

**HENDREN AND ANDRAE**

HENRY ANDRAE  
KELLY POOL  
RICHARD S. BROWNLEE III  
MICHAEL A. DALLMEYER  
DUANE E. SCHREIMANN  
J. KENT LOWRY  
DOUGLAS L. VAN CAMP  
GERALD E. ROARK  
MICHAEL G. BERRY  
DONALD C. OTTO, JR.  
HALLIE H. GIBBS II

ATTORNEYS AT LAW  
THE MONROE HOUSE  
235 EAST HIGH STREET  
P. O. BOX 1068

JEFFERSON CITY, MISSOURI 65102

(314) 636-8135

JOHN H. HENDREN (1907-1988)  
CHARLES H. HOWARD (1926-1970)  
JOHN E. BURRUSS, JR. (1933-1985)

TELECOPIER

(314) 636-5229

November 30, 1988

Mr. Harvey G. Hubbs  
Secretary  
Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

Re: Alternative Operator Services  
Case No. TO-88-218, et al.

Dear Mr. Hubbs:

Enclosed please find original plus fourteen (14) copies  
of Brief for filing in the above referenced matter on behalf  
of ITI and Teleconnect Company.

Thank you for your assistance.

Very truly yours,

HENDREN AND ANDRAE

*Richard S. Brownlee III*  
Richard S. Brownlee, III

RSB/k  
Enclosures  
cc: All Counsel of Record

**FILED**  
NOV. 30  
DEC 1 1988  
PUBLIC SERVICE COMMISSION

H.D.

BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI

CASE NO. TA-88-218 ✓

In the matter of the application  
of American Operator Services, Inc.  
for a certificate of service authority  
to provide Intrastate Operator-Assisted  
Resold Telecommunications Services.

CASE NO. TR-88-282 ✓

In the matter of Teleconnect Company  
for authority to file tariff sheets  
designed to establish Operator  
Services within its certificated  
service area in the State of Missouri.

CASE NO. TR-88-283 ✓

In the matter of Dial U.S. for  
authority to file tariff sheets  
designed to establish Operator  
Services within its certificated  
service area in the State of Missouri.

CASE NO. TR-88-284 ✓

In the matter of Dial U.S.A. for  
authority to file tariff sheets  
designed to establish Operator  
Services within its certificated  
service area in the State of Missouri.

CASE NO. TR-89-6 ✓

In the matter of International  
Telecharge, Inc. for authority to file  
tariff sheets designed to establish  
Operator Services within its  
certificated service area in the  
State of Missouri.

BRIEF OF TELECONNECT COMPANY AND  
INTERNATIONAL TELECHARGE, INC.

A. Factual Background

On October 14, 1987, International Telecharge, Inc. ("ITI")  
filed tariffs to establish reseller and operator services in the

State of Missouri. Originally, these tariffs carried an extended effective date of August 1, 1988. On July 15, 1988, the Commission suspended the tariffs of ITI for 120 days beyond their requested date to November 29, 1988, and on October 21, 1988, the Commission suspended these tariffs further for a period of six months beyond the previous 120 day suspension.

On May 27, 1988, Teleconnect Long Distance Services and Systems Company ("Teleconnect") filed tariffs designed to establish operator services in the State of Missouri. This tariff carried a requested effective date of October 25, 1988 which was suspended by the Commission on June 17, 1988, for a period of 120 days. In the order of October 21, 1988 this filing was suspended for a period of six months beyond the original 120 day suspension.

Both Teleconnect and ITI are certified telecommunications companies pursuant to the provisions of House Bill 360, specifically Section 386.020(38). These certificates are identical to companies, such as AT&T, who currently provide operator service in the State of Missouri. Furthermore, the operator services set out in Teleconnect and ITI's proposed tariff clearly fall within the definition of "telecommunications service" as outlined in House Bill 360. As Section 360.020(40) states:

"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....

House Bill 360 and the fact that other identically certified carriers provide tariffed operator services establish that operator services described in ITI and Teleconnect's tariffs are within the authority granted by their present certificates as telecommunications companies.

This very issue was most recently addressed in the October 14, 1988, opinion of Judge Harold Greene, where he specifically indicated that the term "interexchange carriers" also "includes alternative [operator] service providers." (See, U.S. v. Western Electric, opinion no. 82-0192 (D.C. Cir. 1988), page 13. Both state and federal law, recognize that the authority held by such companies as ITI and Teleconnect includes the authority to provide operator services.

In addition, Missouri's anti-discrimination statute Section 392.200(3) R.S.Mo. (1986) requires that all operator service providers be treated equally by all telecommunications companies when it states:

No telecommunications company shall make or give any undue or unreasonable preference or advantage to any persons, corporation or locality, or subject any particular person, corporation or locality to any undue or unreasonable prejudice or disadvantage in any respect whatsoever...

Id.

Therefore, Southwestern Bell and other LECs will, upon the approval of the proposed service, be required to treat ITI and Teleconnect in the same manner as the current operator services providers are being treated, obviating any concern that the relationship between the telecommunication companies will have any negative impact on the public interest.

Finally, both ITI and Teleconnect provided testimony that demonstrated the technical and financial ability of the companies to perform the proposed services--testimony which remained unchallenged throughout the hearing.

Thus, the only issue before the Commission, as it pertains to ITI and Teleconnect, is whether or not the instant proposed tariffs should be approved. In looking at this tariff question the following items must be addressed: 1) The nature of such operator services in today's market; 2) Whether alternatives to AT&T's operator services are generically in the public interest; 3) Proposals by staff and others on how to best regulate operator services, and; 4) How the companies meet these regulatory concerns.

#### B. Discussion

##### 1. Operator Services in today's interexchange service market.

The capability of furnishing operator services is an inevitable and unavoidable aspect of any interexchange carrier's right to an equal opportunity to compete against AT&T. Numerous interexchange carriers have utilized operators as part of their provision of travel services. As noted by Mr. Van Eschn, staff witness:

The Commission has previously indicated that additional competition, at least for toll services, would be in the public interest. In order to compete, some interexchange carriers may find it necessary to offer complimentary services, such as operator services, with their other toll services so that they can be a "full-service" provider. Companies which solely provide operator services, may also

be appropriate if the interexchange carrier would prefer to contract for their services rather than to employ their own operator staff.

(Van Eschn Direct p.4)

ITI and Teleconnect strongly believe that there is no reasonable or lawful basis which allows AT&T to offer "0" operator service to the exclusion of others. Rather than denying the tariffs in this regard, the Commission should permit competitive operator services under guidelines designed to protect the public interests.

The use of operators by interexchange carriers is not new. As the evidence showed, both AT&T and many local exchange carriers furnish operators to permit long distance calling, particularly from locations such pay phones and hotels. Other interexchange carriers similarly have furnished operators as part of their travel services wherein an end-user calls a specific 1-800 number and, through an operator, is connected to his or her desired telephone, often through the use of interstate facilities even though the originating and terminating numbers connected through the interexchange carrier operator may be within the same state.

The capability of other interexchange carriers to furnish operators to complete "0" calls has come more recently as the technology has developed that allows the traditional service to be improved and as the regional Bell operating companies have been forced to make available to interexchange carriers the capability of validating collect, third-party and calling card

numbers. Once again, Judge Greene's October 14th Order is instructive in this regard when he ruled as follows:

With limited exceptions, the Regional Companies currently provide billing validation data to AT&T, but not to other interexchange carriers. At the time of divestiture, no other interexchange carrier offered operator services, and as a consequence only AT&T requested this validation information. That is no longer the case. US Sprint's predecessor GTE Sprint began to phase in operator services in early 1986, and MCI expects to begin to do so shortly. Even some resellers and alternative service providers furnish the operator service necessary for the acceptance of calling card calls. None of these companies will or can accept calls charged to Regional Company calling cards as long as the Regional Companies refuse to provide the information necessary to determine whether the caller is using a legitimate calling card.

Obviously, AT&T derives a considerable competitive advantage from its sole access to the validation databases it shares with the Regional Companies. That advantage extends beyond the capture of direct calling card business. The inability of other interexchange carriers to accept calls made by way of Regional Company calling cards causes customer annoyance and discourages further attempts in other contexts to use any carrier other than AT&T. Beyond that, the lack of calling card validation capacity also hampers the attempts of competing interexchange carriers to persuade large businesses, hotels, and other major customers to presubscribe to their service.

All of the Regional Companies profess in their filings a willingness in theory to end their discriminatory validation practices, but apparently only U S West and Pacific Telesis have offered validation data or validation service to companies other than AT&T since the time the Department filed its motion.

Not only is the failure to provide validation information to AT&T's competitors discriminatory; unlike some other services that are part of the calling card service (see infra), validation is not technically difficult. In fact, no Regional Company contends that the provision of validation data to the interexchange carriers is not feasible, and none has contradicted the Department's assertion that no serious technical difficulty exists. Nevertheless, it is apparent that the companies will not actually make the data available unless there is a court order.

Accordingly, the Court is ordering the Regional Companies to cease discriminating in favor of AT&T in the

provision of validation data on or before January 1, 1989. Each Regional Company must certify to the Court on or before that date that it is currently making available and will continue to make available to all interexchange carriers requesting it the same validation data for its calling cards that the company provides to AT&T, at the same prices, and on the same terms and conditions as are extended to AT&T. Certification must include a description of the validation data, including updates that are available, and state the prices, terms, and conditions on which the Regional Companies validation data are available to AT&T and to the other interexchange carriers.

Western Electric, Slip Opinion, pp. 13-18 (footnotes omitted).

Although growth in the competitive operator services area is new, it is an inevitable and unavoidable aspect of the right of an interexchange carrier to compete with AT&T for interexchange traffic. AT&T has no greater right to operate as the only interexchange carrier capable of providing operator services than it would have to be the only interexchange carrier in Missouri, and as shown by Judge Greene's order, discrimination towards "alternative" operator service providers should not be allowed.

In view of the inevitability and technical feasibility of competition in the operator assisted calls market, ITI and Teleconnect urge that the most reasonable approach for the Commission to take is to develop and apply a uniform standard of requirements to protect the public interest. A consensus has developed nationwide that competitive operator services are in the public interest, subject to appropriate regulation. For example, at its recent convention, NARUC, adopted a resolution spelling out certain guidelines which should be considered by a state commission and which was relied upon by public counsel's witness.



As will be discussed below, both ITI and Teleconnect have developed and presented specific responses dealing with these regulatory concerns. ITI and Teleconnect respectfully suggest that their proposals for regulation, set out in this hearing, should provide a framework for requirements to be applied to all carriers which provide operator services.

2. The benefits of competitive operator services in general.

As noted above, it is the position of both ITI and Teleconnect that it would be unlawful to prevent competition in the operator services market as both ITI and Teleconnect have the same certificated authority to operate as does AT&T and other companies currently providing operator services in the State of Missouri.

However, even setting this point aside, the fact that both staff and public counsel have no opposition to Teleconnect's proposed service and that staff has no objection to either ITI's or Teleconnect's services shows that, as a threshold issue, competition in the operator services market cannot be argued to be contrary to the public interest. (See Van Eschn p. 2 and Drainer amended page 3). By accepting Teleconnect's service, any argument that competition in this market is, per se, detrimental to the public must fall, leaving only the question of whether the individual tariffs should be approved as submitted.

In addition, the testimony of both ITI and Teleconnect shows that each of their respective operator services offer enhanced services to end users (such as multiple payment options, multilingual operators, 24 hour dialing assistance, etc.) for the

same rates as AT&T, giving greater benefits to the public at previously determined reasonable rates.

3. Regulatory recommendations.

As part of their testimony, both public counsel and staff set forth suggested regulatory requirements of operator service providers based to a large extent on the NARUC guidelines. These regulatory suggestions can be summarized as follows:

a. Registration

The operator service provider must submit proof of Articles of Incorporation, show financial ability to support proposed service offerings, show technical ability to support proposed service offerings, describe type of service and file informational tariffs on rates of services to be provided.

b. Emergency Calls

The operator service provider must route all emergency zero minus (0-) calls in the quickest possible way to the proper local emergency service provider.

c. Tariffs

The operator service provider must file informational tariff on rates of services to be provided which are deemed just and reasonable.

d. Billing

The Public Counsel proposes that the operator service provider and/or business subscriber (i.e., COCOT payphones, hotel, motel, hospitals, universities, etc) be limited to only billing the end user the duly authorized tariffed rates.

e. Notice and Identification

The operator service provider must: (A) post and display in prominent fashion the name of the operator service provider; (B) pre-announce to the end user the name of the provider handling the call; (C) upon request verbally quote rates charged to the end user; and (D) post and display instruction that inform the end user how to access the local exchange operator and authorized interexchange carriers.

f. Access to other carriers

The operator service provider must provide toll free access to allow end users to access other authorized interexchange or local exchange carriers in a manner which provides end users with a correct local billing point.

g. Incomplete Calls

The operator service provider must guarantee the Commission that it will not charge end users for incomplete calls.

h. Rate Quotes

Operator service providers must provide rate quoting at no charge, which include the rates associated with the initial minute and additional minute (or other appropriate rate structure), operator surcharge and any additional charges.

i. Calling Card Verification

Operator service providers must also utilize reasonable calling card verification procedures, which are acceptable to the company issuing the calling cards.

j. Billing Procedures

Operator service providers' name should be listed on the local exchange bill rather than the billing agents name and, if

calling cards are used, the operator service provider must appropriately bill for these charges, including the correct identification of the caller's location and the called party's location.

(See Drainer Direct p. 11-12 and Van Eschn Direct. p. 13-14.)

4. Teleconnect's Regulatory Responses.

Teleconnect's testimony in this matter was presented by Mr. Dennis Ricca, Regulatory Manager for Teleconnect Long Distance Services and Systems Company and entered into the record as Exhibits 4 and 5. Teleconnect's position on the above-outlined regulatory proposals can be summarized as follows:

a. Certification Requirements

Where these requirements are proposed only for entities not currently certified and tarified, Teleconnect agreed they are needed. However, if these requirements are being proposed for carriers already certified by the Commission, then these requirements are burdensome and repetitive. As noted earlier, Teleconnect has already obtained a certificate, submitted articles of incorporation, shown financial ability, shown technical ability, described the type of service to be offered, and fully cost-justified the proposed rates. Teleconnect's certificate, like that of AT&T's, provides for statewide (interLATA and intraLATA) authority to provide interexchange telephone service. This authority should be interpreted identically for both AT&T and Teleconnect. If an operator service provider has neither certification nor tariffs on file

then a condition of certification should be required for that particular provider.

b. Emergency Calls

Teleconnect agrees with this condition. In fact, through its contract with a host business, Teleconnect requires delivery of all "0-" calls to the appropriate LEC. Teleconnect believes this, together with the LECs stripping of all "0-" calls into the switched network, will prevent 99.9% of all "0-" emergency calls from entering Teleconnect's network.

As to the remaining .1%, an impatient Teleconnect equal access customer in an emergency might hit the zero a second time within the first three to five seconds. This would cause the call to be treated by the LEC as a 00- call, which is would route to Teleconnect. Teleconnect's operator consoles have emergency numbers available at a single key stroke, and the calls can thus be routed immediately. For these two reasons, Teleconnect believes it has adequately met the requirement proposed by staff and public counsel.

c. Tariffs

Teleconnect has filed proposed tariff sheets, including rates that have been fully cost-justified. No argument exists which would show Teleconnect's proposed rates are either unjust or unreasonable, especially as they track AT&T's already approved rates.

d. Billing

As the above billing requirement relates to operator service providers, it is reasonable. However, unless that requirement is

uniformly imposed on all host business customers of all operator service providers, including AT&T, Southwestern Bell and any other existing provider of service, then it would be discriminatory and unreasonable. As a practical matter, the Commission may want to leave the decision to bill a surcharge by the host business in the hands of that host business. Policing a ban on such charges would be an incredibly burdensome task. Teleconnect's position is neutral on this issue, neither favoring nor opposing the billing by the host business. Teleconnect only requests that its customers be treated in the same manner as its competitors' customers.

e. Notice and Identification

Importantly, Public Counsel failed to include AT&T in this requirement. Exclusion of AT&T makes the proposal unreasonably discriminatory.

Second, the posting requirements in (a) and (d) are impossible for an operator service provider to enforce. The carrier should not be required to "police" its host business customers. If Public Counsel is serious about this requirement, it should be applicable to all host businesses, including AT&T's customers. Should the Commission decide to address this concern, the proposed requirements should be imposed on the host businesses, since only they control what notices will be made available on their premises. The Commission and/or the Office of Public Counsel, (but not the interexchange carrier) should then be responsible for enforcement of the requirement. Requirements (b) and (c), in and of themselves, are reasonable, workable

proposals. Teleconnect agrees to identify itself on all calls and provide materials to the host business.

f. Access to other carriers

To Teleconnect's knowledge, no IXC, including AT&T, has the ability to comply with the requirement proposed by Public Counsel. Numerous technical issues arise. They include, (but are not limited to) the following: 1) What are the technical interface standards which should be used? 2) What does "authorized" mean? 3) How does the LEC determine to which company it should transfer the originating access charges (from the initial IXC to the second IXC) and how will the initial IXC receive credit for all charges incurred.

Again, if AT&T is exempted from this proposed requirement, it would be unreasonable. It would be blatantly discriminatory to require Teleconnect to splash back end-users to AT&T if AT&T were not required to splash back end users requesting a Teleconnect operator. Even if the requirement were imposed on all operator service providers, the cost of a splash back network for all other authorized interexchange or local exchange carriers would be prohibitively expensive. Teleconnect believes present technology and standards would preclude implementation of this proposal, even if the Commission adopts it.

g. Billing for Incomplete Calls

Teleconnect does not intend, and its system is designed to prevent, billing for incomplete calls. In the unlikely event that such a billing occurs, Teleconnect promptly rectifies the problem upon notice by the customer.

h. Rate Quotes

Currently, Teleconnect can only indicate that its rates mirror AT&T's rates. However, Teleconnect is working on an automated system that would permit exact price quotations. No party objected to the interim solution proposed by Teleconnect.

i. Calling Card Verification

Teleconnect has always desired to implement reasonable and efficient calling card verification procedures. Until Judge Greene's Order of October 14th (and until the order is fully implemented), verification was sometimes difficult if not impossible. Once Judge Greene's October 14th Order is effected, however, such verification procedures should be possible.

j. Billing procedures

Teleconnect's billing procedures are designed to ensure accurate billing of charges, easy customer inquiry, and to make all appropriate adjustments to any customer bill. Some of Public Counsel's suggestions in this regard, however, are not required of other companies and would, therefore, be discriminatory. Furthermore, these suggestions are not feasible under the current state of billing contracts with third party bill brokering companies.

Specifically, until increased volume makes dealing directly with LECs for billing feasible, Teleconnect must use third party bill brokers who are contractually required by the LEC to have their name appear on the billings. Teleconnect would prefer to have its name appear on the bill. However, until the LECs change their contractual practices regarding third party bill brokers to



allow the ultimate providers name to appear on the bill, or until the LECs alter their software to permit both names, this is technically impossible. In the interim, Teleconnect's third party bill brokers provide any customer with a direct Teleconnect inquiry number to allow easy billing inquiries. If this technical requirement were adopted, Teleconnect would be forced to seek a waiver.

(See, Ricca Rebuttal p. 8-12).

5. ITI's Regulatory Responses.

ITI's position on these issues was presented by Mr. Paul Freels, Executive Vice President of International Telecharge, Inc., and was entered into the record as Exhibits 6 and 7. Mr. Freels also addressed these regulatory concerns on behalf of ITI when he testified to the following:

a. Registration Requirements

ITI also agrees that the suggested requirements for registration be applied to all companies. However, as with Teleconnect, ITI has already been certified making this suggestion inapplicable to ITI.

b. Emergency Calls

In the event that a caller needs to place an emergency phone call, in addition to dialing "911" or the local seven digit emergency number directly, the caller may dial "0-" (or 8 + 0 in a hotel or hospital) and place the call through an ITI operator. All ITI operator stations have the capability of locating the telephone numbers of these emergency services by simplying

pressing a key on the operator console. ITI will place the call (free of charge) for the caller and the ITI operator will monitor the line until the caller's emergency is reported to the proper authority.

ITI has initiated a procedure to ensure that it is capable of routing calls to all emergency numbers for every property or telephone it services. Each telephone number also is verified by ITI's Customer Service Department and entered into a central data base which is accessible by all ITI operators. ITI requires these steps to be completed before new telephones or properties are added to the ITI network, and these numbers are updated as necessary.

ITI operators offer swift and effective free emergency response. Most telephone company operators have no way of pinpointing the physical location of the caller without consulting other terminals or information resources. Using ITI's proprietary software, ITI operators, with three quick keystrokes, can instantly identify the exact location of any ITI subscriber telephone in the nation, provide the emergency phone number information applicable to that phone, and connect to the appropriate emergency service provider. Additionally, ITI operators remain on the line and, if required, can advise the emergency service of the caller's location or provide interpretive assistance for a caller who does not speak English.

c. Tariffs

As with Teleconnect, ITI has filed informational tariffs that match rates which have already been approved as just and reasonable under AT&T's tariff.

d. Billing

In addition to providing "traditional" operator assisted calling (i.e., collect third-party, and person-to-person), ITI allows a caller to charge a call to one of six major credit cards (MasterCard, VISA, American Express, Diner's Club International, Carte Blanche and en Route). This is especially desirable for the frequent traveler who generally prefers that all business expenses appear on one (credit card) invoice. In addition, efficiencies associated with the credit card billing process allow ITI to offer credit card billed calls at a discount to AT&T rates.

Again, ITI will only bill for rates and changes approved under its tariffs. See Section g below for a discussion of the surcharge issue.

e. Notice and Identification.

ITI operators answer all calls by saying "ITI Operator." In addition, the ITI operator say "Thank you for using ITI" prior to releasing the call for completion. In addition, ITI furnishes pay phone owners hospitals and hotel/motel owners with a "tent card," "sticker" or other information piece explaining that ITI is the operator service provider for the telephone.

However, it is physically impossible and unreasonable to place a requirement on the operator service provider that these stickers be properly placed and maintained. Neither ITI or any telephone company can monitor what takes place in every hotel or motel room or pay phone locations across the state.

f. Access to other carriers

Unfortunately, AT&T does not provide 950 or 800 number access for their customers, unlike the competitive IXCs such as MCI or Sprint. That is the reason that a company like ITI receives very few complaints from MCI or Sprint customers about not being able to access the network of their choice. Those carriers provide an easy means of access.

ITI has requested that AT&T establish an 800 number access system. If they will do so, ITI will give out the number.

ITI is committed to freedom of choice for both the caller and the telephone owner or site owner. The caller should be able to access with ease the network of their choice and the telephone owner should be able to select the provider accessed by pushing 0.

g. Incomplete calls.

As noted in ITI's testimony, ITI does not intend to bill for any incompleted calls and will remove any such changes from the bill.

h. Rates Quotes

As noted throughout the hearing, ITI agrees that rate quotes should be available as suggested by Staff and Public Counsel and, in fact, provides same.

i. Calling Card Verification

ITI also agrees with this provision and notes that Judge Greene's October 14th Order should, for the first time, make this completely feasible.

j. Billing Procedures

ITI believes that all charges must be appropriately billed and that a mechanism must be provided to allow for easy customer inquiries. ITI's customer service procedure is outlined on pages 26 and 27 of ITI's direct testimony. Unfortunately, some of the other specific requests outlined by Public Counsel on this issue (but not by staff) are technically not feasible at the present time as outlined above in Teleconnect's position on this issue and, even if feasible, would be discriminatory if applied only to "alternate" operator service providers.

(See, Freels Direct p. 15-20).

In addition to addressing the above concerns specifically, ITI provided, in its direct testimony a comprehensive outline of proposed regulatory guidelines to be applied to all operator service companies that would meet the concerns of staff and public counsel while going even further in protecting the public's interest. (See, Freels Direct, p. 32 et. seq).

6. The Hotel "surcharge" issue.

As became clear throughout the hearing, the ultimate reason that ITI's tariffs remain opposed by public counsel while Teleconnect's have been accepted is the issue of potential surcharges added by hotels, and billed through ITI, for calls made through ITI under contract with the hotel in question.

The first item that must be recognized is that such "surcharges" have existed for years and continue to exist at the present. Hotels have historically opted to add a charge not only

for long distance and AT&T operator assisted calls, but also for local calls. Furthermore, it is clear that this arrangement is in the public's interest in that it allows for recovery of the cost of providing and maintaining the telephone equipment from only the people who use same. The only difference in the present case is that, instead of this charge being billed through the hotel, it is billed through ITI.

This billing arrangement, however, greatly benefits the public interest. ITI's equipment, unlike much premises based monitoring equipment, can determine if a call is completed, avoiding potential improper charges for incompletd calls that can take place if the hotel does the billing itself. In addition, having the entire cost of the call on one bill greatly increases the knowledge of the end-user as to the ultimate cost and simplifies any record keeping. Furthermore, in the event of a billing error, a single unified bill makes proper credit a far simpler proposition.

Importantly, ITI's tariff limits this charge to one dollar, a restriction that is not in place when the hotel does its own billing. Such a charge limitation was found reasonable by the South Carolina Public Service Commission as well as other state commissions. By adopting this tariff, end-users would have the benefit of knowing exactly the charge that is applied for any call made at any ITI serviced hotel.

This billing provision is also a benefit to hotels and other customers by relieving them from the time and expense of monitoring their telephone equipment while helping them to insure

that the generated revenues will be adequate to cover the cost of providing the telecommunication equipment to the end-users.

### C. Conclusion

There can be no question that both ITI and Teleconnect have sufficient authority to provide operator services in the State of Missouri and that competitive operator services are in the public interest. Both ITI and Teleconnect meet and exceed the technically feasible recommendations presented regarding the proposed regulatory guidelines for operator services in the State of Missouri. Because both companies have the authority and because both companies meet all of the feasible proposed regulations regarding this service and as their rates are just and reasonable, these tariffs should be approved.

Indeed, based on the above arguments, no opposition currently exists to Teleconnect's proposed tariff filings and they, therefore, should be adopted. As to ITI, the only significant objection to ITI's tariff is the issue of potential hotel surcharges which, as shown above, is a false issue that, when examined closely, gives no rationale for the rejection of ITI's tariffs.

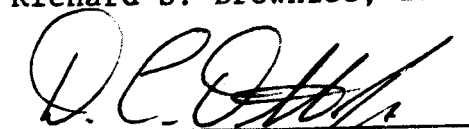
Lastly, it should be noted that the surcharge issue was not considered a problem by staff's witness. Mr. Van Eschn testified that such surcharges should be permitted so long as they are separately identified on the customer's bill. (Van Eschn, Direct p. 8). Thus, as the staff supports such billing and as no detriment to the public exists, ITI's tariff should be approved

for the same reasons that Staff and Public Counsel have accepted Teleconnect's tariff.

WHEREFORE, Teleconnect and ITI respectfully submit that the tariffs of the two companies should be approved as filed, or in the alternative, that they be approved subject to the regulatory suggestions set out by Teleconnect and ITI to apply to all companies providing operator service.

HENDREN AND ANDRAE

  
Richard S. Brownlee, III

  
Donald C. Otto, Jr.  
235 East High Street  
P.O. Box 1069  
Jefferson City, MO 65102

Attorneys for Teleconnect and ITI

CERTIFICATE OF MAILING

I hereby certify that I served a copy of the foregoing document upon all parties of record by prepaid United States mail on this 30th day of November, 1988.

  
Richard S. Brownlee, III