

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

In the Matter of the Petition of VCI	)	
Company for Designation as an Eligible	)	Case No. CO-2006-0464
Telecommunications Carrier	)	
	)	
	)	

**OFFICE OF THE PUBLIC COUNSEL’S POSITION STATEMENT**

**Has VCI Company demonstrated that it meets the applicable state and federal requirements for designation as an Eligible Telecommunications Carrier?**

**OPC Position:** Public Counsel did not file testimony in this case, but intends to present its reservations to the grant of ETC status through cross-examination at the hearing. The present record is not persuasive and does not support the application for ETC. Public Counsel doubts that the grant of ETC status to a prepaid carrier is in within the intent and purpose of the USF law and the regulations, both state and federal, and questions whether the public interest will be served and consumers protected from excessive local rates. Even with discounts, the customer pays rates considerably above rates available from the incumbent and other CLECs. VCI has a “subscription fee” of \$300 to initiate service which does not indicate a customer friendly service for persons who cannot obtain traditional wireline service due to lack of credit history or poor credit status. VCI claims that as part of its low income program it will reduce that fee to \$150 and then deduct the \$30 discount; the \$120 can be paid over the first 12 months of service. However, the evidence is insufficient to demonstrate that it is comparable in price, terms, and conditions and quality to offerings by the incumbent. The evidence also is not clear that

this prepaid provider provides the essential services the PSC has required for LECs, such as equal access to the customer's provider of choice for long distance and toll service, operator services and directory assistance. From the present record it is not clear that VCI meets all the criteria.

The record leaves too many unanswered questions and at this time does not support ETC status. Staff's testimony did not persuade Public Counsel to support the application, but rather raised more doubts about the grant of ETC status. VCI's method of providing service is not clear, defined or settled. (Cecil Reb.3, lines 6-9) Resale, UNE, and some of its own facilities are mentioned, with resale most often mentioned, but it needs an unequivocal statement. This is especially true when VCI is not providing any service in Missouri at this time.

For an applicant that purports to only seek USF funds for low income service, Public Counsel is troubled by Staff's comment:

**"Service subscription fees at the level proposed by VCI may not be in the public interest for lifeline customers. However, it is worth noting VCI's ongoing monthly recurring rate for service is among the lowest if not the lowest for prepaid companies. Its proposed monthly rate is \$19. Even when the \$120 is prorated at \$10 per month (making the monthly payment for the first year \$29), VCI's monthly rate will be among the lowest prepaid local rates."** (Cecil Reb. 3-4) (Emphasis added)

Comparison with other prepaid providers (called by some consumer advocates "telephone sharks") is not such a sterling recommendation. The standard is to offer Link-Up and Lifeline programs and discounts comparable to the ILEC, here AT&T.

Public Counsel reserves the right to make its final position after close of the evidentiary hearing, but based upon the prefiled testimony, Public Counsel cannot support the application at this time.

Respectfully submitted,

**OFFICE OF THE PUBLIC COUNSEL**

**/s/ Michael F. Dandino**

BY: \_\_\_\_\_  
Michael F. Dandino (24590)  
Senior Public Counsel  
P.O. Box 2230  
Jefferson City, MO 65102  
(573) 751-4857  
(573) 751-5559  
Fax (573) 751-5562  
email: [mike.dandino@ded.mo.gov](mailto:mike.dandino@ded.mo.gov)

### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing was electronically transmitted, mailed or hand-delivered to all counsel of record on this 6<sup>th</sup> day of April 2007.

Office General Counsel  
Missouri Public Service Commission  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
GenCounsel@psc.mo.gov

David Meyer  
Missouri Public Service Commission  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
David.Meyer@psc.mo.gov

Robert Gryzmala  
AT&T Missouri  
One AT&T Center, Room 3518  
St. Louis, MO 63101  
robert.gryzmala@att.com

Leo Bub  
AT&T Missouri  
One AT&T Center, Rm 3518  
St. Louis, MO 63101  
leo.bub@att.com

Paul Lane  
AT&T Missouri  
One AT&T Center, Room 4300  
St. Louis, MO 63101

Mark Johnson  
VCI Company  
4520 Main Street Suite 1100  
Kansas City, MO 64050  
mjohnson@sonnenschein.com

Roger W Steiner  
VCI Company  
4520 Main Street, Suite 1100  
Kansas City, MO 64111  
rsteiner@sonnenschein.com

**/s/ Michael F. Dandino**

---