

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

In the Matter of the Application of Sprint)
Missouri, Inc., for Competitive)
Classification Under Section 392.245.5,)
RSMo 2005.)

Case No. IO-2006-0092
Tariff File No. YI-2006-0174

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission and for its recommendation states:

1. On August 30, 2005, Sprint Missouri, Inc., filed its Application for Competitive Classification pursuant to Section 392.245.5, RSMo. In its application, as amended on September 9, 2006, Sprint requests that the Commission classify all of Sprint's residential services, other than exchange access service, for the Ferrelview, Platte City, and Weston exchanges as competitive. In addition, Sprint requests competitive classification of all of its business services, other than exchange access service, in the Ferrelview, Platte City, St. Robert and Waynesville exchanges. On September 9, Sprint also made a substitute tariff filing to comport with the amended Application.

2. Section 392.245.5 RSMo, as amended by Senate Bill 237, reads in part:

5. Each telecommunications service offered to business customers, other than exchange access service, of an incumbent local exchange telecommunications company regulated under this section shall be classified as competitive in any exchange in which at least two non-affiliated entities in addition to the incumbent local exchange company are

providing basic local telecommunications service to business customers within the exchange. Each telecommunications service offered to residential customers, other than exchange access service, of an incumbent local exchange telecommunications company regulated under this section shall be classified as competitive in an exchange in which at least two non-affiliated entities in addition to the incumbent local exchange company are providing basic local telecommunications service to residential customers within the exchange. For purposes of this subsection:

(1) Commercial mobile service providers as identified in 47 U.S.C. Section 332(d)(1) and 47 C.F.R. Parts 22 or 24 shall be considered as entities providing basic local telecommunications service, provided that only one such non-affiliated provider shall be considered as providing basic local telecommunications service within an exchange;

(2) Any entity providing local voice service in whole or in part over telecommunications facilities or other facilities in which it or one of its affiliates have an ownership interest shall be considered as a basic local telecommunications service provider regardless of whether such entity is subject to regulation by the commission. A provider of local voice service that requires the use of a third party, unaffiliated broadband network or dial-up Internet network for the origination of local voice service shall not be considered a basic local telecommunications service provider. For purposes of this subsection only, a broadband network is defined as a connection that delivers services at speeds exceeding two hundred kilobits per second in at least one direction;

(3) Regardless of the technology utilized, local voice service shall mean two-way voice service capable of receiving calls from a provider of basic local telecommunications services as defined by subdivision (4) of section 386.020, RSMo;

(4) Telecommunications companies only offering prepaid telecommunications service or only reselling telecommunications service as defined in subdivision (46) of section 386.020, RSMo, in the exchange being considered for competitive classification shall not be considered entities providing basic telecommunications service; and

(5) Prepaid telecommunications service shall mean a local service for which payment is made in advance that excludes access to operator assistance and long distance service;

(6) Upon request of an incumbent local exchange telecommunications company seeking competitive classification of business service or residential service, or both, the commission shall, within thirty days of the request, determine whether the requisite number of entities are providing basic local telecommunications service to business or residential customers, or both, in an exchange and if so, shall approve tariffs designating all such business or residential services other than exchange access service, as competitive within such exchange.

3. In the attached Memorandum, labeled Appendix A, the Staff states that all of these exchanges have at least one non-affiliated wireless and one non-affiliated entity providing local voice service to the designated customer class(es), i.e., business and/or residential.

WHEREFORE, the Staff recommends that the Commission grant Sprint's Amended Application for Competitive Classification and approve its substituted tariff filing. The Staff

further recommends that the Commission's order state the condition for granting competitive status.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ William K. Haas

William K. Haas
Deputy General Counsel
Missouri Bar No. 28701

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-7510 (Telephone)
(573) 751-9285 (Fax)
william.haas@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 9th day of September 2005.

/s/ William K. Haas

William K. Haas

Memorandum

To: Official Case File
Case No. IO-2006-0092

From: John Van Eschen
Telecommunications Department

Date: September 9, 2005

Subject: Response to Sprint's Request for Competitive Status

Summary

The Commission Staff (Staff) has evaluated Sprint's Application for Competitive Classification. Based on this evaluation Staff recommends the Commission grant competitive status to all of the exchanges requested by Sprint. Specifically, competitive status should be granted for all of Sprint's residential services, other than exchange access service, in the exchanges of Ferrelview, Platte City, and Weston. Competitive status should be granted for all of Sprint's business services, other than exchange access service, in the exchanges of Ferrelview, Platte City, St. Robert and Waynesville. The remainder of this memorandum will attempt to explain Staff's evaluation and the criteria for granting competitive status. In addition, this memorandum will attempt to explain the significance of what it means to grant competitive status to an exchange.

Sprint's Application

On August 30, 2005, Sprint Missouri, Inc. filed an application to request competitive classification for certain exchanges. Schedule 1 identifies the specific exchanges and whether competitive status is being requested only for residential customers, business customers, or both residential and business customers. In addition, Schedule 1 identifies the entity or entities providing local voice service within the exchange as asserted by the company. Schedule 1 also provides some additional information reflecting Staff's analysis which will be described later in this memo.

Competitive Status: What's It Mean?

Competitive status, if granted, to an exchange will allow an incumbent local exchange telecommunications company greater pricing flexibility than under price cap regulation or rate of return regulation. Depending upon whether competitive status is granted to residential services, business services or both the company will gain the ability to raise the applicable tariffed rate for all such services, except exchange access service, upon ten days notice to the Commission and to potentially affected customers. In this

respect, an incumbent local exchange telecommunications company will essentially have the same pricing flexibility within the exchange as a competitively classified company.

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

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

Competitive status, if granted, should also not affect the Commission's ability to control or regulate various aspects of a company's telecommunications offerings. For example, competitive status will not affect the Commission's ability to control the rates for exchange access service. The relevant statutes outlining the process for obtaining competitive status excludes exchange access service as part of a company's request for competitive status. In this respect, if the Commission ultimately grants competitive status to an exchange, it should not impact the Commission's current ability to control or set the rates for exchange access service. Likewise, competitive status, if granted, should not affect the Commission's ability to maintain standards for quality of service, service

termination for nonpayment, billing and other requirements. These standards will continue to apply regardless of whether an exchange has received competitive status.

One area that Staff is unsure of the implications of granting competitive status concerns the Commission's desire to entertain expanded local calling requests as shown by the Commission's recent approval of a rulemaking in Case No. TX-2005-0194. If the Commission grants competitive status to an exchange and the Commission entertains a request to establish a new calling scope plan or change an existing calling scope plan then competitive status may make it more difficult for the Commission to require a company to provide any service at a specified rate in the exchange.

Competitive Status Criteria

Section 392.245.5 describes the general process for achieving competitive status for an exchange. Specifically two non-affiliated entities in addition to the incumbent local exchange company must be providing basic local telecommunications service within the exchange. One of the entities can be a commercial mobile service provider as identified in 47 U.S.C. Section 332(d)(1) and 47 C.F.R. Parts 22 or 24. The second entity can be any entity providing local voice service in whole or in part over telecommunications facilities or other facilities in which it or one of its affiliates have an ownership interest. This portion of the statutes directs the Commission to make a determination within thirty days of the request as to whether the requisite numbers of entities are providing basic local telecommunications service to business or residential customers, or both, in the exchange. The statute lists specific instances whereby the provider of local voice service should not allow the exchange to qualify for competitive status at least under the thirty day process. For example, companies only offering prepaid telecommunications service or only reselling telecommunications service shall not be considered entities providing basic telecommunications service. Likewise, a provider of local voice service that requires the use of a third party, unaffiliated broadband network or dial-up Internet network for the origination of local voice service shall not be considered a basic local telecommunications service provider.

Staff's Analysis

The company's application for competitive status provides significant information regarding the presence of wireless providers in the exchanges where competitive status is sought. Staff finds the company's evidence convincing and does not dispute the presence of at least one wireless provider in the exchanges where competitive status is sought.

Section 392.245.5(6) directs the Commission to maintain records of regulated providers of local voice service, including those regulated providers who provide local voice service over their own facilities, or through the use of facilities of another provider of local voice service. Staff's response to this directive has been to rely on the annual reports submitted by telecommunications companies to the Commission. Specifically, all local exchange carriers are required to report the number of access lines served on an exchange-specific basis as of December 31st of the proceeding year. Companies are

expected to identify the number of voice grade equivalent lines based on the following categories: pure resale, UNE-L, UNE-P, and full facility based. Attached in Schedule 2 is a blank copy of the Commission's annual report form which attempts to describe most of the access line-related terms used in the annual report form.

The annual reports due on April 15, 2005, are the reports focused upon by Staff for this proceeding. Staff has attempted to follow up with many competitively classified companies providing local voice service to ensure their respective annual report information is correct. For example, in some situations a company may have identified an unknown exchange(s) or alternatively simply identified the total number of lines served without identifying lines served on an exchange-specific basis. In all known instances where there may have been an issue, we believe we have attempted to ensure a company's annual report was compiled accurately and completely. Some companies reported serving "0" lines in their annual report but show a positive revenue in the company's annual statement of revenue. In such circumstances, Staff followed up with the telecommunications company to inquire how the revenue was generated and specifically if the company was providing local voice service. When appropriate, companies re-submitted their annual report information.

In general, the access line information gleaned from the annual reports submitted to the Commission can serve as an initial starting point to determine if competitive status criteria have been met. Admittedly, the annual report information had some initial flaws which Staff has attempted to correct in follow-up contacts with officials of the competing companies. The timing of the annual reports may be an issue in some instances since access line data may be considered somewhat dated in the sense that it captures access lines as of December 31, 2004. A company's annual report will not capture access lines implemented during 2005. In addition, the annual report information may be deficient if the competitive company is providing service but has failed to obtain proper certification. In such situations, Staff attempted to contact the competing company and verify if it was providing local voice service. Cross-checks were also conducted on the competing company's tariff and web site for additional verification as to whether the competing company offers local voice service in the exchange. In general, Staff does not rely on a company's tariff and web site as a sole indicator the company is providing service in the exchange. Staff views such information as an additional source to verify that the company may offer service in the exchange. Corroborating evidence from other sources was needed to ensure the competing company is actually providing service in the exchange.

In anticipation of receiving competitive requests, Staff contacted companies who reflect providing local voice service on either a full facility based basis or on a UNE-L basis. Full facility based lines involve lines owned by the company. A company providing voice service on a full facility based basis also generally owns the switching facilities used to switch calls. UNE-L basis refers to "unbundled network element loops" a situation where the company leases a local line or loop from an incumbent local telephone company but may own the switching facilities. In most UNE-L situations, a company may own one switch but serve several exchanges from the switch. The switch

may be the only equipment owned by the company. Staff's contact with facility based and UNE-L providers attempted to ensure these companies properly categorized lines served.

For purposes of responding to requests for competitive status, Staff attempted to verify the accuracy of the supporting information provided by the carrier requesting competitive status. For example if the incumbent carrier is requesting competitive status for a certain exchange based on the existence of competition from another carrier, Staff checked the carrier's annual report information to see if the identified carrier is actually showing lines served in the exchange. If a competing company's annual report fails to show that it is serving a particular exchange, Staff has attempted to obtain verification from the competing company as to whether it indeed is providing local voice service to the identified exchange and if so, under what conditions (UNE-L or full facility basis).

If the identified carrier is shown as serving lines in the exchange, Staff considers lines served on a full facility basis or UNE-L basis as the minimum threshold to meet for competitive status in a thirty day proceeding. The provisioning of service on a full facility basis or UNE-L basis has been selected by the Staff as the minimum threshold to meet for competitive status in a thirty day proceeding because it reflects a situation where the company, or its affiliate, owns certain facilities in the provisioning of service. Although a company providing service on a UNE-L basis generally only has ownership interest in a switch, a switch can probably be included as qualifying as telecommunications facilities as defined by 386.020(52) if a switch can be considered a receiver, machine, apparatus or device. This statutory definition specifically defines "telecommunications facilities" as "...includes lines, conduits, ducts, poles, wires, cables, crossarms, receivers, transmitters, instruments, machines, appliances and all devices, real estate, easements, apparatus, property and routes used, operated, controlled or owned by any telecommunications company to facilitate the provision of telecommunications service." A strict application of this definition may lead to questionable results from the perspective that a company may not own a switch or lines but rather simply some real estate that may be used to facilitate the provision of telecommunications service. For instance a company may own some office space for taking orders for telecommunications service and meet the definition of telecommunications facilities. Regardless, Staff is considering the provisioning of service on a full facility basis or UNE-L basis as the minimum threshold to meet for competitive status in a thirty day proceeding.

The Commission's annual report instructions attempt to capture all access lines used to provide local voice telephone service. The Commission's annual report instructions attempt to define voice telephone service as "...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)." This instruction indicates that lines solely used for data purposes should be reported in a company's annual report. However, it should be pointed out that some companies may have reported lines solely used for data purposes while other companies may not have.

At this time, Staff has not attempted to correct such an inconsistency between companies because Section 392.245.5(3) defines local voice service as two-way voice service capable of receiving calls from a provider of basic local telecommunications services as defined by subdivision (4) of section 386.020, RSMo. Under the 30-day track, Missouri law specifically excludes certain types of providers of local voice service. For example, Section 392.245.5(2) does not consider a provider of local voice service as providing basic local telecommunications service for determining competitive classification under the 30-day track if the provider requires the use of a third party, unaffiliated broadband network or dial-up Internet network for the origination of local voice service. SB 237 also indicates other types of services that should not be considered as providing basic local telecommunications service for purposes of determining competitive criteria, such as companies only offering prepaid service or only reselling telecommunications service shall not be considered entities providing basic telecommunications service. In any event, Staff did not attempt to ensure that a company's lines solely used for data purposes are identified in a company's annual report.

Staff did contact companies to see if there are any situations where a company is solely serving an internet service provider in the exchange. In such instances where the company is serving only an internet service provider in the exchange we footnoted the lines served by the company in that particular exchange. Nevertheless, applicants for competitive status may attempt to claim a competing company is providing local voice service because the applicant is porting telephone numbers to the competing company. In Staff's opinion, competition within an exchange from a competing company who solely provides service to an internet service provider should not allow the exchange to qualify for competitive status under the thirty day process. Such a provider would not be providing local voice service pursuant to Section 392.245.5(2).

Subsequent Review and Analysis

In granting competitive status, it may be important for the Commission to explicitly identify the conditions that exist in order to qualify for competitive status. Section 392.245.5(6) describes a subsequent process where the Commission completes a review to determine if the conditions continue to exist for the exchange. In this section, the Commission shall at least every two years or where an incumbent local exchange telecommunications company increases rates for basic local telecommunications services in an exchange classified as competitive, review those exchanges where an incumbent's services have been classified as competitive, to determine if the conditions continue to exist. Staff's understanding of this process is that if the Commission determines that Exchange X should be classified as competitive because Competitor Y is serving lines in the exchange then the Commission can only revoke competitive status in the exchange if competitors provisioning service in the same manner as Competitor Y cease to provide service within the exchange. Stated differently, the Commission cannot simply revoke competitive status on the basis that it doesn't like the fact that the incumbent has raised rates within the exchange. The evidence or condition the Commission has identified for

granting competitive status to the exchange must no longer exist in order for the Commission to revoke competitive status for an exchange. In other words, for competitive status granted under the 30-day track Staff would view this as an expectation that the Commission would determine that UNE-L and/or full facility based competition from any competitor no longer exists within the exchange.

Staff Recommendation

As previously discussed, Schedule 1 provides a table identifying the applicant's request in terms of identifying the requested exchanges for competitive status, whether the applicant is requesting competitive status for residential and/or business service, and the competing local exchange company the applicant has identified as meeting criteria for competitive status. Schedule 1 also identifies Staff's analysis in terms of Staff's review of CLEC annual reports. In order to provide the Commission with a better understanding of the CLECs identified in the company's application for competitive status, highly confidential Schedule 3 provides a brief explanation of Staff's understanding of how the identified competing local voice provider is providing service.

As explained in Schedule 1 and below, Staff has no objections to Sprint's request for competitive classification in any of the requested exchanges. For the record, Staff did not find any additional competing companies operating in any of the six exchanges other than the companies identified in Sprint's application.

Based on Staff's previously described criteria and analysis, Staff recommends the Commission grant competitive status to the following exchanges. All of these exchanges have at least one non-affiliated wireless provider and at least one non-affiliated entity providing local voice service on a full facility basis. Staff further recommends the Commission order specifically state the evidence or condition for granting competitive status:

Ferrelview exchange (residential and business) based on evidence that ExOp of Missouri, Inc. d/b/a Unite and Time Warner Cable are providing local voice service to both residential and business customers on a full facility basis.

Schedule 1 shows that Time Warner's annual report fails to identify any lines served within the Ferrelview exchange. Subsequent follow-up contacts by Staff with Time Warner officials reveal Time Warner has recently begun providing local voice service to customers in the Ferrelview exchange. At this time Staff has been unable to quantify the number of lines actually served by Time Warner in the Ferrelview exchange. Time Warner's provisioning of service should be considered to be on a full facility basis. Staff concurs with Sprint that Ferrelview should receive competitive classification for residential service.

Platte City exchange (residential and business) based on evidence that Time Warner Cable is providing local voice service to residential customers on a full facility basis and

ExOp of Missouri, Inc. d/b/a Unite providing local voice service to residential and business customers on a full facility basis.

Weston exchange (residential only) based on evidence that Time Warner Cable is providing local voice service to residential customers on a full facility basis.

Schedule 1 shows that Time Warner's annual report fails to identify any lines served within the Weston exchange. Subsequent follow-up contacts by Staff with Time Warner officials reveal Time Warner has recently begun providing local voice service to customers in the Weston exchange. At this time Staff has been unable to quantify the number of lines actually served by Time Warner in the Weston exchange. Time Warner's provisioning of service should be considered to be on a full facility basis. Staff concurs with Sprint that Weston should receive competitive classification for residential service.

St. Roberts exchange (business only) based on evidence that Fidelity Communications is providing local voice service to business customers on a full facility basis.

Waynesville exchange (business only) based on evidence that Fidelity Communications is providing local voice service to business customers on a full facility basis.

In summary, Staff recommends the Commission grant competitive status to the five Sprint exchanges identified above. The Commission's Report and Order should attempt to explain the conditions for granting competitive status within each exchange. The Commission should also state that the Commission will only consider revoking competitive status for these exchanges if competition from entities providing basic local telecommunications service on either a UNE-L basis and/or a full facility basis fails to exist in the exchange. If the Commission concurs with Staff's recommendation, the Commission should allow Sprint's proposed tariff filing to go into effect which identifies that competitive status has been granted to these exchanges.

Sprint Missouri, Inc.
Request for Competitive Status

Applicant's Request			CLEC Annual Reports Show				
Exchange	Applicant's Request		CLEC	Residential		Business	
	Residential	Business		UNE-L	Full Facility	UNE-L	Full Facility
Ferrelview	X	X	Time Warner ¹ ExOp of MO d/b/a Unite	0	0	0	0
Platte City	X	X	Time Warner	0	**HC- **	0	** HC- **
			ExOp of MO d/b/a Unite	0	**HC- **	0	** HC- **
St. Roberts		X	Fidelity Comm. Services I	0	0	0	**HC- **
Waynesville		X	Fidelity Comm. Services I	0	0	0	** HC- **
Weston	X		Time Warner ²	0	0	0	0

Schedule 1
NP

¹ Staff contacted Time Warner officials who indicated the company is initiating the provisioning of local voice service to customers in the Ferrelview exchange. Time Warner's tariff specifically states that Time Warner "provides service" to the Ferrelview exchange.

² Staff contacted Time Warner officials who indicated the company is initiating the provisioning of local voice service to customers in the Weston exchange. Time Warner's tariff specifically states that Time Warner "provides service" to the Weston exchange.

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, _____

NP

Schedule 2-1

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:

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

Corporation
Partnership
Sole Proprietorship

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

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:

<u>Date Office Assumed</u>	<u>Title of General Officer</u>	<u>Name of Person Holding Office</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

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:

Operating Revenues* from Telecommunication Services
 Access Fee Revenues
 Federal USF Subsidies
 State USF Subsidies
 Other Revenues

Total Company	MO Specific

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.

**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)

NP

Schedule 2-9

Brief Description of Competitors

Explanation of Terms:

“Full Facility Basis” generally refers to a situation where the company is providing local voice service over its own facilities which are comprised of the local loops and switch.

ExOp of Missouri, Inc., f/k/a Unite (ExOp) provides local voice service and video service on a full facility basis.

Fidelity Communication Services I, Inc, (Fidelity I) provides local voice service and video services primarily on a full facility basis.

Time Warner Cable Information Services (Missouri), LLC (Time Warner) is an affiliate of a cable company providing local voice service and video services generally on a full facility basis.

