

Exhibit No.:

Issues: Competitive Status

Witness: John Van Eschen

Sponsoring Party: MO PSC Staff

Type of Exhibit: Direct Testimony

Case No.: IO-2006-0108

Date Testimony Prepared: September 19, 2005

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

DIRECT TESTIMONY

OF

JOHN VAN ESCHEN

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. IO-2006-0108

Jefferson City, Missouri

September 2005

Exhibit No. 14
Case No(s) IO-2006-0108
Date 9-28-05 Rptr TJT

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

In the Matter of Spectra Communications
Group, LLC d/b/a CenturyTel's Request
for Competitive Classification Pursuant to
Section 392.245.5, RSMo (2005)

Case No. IO-2006-0108

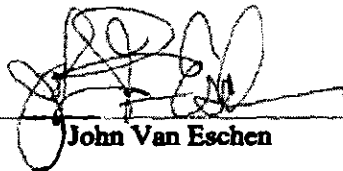
AFFIDAVIT OF John Van Eschen

STATE OF MISSOURI

ss

COUNTY OF COLE)

John Van Eschen, of lawful age, on his oath states: that he has participated in the preparation of the following Direct Testimony in question and answer form, consisting of 12 pages of Direct Testimony to be presented in the above case, that the answers in the following 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.



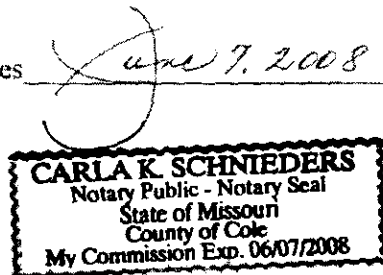
John Van Eschen

Subscribed and sworn to before me this 19th day of September, 2005.



Notary Public

My commission expires



DIRECT TESTIMONY
OF
JOHN VAN ESCHEN
MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. IO-2006-0108

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12 Q. Please state your name and business address.

13 A. My name is John Van Eschen. My business address is 200 Madison
14 Street, Jefferson City, Missouri 65102-0360.

15 Q. By whom are you employed?

16 A. I am employed by the Missouri Public Service Commission (Commission)
17 as Manager of the Telecommunications Department.

18 Q. What are your duties and responsibilities?

19 A. I direct and coordinate activities and work within the Telecommunications
20 Department. More specifically, I assist in the development of these recommendations in
21 response to tariff filings, certificate applications, interconnection agreements, formal
22 complaints, various telecommunications company transactions, and other matters pending
23 before the Commission. I also assist in the development of rulemakings, comments
24 before the Federal Communications Commission, and the analysis of proposed legislation
25 pertaining to telecommunications regulation. My duties also involve overseeing the
26 monitoring of quality of service provided by basic local telecommunications companies.
27 I have led various roundtable meetings and groups intended to study and discuss various
28 issues related to the telecommunications industry. Most recently I chaired the Calling

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John Van Eschen

1 Scope Task Force formed in Case No. TW-2004-0471 for the purpose of studying
2 expanded calling issues in Missouri.

3 Q. What is your educational background?

4 A. I have a Bachelor of Arts degree in Psychology from the University of
5 Iowa. I also have a Master of Arts degree in Economics from Kansas State University.

6 Q. Have you previously testified before the Commission?

7 A. Yes.

8 Q. What is the purpose of your testimony?

9 A. The Commission Staff (Staff) is evaluating Spectra Communications
10 Group, LLC d/b/a CenturyTel's (Spectra's) Application for Competitive Classification.
11 The purpose of this testimony is to respond to Spectra's request for competitive
12 classification in the 30-day proceeding. In the 30-day proceeding, Staff recommends the
13 Commission grant competitive status to four exchanges for the provisioning of residential
14 services and business services. The specific exchanges are Ewing, LaBelle, Lewistown,
15 and Macon and are also identified in bold in Schedule 1. Staff is currently still evaluating
16 Spectra's request for competitive status in the Savannah exchange for residential services.
17 My testimony will attempt to explain these recommendations.

18 Q. Please explain your understanding of Spectra's application for competitive
19 classification.

20 A. On September 9, 2005, Spectra filed an application for competitive
21 classification. Spectra's petition contains a request for certain exchanges to be classified
22 as competitive in a 30-day proceeding. Spectra is requesting five exchanges and four

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1 exchanges be classified as competitive for the respective provisioning of residential and
2 business basic local telecommunications services.

3 Q. What is your understanding of what it means to receive competitive
4 classification?

5 A. Competitive status, if granted to an exchange, will allow an incumbent
6 local exchange telecommunications company greater pricing flexibility than under price
7 cap regulation or rate of return regulation. Depending upon whether competitive status is
8 granted to residential services, business services or both, the company will gain the
9 ability to raise the applicable tariffed rate for all such services, except exchange access
10 service, upon ten days notice to the Commission and to potentially affected customers. In
11 this respect, an incumbent local exchange telecommunications company will essentially
12 have the same pricing flexibility within the exchange as a competitively classified
13 company.

14 SB 237 further expands a company's pricing flexibility for business services
15 depending upon whether competitive status has been granted. For example, the new law
16 allows an incumbent local exchange telecommunications company to price all business
17 services offered within the exchange on a customer specific basis if competitive status
18 has been granted in the exchange for business services. Competitively classified
19 companies will also be able to price all business services in the exchange on a customer
20 specific basis if the incumbent's business services have been declared competitive in the
21 exchange.

22 Competitive status should not impact a company's ability to price bundles or
23 packages of telecommunications services. SB 237 provides new pricing flexibility that

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1 previously was unavailable to telecommunications carriers. The new law essentially
2 states that rates associated with bundles of telecommunications will not be regulated by
3 the Commission, regardless of competitive classification, as long as each
4 telecommunications service included in the package is available apart from the package
5 of services. For example, if an incumbent local telephone company bundles its basic
6 local telecommunications service with other regulated or non-regulated
7 telecommunications services (or non-telecommunications services) then the company is
8 free to charge whatever rate it sees fit for the bundle. Staff still believes the bundles need
9 to be tarified; however, the Commission would not have the ability to establish the prices
10 for these bundles. Pricing flexibility for bundled telecommunications services is
11 available to all telecommunications carriers throughout their service territory regardless
12 of whether competitive status is granted or not. The only criterion appears to be that the
13 services contained in the bundle must be available on a stand alone basis; hence, the
14 distinction between the company's ability to raise the price for stand alone services
15 pursuant to competitive status versus pricing for bundles under SB 237. Conceptually,
16 the rates associated with stand alone services will act as a price ceiling until competitive
17 status has been granted. When the Commission grants competitive status to an exchange,
18 then this price ceiling is essentially removed for services offered on a stand alone basis
19 because the company will gain the ability to increase the price for each stand alone
20 service based on its competitive status.

21 Competitive status, if granted, should also not affect the Commission's ability to
22 control or regulate various aspects of a company's telecommunications offerings. For
23 example competitive status will not affect the Commission's ability to control the rates

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1 for exchange access service. The relevant statutes outlining the process for obtaining
2 competitive status exclude exchange access service as part of a company's request for
3 competitive status. If the Commission ultimately grants competitive status to an
4 exchange, it should not impact the Commission's current ability to control or set the rates
5 for exchange access service. Likewise, competitive status, if granted, should not affect
6 the Commission's ability to maintain standards for quality of service, service termination
7 for nonpayment, billing and other requirements. These standards will continue to apply
8 regardless of whether an exchange has received competitive status.

9 **The 30-Day Proceeding**

10
11 Q. What is your understanding of the criteria for qualifying for competitive
12 status in a 30-day proceeding?

13 A. Section 392.245.5 describes the general process for achieving competitive
14 status for an exchange. Specifically, two non-affiliated entities in addition to the
15 incumbent local exchange company must be providing basic local telecommunications
16 service within the exchange. One of the entities can be a commercial mobile service
17 provider as identified in 47 U.S.C. Section 332(d)(1) and 47 C.F.R. Parts 22 or 24. The
18 second entity can be any entity providing local voice service in whole or in part over
19 telecommunications facilities or other facilities in which it or one of its affiliates have an
20 ownership interest. This portion of the statutes directs the Commission to make a
21 determination within 30-days of the request as to whether the requisite number of entities
22 are providing basic local telecommunications service to business or residential customers,
23 or both, in the exchange. The statute lists specific instances whereby the provider of
24 local voice service should not allow the exchange to qualify for competitive status at least

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John Van Eschen

1 under the thirty day process. For example, companies only offering prepaid
2 telecommunications service or only reselling telecommunications service shall not be
3 considered entities providing basic telecommunications service. Likewise, a provider of
4 local voice service that requires the use of a third party, unaffiliated broadband network
5 or dial-up Internet network for the origination of local voice service shall not be
6 considered a basic local telecommunications service provider.

7 Q. Do you believe Spectra has met the criteria that one of the two entities can
8 be a commercial mobile service provider?

9 A. Yes. The company's petition for competitive status provides information
10 regarding the presence of wireless providers in the exchanges where competitive status is
11 sought. Staff does not dispute the presence of at least one wireless provider in any of
12 Spectra's exchanges where competitive status is sought. Staff notes the Federal
13 Communications Commission's Ninth Report, released September 28, 2004 (FCC 04-
14 216) states 97% of the population in the United States live in counties with three or more
15 commercial mobile service providers. A map attached to that FCC report shows all areas
16 of Missouri have at least one commercial mobile service provider. In Staff's opinion this
17 information reflects that wireless service is available in at least a portion of every
18 exchange.

19 Q. Do you believe Spectra has met the criteria that the second entity can be
20 any entity providing local voice service in whole or in part over telecommunications
21 facilities or other facilities in which it or one of its affiliates have an ownership interest?

22 A. Yes and no. For most exchanges Spectra has met this criterion but for one
23 exchange Staff is unsure if this criterion has been met.

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1 Q. Please explain your criteria for determining if an entity is providing local
2 voice service in whole or in part over telecommunications facilities or other facilities in
3 which it or one of its affiliates have an ownership interest.

4 A. Staff considers local voice service provided in whole or in part over
5 telecommunications facilities or other facilities in which it or one of its affiliates have an
6 ownership interest to mean the provider or its affiliate owns a switch and/or owns the
7 lines connecting the customer's premise to a switch. Sometimes this arrangement can be
8 referred to as a UNE-L arrangement or a full facility based arrangement. Full facility
9 based arrangement can refer to a situation where the provider owns the switch and lines.
10 In contrast a UNE-L arrangement can refer to a situation where the provider owns just the
11 switch. UNE-L refers to "unbundled network element loops" a situation where the
12 company leases a local line or loop from an incumbent local telephone company but may
13 own the switching facilities. This term can also potentially be used to describe a situation
14 where the company may own the switching facilities to provide local voice service but
15 lease a local line or loop from an unaffiliated company. Likewise a provider may own
16 the line facilities but have switching functions performed by a different company.
17 Regardless of the arrangement, as long as the provider owns either a switch or the lines
18 the Staff would consider the arrangement as initially qualifying the exchange for
19 competitive status. For ease of discussion Staff will refer to these arrangements as either
20 UNE-L or full facility based arrangements.

21 The provisioning of service on a full facility basis or UNE-L basis has been
22 selected by the Staff as the minimum threshold to meet for competitive status in a 30-day
23 proceeding because it reflects a situation where the company, or its affiliate, owns certain

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1 facilities in the provisioning of service. Although a company providing service on a
2 UNE-L basis generally only has ownership interest in a switch, a switch can probably be
3 included as qualifying as telecommunications facilities as defined by 386.020(52)
4 because a switch can be considered a receiver, machine, apparatus or device. This
5 statutory definition specifically defines "telecommunications facilities" as "...includes
6 lines, conduits, ducts, poles, wires, cables, crossarms, receivers, transmitters, instruments,
7 machines, appliances and all devices, real estate, easements, apparatus, property and
8 routes used, operated, controlled or owned by any telecommunications company to
9 facilitate the provision of telecommunications service." A strict application of this
10 definition may lead to questionable results from the perspective that a company may not
11 own a switch or lines but rather simply some real estate that may be used to facilitate the
12 provisioning of telecommunications service. For instance, a company may own some
13 office space for taking orders for telecommunications service and meet the definition of
14 telecommunications facilities. Regardless, Staff is considering the provisioning of
15 service on a full facility basis or UNE-L basis as the minimum threshold to meet for
16 competitive status in a thirty day proceeding.

17 Q. What records did Staff rely on in order to determine what wireline entities
18 are providing local voice service in an exchange?

19 A. Section 392.245.5(6) directs the Commission to maintain records of
20 regulated providers of local voice service, including those regulated providers who
21 provide local voice service over their own facilities, or through the use of facilities of
22 another provider of local voice service. Staff's response to this directive has been to rely
23 on the annual reports submitted by telecommunications companies to the Commission.

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1 Specifically, all local exchange carriers are required to report the number of access lines
2 served on an exchange-specific basis as of December 31st of the proceeding year.
3 Companies are expected to identify the number of voice grade equivalent lines based on
4 the following categories: pure resale, UNE-L, UNE-P, and full facility based. Attached
5 in Schedule 2 is a blank copy of the Commission's annual report form which attempts to
6 describe most of the access line-related terms used in the annual report form.

7 The annual reports due on April 15, 2005, are the reports focused upon by Staff
8 for this proceeding. Staff has attempted to follow up with many competitively classified
9 companies providing local voice service to ensure their respective annual report
10 information is correct. For example, in some situations a company may have identified
11 an unknown exchange(s) or alternatively simply identified the total number of lines
12 served without identifying lines served on an exchange-specific basis. In all known
13 instances where there may have been an issue, we have attempted to ensure a company's
14 annual report was compiled accurately and completely. Some companies reported
15 serving "0" lines in their annual report but show a positive revenue in the company's
16 annual statement of revenue. In such circumstances, Staff followed up with the
17 telecommunications company to inquire how the revenue was generated and specifically
18 if the company was providing local voice service. When appropriate, companies re-
19 submitted their annual report information. Staff also contacted companies who reflect
20 providing local voice service on either a full facility based basis or on a UNE-L basis.
21 Staff's contact with facility based and UNE-L providers attempted to ensure these
22 companies properly categorized lines served.

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1 Q. Are there any potential issues with solely relying on the data submitted by
2 companies in their annual report?

3 A. Yes. The timing of the annual reports may be an issue in some instances
4 since access line data may be considered somewhat dated in the sense that it captures
5 access lines as of December 31, 2004. A company's annual report will not capture access
6 lines implemented during 2005. In addition, the annual report information may be
7 deficient if the competitive company is providing service but has failed to obtain proper
8 certification.

9 Q. Please identify the specific exchanges where Staff believes Spectra meets
10 the criteria for the Commission to grant competitive status to the exchange.

11 A. Schedule 1 identifies the list of exchanges Spectra has requested
12 competitive classification under the 30-day proceeding. Schedule 1 identifies exchanges
13 meeting competitive criteria by an "X" in the Yes box. In addition qualifying exchanges
14 are identified in bold type. The column titled "Local Voice Competitor(s)" identifies the
15 specific wireline companies providing local voice service on either a full facility basis or
16 a UNE-L basis. A company is listed in this column if it is serving at least one line within
17 the exchange. Schedule 3 provides a brief description of Staff's understanding of how
18 these competitors are providing service. As shown on Schedule 1, Staff recommends
19 competitive status be granted to the following exchanges in the 30-day proceeding for
20 both residential and business services: Ewing, LaBelle, Lewistown, and Macon.

21 In granting competitive status, the Commission should identify the conditions for
22 granting competitive status. In these instances competitive status is granted on the
23 condition that at least one wireline company is providing local voice service on the basis

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1 the provider, or its affiliate, is using its own switching and/or local loop facilities. In
2 addition, at least one wireless company is providing service in the exchange.

3 Q. What exchanges should not receive competitive classification at this time?

4 A. We are still in the process of confirming certain information from News-
5 Press and Gazette Company d/b/a St. Joseph Cablevision (St. Joseph Cablevision), the
6 provider alleged by Spectra as providing local voice service in the Savannah exchange.
7 St. Joseph Cablevision is not currently certified by the Missouri Commission to provide
8 telecommunications services in Missouri. The company did possess certificates of
9 service authority to provide interexchange and non-switched local telecommunications
10 services from this Commission; however these certificates were cancelled in Case No.
11 TC-2004-0397. Spectra officials have recently provided Staff with information
12 suggesting Spectra is porting telephone numbers to St. Joseph Cablevision. Staff is
13 attempting to follow-up such information with St. Joseph Cablevision.

14 In addition, Staff has contacted Sprint, a company allegedly providing certain
15 services for St. Joseph Cablevision. Sprint officials claim that Sprint Communications
16 Company, L.P. (the competitively classified Sprint affiliate) provides various functions
17 for cable TV companies who want to route calls to and/or from the cable TV company's
18 network. Sprint officials state that Sprint has such an arrangement with St. Joseph
19 Cablevision.

20 Staff hopes to gain additional information by the time of the hearing to provide a
21 more definitive recommendation for the Savannah exchange. Furthermore, Staff is aware
22 that if Staff concludes St. Joseph Cablevision is providing local voice service, then such a
23 conclusion may have implications for Case No. TO-2006-0093, *In the Matter of the*

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1 *Request of Southwestern Bell Telephone, L.P., d/b/a SBC Missouri, for Competitive*
2 *Classification Pursuant to Section 392.245.6, RSMo 2005 – 30-day Petition.* If Staff
3 reaches the conclusion that St. Joseph Cablevision is providing local voice service, Staff
4 will amend its testimony in this proceeding as well as for Case No. TO-2006-0093, if
5 appropriate.

6 Q. Can you please summarize your testimony?

7 A. Yes. As shown on Schedule 1, Staff recommends competitive status be
8 granted as follows to Ewing, LaBelle, Lewistown and Macon for both residential and
9 business services. In granting competitive status, the Commission should identify the
10 conditions for granting competitive status. In these instances, competitive status is
11 granted on the basis that at least one wireline company is providing local voice service
12 and such service is being provided by the use of switching and/or local loop facilities
13 owned by the provider or an affiliate of the provider.

14 Q. Does this conclude your testimony?

15 A. Yes, it does.

**Spectra's Request for Competitive Status
Residential and Business**

Exchange ¹	Meet Competitive Criteria?		Local Voice Competitor(s) ²
	Yes	No	
Ewing	X		Mark Twain
LaBelle	X		Mark Twain
Lewistown	X		Mark Twain
Macon	X		Chariton Valley
Savannah ³		X (St. Joseph Cablevision)	*

- * Staff has been unable to verify from independent evidence that a qualifying provider is providing local voice service within the exchange using facilities in which it or one of its affiliates have an ownership interest.

¹ Exchanges listed in bold type indicates Staff's opinion the exchange qualifies for competitive status as requested by the company. Spectra requested competitive status for business and residential services in Ewing, LaBelle, Lewistown and Macon. Spectra requested competitive status for only residential services in the Savannah exchange.

² Identified wireline companies are providing local voice service in the exchange on either a full facility basis.

³ Spectra's request for competitive status is limited to residential services.

**Full Company Name (Do not abbreviate, yet include any Commission approved
AKA/DBA/Fictitious Name, if applicable.)**

COMPETITIVE LOCAL EXCHANGE CARRIER

and / or

INTEREXCHANGE TELECOMMUNICATIONS CARRIER

ANNUAL REPORT

TO THE

MISSOURI PUBLIC SERVICE COMMISSION

For The Year Ending December 31,

CLEC-IXC

Annual Report of _____
for the year ending December 31,

1. State in full the exact 'certificated' name of the
Competitive Local Exchange Carrier/Interexchange Telecommunications Carrier.
(Do not abbreviate; yet include any Commission approved AKA/DBA/Fictitious Name, if applicable.)

2. Is utility certificated as a Competitive Local Exchange Carrier (CLEC)? If yes, state effective
a. date of certification by the MO Public Service Commission and associated case number:
Date (e.g. 00/00/0000): _____ Case No: _____
b. Is utility certificated as a Interexchange Telecommunications Carrier (IXC)? If yes, state
effective date of certification by the MO Public Service Commission and associated case number:
Date (e.g. 00/00/0000): _____ Case No: _____
3. Was the company certificated in Missouri under any other name(s)? If yes, please provide all
names and time periods involved since the original certification:

4. This Competitive Local Exchange/Interexchange Telecommunications Carrier is a (Check box
with an X) and if different than certificated name listed above (e.g. parent corporation name)
or if 'Other' is identified, explain:

<table border="1" style="border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td>Corporation</td></tr><tr><td style="width: 20px; height: 20px;"></td><td>Partnership</td></tr><tr><td style="width: 20px; height: 20px;"></td><td>Sole Proprietorship</td></tr></table>		Corporation		Partnership		Sole Proprietorship	<table border="1" style="border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td>LLC</td></tr><tr><td style="width: 20px; height: 20px;"></td><td>LP</td></tr><tr><td style="width: 20px; height: 20px;"></td><td>Other - Explanation</td></tr></table>		LLC		LP		Other - Explanation
	Corporation												
	Partnership												
	Sole Proprietorship												
	LLC												
	LP												
	Other - Explanation												

5. Date of incorporation or other original organization (e.g. 00/00/0000):

6. Under the laws of what state is the Competitive Local Exchange/Interexchange
Telecommunications Carrier organized:

7. State in full the name, street address, telephone number, and e-mail address* of the individual
completing/verifying this Annual Report:

(*) To facilitate electronic sending of the Annual Report form next year.

CLEC-IXC

Annual Report of _____

for the year ending December 31,

8. Whether a corporation or not, give the particulars called for below concerning the principal general officers of the Competitive Local Exchange/Interexchange Telecommunications Carrier at the end of the year:

Date Office

Assumed

Title of General Officer

Name of Person Holding Office

[illegible]

- 9. Please provide a listing of all mergers, consolidations, and reorganizations, completed during the last year.**

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

CLEC-IXC

Annual Report of _____

for the year ending December 31, _____

10. Please provide the following information concerning Total Company and gross intrastate operating revenues (i.e., Missouri Specific) Revenues for this Calendar Year:

Revenues:	Total Company	MO Specific
Operating Revenues* from Telecommunication Services		
Access Fee Revenues		
Federal USF Subsidies		
State USF Subsidies		
Other Revenues		
TOTAL REVENUES		

MO Specific should match Statement of Revenue
(MoPSC Assessment)

* Missouri Revised Statutes §386.020(53)

(53) "Telecommunications service", the transmission of information by wire, radio, optical cable, electronic impulses, or other similar means. As used in this definition, "information" means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or any other symbols. Telecommunications service does not include:

(a) The rent, sale, lease, or exchange for other value received of customer premises equipment except for customer premises equipment owned by a telephone company certificated or otherwise authorized to provide telephone service prior to September 28, 1987, and provided under tariff or in inventory on January 1, 1983, which must be detariffed no later than December 31, 1987, and thereafter the provision of which shall not be a telecommunications service, and except for customer premises equipment owned or provided by a telecommunications company and used for answering 911 or emergency calls;

(b) Answering services and paging services;

(c) The offering of radio communication services and facilities when such services and facilities are provided under a license granted by the Federal Communications Commission under the commercial mobile radio services rules and regulations;

(d) Services provided by a hospital, hotel, motel, or other similar business whose principal service is the provision of temporary lodging through the owning or operating of message switching or billing equipment solely for the purpose of providing at a charge telecommunications services to its temporary patients or guests;

(e) Services provided by a private telecommunications system;

(f) Cable television service;

(g) The installation and maintenance of inside wire within a customer's premises;

(h) Electronic publishing services; or

(i) Services provided pursuant to a broadcast radio or television license issued by the Federal Communications Commission;

11. Local Exchange Carriers Federal/State Low-Income/Disabled Universal Service Fund Subscribers

Background and Purpose: To ascertain on a monthly basis the number of subscribers being provided federal and/or Missouri low-income/disabled support as being reported to USAC (federal support, Form 497) and the fund administrator of the Missouri programs (Missouri support).

Month	Calendar Year 2004	Calendar Year 2005	
	Number of Federal Low Income subscribers	Number of Missouri Low Income subscribers*	Number of Missouri Disabled subscribers*
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
TOTAL:	0	0	0

* Effective for 2005 calendar year
Annual Report.

12. CLEC-IXC Annual Report of _____ for the year ending December 31, _____

COMPETITIVE LOCAL EXCHANGE CARRIER ACCESS LINE REPORT

[illegible]

**Instructions for completing the
Competitive Local Exchange Carrier Access Line Report**

I. BACKGROUND

In opening local telephone markets to competition, the Missouri Public Service Commission (MoPSC) is interested in determining and tracking the amount of actual competition occurring throughout the state. For a variety of reasons including but not limited to statutory reasons, the MoPSC finds it necessary to track the level of competition in local telephone markets.

II. PURPOSE

The purpose of this portion of the Annual Report is to ascertain, on an exchange specific basis, the number of voice-grade equivalent access lines in service being provided by your company in each exchange (as identified in your tariff) in Missouri. Information is sought for residential and business voice-grade equivalent access lines on an exchange-by-exchange basis. **Please use the common exchange name as shown in your tariffs.** Further, information is sought on the following ways of provisioning each access line: (A) pure resale lines; (B) unbundled network element lines (UNE); (C) unbundled network element platform lines (UNE-P); and, (D) pure facility based lines. **Please report on a separate line the number of company used lines.**

III. WHAT IS MEANT BY "VOICE TELEPHONE SERVICE"?

Voice telephone service means local exchange or exchange access services that allow end users to originate and terminate local telephone calls on the public switched telephone network, whether used by the end user for telephone calls or for other types of calls carried over the public switched network (for example, lines used for facsimile equipment and "dial-up" internet lines).

IV. WHAT IS MEANT BY "VOICE-GRADE" EQUIVALENT LINES?

You are to report voice-grade equivalent lines. Count as one voice-grade equivalent line: traditional analog POTS lines, Centrex-CO extensions, and Centrex-CU trunks. Count lines based on how they are charged to the customer rather than how they are physically provisioned. For example, count Basic Rate Integrated (BRI) and Digital Network (ISDN) Services lines as two voice-grade equivalent lines. Report 8 voice-grade equivalent lines if a customer buys 8 trunks that happen to be provisioned over a DS1 circuit. If a customer buys a DS1 circuit that is provided as channelized service, report 24 voice-grade equivalent lines, even if there is some indication that the customer is only using 8 of the derived lines. Thus, a voice-grade equivalent line is a line that directly connects an end user to a carrier and allows the end user to originate and terminate local telephone calls on the public switched network.

Voice-grade equivalent lines include high capacity (DS1, DS-3, etc.) lines that are channelized to provide voice-grade service. In such instances, it is the number of channels available for voice traffic to/from the public switched network that should be counted as voice-grade equivalent access lines. **Note for competitive LEC's providing local exchange service over hybrid fiber-coaxial cable television systems:** Count your records and report how many voice-grade equivalent lines are being billed.

**Instructions for completing the
Competitive Local Exchange Carrier Access Line Report Con'td.**

V. WHAT IS MEANT BY PURE RESALE VOICE GRADE EQUIVALENT LINES?

Pure resold lines are those lines provided pursuant to § 251 (c)(4) of the Communications Act of 1934, as amended. Pure resold lines are those lines not owned or controlled by the telephone company billing the end user for the service. Pure resold lines are typically leased from an underlying carrier at a wholesale discount off the tariffed rate. The use of resold lines exclusively provides a means to offer service without owning or controlling any equipment. Pure resold lines are those lines provided under a general or local exchange tariff, but without benefit of an accompanying switched access tariff.

VI. WHAT IS MEANT BY UNBUNDLED NETWORK ELEMENT (UNE) LINES?

UNE lines are those lines where the carrier provides some portion of the equipment required to provide telephone service. The most common example is a competitive LEC who provides the switching but leases a loop (or extended loop) from the incumbent LEC. UNE loops are obtained on a stand alone basis and service is provided to the end user without combining other UNES. Service provisioned over UNE loops requires the carrier to lease a loop from another LEC in order to connect the customer to the carrier's own switch. UNE lines are provided under a general or local exchange tariff in combination with a switched access tariff.

VII. WHAT IS MEANT BY UNE-P VOICE GRADE EQUIVALENT LINES?

UNE Platform (UNE-P) lines are those lines utilizing a combination of UNES so that service provisioned over UNE-P lines does not require the carrier to use its own switch, port, or loop. UNE-P lines are commonly used by competitive LECs. UNE-P lines are provided under a general or local exchange tariff in combination with a switched access tariff.

VIII. WHAT IS MEANT BY FULL FACILITY BASED VOICE GRADE EQUIVALENT LINES?

Full facility based lines are those lines owned or controlled exclusively by a local exchange carrier and used to connect to an end user's premises. Count as your own such facilities, those facilities that you actually owned as well as facilities such as dark fiber that you obtained the right to use from other entities. Do not include, as full facilities based lines, lines provided over UNE loops that you obtained from another carrier. Full facility based lines are provided under a general or local exchange tariff in conjunction with a switched access tariff.

IX. WHAT IS MEANT BY PUBLIC ACCESS LINES?

Some carriers (particularly incumbent carriers) still separate pay telephone lines from business lines. Use this column to report pay telephone lines if your company tariffs reflect pay telephone lines distinct from business lines.

X. WHAT IS MEANT BY EXCHANGE?

"Exchange" as defined in Missouri Revised Statutes §386.020(16), is a geographical area for the administration of telecommunications services, established and described by the tariff of a telecommunications company providing basic local telecommunications service.

Submitting this Annual Report is an "option" through EFIS.

A registered official company representative is authorized to utilize this option, type in all necessary information below, including the Notary's information (pursuant to Sections 432.200 and 432.295). After submitting the Annual Report through EFIS, you will receive a BMAR (confirmation) number. Indicate that BMAR number on the original and retain for your records.

CLEC-IXC	
Annual Report of _____	
for the year ending December 31, _____	
VERIFICATION	
The foregoing report must be verified by the oath of the President, Treasurer, General Manager or Receiver of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken	
OATH	
State Of _____	
County Of _____	} ss:
_____ makes oath and says that	
(Insert here the name of the affiant)	
s/he is _____	
(Insert here the official title of the affiant)	
of _____	
(Insert here the exact legal title or name of the respondent)	
that s/he has examined the foregoing report; that to the best of his or her knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent.	
_____, _____, to and including _____,	
_____ (Signature of affiant)	
Subscribed and sworn before me, a _____ in and for the	
State and county above named, this _____ day of _____, 20	
My Commission expires _____, 20	
_____ (Signature of officer authorized to administer oaths)	
Missouri Revised Statutes § 392.210	

Original in its entirety must be mailed (if not utilizing EFIS) to:
Manager of the Data Center
MoPSC, 200 Madison Street, Suite 100
Jefferson City, MO 65101 (P.O. Box 360, 65102-0360)

Brief Description of Competitors

Mark Twain Communications Company (Mark Twain CLEC) provides service exclusively through its own loops and switching facilities. The company is affiliated with Mark Twain Rural Telephone Company, an incumbent local exchange carrier (ILEC).

Chariton Valley Telecom Corporation (Chariton Valley CLEC) provides service exclusively through its own loops and switching facilities. The company is affiliated with Chariton Valley Telephone Corporation, an incumbent local exchange carrier (ILEC).

News-Press and Gazette Company d/b/a St Joseph Cablevision (St. Joseph Cablevision) is an uncertificated entity. At this time, the Commission Staff is attempting to gain additional information about the company.