

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

In the Matter of the Application of McGraw	)	
Communications, Inc. for a Certificate of Service	)	
Authority to Provide Resold and Facilities-Based/UNE	)	
Basic Local Telecommunications Services in	)	<b>File No. CA-2011-0304</b>
Portions of the State of Missouri and to Classify Such	)	
Services and the Company as Competitive	)	

**STAFF RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission and for its recommendation, states as follows:

1. On March 23, 2011, McGraw Communications, Inc. (“the Company”) applied for a certificate of service authority to provide basic local telecommunications service and for competitive classification. The tariff has not yet been submitted.

2. The Application included sufficient information for the Staff to conclude that the Company possesses sufficient financial, technical and managerial resources to be certificated.

3. The Staff recommends that the Commission grant the Company’s request for basic local telecommunications service authority. 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. §§ 392.430 and 392.440 RSMo.

3. Staff also recommends that the Commission classify the Company’s 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 and that such lesser regulation is consistent with the protection of ratepayers and promotes public interest. §392.361.4 RSMo. A majority of

the services a competitive company provides must be classified as competitive.  
§392.361.3 RSMo.

4. The Staff further recommends that the Commission state in its order that, pursuant to §392.410 RSMo, the authority conferred by the certificate of service authority shall be null and void unless it is exercised within one year of its issuance.

5. The Staff recommends that the “standard” waivers listed below be granted, as required by §392.420 RSMo. The Company shall list the waivers in its tariff as long as they are effective.

- 4 CSR 240-3.550 (4) and (5)(A) Quality of service reports
- 4 CSR 240-10.020 Depreciation Records
- 4 CSR 240-30.040 Uniform System of Accounts
- 4 CSR 240-32.050(4)(B) White Pages Distribution Partial Exemption
- 4 CSR 240-32.060 Engineering and maintenance
- 4 CSR 240-32.070 Quality of Service
- 4 CSR 240-32.080 Service objectives and surveillance levels
- 4 CSR 240-33.040(1-3) and (5-10) Billing and payment standards
- 4 CSR 240-33.045 Clear identification and placement of charges on bills
- 4 CSR 240-33.080(1) Identify company name and toll-free number on bills
- 4 CSR 240-33.130(1), (4) and (5) Operator service requirements
- 392.210.2 Accounting requirements (system of accounts)
- 392.240.1 Reasonableness of rates
- 392.270 Accounting requirements (valuation of property)
- 392.280 Accounting requirements (depreciation rates/accounts)
- 392.290 Issuance of stocks, bonds and other indebtedness
- 392.300 Transfer of property and ownership of stock
- 392.310 Approval of issuing stocks, bonds and other indebtedness
- 392.320 Certificate of Commission to be recorded-stock dividends
- 392.330 Accounting requirements (proceeds of sales of stock, bonds, notes, etc.)
- 392.340 Company reorganization

6. The Applicant is not delinquent in filing an annual report, paying the PSC assessment, MoUSF, and Relay Missouri.

7. The Staff recommends that the application be granted with the following conditions, even though the Company has no plans to offer basic local service at this time:

a. The applicant’s originating and terminating access rates shall not exceed the access rates of the incumbent local exchange company against whom the applicant is competing pursuant to §§ 392.361.6 and 392.370 RSMo Supp. 2009.

b. 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.

**WHEREFORE**, the Staff recommends that the Commission grant McGraw Communications, Inc.'s Application for basic local telecommunications service authority under the conditions described above, classify the company and its services as competitive, and approve the listed waivers.

Respectfully submitted,



Colleen M. Dale  
Senior Counsel  
Missouri Bar No. 31624  
Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 751-4255 (Telephone)  
[cully.dale@psc.mo.gov](mailto:cully.dale@psc.mo.gov)

### **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 26<sup>th</sup> day of August, 2011.

