

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

In the Matter of Tariffs to Reduce Access)	
Rates of Local Telecommunications)	
Companies Pursuant to Federal)	File No. TT-2012-0317
Communications Commission Report)	
And Order FCC 11-161.)	

**Alma Telephone Company, et al.,
Reply to Public Counsel Amended Response**

Come now Alma Communications Company d/b/a Alma Telephone Company, Chariton Valley Telephone Corporation, Chariton Valley Telecom Corporation, Choctaw Telephone Company, Mid-Missouri Telephone Company, and MoKAN Dial Inc., referred to herein as the Missouri Independent Telephone Group (“MITG”), for their Reply to OPC’s Amended Response to Staff’s Motion to Open Docket, and state as follows:

1. Staff’s Motion to open a single case file makes imminent sense. The MITG agree with AT&T’s Reply to Public Counsel’s Comments.
2. The FCC has ordered all LECs to reduce their intrastate access rates to ½ of the present difference with interstate access rates. Staff’s Motion merely seeks efficient and orderly review of access rate reductions of scores of ILECs and CLECs.
3. Utilizing a single docket will promote LEC access reduction uniformity and simplification. Utilizing a single docket will allow interexchange carriers, purchasers of LEC access services, to verify compliance in a single docket rather than risk multiple suspensions of multiple access reduction proposals.

4. As set forth in Staff's motion, the FCC has preempted Missouri's ratemaking discretion with respect to LEC access rates. The FCC Order is subject to pending appeal, but the Order has not been stayed.

5. OPC's insistence that earnings review be conducted prior to achieving the FCC required reductions makes no sense. The existence of rate of return regulation is presupposed by paragraph 6 of OPC's Comments. Unfortunately, this presupposition is in error. There are no longer rate of return regulated LECs operating in Missouri. Based upon this preemption, and OPC's failure to recognize rate of return regulation is now a meaningless concept, the MITG companies (and the other rural small telephone companies) have all elected waiver of rate of return regulation, 392.240.1 RSMo. See the March 29, 2012 Comments of MoKan Dial Inc and Choctaw Telephone Company in TR-2012-0298 and TR-2012-0299.

6. Quite simply, the FCC has preempted Missouri's jurisdiction over basic local service rates, Missouri's jurisdiction over intrastate access rates, Missouri's jurisdiction over intrastate VoIP-PSTN traffic, and Missouri's jurisdiction over intraMTA compensation rates.

7. Contrary to OPC's position, the words "just and reasonable" set forth in 392.200.1 RSMo do not permit an earnings review. The statute permitting earnings reviews is 392.240.1RSMo. As 392.240.1 has been waived, the words "just and reasonable" of 392.200.1 cannot be read to include an earnings review. 392.200.1 RSMo is subject to the more specific refinements of the terms "just and reasonable" set forth in the waived Section 392.240.1 RSMo. This same question arose in IT-2009-0366. The Company had elected waiver of the Commission rule pertaining to the due date of a local

subscriber's payment for service. The Company filed tariffs proposing to shorten the time frame required by the waived rule. In that case Staff, as OPC does here, posited that the general terms "just and reasonable" set forth in 392.200.1 RSMo, gave the Commission the authority to deny the waiver authorized by 392.420 RSMo. The Commission, by Order of April 15, 2009, disagreed. The Commission held that it no longer had jurisdiction to utilize the words "just and reasonable" of 392.200.1 to impose the rule upon the Company.

8. Applying that precedent here, the words "just and reasonable" of 392.200.1 cannot be read to impose rate of return regulation, as 392.240.1 has been waived.

/s/ Craig S. Johnson

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Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was electronically mailed, this 2nd day of April, 2012 to:

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