teleconnect Company)
for authority to file tariff sheets)
designed to establish Operator Services) Case No. TR-88-282
within its certificated service area)
in the State of Missouri)

In the matter of Dial U.S. for)
authority to file tariff sheets)
designed to establish Operator Services) Case No. TR-88-283
within its certificated service area)
in the State of Missouri)

In the matter of Dial U.S.A. for)
authority to file tariff sheets)
designed to establish Operator Services) Case No. TR-88-284
within its certificated service area)
in the State of Missouri.)

In the matter of International)
Telecharge, Inc. for authority to file)
tariff sheets designed to establish) Case No. TR-89-6
Operator Services within its)
certificated service area in the State)
of Missouri.)

REPLY BRIEF OF AT&T

AT&T Communications of the Southwest, Inc. ("AT&T") has not
taken an active role in this proceeding.

AT&T generally supports competition in the provision of

107.

Operator Services. Therefore, AT&T did not oppose the issuance of a certificate of service authority to American Operator Services, Inc. ("AOSI") or the prior grant and proposed continuation of certificates for Teleconnect, Dial U.S., Dial U.S.A., and International Telecharge, Inc. ("ITI").

Notwithstanding AT&T's attempt to leave the litigation of this matter to others, a number of the Applicants have used their initial briefs to shift the focus away from themselves to AT&T. Thus, AT&T is filing this Reply Brief.

I.

Although AOSI and ITI would have the Commission believe otherwise, this proceeding is not about Operator Services in general. It is about providers of Alternative Operator Services (hereafter "AOS"). As explained by Public Counsel witness Drainer, full service providers like AT&T and US Sprint are in a different position. They are ultimately accountable to their end user customers, whereas AOS companies like AOSI and ITI are not. (TR. 505-506, 509-511, 515, 518). In addition, AT&T is under an obligation to serve all areas in Missouri and all customer classes that it presently serves, whereas AOSI and ITI do not have that obligation. Rather they can focus their business on market niches. (Tr. 509-510, 92-94, 105-106, 268-269).

Nevertheless, AOSI, ITI, and Teleconnect contend that, if any additional requirements are imposed upon them, they should

also be equally imposed on AT&T and all other providers of Operator Services. (AOSI Br. 20-22, 29-31, 34, Teleconnect/ITI Br. 4-5, 7-8, 13-15). The record in this case does not support burdening AT&T or any other traditional carrier with additional costs that are attributable to the practices of AOS providers and the public concern they have generated. The AOS providers, alone, should bear those costs. Indeed, Public Counsel witness Drainer made a case for them doing so. (Tr. 541-542).

In any event, while AT&T generally supports equal and lessened regulation of providers of interexchange telecommunications as defined in Section 386.020 (17), RSMo. (1987 Supp.), it agrees with Staff that the result advocated by AOSI, ITI, and Teleconnect (namely, uniform guidelines for all providers) cannot be accomplished in this case. The reason is -- only the Applicants' services are in issue and only the Applicants' provision of those services is properly within the scope of this hearing. Any broader investigation would require a generic proceeding. (Staff Br. 2).

II.

Again in an effort to shift the focus of this case away from themselves and their practices, AOSI, ITI, and Teleconnect claim that their problems, particularly in regard to "splash back", are due to problems that should be corrected by AT&T. One contention is that AT&T should accept the AOS providers' originating number identifications. The other is that AT&T should provide a 950 or 800 number for the "splashed" calls. Both proposals are unreasonable.

From a technical perspective, AT&T TSPS equipment is not configured to receive originating number identification from outside the TSPS servicing area. Each TSPS is only equipped with real time rating table capacity to rate calls dialed within its serving area. As Public Counsel's Brief points out, AOS providers often receive and transmit calls from remote locations. (PC Br. 10-11). Therefore, given the problems which AT&T's equipment would have receiving numbers from those locations and rating them, the proposal that it do so would be impractical. In addition, any carrier who permitted a competitor to provide it with number identification would face a serious potential for fraud and no doubt other collection problems.

The proposal for AT&T to establish a 950 or 800 number is likewise unworkable. AT&T's network is not configured in a manner that would allow it to offer the type of 800 or 950 operator access suggested. And, if AT&T were to reconfigure its network in that manner, it could lose the capability to offer some of its enhanced features.

AT&T should not be required in any event to incur the costs associated with either proposal, just to make the AOS companies' business easier and more profitable. The AOS companies, not AT&T and ultimately its customers, should have to bear the costs of operating their businesses within Commission prescribed guidelines. No justification whatsoever exists for any other result. It is not reasonable under any circumstances for AT&T to have to incur higher costs or for its

customers to have to pay higher rates in order to subsidize the AOS businesses.

Finally, Teleconnect and ITI quote with apparent satisfaction a October 14, 1988 decision of Judge Green on Regional Operating Company provision of validation data. (Teleconnect/ITI Br. 6-7). The quote, quite obviously, has nothing to do with this case. At best, the quote is irrelevant. At worst, it is misleading. AT&T does not have the validation data and therefore could not have used its possession of such data to discriminate against the Applicants.

III.

AT&T has not asked that it be the "only game in town" in regard to the provision of Operator Services. (AOSI Br. 15). In fact, it is not so today. A number of other non-AOS companies also offer those services in competition with AT&T. (Van Eschen Direct, p. 4). AT&T has not requested that the Commission deny a certificate to AOSI, or that it revoke the certificates of ITI, Teleconnect, Dial U.S., and Dial U.S.A. AT&T has taken no position on the proposals of Operator Assistance Network ("OAN"), or the Midwest Independent Coin Payphone Association ("MICPA"), except insofar as their positions are inconsistent with the positions stated herein.

AT&T does oppose, however, any suggestion that this proceeding can be treated as a generic case involving the

development of requirements for all providers of Operator Services. AT&T also disputes the claims of Teleconnect and various AOS companies that this whole process should or can be used as a vehicle for imposing additional costs and requirements on AT&T and ultimately its customers to make business easier for the AOS companies.

Respectfully submitted,

AT&T COMMUNICATIONS OF THE
SOUTHWEST, INC.

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been mailed or hand delivered to counsel for all parties of record on this 29th day of December, 1988.

Mark P. Royer