

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
JEFFERSON CITY**

**August 8, 2000**

**CASE NO: TA-2000-347**

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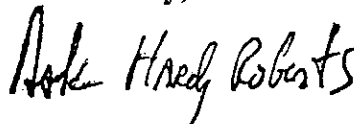
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**Enclosed find certified copy of an ORDER in the above-numbered case(s).**

**Sincerely,**



**Dale Hardy Roberts**  
**Secretary/Chief Regulatory Law Judge**

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service  
Commission held at its  
office in Jefferson City on  
the 8th day of August, 2000.

In the Matter of the Application of	)	
CAT Communications International, Inc.	)	
for a Certificate of Service Authority to	)	
Provide Interexchange and Basic Local	)	<u>Case No. TA-2000-347</u>
Exchange Telecommunications Services in the	)	
State of Missouri and to Classify Said	)	
Services and the Company as Competitive	)	

**ORDER GRANTING CERTIFICATE TO PROVIDE  
BASIC LOCAL AND EXCHANGE ACCESS TELECOMMUNICATIONS SERVICES**

**Procedural History**

CAT Communications International, Inc. (CAT) applied to the Missouri Public Service Commission (Commission) on December 8, 1999, for a certificate of service authority to provide resold interexchange and basic local telecommunications services in Missouri under Sections 392.420 - .440, RSMo 1994<sup>1</sup>, and Sections 392.410, .450, and 455, RSMo Supp. 1999. CAT asked the Commission to classify it as a competitive company and waive certain statutes and rules as authorized by Sections 392.361 and 392.420. CAT is a corporation duly organized and existing under and by virtue of the laws of the Commonwealth of Virginia.

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<sup>1</sup> All statutory references are to Revised Statutes of Missouri 1994 unless otherwise indicated.

CAT has its principal offices located at 5650 Hollins Road, Roanoke, Virginia 24019.

Along with the application, CAT submitted proposed tariff sheets with an effective date of January 25, 2000. The Commission issued an order on December 14, 1999, directing parties wishing to intervene to file their requests by January 13, 2000. On January 7, 2000, the Small Telephone Company Group (STCG) filed to intervene and on January 10, 2000, Southwestern Bell Telephone Company (SWBT) filed to intervene; both motions were granted on February 1, 2000.

On December 14, 1999, the Commission issued its notice of deficiency, stating that it could not proceed with this case until CAT complied with the Commission's rules concerning information required to be included in an application. CAT cured the deficiencies on January 14, 2000, by filing an amendment to its application.

On December 22, 1999, CAT submitted two sets of substitute tariff sheets. On January 14, 2000, CAT filed a second amendment to its application for a certificate of service authority, and, *inter alia*, CAT withdrew the two tariffs.

On February 1, 2000, the Commission ordered, *inter alia*, that the parties file a procedural schedule no later than February 16, 2000. Since a procedural schedule had not been filed by February 24, 2000, the Commission entered its notice of default, stating that no further action would be taken on this case until the parties cured the default.

On February 25, 2000, CAT filed its motion for a continuance of the filing of the procedural schedule for 30 days in order to allow time for

negotiation of a stipulation and agreement between CAT and the intervenors, which the Commission granted, giving the parties until March 31, 2000, to file a proposed procedural schedule.

No party filed any pleading by the deadline set by the Commission.

On April 4, 2000, CAT filed its "Motion for Continuance of Procedural Schedule," which was actually its second motion for a continuance. On April 10, 2000, the Commission granted the parties until May 10, 2000, to file a procedural schedule. CAT filed its motion to establish a procedural schedule on May 9, 2000, and the Commission entered its order establishing a procedural schedule on June 9, 2000.

On June 15, 2000, the parties filed a unanimous stipulation and agreement (agreement), which is included with this order as Attachment 1. The agreement stated that the Office of the Public Counsel was a signatory to the agreement for the sole purpose of stating that it has no objection to the agreement.

The Agreement also provided that one of the statutes originally proposed for waiver by CAT, Section 392.240.1, RSMo 1994, would not be waived.

On August 1, 2000, the Commission issued its Notice and Order Directing Staff Appearance and Response. This order directed the Staff of the Commission to appear at the Commission's Agenda meeting on August 3, 2000, to explain why Section 392.240.1, RSMo 1994, originally requested for waiver by CAT, was no longer among the statutes whose waiver was requested. Such an appearance was specifically approved by the parties in their Agreement:

The Staff shall also have the right to provide, at any agenda meeting at which this Unanimous Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties and participants with advance notice of when Staff shall respond to the Commission's request for such explanation once such explanation is requested from the Staff.

The order also provided notice to all parties that Staff would appear at the Agenda meeting on August 3, 2000, and respond to questions by the Commission.

On August 3, 2000, the Staff of the Commission, counsel for the STCG and counsel for SWBT did appear at the Commission's Agenda meeting. Staff, and counsel for SWBT, explained that SWBT believed that waiver of Section 392.240.1, RSMo 1994, was not in the public interest as it would deprive the Commission of a useful enforcement mechanism in the event that CAT should ever charge unlawful, unjust or unreasonable rates. However, discussion of this point satisfied the Commission that it would continue to possess ample enforcement powers, even if Section 392.240.1, RSMo 1994, were to be waived as originally requested by CAT. Counsel for SWBT stated that SWBT would not object to the waiver of that section, if ordered by the Commission.

The Staff of the Commission (Staff) filed suggestions in support of the agreement on July 17, 2000.

In the agreement, the parties waived their rights to present testimony, cross-examine witnesses, present oral argument or briefs, and to seek rehearing or judicial review. The requirement for a hearing is met when the opportunity for hearing has been provided and no proper

party has requested the opportunity to present evidence. State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989). Since no one has requested a hearing in this case, the Commission may grant the relief requested based on the application.

### Discussion

CAT seeks certification to provide facilities-based and resold basic local telecommunications services in portions of Missouri that are currently served by SWBT. CAT is not asking for basic local certification in any area that is served by STCG. CAT proposes to provide service in the exchanges currently served by SWBT as listed in Attachment B of the agreement. CAT is requesting that its basic local services be classified as competitive and that the application of certain statutes and regulatory rules be waived.

#### **A. Requirements of Commission Rule 4 CSR 240-2.060(4)**

Commission Rule 4 CSR 240-2.060(4) requires a foreign corporation applying for certification to provide telecommunications services to include in its application a certificate from the Secretary of State showing that it is authorized to do business in Missouri, a description of the types of service it intends to provide, a description of the exchanges where it will offer service, and a proposed tariff with a 45-day effective date. CAT has provided all the required documentation except for the proposed tariff. CAT requested a temporary waiver of Commission Rule 4 CSR 240-2.060(4)(H) until it has entered into an interconnection agreement with the underlying local exchange carrier and

that agreement has been approved by the Commission. CAT agreed to submit to the Commission for approval a proposed tariff with a minimum 45-day effective date once it is party to the appropriate interconnection agreement. The agreement provides that CAT will file the tariff in this case and give notice of the tariff filing to all the parties. Along with that filing CAT has agreed to provide a written disclosure of all interconnection agreements it has entered into which affect its Missouri service areas. The Commission has found that holding open the certificate case until a tariff is filed may result in the case being left open without activity for an extended period. Therefore, this case will be closed and when CAT files the required tariff it will be assigned a new case number. CAT will be directed to provide the notice and disclosures required by the agreement when it files its proposed tariff.

## **B. Basic Local Service Certification**

Section 392.455, RSMo Supp. 1999, sets out the requirements for granting certificates to provide basic local telecommunications service to new entrants. A new entrant must: (1) possess sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service; (2) demonstrate that the services it proposes to offer satisfy the minimum standards established by the Commission; (3) set forth the geographic area in which it proposes to offer service and demonstrate that such area follows exchange boundaries of the incumbent local exchange carrier (ILEC) and is no smaller than an exchange; and (4) offer basic local telecommunications service as a separate and distinct service. In addition, the Commission must give due consideration to equitable access for all Missourians to affordable

telecommunications services, regardless of where they live or their income.

CAT submitted as Exhibit D to its application certain financial documentation. Exhibit D is designated as confidential. Exhibit C to the application lists the names and qualifications of CAT's management team. The parties agreed that CAT possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service.

CAT has agreed to provide services that will meet the minimum basic local service standards required by the Commission, including quality of service and billing standards. The parties agreed that CAT proposes to offer basic local services that satisfy the minimum standards established by the Commission.

CAT wishes to be certificated to offer services in all the exchanges presently served by SWBT as described in its basic local tariffs. The parties agreed that CAT has sufficiently identified the geographic area in which it proposes to offer basic local service and that the area follows ILEC exchange boundaries and is no smaller than an exchange.

CAT has agreed to offer basic local telecommunications service as a separate and distinct service and to provide equitable access, as determined by the Commission, for all Missourians within the geographic area in which it will offer basic local services in compliance with Section 392.455(5), RSMo Supp. 1999.

### **C. Competitive Classification**

The Commission may classify a telecommunications provider as a competitive company if the Commission determines it is subject to

sufficient competition to justify a lesser degree of regulation. Section 392.361.2. In making that determination, the Commission may consider such factors as market share, financial resources and name recognition, among others. In the matter of the investigation for the purpose of determining the classification of the services provided by interexchange telecommunications companies within the State of Missouri, 30 Mo. P.S.C. (N.S.) 16 (1989); In the matter of Southwestern Bell Telephone Company's application for classification of certain services as transitionally competitive, 1 Mo. P.S.C. 3d 479, 484 (1992). In addition, all the services a competitive company provides must be classified as competitive as set forth in Section 392.361.3. The Commission has found that whether a service is competitive is a subject for case-by-case examination and that different criteria may be given greater weight depending upon the service being considered. *Id.* at 487.

The parties have agreed that CAT should be classified as a competitive telecommunications company. The parties have also agreed that CAT's switched exchange access services may be classified as a competitive service, conditioned upon certain limitations on CAT's ability to charge for its access services. CAT has agreed that, unless otherwise ordered by the Commission, its originating and terminating access rates will be no greater than the lowest Commission approved corresponding access rates in effect for the large ILEC(s) within whose service area(s) CAT seeks to operate. The parties have agreed that the grant of service authority and competitive classification to CAT should be expressly conditioned on the continued applicability of

Section 392.200, RSMo Supp. 1999, and on the requirement that any increases in switched access services rates above the maximum switched access service rates set forth in the agreement must be cost-justified pursuant to Sections 392.220, RSMo Supp. 1999, and 392.230, rather than Sections 392.500 and 392.510. The parties further agreed that if the ILEC, in whose service area CAT is operating, decreases its originating or terminating access rates, CAT shall file an appropriate tariff amendment to reduce its originating or terminating access rates within 30 days of the ILEC's reduction of its originating or terminating access rates.

SWBT does not object and the other parties agreed that waiver of the following statutes is appropriate: Sections 392.210.2, 392.240.1, 392.270, 392.280, 392.290, 392.300.2, 392.310, 392.320, 392.330, RSMo Supp. 1999, and 392.340. The parties also agreed that application of these Commission Rules could be waived: 4 CSR 240-10.020, 4 CSR 240-30.010(2)(C), 4 CSR 240-30.040, 4 CSR 240-32.030(4)(C), 4 CSR 240-33.030, and 4 CSR 240-35.

### **Findings of Fact**

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact:

- A. The Commission finds that competition in the basic local exchange telecommunications market is in the public interest.

- B. The Commission finds that CAT has met the requirements of Commission Rule 4 CSR 240-2.060(4) for applicants for certificates of service authority to provide telecommunications services with the exception of the filing of a tariff with a 45-day effective date.
- C. The Commission finds that CAT has demonstrated good cause to support a temporary waiver of the tariff filing requirement and the waiver shall be granted.
- D. The Commission finds that the local exchange services market is competitive and that granting CAT a certificate of service authority to provide local exchange telecommunications services is in the public interest. CAT's certificate shall become effective when its tariff becomes effective.
- E. The Commission finds that CAT meets the statutory requirements for provision of basic local telecommunications services and has agreed to abide by those requirements in the future. The Commission determines that granting CAT a certificate of service authority to provide basic local exchange telecommunications services is in the public interest. CAT's certificate shall become effective when its tariff becomes effective.
- F. The Commission finds that CAT is a competitive company and should be granted waiver of the statutes and rules set out in the ordered paragraph below.

G. The Commission finds that CAT's certification and competitive status should be expressly conditioned upon the continued applicability of Section 392.200, RSMo Supp. 1999, and on the requirement that any increases in switched access services rates above the maximum switched access service rates set forth in the agreement must be cost-justified pursuant to Sections 392.220, RSMo Supp. 1999, and 392.230, rather than Sections 392.500 and 392.510.

### Conclusions of Law

The Missouri Public Service Commission has reached the following conclusions of law:

The Commission has the authority to grant certificates of service authority to provide telecommunications service within the state of Missouri. CAT has requested certification under Sections 392.420 - .440, and Sections 392.410 and .450, RSMo Supp. 1999, which permit the Commission to grant a certificate of service authority where it is in the public interest. Sections 392.361 and .420 authorize the Commission to modify or suspend the application of its rules and certain statutory provisions for companies classified as competitive or transitionally competitive.

The federal Telecommunications Act of 1996 and Section 392.455, RSMo Supp. 1999, were designed to institute competition in the basic local exchange telecommunications market in order to benefit all telecommunications consumers. See Section 392.185, RSMo Supp. 1999.

The Commission has the legal authority to accept a stipulation and agreement as offered by the parties as a resolution of the issues raised

in this case, pursuant to Section 536.060, RSMo Supp. 1999. Based upon the Commission's review of the applicable law and agreement of the parties, and upon its findings of fact, the Commission concludes that the agreement should be approved.

**IT IS THEREFORE ORDERED:**

1. That the Stipulation and Agreement of the parties, filed on June 15, 2000, is approved as modified on August 3, 2000.

2. That CAT Communications International, Inc. is granted a certificate of service authority to provide local exchange telecommunications services in the state of Missouri, subject to the conditions of certification set out above and to all applicable statutes and Commission rules except as specified in this order. The certificate of service authority shall become effective when CAT Communication Company's tariff becomes effective.

3. That CAT Communications International, Inc. is granted a certificate of service authority to provide basic local telecommunications services in the state of Missouri, subject to the conditions of certification set out above and to all applicable statutes and Commission rules except as specified in this order. The certificate of service authority shall become effective when CAT Communication Company's tariff becomes effective.

4. That CAT Communications International, Inc. is classified as a competitive telecommunications company. Application of the following statutes and regulatory rules shall be waived:

**Statutes**

392.210.2	- uniform system of accounts
392.240.1	- rates-rentals-service & physical connections

- 392.270 - valuation of property (ratemaking)
- 392.280 - depreciation accounts
- 392.290 - issuance of securities
- 392.300.2 - acquisition of stock
- 392.310 - stock and debt issuance
- 392.320 - stock dividend payment
- 392.340 - reorganization(s)
- 392.330, RSMo Supp. 1999 - issuance of securities,  
debts and notes

#### Commission Rules

- 4 CSR 240-10.020 - depreciation fund income
- 4 CSR 240-30.010(2)(C) - posting of tariffs
- 4 CSR 240-30.040 - uniform system of accounts
- 4 CSR 240-32.030(4)(C) - report filing
- 4 CSR 240-33.030 - minimum charges
- 4 CSR 240-35 - reporting of bypass and customer-specific  
arrangements

5. That the request for waiver of Commission Rule 4 CSR 240-2.060(4)(H), which requires the filing of a 45-day tariff, is granted.

6. That CAT Communications International, Inc. shall file tariff sheets with a minimum 45-day effective date reflecting the rates, rules, regulations and the services it will offer within 30 days after the effective date of a Commission order approving an interconnection agreement that will allow CAT to provide services. The tariff shall include a listing of the statutes and Commission rules waived above.

7. That CAT Communications International, Inc. shall give notice of the filing of the tariffs described above to all parties or participants in this case. In addition, CAT Communications International, Inc. shall file a written disclosure of all interconnection agreements which affect its Missouri service areas, all portions of Missouri service areas for which it does not have an interconnection agreement, and an explanation of why no interconnection agreement is necessary for those areas.

8. That CAT Communications International, Inc.'s certification and competitive status are expressly conditioned upon the continued applicability of Section 392.200, RSMo Supp. 1999, and on the requirement that any increases in switched access service rates above the maximum switched access service rates set forth in the Stipulation and Agreement must be cost-justified pursuant to Sections 392.220, RSMo Supp. 1999, and 392.230, rather than Sections 392.500 and 392.510.

9. That the procedural established herein, including the evidentiary hearing set for October 3, 2000, is canceled.

10. That this order shall become effective on August 18, 2000.

11. That this case may be closed on August 21, 2000.

**BY THE COMMISSION**



**Dale Hardy Roberts**  
**Secretary/Chief Regulatory Law Judge**

(S E A L)

Lumpe, Ch., Drainer, Murray, and Simmons, CC., concur  
Schemenauer, C., absent

Hopkins, Senior Regulatory Law Judge

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>2</sup>

JUN 15 2000

Missouri Public  
Service Commission

IN THE MATTER OF THE APPLICATION OF )  
CAT COMMUNICATIONS INTERNATIONAL, )  
INC. FOR A CERTIFICATE OF SERVICE )  
AUTHORITY TO PROVIDE INTEREXCHANGE )  
AND BASIC LOCAL EXCHANGE )  
TELECOMMUNICATIONS SERVICES IN THE )  
STATE OF MISSOURI AND TO CLASSIFY )  
THE COMPANY AS COMPETITIVE )

Case No. TA-2000-347

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**UNANIMOUS STIPULATION AND AGREEMENT**

1. CAT Communications International, Inc., ("CCI" or "Applicant") initiated this proceeding on December 8, 1999, by filing an Application requesting a certificate of service authority to provide interexchange and basic local exchange telecommunications services on a resale basis. The Company will provide interexchange services on a statewide basis, and will provide local exchange service in the exchanges currently served by Southwestern Bell Telephone Company ("SWBT"). The Company will not offer local exchange services in the exchanges served by the Small Telephone Company Group (STCG).

2. The Commission has granted the timely application to intervene of SWBT.

3. The Commission has granted the timely application of the STCG, which is composed of twenty-eight small telephone companies in Missouri.

4. The parties agree that applications for interexchange and basic local exchange service authority in exchanges served by "large" local exchange companies (LECs)<sup>1</sup> should be processed in a manner similar to that in which applications for interexchange and local exchange authority are currently handled.

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<sup>1</sup> The large LECs are defined as LECs who serve 100,000 or more access lines. Section 386.020 RSMo. In Missouri the large LECs are currently SWBT, GTE, and Sprint-United.

5. In determining whether the Applicant's application for a certificate of service authority should be granted, the Commission should consider the Applicant's technical, financial and managerial resources and abilities to provide interexchange and basic local telecommunications services. The Applicant must demonstrate that the basic local services it proposes to offer satisfy the minimum standards established by the Commission, including, but not limited to, the Applicant agreeing to file and maintain basic local service tariff(s) with the Commission in the same manner and form as the Commission requires of incumbent local exchange telecommunications companies ("ILECs") with which the Applicant seeks to compete. Further, the Applicant agrees to meet the minimum interexchange and basic local service standards, including quality of service and billing standards, as the Commission requires of the ILECs with which the Applicant seeks to compete. Notwithstanding the provisions of §392.500 RSMo, as a condition of certification and competitive classification, the Applicant agrees that, unless otherwise ordered by the Commission, its originating and terminating access rates will be no greater than the lowest Commission-approved corresponding access rates for each large ILEC within whose service area(s) the Applicant seeks authority to provide service. Applicant agrees that if the ILEC, in whose service areas the Applicant is operating, decreases its originating and/or terminating access service rates, Applicant shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates within thirty (30) days of the ILEC's reduction of its originating and/or terminating access rates in order to maintain the cap. The Applicant agrees to offer basic local telecommunications services as a separate and distinct service and must sufficiently identify the geographic service area in which it proposes to offer basic local service. Such area must follow exchange boundaries of the ILEC(s) in the same area and must be no smaller than an exchange. Finally, the Applicant agrees to provide equitable access to affordable telecommunications services, as determined by the Commission, for all

Missourians within the geographic area in which it proposes to offer basic local service, regardless of residence or income.<sup>2</sup>

6. The Applicant's request for a temporary waiver of 4 CSR 240-2.060(6)(C), which requires applications to include proposed tariff(s) with a forty-five day effective date is not opposed by the parties and should be granted since the company does not yet have an approved Resale Agreement with any underlying ILECs.<sup>3</sup> The Company originally submitted tariff(s) with a forty-five day effective date, but has requested withdrawal of these tariff(s). The Applicant agrees to file its initial tariff(s) with a forty-five day effective date in the certification docket and serve all parties thereto with written notice at the time the initial tariff(s) is/are submitted to afford them the opportunity to participate in the tariff approval process. Copies of the tariff(s) should be provided by the Applicant to such parties upon request. Any service authority shall be regarded as conditional, and shall not be exercised until such time as tariff(s) for services become effective. When filing its initial basic local tariff(s) with a forty-five day effective date, the Applicant shall also file and serve a written disclosure of all resale or interconnection agreements which affect its Missouri service areas and all portions of its Missouri service areas for which it does not have an interconnection agreement with the incumbent local exchange carrier with its explanation of why such an interconnection agreement is unnecessary for such areas.

7. Pursuant to §392.420, RSMo., the Applicant has requested that the Commission waive the application of any or all of the following statutory provisions and rules for interexchange and basic local telecommunications services, and the parties agree that the Commission should grant such request provided that §392.200, RSMo. should continue to apply to all of the Applicant's services:

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<sup>2</sup> see §392.455 RSMo.

<sup>3</sup> Good cause for failure to file proposed tariffs with the Application must be shown. The lack of an approved interconnection agreement (47 USC 252) constitutes good cause.

## **Waivers for Interexchange and Competitive Basic Local Exchange Service:**

### **Statutes:**

392.210.2	Establish Uniform System of Accounts used for Annual Reports
392.270	Ascertain Property Values
392.280	Establish Depreciation Accounts
392.290	Issuance of Securities
392.300.2	Acquisition of Stock
392.310	Issuance of Stock and Debt
392.320	Stock Dividend Payment
392.330	Issuance of Securities, Debts and Notes
392.340	Reorganization(s)

### **Missouri Public Service Commission Rules:**

4 CSR 240-10.020	Depreciation Fund Income
4 CSR 240-30.010(2)(C)	Rate Scheduled Posted at Central Office
4 CSR 240-30.040	Adopts FCC's Part 32 Uniform System of Accounts for Class A and Class B Companies
4 CSR 240-32.030(4)(C)	File Exchange Boundary Maps with Commission (CLEC only)
4 CSR 240-33.030	Inform Customers of Lowest Price
4 CSR 240-35	Reporting of Bypass

8. In negotiating the remaining provisions of this Stipulation and Agreement, the parties have employed the foregoing standards and criteria which are intended to meet the requirements of existing law and §§392.450 and 392.455 RSMo, regarding applications for certificates of service authority to resell interexchange and basic local telecommunications services.

### **The Applicant's Certification**

9. Based upon its verified Application, as amended by this Stipulation and Agreement, the Applicant asserts, and no party makes a contrary assertion, that there is sufficient evidence from which the Commission should find and conclude that the Applicant:

- A. possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications services and local exchange telecommunications services, including exchange access service;
- B. proposes and agrees to offer interexchange and basic local services that will satisfy the minimum standards established by the Commission;
- C. has sufficiently identified the geographic area in which it proposes to offer basic local service, and for basic local telecommunications services, such area follows exchange boundaries of the incumbent local exchange telecommunications companies in the same areas, and such area is no smaller than an exchange;
- D. will offer basic local telecommunications services as a separate and distinct service;
- E. has agreed to provide equitable access to affordable telecommunications services as determined by the Commission, for all Missourians within the geographic area in which it proposes to offer basic local service, regardless of where they live or their income; and
- F. has sought authority which will serve the public interest.

10. Applicant agrees that it will not offer its basic local exchange services in the service territories of the Small Telephone Company Group consisting of the telephone companies listed in Attachment A. The Applicant will provide basic local exchange service only in the exchange areas served by SWBT. Applicant hereby agrees that its original Application should be deemed further amended to include by reference the terms and provisions described in paragraphs 5 through 7 hereinabove and paragraphs 11 and 12 below to the extent that its original Application might be inconsistent therewith.

11. The Company is currently negotiating a Resale Agreement with Southwestern Bell Telephone Company for the provision of basic local exchange service, and has not submitted to the Commission a list of the specific exchanges in which it seeks authority to provide service. Applicant seeks authority to provide basic local exchange service in those exchanges currently served by SWBT. The parties agree that the Application can be deemed amended by Attachment B to this Stipulation, which includes a list of current SWBT exchanges. Once negotiations are complete, the Company asserts that a copy will be filed with the Commission for proper approval.

12. The Applicant asserts, and no party opposes, that the Applicant's application and request for authority to provide interexchange and basic local telecommunications service and local exchange telecommunications service (including exchange access services) should be granted. All services authorized herein should be classified as competitive telecommunications services, provided that the requirements of Section 392.200 continue to apply and Applicant shall remain classified as a competitive telecommunications company. Applicant asserts, and no party opposes, that such new services will be subject to sufficient competition by the services of the incumbent LECs to justify a lesser degree of regulation of each of Applicant's services consistent with protection of ratepayers and the promotion of the public interest. Such classification should become effective upon the tariffs of the services, filed with a forty-five day effective date, becoming effective. Such authority should be conditional, not to be exercised until such time as tariffs for those services have been filed with a forty-five day effective date (together with the written disclosures as stipulated above) and have become effective. The Commission's Order should state the foregoing conditions substantially as follows:

"The service authority and service classification herein granted are subject to the requirements of §392.200 and are conditional and shall not be exercised until such time as tariffs for services have become effective."

The parties agree that Applicant's switched exchange access services may be classified as competitive services. The parties further agree that the Applicant's switched exchange access services are subject to §392.200, RSMo. Any increases in switched access service rates above the maximum switched access service rates as set forth in paragraph 5 herein shall be made pursuant to §§392.220 and 392.230, and not §§392.500 and 392.510. Applicant agrees that if the ILEC, in whose service area the Applicant is operating, decreases its originating and/or terminating access service rates, Applicant shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates within thirty (30) days of the ILEC's reduction of its originating and/or terminating access rates in order to maintain the cap. The Commission's order should state the foregoing conditions substantially as follows:

"The service authority granted and service classification for switched exchange access granted herein is expressly conditioned on the continued applicability of Section 392.200 and the requirement that any increases in switched access rates set forth herein shall be made pursuant to §§392.220 and 392.230 and not §§392.500 and 392.510. Further, if the ILEC, in whose service area the Applicant is operating, decreases its originating and/or terminating access service rates, Applicant shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates within thirty (30) days of the ILEC's reduction of its originating and/or terminating access rates in order to maintain the cap.

13. Applicant's request for waiver of 4 CSR 240-2.060(6)(C), which requires applications to include a proposed tariff with a forty-five day effective date, is not opposed by the parties and should be granted because Applicant does not yet have an approved resale or interconnection agreement with the large incumbent LECs. Applicant agrees that at such time as all facts necessary for the development of tariffs become known, it will submit tariffs in this docket, with the minimum forty-five day proposed effective date, to the Commission for approval, together with the written disclosures as stipulated above. Applicant shall serve notice to all parties and participants in this docket of the filing of its tariffs at the time they are filed with the Commission, and serve them with aforesaid written disclosure, and shall upon request immediately provide any party with a copy of those tariffs. The Commission's Order should state these obligations to the temporary waiver of 4 CSR 240-2.060(6)(C), substantially as follows:

"The applicant's request for temporary waiver of 4 CSR 240-2.060(6)(C) is hereby granted for good cause in that Applicant does not yet have an approved resale or interconnection agreement with the incumbent local exchange carriers within whose service areas it seeks authority to provide service; provided, when Applicant submits its tariffs in this docket to the Commission such tariffs shall have a minimum 45-day effective date and the Applicant shall serve written notice upon the parties hereto of such submittal, and shall provide copies of such tariffs to such parties immediately upon request. When filing its initial basic local tariff in this docket, the Applicant shall also file and serve upon the parties hereto a written disclosure of all resale or interconnection agreements which affect its Missouri service area and all portions of its Missouri service areas for which it does not have a resale or interconnection agreement with the incumbent local exchange carrier with its explanation of why such resale or interconnection agreement is unnecessary for any such areas."

14. Applicant's request for waiver of the application of the following rules and statutory provision as they relate to the regulation of their new services should be granted.

**Waivers for Interexchange and Competitive Basic Local Exchange Service:**

Statutes:

392.210.2	Establish Uniform System of Accounts used for Annual Reports
392.270	Ascertain Property Values
392.280	Establish Depreciation Accounts
392.290	Issuance of Securities
392.300.2	Acquisition of Stock
392.310	Issuance of Stock and Debt
392.320	Stock Dividend Payment
392.330	Issuance of Securities, Debts and Notes
392.340	Reorganization(s)

Missouri Public Service Commission Rules:

4 CSR 240-10.020	Depreciation Fund Income
4 CSR 240-30.010(2)(C)	Rate Scheduled Posted at Central Office
4 CSR 240-30.040	Adopts FCC's Part 32 Uniform System of Accounts for Class A and Class B Companies
4 CSR 240-32.030(4)(C)	File Exchange Boundary Maps with Commission (CLEC only)
4 CSR 240-33.030	Inform Customers of Lowest Price
4 CSR 240-35	Reporting of Bypass

15. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and terms hereof are interdependent. In the event the Commission does not adopt this Stipulation, in total, then this Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof. The stipulations herein are specific to the resolution of this proceeding and are made without prejudice to the rights of the signatories to take other positions in other proceedings.

16. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties and participants waive, with respect to the issues resolved herein, their respective rights pursuant to §536.080.1, RSMo., to present testimony, to cross-examine witnesses, and to present oral argument or written briefs; their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, RSMo.; and their respective rights to seek rehearing pursuant to §386.500, RSMo.; and to seek judicial review pursuant to §386.510, RSMo. The parties agree to cooperate with the Applicant and with each other in presenting this Stipulation and Agreement for approval to the Commission and shall take no action, direct or indirect, in opposition to the request for approval of the Applicant's application made herein.

17. The Staff shall file suggestions or memorandum in support of this Stipulation and Agreement and the other parties shall have the right to file responsive suggestions or prepared Testimony. All responsive suggestions, prepared testimony, or memorandum shall be subject to the terms of any Protective Order that may be entered in this case.

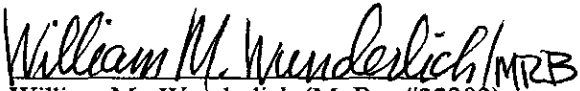
18. The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties and participants with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from the Staff. The Staff's oral explanation shall be subject to public disclosure, except to the extent that it refers to matters that are privileged or protected from disclosure pursuant to any protective order issued in this case.

19. The Company agrees to comply with all applicable Commission Rules and Regulations, except those specifically waived by the Commission.

20. The Office of the Public Counsel is a signatory to this Stipulation and Agreement for the sole purpose of stating that it has no objection to this Stipulation and Agreement.

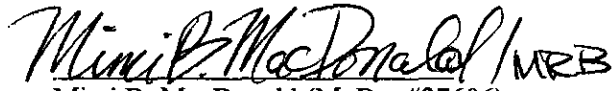
WHEREFORE, the signatories respectfully request the Commission to issue its Order approving the terms of this Stipulation and Agreement and issue its Order granting authority and classification as requested by the Applicant, subject to the conditions described above.

Respectfully submitted,

/MRB

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Local Counsel for CAT  
Communications International, Inc.

/MRB

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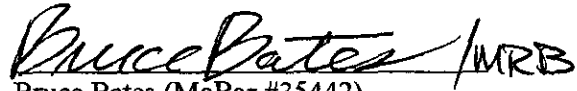
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/MRB

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## CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all parties of record as shown on the attached service list by first-class U.S. Mail, postage prepaid, this 14th day of June, 2000.



Monica R. Borne  
Nowalsky, Bronston & Gothard  
3500 N. Causeway Blvd.  
Suite 1442  
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### Service List:

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Mimi B. MacDonald  
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St. Louis, MO 63101

## **ATTACHMENT A**

### **Small Telephone Company Group**

**BPS Telephone Company  
Cass County Telephone Company  
Citizens Telephone Company of Higginsville, Missouri, Inc.  
Ellington Telephone Company  
Farber Telephone Company  
Goodman Telephone Company, Inc.  
Granby Telephone Company  
Grand River Mutual Telephone Corporation  
Green Hills Telephone Corporation  
Holway Telephone Company  
KLM Telephone Company  
Kingdom Telephone Company  
Lathrop Telephone Company  
Le-Ru Telephone Company  
Mark Twain Rural Telephone Company  
McDonald County Telephone Company  
Miller Telephone Company  
New Florence Telephone Company  
New London Telephone Company  
Orchard Farm Telephone Company  
Oregon Farmers Mutual Telephone Company  
Ozark Telephone Company  
Peace Valley Telephone Company  
Rock Port Telephone Company  
Seneca Telephone Company  
Steelville Telephone Exchange, Inc.  
Stoutland Telephone Company**

## **ATTACHMENT B**

### **List of Southwestern Bell Exchanges**

No supplement to this tariff will be issued except for the purpose of canceling this tariff.

LOCAL EXCHANGE TARIFF  
65th Revised Sheet 7  
Replacing 64th Revised Sheet 7

**RECEIVED**

LOCAL EXCHANGE TARIFF

1.3 EXCHANGES BY RATE GROUP-(Continued)

FEB 29 1996

1.3.2 Rate Group B(4)

MISSOURI  
Public Service Commission

Camdenton(1)(2)(5)	Little Osage George Donohue(1)(2)(5)
Cape Girardeau(1)(2)(5)	Manchester(1)(5)
Carthage(2)(5)	Marshall(2)(5)
Cedar Hill(1)(2)(5)	Maxville(1)(5)
Chesterfield(1)(5)	Mexico(2)(5)
Chillicothe(2)(5)	Monett(1)(2)(5)
DeSoto(1)(2)(5)	Moberly(1)(2)(5)
Dexter(1)(2)(5)	Neosho(2)(5)
Eldon(1)(3)(5)	Nevada(1)(2)(5)
Excelsior Springs(5)	Pacific(1)(2)(5)
(CP) Farmington(1)(2)(5)	Perryville(1)(2)(5)
Fenton(1)(5)	Pond(1)(5)
Festus-Crystal City(1)(2)(5)	(CP) Poplar Bluff(1)(2)(5)
Flat River(1)(2)(5)	St. Charles(1)(2)(5)
Fulton(2)(5)	St. Clair(3)(5)
Gravois Mills(1)(2)(5)	St. Joseph(1)(5)
Hannibal(2)(5)	Sedalia(2)(5)
Harvester(1)(5)	Sikeston(1)(2)(5)
High Ridge(1)(5)	Union(1)(2)(5)
Imperial(1)(2)(5)	Valley Park(1)(5)
Jackson(1)(2)(5)	Washington(3)(5)
Joplin(1)(2)(5)	Webb City(1)(2)(5)
Kennett(1)(2)(5)	
Kirksville(2)(5)	

**FILED**

- (1) Extended Area Service - See Paragraph 1.4.  
 (2) Message Rate Business Service obsolete-limited to existing customers  
 (3) Message Rate Business Service not offered.  
 (4) See Paragraph 1.1.3, preceding.  
 (5) One-party service only available.

MO. PUBLIC SERVICE COMM

Issued: FEB 29 1996

Effective: MAR 30 1996

By HORACE WILKINS, JR., President-Missouri  
Southwestern Bell Telephone Company  
St. Louis, Missouri

Attachment B

No supplement to this tariff will be issued except for the purpose of canceling this tariff.

LOCAL EXCHANGE TARIFF  
55th Revised Sheet 6  
Replacing 54th Revised Sheet 6

**RECEIVED**

## LOCAL EXCHANGE TARIFF

FEB 29 1996

1.1 EXCHANGES BY RATE GROUP

## 1.3.1 Rate Group A(4)

Adrian(1)(2)(5)  
Advance(1)(2)(5)  
Agency(1)(5)  
Altenburg-Frohna  
(1)(2)(5)  
Antonia(1)(3)(5)  
Archie(1)(2)(5)  
Argyle(2)(5)  
Armstrong(1)(2)(5)  
Ash Grove(2)(5)  
Beaufort(2)(5)  
Bell City(1)(2)(5)  
Benton(1)(3)(5)  
Billings(1)(2)(5)  
Bismarck(1)(3)(5)  
Bloomfield(1)(3)(5)  
Bloomsdale(1)(2)(5)  
Bonne Terre(1)(3)(5)  
Boonville(1)(2)(5)  
Bowling Green(2)(5)  
Brookfield(2)(5)  
Campbell(2)(5)  
Cardwell(1)(2)(5)  
Carl Junction(1)(3)(5)

Carrollton(2)(3)(5)  
Caruthersville(1)(3)(5)  
Center(2)(5)  
Chaffee(1)(3)(5)  
Charleston(1)(3)(5)  
Clarksville(1)(2)(5)  
Clever(1)(3)(5)  
(CP) Climax Springs(2)(5)  
Deering(1)(3)(5)  
DeKalb(1)(5)  
Delta(1)(2)(5)  
Downing(2)(5)  
East Prairie(1)(5)  
Edina(2)(5)  
Elsberrry(1)(2)(5)  
Essex(1)(3)(5)  
Eureka(1)(5)  
(CP) Farley(2)(5)  
Fayette(1)(2)(5)  
Fisk(1)(3)(5)  
Frankford(2)(5)  
(CP) Fredericktown(2)(5)  
Freeburg(2)(5)  
Gideon(1)(2)(5)  
Glasgow(1)(2)(5)

MISSOURI  
Public Service Commission

Grain Valley  
(1)(3)(5)  
Gray Summit(1)(3)(5)  
(CP) Greenwood(1)(3)(5)  
Hayti(1)(3)(5)  
Herculaneum-Pevely  
(1)(3)(5)  
Higbee(1)(3)(5)  
Hillsboro(1)(3)(5)  
Holcomb(1)(3)(5)  
Hornersville  
(1)(2)(5)  
Jasper(2)(5)  
Knob Noster(2)(5)  
Lamar(2)(5)  
LaMonte(2)(5)  
Lancaster(2)(5)  
Leadwood(1)(3)(5)  
Lilbourn(1)(2)(5)  
(CP) Linn(2)(5)  
Lockwood(2)(5)  
Louisiana(1)(2)(5)  
Macks Creek(2)(5)  
Malden(1)(2)(5)  
(CP) Marble Hill(2)(5)  
Marceline(2)(5)  
Marionville(2)(5)  
Marston(1)(2)(5)  
Meta(2)(5)

- (1) Extended Area Service - See Paragraph 1.4.
- (2) Message Rate Business Service not offered.
- (3) Message Rate Business Service obsolete - limited to existing customers.
- (4) See Paragraph 1.1.3, preceding.
- (5) One-party service only available.

**FILED**

Issued: FEB 29 1996

Effective:

MAR 30 1996

MAR 30 1996

By HORACE WILKINS, JR., President-Missouri  
Southwestern Bell Telephone Company  
St. Louis, Missouri

MO. PUBLIC SERVICE COMM

a supplement to this  
ariff will be issued  
except for the purpose  
of canceling this tariff.

LOCAL EXCHANGE TARIFF  
39th Revised Sheet 6.01  
Replacing 38th Revised Sheet 6.01

## LOCAL EXCHANGE TARIFF

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## EXCHANGES BY RATE GROUP - (Continued)

JAN 19 1996

## 1.3.1 Rate Group A - (Continued) (4)

Montgomery City (1) (2) (5)	Rushville (1) (5)	Missouri Public Service Commission
Morehouse (1) (3) (5)	Ste. Genevieve (1) (2) (5)	Trenton (1) (3) (5)
New Franklin (1) (3) (5)	St. Marys (1) (3) (5)	Tuscumbia (1)
New Madrid (1) (2) (5)	San Antonio (1) (5)	(3) (5)
Oak Ridge (1) (3) (5)	Scott City (1) (3) (5)	Versailles (1)
Old Appleton (1) (3) (5)	Senath (1) (3) (5)	(3) (5)
Oran (1) (2) (5)	Slater (2) (5)	Vienna (2) (5)
	Smithville (1) (3) (5)	Walnut Grove
	Stanberry (2) (5)	(2) (5)
Patton (2) (5)		Wardell (1) (2) (5)
Paynesville (1) (2) (5)		Ware (1) (3) (5)
Pierce City (1) (2) (5)		Wellsville (2) (5)
Pocahontas-New Wells (1) (3) (5)		Westphalia (2) (5)
		Wyatt (1) (2) (5)
Portage Des Sioux (2) (5)		
Portageville (1) (2) (5)		
Puxico (2) (5)		
Quilin (1) (3) (5)		
Richmond (2) (5)		
Richwoods (2) (5)		
Risco (1) (2) (5)		

- (1) Extended Area Service - See Paragraph 1.4.
- (2) Message Rate Business Service not offered.
- (3) Message Rate Business Service obsolete - limited to existing customers.
- (4) See Paragraph 1.1.3, preceding.
- (5) One-party service only available.

FILED

FEB 20 1996

Issued: JAN 20 1996

Effective: FEB 20 1996

MO. PUBLIC SERVICE COM

By HORACE WILKINS, JR., President-Missouri  
Southwestern Bell Telephone Company  
St. Louis, Missouri

No supplement to this tariff will be issued except for the purpose of canceling this tariff.

LOCAL EXCHANGE TARIFF  
42nd Revised Sheet 9  
Replacing 41st Revised Sheet 9

## LOCAL EXCHANGE TARIFF

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FEB 29 1996

## 1.3 EXCHANGES BY RATE GROUP - (Continued)

## 1.3.4 Rate Group D(1)

## Kansas City Metropolitan Exchange

## Principal Zone(2)

Metropolitan  
Calling Area-1 Zones  
Gladstone(2)  
Independence(2)  
Parkville(2)  
Raytown(2)  
South Kansas City(2)

Metropolitan  
Calling Area-2 Zones  
Belton(2)  
Blue Springs(2)  
East Independence(2)  
Lee's Summit(2)  
Liberty(2)  
Nashua(2)

(CP) Tiffany Springs(2)

St. Louis Metropolitan Exchange

## Principal Zone (2)

Metropolitan  
Calling Area-1 Zones  
Ferguson(2)  
Ladue(2)  
Mehlville(2)  
Overland(2)  
Riverview(2)  
Sappington(2)  
Webster Groves(2)

Metropolitan  
Calling Area-2 Zones  
Bridgeton(2)  
Crave Coeur(2)  
Florissant(2)  
Kirkwood(2)  
(CP) Oakville(2)  
Spanish Lake(2)

FILED

MAR 30 1996

(1) See Paragraph 1.1.3, preceding.  
(2) One-party service only available.

MO. PUBLIC SERVICE COMM

Issued: FEB 29 1996

Effective: MAR 30 1996

By HORACE WILKINS, JR., President-Missouri  
Southwestern Bell Telephone  
St. Louis, Missouri

FVL: To Be Issued By Delegation

AL/Sec'y:

*Hopkins/Boye*

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*2-21*

*74-2000-347*  
CASE NO.

*MORRIS to*  
*03/08/00*  
*Agenda*

*4/1/00*  
Lt. pe. Chair

*200*  
Drainer, Vice Chair

*cm*  
Murray, Commissioner

*DS*  
Schemenauer, Commissioner

*LS*  
Simmons, Commissioner

~~Agenda~~ *Agenda* Aug. 3

STATE OF MISSOURI  
OFFICE OF THE PUBLIC SERVICE COMMISSION

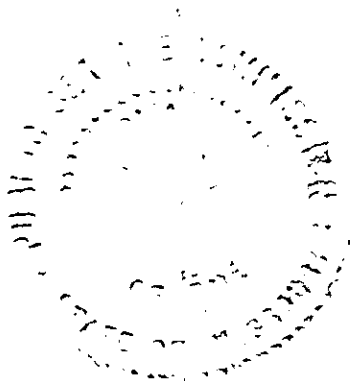
I have compared the preceding copy with the original on file in this office and

I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,  
Missouri, this 8<sup>th</sup> day of Aug. 2000.

*Dale Hardy Roberts*

Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge



ALJ/Sec'y: Hopkins/Boyce

8-3  
Date Circulated

JA-2000-347  
CASE NO.

SL p13, 12, 9  
Lumpe, Chair

add p4  
Drainer, Vice Chair

cm p4 9 1/2  
Murray, Commissioner

absent  
Schemenauer, Commissioner

K5  
Simmons, Commissioner

*JK*

8-8  
Agenda Date

Action taken: \_\_\_\_\_

Must Vote Not Later Than \_\_\_\_\_

