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DEC - 1 1988  
MO. PUBLIC SERVICE COMMISSION

PHILIP R. NEWMARK

SAMUEL WHITE (1917-1958)  
LOUIS WHITE (1922-1967)  
IRWIN WHITE (1932-1963)

November 29, 1988

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

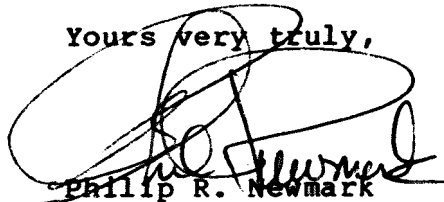
RE: Alternative Operator Services  
Case No. TA-88-218, et al.

Dear Mr. Hubbs:

Enclosed please find original and fourteen copies of  
Midwest Independent Coin Payphone Association's Brief  
of Intervenor for filing in the above referenced matter  
on behalf of MICPA.

Thank you for your assistance in this matter.

Yours very truly,



Philip R. Newmark

PRN:lw

Enclosures

cc: All counsel of record

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PUBLIC SERVICE COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI

In the matter of the )  
application of American Operator )  
Services, Inc. for a certificate )  
of service authority to provide ) Case No. TA-88-218  
Intrastate Operator-Assisted )  
Resold Telecommunications )  
Services. )

In the matter of Teleconnect )  
Company for authority to file )  
tariff sheets designed to ) Case No. TR-88-282  
establish Operator Services )  
within its certificated service )  
area in the State of Missouri. )

In the matter of Dial U.S. for )  
authority to file tariff sheets )  
designed to establish Operator ) Case No. TR-88-283  
Services within its certificated )  
service area in the State of )  
Missouri. )

In the matter of Dial U.S.A. )  
for authority to file tariff )  
sheets designed to establish ) Case No. TR-88-284  
Operator Services within its )  
certificated service area in )  
the State of Missouri. )

In the matter of International )  
Telecharge, Inc. for authority )  
to file tariff sheets designed ) Case No. TR-89-6  
to establish Operator Services )  
within its certificated service )  
area in the State of Missouri. )

BRIEF OF INTERVENOR  
MIDWEST INDEPENDENT COIN PAYPHONE ASSOCIATION

This brief is filed on behalf of Intervenor Midwest  
Independent Coin Payphone Association referred to as MICPA.  
It will address four areas of concern. First the Issue  
of whether or not competitive operator services are in

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the public interest. Second, whether the individual applicants should be granted certificates of authority. Third, should the filed tariffs be approved and fourthly, and most importantly to this Intervenor, whether or not there should be some restrictive requirements imposed upon the applicants concerning the billing and collection of surcharges of traffic aggregators who are subscribers of those competitive operators services, and disconnection of local service for non payment thereof.

Issue: Is "competitive operator services" in the public interest for the citizens of the State of Missouri.

The answer as gleaned from the testimony addressed in the proceeding is an overwhelming yes. Only Public Counsel opposed the granting of any certificate of authority for "competitive operator services". It is, I believe, unnecessary to review herein the specific testimony and the reasons given in favoring the issue, I think it only necessary to point out that the testimony favorable was credible, cogent and convincing on the issue.

Issue: Should the application for certificate of authority of American Operator Services, Inc. be granted?

The applicant has demonstrated its technical ability to perform the services for which it seeks authority to perform in Missouri and also has shown appropriate financial worth to insure its ability and capability to perform and therefore its request should be granted.

Issue: Should the tariffs filed by the other applicants be approved?

It would appear that the tariffs filed are reasonable but since the area of tariffs are a highly complex matter we feel that the Commission and staff are in a better position to judge and would only observe in passing that those tariffs filed so closely track present approved tariffs of others providing the same service it would appear reasonable to approve them and let the market place operate.

Issue: Should the applicants be prohibited from billing and collecting surcharges of their subscribers - traffic aggregators such as customer owned coin operated telephones (COCOT), hotels, motels, schools, hospitals, and other institutions -

Our answer is no. Our reasons many. First and foremost a prohibition on billing and collecting surcharges would doom the "COCOT" industry in Missouri. Mr. Pace the witness for MICPA stated in his redirect examination that if such a prohibition were made no one (private payphones) would enter in Missouri (P.350 L. 25). The reason is that in order for COCOT to be viable there must be access tariffs reasonable enough to provide substantial "coin in the box" revenue, plus reasonable surcharges.

What benefit is the "COCOT" industry to Missouri and its citizens? It would provide many additional locations in areas not now or previously served with coin phones. The new "smart" phones provide additional services and benefits to the users which would warrant some greater cost, and the competition would provide more and greater services needed by the citizens.

We submit that these hearings were not a proper vehicle to determine policy in regard to surcharges. The surcharge issue was an ancillary one to an ancillary issue regarding operator services, the evidence was insufficient upon which to base a reasonable Judgment.

The issue of surcharges, their necessity and reasonableness is a very complicated matter which could not and was not fully developed in these proceedings. A few illustrations of the need and merit are illustrated in the testimony of Mr. Freels of ITI and Mr. Bryan of American Operators Services. Mr. Freels testifying on behalf of ITI in his cross-examination testimony indicated that billing and collecting surcharges for hotels and motels was a service offered by ITI which has advantages to the hotel and the end user and that not being able to offer such a service could preclude ITI from getting business. The witness asked the Commission not to prohibit ITI from billing and collecting these surcharges. (P. 271, L.4-15). In addition Mr. Bryan, American Operators Services' (NTS) witness said in

response to a question by Commissioner Fischer whether there was a legitimate purpose for surcharges answered yes to the question indicating that it was a method for recovering costs of the hotel or motel for its very expensive communication equipment. (P. 140, L. 21-25 and P. 141, L.1-18).

It would seem appropriate as staff witness Van Eschen points out in his direct testimony (P. 14, L. 19-22) and cross-examination testimony (P. 381, L. 21-24) that the requirements as he and the staff suggests be imposed upon these applicants be also imposed upon all persons or entities providing operator services not just these applicants and that the appropriate legal venue would be a separate rule making docket.

The concerns regarding surcharges raised in these proceedings by virtue of complaints is so minimal by contrast to the volume of calls made with surcharges that they do not require any dramatic rule or requirement prohibiting them especially when such action would virtually eliminate the "COCOT" industry in Missouri. The "COCOT" industry represented by MICPA respectfully requests and suggests that if surcharges are a concern, that a separate docket be generated to deal with the issue.

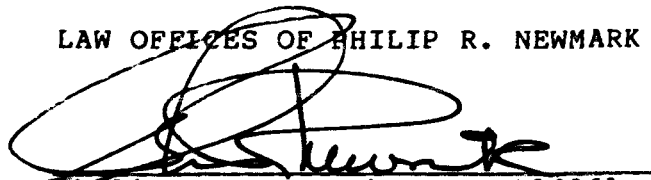
Issue: Should LEC be prohibited from disconnecting local services for non payment of surcharges?

What we have said in regard to the issue of prohibiting the billing and collection of surcharges applies equally to this issue and needs no further elaboration.

In summary MICPA supports the operating of American Operators Service application for certification and approval of tariff filed by all parties as submitted. That the Commission should not impose on these applicants any requirements that would apply only to them and not to those other operator services already certified and operating in Missouri because to do so would put the applicants at a competitive disadvantage. MICPA strongly urges the Commission to refrain from making any rule or requirement presently, regarding the billing and collection of surcharges or prohibiting disconnection for non payment of them, until such time as the issues surrounding these practices can be fully developed and debated in a separate docket.

Respectfully submitted,

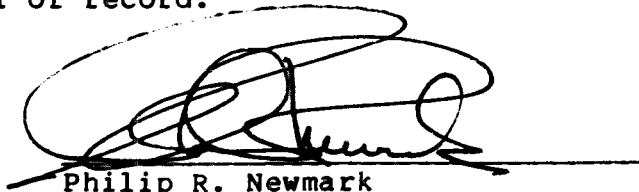
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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing was mailed this 29th day of November, 1988, by prepaid United States mail to all counsel of record.



Philip R. Newmark