



Kevin K. Zarling
Senior Attorney

Suite 900
919 Congress Avenue
Austin, Texas 78701-2444
512 370-2010
FAX: 512 370-2096

April 25, 2000

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65101

FILED²
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Service Commission

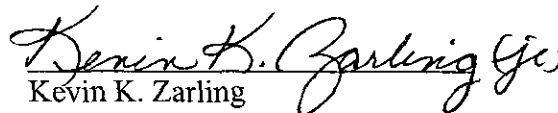
Re: Case No. TC-2000-596

Dear Judge Roberts:

Attached for filing with the Commission is the original and fifteen (15) copies of AT&T Communications of the Southwest Inc.'s Response of AT&T Communications of the Southwest, Inc. to Ray and Janet Heaton, Complainants, v. Southwestern Bell, AT&T, and Connect One Internet Service, Respondents, and to Southwestern Bell Telephone Company's Motion To Dismiss Pursuant to 4 CSR 240-2/070(6) For Failure to State Facts Upon Which Relief Can Be Granted in the above-referenced case.

I thank you in advance for bringing this matter to the attention of the Commission.

Sincerely,


Kevin K. Zarling

Attachment

cc: All Parties of Record

BEFORE THE PUBLIC SERVICE COMMISSION OF THE
STATE OF MISSOURI

FILED³

APR 25 2000

Missouri Public
Service Commission

RAY AND JANET HEATON)

Complainants.)

v.)

SOUTHWESTERN BELL, AT&T)
AND CONNECT ONE INTERNET)
SERVICE)

Respondents.)

Case No. TC-2000-596

**RESPONSE OF AT&T COMMUNICATIONS OF THE SOUTHWEST,
INC. TO RAY AND JANET HEATON, COMPLAINANTS, V. SOUTHWESTERN
BELL, AT&T, AND CONNECT ONE INTERNET SERVICE, RESPONDENTS,
AND TO SOUTHWESTERN BELL TELEPHONE COMPANY'S MOTION TO
DISMISS PURSUANT TO 4 CSR 240-2/070(6) FOR FAILURE TO STATE FACTS
UPON WHICH RELIEF CAN BE GRANTED**

COMES NOW, AT&T Communications of the Southwest, Inc. ("AT&T") and,
for its Response to Ray and Janet Heaton, Complainants, v. Southwestern Bell, AT&T,
and Connect One Internet Service, Respondents, and Southwestern Bell Telephone
Company's Motion to Dismiss Pursuant to 4 CSR 240-2/070(6) For Failure to State Facts
Upon Which Relief Can Be Granted, states as follows:

1. On March 23, 2000, Complainants Ray and Janet Heaton
("Complainants"), filed a complaint against Southwestern Bell Telephone ("SWBT"),
AT&T and Connect One Internet Service ("Connect One"). On April 10, 2000, SWBT
filed a Motion to Dismiss Pursuant to 4 CSR 240-2.070(6) for Failure to State Facts Upon
Which Relief Can Be Granted ("Motion").

2. Complainants allege that Connect One agreed to provide Internet access and free local telephone access. However, on December 19, 1999, Complainants received a monthly billing statement from AT&T that reflected charges for long distance calls when Complainants logged on to the Internet. Complainants allege that, on January 17, 2000, they received another bill from AT&T that again reflected charges for long distance calls when Complainants logged on to the Internet.

3. Complainants allege that Connect One subsequently explained to the Complainants that they needed to change their Internet access number to a local number; specifically, 582-0516.

4. Although Complainants apparently believed that they changed their Internet access number to a local number (582-0516), it is apparent from the bills that Complainants received from AT&T that Complainants incorrectly changed their Internet access number to 1 (573) 582-0516.

5. In its Motion, SWBT alleged that it did not provide intraLATA toll service to the Complainants. SWBT maintains that its only involvement was to route the calls from the complainant to Connect One to AT&T's network.

6. SWBT also alleges that the complainants changed the jurisdiction of the calls to Connect One from being a local call to being an intraLATA toll call by dialing 1 plus the area code.

7. Additionally, SWBT alleged that if the customer had been presubscribed to SWBT instead of AT&T, Complainants would have received an intercept message that would have prevented the call from going through as a toll call.

8. Finally, SWBT alleges that the Complainants have not asserted that SWBT violated any statute, tariff or order of the Commission. For that reason, SWBT asserts that the Complaint against it should be dismissed.

9. Had SWBT's Motion simply disavowed any responsibility for this complaint or its resolution, AT&T might have been content to do the same, at least with regard to responsibility for the complaint itself. However, SWBT's Motion went farther and, for all intents and purposes, lays the blame for this matter at the door of AT&T. In this matter, SWBT is hardly the innocent bystander that it attempts to portray itself as. SWBT admitted that it did route Complainants' local calls to AT&T. In doing so, SWBT's involvement was that of a local service provider providing basic local service and as an access provider providing switched access services to AT&T. Instead of routing the Complainants' calls to AT&T, as part of its basic local service SWBT should have provided a toll intercept service that informed the customer that it was unnecessary to dial 1+ and incur toll charges to complete the call to Connect One. It is the long-standing industry practice that the local service provider is responsible for providing toll intercept to its local customers to prevent them from incurring unnecessary toll charges to complete a local call. The purpose of this intercept is to protect local customers from incurring unnecessary toll charges to complete a local call. It is SWBT's failure, as the local service provider, to provision an intercept service that has led to the Complainants' calls being improperly routed over AT&T's network.

10. SWBT further alleged that by dialing '1' plus the area code '573', Complainants turned what would normally be considered a local call into a long distance call. SWBT's allegation is clearly erroneous. The dialing pattern of the call does not

dictate the jurisdiction of the call. By statute, a local exchange telecommunications service is a telecommunication service between two points in an exchange (Section 386.020(26) RSMo.). Based upon the Complainants' toll bills attached the complaint, AT&T acknowledges that the Complainants' calls originated and terminated within the same local exchange area and, therefore, are jurisdictionally defined as local. As the local service provider, SWBT should have completed the Complainants' calls to Connect One. Because the calls were not interexchange calls, SWBT never should have routed the calls to AT&T's toll network.

11. In its Motion, SWBT stated if the Complainants had been presubscribed to SWBT they would have received an intercept message that would have prevented the Complainants calls from being routed to AT&T's toll network. SWBT further stated that, apparently, AT&T does not provide such an intercept message when it receives intraLATA calls from its customers and, therefore, what would otherwise be considered local calls "were routed by AT&T as though they were intraLATA toll calls." These allegations are illogical and falsely accuse AT&T of mis-routing the Complainants' local calls. The Complainants' calls to Connect One are local calls and SWBT is the entity that routed the local call to AT&T's toll network. SWBT suggests that AT&T should provide an intercept message when it receives an intraLATA calls from its customers. In the immediate case, AT&T did not receive a true "intraLATA call" from the Complainants. AT&T inappropriately received a local call placed by the Complainants and routed by SWBT.

12. When AT&T receives an intraLATA call and AT&T is serving as an intraLATA toll carrier, AT&T routes and completes that call for its customer. Therefore,

no intercept is appropriate for intraLATA calls. Once traffic has been routed by SWBT to AT&T's toll network, AT&T has no reason to believe that traffic is anything other than interexchange traffic and treats those calls as if they are interexchange calls. AT&T does not deny the Complainants' allegation that AT&T imposed toll charges for calls made by the Complainants to Connect One. AT&T does deny any error in treating those calls as toll calls because SWBT routed the calls to AT&T as if they were intraLATA toll calls.

13. SWBT's actual implementation of toll intercept in Missouri is inconsistent with its allegation that it only provides toll intercept to its own intraLATA toll customers. In the case of Complainants, SWBT did not provide an intercept because, as SWBT claims, the Complainant's had not chosen SWBT as their presubscribed intraLATA toll carrier. Upon receiving SWBT's Motion, an AT&T employee in Missouri who receives local service from SWBT and is presubscribed to AT&T for both intraLATA and interLATA toll service, attempted to dial "one plus the area code" to complete a local call. That employee received an intercept message informing him that it was unnecessary to dial 1+ to complete the call.

14. AT&T strongly believes that providing toll intercept service is the responsibility of the local service provider because the service is supposed to intercept mis-dialed local calls. However, assuming that toll intercept could be the responsibility of AT&T, SWBT's failure to provision toll intercept is still inappropriate and violates SWBT's own access tariff. One component of the local switching (LS) access element that AT&T purchases from SWBT is a service called "Intercept". This service is defined in Section 6.1.2.B.4. of SWBT's P.S.C. Mo. No. 36 Access Service Tariff as "Intercept

provides for the termination of a call at a [SWBT] Intercept operator or recording. The operator or recording tells a caller why a call, as dialed, could not be completed, and if possible, provides the correct number." This service is supposed to intercept mis-dialed interexchange calls. If, as SWBT alleges, the customer can change the jurisdiction of the call from local to interexchange by dialing 1 plus, the intercept service that AT&T purchases from SWBT as part of the LS access rate element should have intercepted the Complainants' call and prevented it from being improperly routed over AT&T's toll network. Shifting the jurisdiction of the Complainants' call to interexchange still does not relieve SWBT of the obligation to provide a tariffed intercept service.

15. Similar complaints have occurred in both Oklahoma and Arkansas. In these complaints, AT&T's intraLATA toll customers dialed "1 plus" to place a call that originated and terminated within the same SWBT exchange area. In these instances, SWBT also treated the call as an intraLATA toll call and routed the call to AT&T's toll network. SWBT also assessed AT&T originating and terminating switched access rates. Because the call was routed to AT&T's toll network, AT&T, in turn, assessed intraLATA toll rates. These calls were routed to AT&T's toll network because of SWBT's failure to provision an intercept that would have informed the customer that it was unnecessary to dial 1+ to complete the call. In Oklahoma and Arkansas, SWBT has acknowledged that it failed to restore the intercept service after updating its switches for number portability. It is AT&T's understanding that SWBT's network personnel have corrected the problem and restored the intercept message in each of those states.

16. AT&T is mystified why SWBT accepted responsibility for failing to provide toll intercept service in Oklahoma and Arkansas but accepts no responsibility in

Missouri. Even more troubling than failing to accept responsibility are SWBT's disparaging statements that it was AT&T's failure to provide the intercept that led to the toll charges being imposed upon the complainants when in fact it was SWBT's failure to provide an intercept that led to the toll charges. AT&T is concerned that SWBT personnel, including SWBT's customer service representative and operators, may have made similar false and disparaging statements to AT&T's toll customers. These statements are clearly incorrect and harmful to AT&T. Whether such erroneous statements are intentional or unintentional, they still have the affect of harming AT&T in the marketplace.

17. AT&T believes that by dialing 1 plus the area code, SWBT treated the call as an interexchange call and charged AT&T originating and terminating switched access rates. SWBT's failure to provide the intercept service most likely led to SWBT improperly assessing access charges on AT&T. SWBT's failure to restore the intercept may have also resulted in SWBT improperly assessing toll charges to its intraLATA toll customers and improperly assessing access charges to other interexchange carriers.

18. AT&T does not deny that calls placed by the Complainants' originated and terminated within the same exchange area and, therefore, should be classified as local calls. AT&T does not deny it assessed toll charges to the Complainants' calls placed to Connect One. AT&T does not deny that calls placed by the Complainants to Connect One should have been properly rated as local calls rather than intraLATA toll calls. AT&T denies that AT&T acted improperly in treating the complainants' calls as toll calls and denies that it acted improperly in assessing toll charges to the Complainants' calls. AT&T believes that it was SWBT's failure to provide an intercept service that led to

SWBT improperly routing the Complainants' calls to AT&T's toll network and caused AT&T to treat the calls as interexchange calls and assess toll charges. If it is determined that the Complainants' calls were properly routed to AT&T and AT&T was obligated to provide toll intercept, then SWBT violated its approved access tariff by failing to provide the intercept service that AT&T purchased as part of the LS access rate element.

19. AT&T does not believe the Complainants should be assessed toll charges for calls that should have properly been rated as local, and AT&T is willing to cooperate with the Complainants and SWBT to remove toll charges for calls that should have been rated as local. However, AT&T does incur a cost for carrying traffic on its toll network, particularly if in this instance SWBT has assessed access charges. Moreover, the underlying cause of this complaint is SWBT's failure to properly provide intercept service as part of basic local service. While SWBT cooperated in resolving similar complaints in both Arkansas and Oklahoma, SWBT appears to be unwilling to cooperate in Missouri. For that reason, AT&T requests the Commission to require SWBT to take the following corrective actions to resolve this complaint;

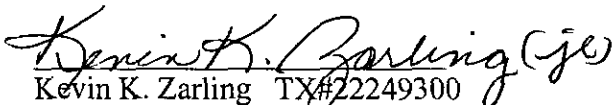
- (a) Provision toll intercept service to all basic local exchange customers;
- (b) Submit a verified report stating the type and amount of charges SWBT imposed upon AT&T for the Complainants' call to Connect One;
- (c) Refund any charges identified in the verified report submitted under (c);
- (d) Conduct a comprehensive audit to determine if SWBT improperly assessed charges upon interexchange carriers or improperly charged intraLATA toll rates to its own customers for other calls that should have been properly rated as local;
- (e) Refund any revenues identified in the audit under (d) and provide an accurate statement to its local exchange and access customers of the reason for the refund; and

- (f) Educate its employees that intercept service is the responsibility of the local service provider and that any failure to provision the service is not the fault of SWBT's interexchange competitors so that future complaints and allegations can be avoided.

AT&T believes this complaint can be resolved very simply. In the instant case AT&T is willing to remove any toll charges that were applied to the Complainants' calls that should have been treated as local. The Commission should require SWBT to perform the corrective action specified above. AT&T believes that by performing the corrective action specified above the underlying problem that resulted in this and, possibly, similar complaints will be eliminated. Further, this resolution will ensure that the Complainants' and AT&T have not incurred any direct out-of-pocket expenses as a result of SWBT's failure to provide toll intercept services.

WHEREFORE, AT&T prays the Commission will adopt AT&T proposed resolution so that this complaint may be fully and finally resolved.

Respectfully submitted,

 (jc)

Kevin K. Zarling TX#22249300

919 Congress, Ste. 900

Austin, TX 78701

Phone: 512-370-2010

FAX: 512-370-2096

Attorney for AT&T Communications

CERTIFICATE OF SERVICE BY MAIL

A true and correct copy of the foregoing in Docket TC-2000-596 was served upon the parties identified on the following service list on this 25th day of April, 2000 by placing same in a postage paid envelope and depositing in the U.S. Mail.

Kevin B. Barkley (je)

Michael Dandino
Office of Public Counsel
PO Box 7800
Jefferson City, MO 65102

Dan Joyce
General Counsel
PO Box 360
Jefferson City, MO 65012

Ray and Janet Heaton
1317 Lexington
Mexico, MO 65265

Paul Lane/Leo Bub/Anthony
Conroy/Mimi MacDonald
Southwestern Bell Telephone Co.
One Bell Center, Room 3510
St. Louis, MO 63101