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✓ JK
cc: RJ



July 17, 2000

The Honorable Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
301 West High Street, Floor 5A
Jefferson City, Missouri 65101

Re: Case No. TO-99-483

Dear Judge Roberts:

Enclosed for filing with the Commission in the above-referenced case is an original and eight copies of Southwestern Bell Telephone Company's Proposed Findings of Fact, Conclusion of Law and Order.

Thank you for bringing this matter to the attention of the Commission.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mimi B. MacDonald", written in a cursive style.

Mimi B. MacDonald

Enclosure

cc: Attorneys of Record

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BEFORE THE PUBLIC SERVICE COMMISSION
FOR THE STATE OF MISSOURI

In the Matter of an Investigation for the)	
Purpose of Clarifying and Determining)	
Certain Aspects Surrounding the)	
Provisioning of Metropolitan Calling Areas)	Case. No. TO-99-483
Service After the Passage and)	
Implementation of the Telecommunications)	
Act of 1996.)	

SOUTHWESTERN BELL TELEPHONE COMPANY'S
PROPOSED FINDINGS OF FACT, CONCLUSION OF LAW AND ORDER

Procedural History

On March 9, 1998, MoKan Dial, Inc. ("MoKan") and Choctaw Telephone Company ("Choctaw") jointly filed an application to determine certain aspects surrounding continued provisioning of Metropolitan Calling Area ("MCA") Service (Case No. TO-98-379). On April 22, 1999, the Staff of the Missouri Public Service Commission ("Staff") filed a Motion to Open Docket and Set Technical Conference. In that Motion, Staff requested the Commission to establish a case for the purpose of investigating "certain aspects surrounding the provisioning of metropolitan calling area service after the passage and implementation of the Telecommunications Act of 1996." Staff also requested the Commission to close Case No. TO-98-379 and make all parties to that case automatic parties to a newly created investigation docket. Staff recommended that the Commission set a date for a technical conference to be held in July or August so that the parties could continue discussions on 14 specific issues that the Staff set forth in their Motion.

On May 26, 1999, the Missouri Public Service Commission ("the Commission") issued an Order Establishing Case, Directing Notice, and Adding Parties. The Commission specified that the case was established for the purpose of investigating the continued provisioning of MCA Service after the passage of the Telecommunications Act of 1996. The Commission directed the

Records Department of the Commission to send notice to all interexchange carriers and local exchange telecommunications companies. The Commission determined that the petitioners and intervenors to Case No. TO-98-379 would be made parties to the case without the need for intervention. The Commission identified those parties as: (a) Choctaw Telephone Company; (b) MoKan Dial, Inc.; (c) Southwestern Bell Telephone Company ("SWBT"); (d) Cass County Telephone Company; (e) Citizens Telephone Company of Higginsville, Missouri, Inc.; (f) Green Hills Telephone Company; (g) Lathrop Telephone Company; (h) Orchard Farm Telephone Company; (i) Sprint Missouri, Inc., d/b/a Sprint; (j) Sprint Spectrum, L.P., d/b/a Sprint PCS; (k) AT&T Communications of the Southwest, Inc.; (l) TCG St. Louis, Inc.; (m) TCG Kansas City, Inc.; (n) Gabriel Communications, Inc.; and (o) AT&T Wireless Services, Inc. The Commission also granted the requests for participation without intervention of MCI Telecommunications Corporation and MCI Metro Access Transmission Service, L.L.C, which has been filed on May 24, 1999. The Commission directed any other party wishing to intervene or to participate without intervention to file an application to do so no later than June 25, 1999. Finally, the Commission set a technical conference for July 20-21, 1999, at 9:00 a.m.

Subsequently, (a) Sprint Communications Company, L.P.; (b) BroadSpan Communications, Inc. d/b/a Primary Network Communications; (c) ALLTEL Missouri, Inc; (d) GTE Midwest Incorporated; (e) GTE Communications Corporation; (f) Alma Telephone Company; (g) Chariton Valley Telephone Corporation; (h) Mid-Missouri Telephone Company; (i) Northeast/Modern Missouri Rural Telephone Company; (j) Peace Valley Telephone Company, Inc.; (k) Grand River Mutual Telephone Corporation; and (l) Birch Telecom of Missouri, Inc. filed timely applications to intervene. On July 12, 1999, the Commission issued an Order Granting Intervention, granting intervention to each of these parties.

On August 20, 1999, the Commission issued an Order Directing Filing. In that Order, the Commission noted that the parties met on July 20, 1999, and held a technical conference in order to develop a tentative list of the issues for this case. The Commission also noted that Staff filed a Status Report indicating that the parties agreed to postpone the second day of the technical conference until August 24, 1999. The Commission ordered Staff to file a status report regarding the progress of the technical conference no later than September 6, 1999. The Commission also ordered the parties to file a proposed procedural schedule no later than September 6, 1999.

On September 7, 1999, the Staff filed a status report and proposed procedural schedule. On October 8, 1999, AT&T Communications of the Southwest, Inc., AT&T Wireless Services, Inc., ALLTEL Missouri, Inc., Grand River Mutual Telephone Company, Sprint Missouri, Staff, the Office of the Public Counsel, Gabriel Communications, Inc., and Birch Telecom of Missouri, Inc. filed a Non-Unanimous Stipulation and Agreement. The Stipulation and Agreement did not provide for the settlement of the actual issues in dispute; rather, it provided for an interim measure that would permit competitive local exchange carriers ("CLECs") to join in the MCA Plan pending the Commission's final decision.

On October 12, 1999, the Mid-Missouri Group of Local Exchange Companies filed a Partial Opposition to Non-Unanimous Stipulation and a Request for Hearing. On October 18, 1999, SWBT filed a Request for Hearing. On November 1, 1999, AT&T filed a Motion for Expedited Hearing.

On November 30, 1999, the Commission issued its Order Rejecting Non-Unanimous Stipulation and Agreement, Granting Intervention, and Establishing Procedural Schedule. In that Order, the Commission granted the Intermedia Communications, Inc.'s Application to Intervene

Out of Time. The Commission rejected the Non-Unanimous Stipulation. Finally, the Commission adopted a procedural schedule.

On December 28, 1999, McLeodUSA Telecommunications Services, Inc. ("McLeod") filed an Application to Intervene and Request to Accept Out of Time. On December 29, 1999, the Commission received a Notice of Group Name Change indicating the Mid-Missouri Group had changed its name to Missouri Independent Telephone Group. On January 5, 2000, Nextlink Missouri, Inc. ("Nextlink") filed an Application to Intervene Out of Time. Also on January 5, 2000, SWBT filed a Motion for Protective Order. On January 6, 2000, the Commission held a Pre-hearing Conference in this matter. That same day, January 6, 2000, MCI WorldCom Network Services, Inc., f/k/a MCI Telecommunications Corporation, and MCImetro Access Transmission Services, L.L.C. filed a motion requesting the Commission allow a substitution of parties; making the proper participant in this case MCI WorldCom Communications, Inc.

On January 27, 2000, the Commission issued its Order Granting Interventions, Recognizing Group Name Change, and Granting Protective Order. In that order, the Commission granted the applications of McLeod and Nextlink to intervene out of time. The Commission also granted SWBT's Motion for Protective Order. Finally, the Commission recognized the group name change of the Mid-Missouri Group to the Missouri Independent Telephone Group.

On February 1, 2000, interested parties filed Direct Testimony pursuant to the procedural schedule that had been adopted in this case.

On February 29, 2000, the Commission issued an Order Scheduling Local Public Hearings. In that Order, the Commission ordered public hearings to be held: (a) on March 27, 2000, at the City Council Chambers, 830 Boonville, Springfield, Missouri, commencing at 6:30 p.m.; (b) on April 10, 2000, at the St. Louis County Council Chambers, 41 South Central,

Clayton, Missouri, commencing at 1:30 p.m.; (c) on April 10, 2000, at the offices of the Missouri Public Service Commission, 815 Charter Commons Drive, Suite 100B, Chesterfield, Missouri, commencing at 6:30 p.m.; (d) on April 12, 2000, at the Kansas City Legislative Assembly Area, Jackson County Courthouse, 415 East 12th Street, Room 204, Kansas City, Missouri, commencing at 1:30 p.m.; and (e) on April 12, 2000, at Bernard C. Campbell Junior High School, 1201 N.E. Colbern Road, Lee's Summit, Missouri, commencing at 6:30 p.m. These public hearings proceeded as scheduled.

On March 1, 2000, interested parties filed Rebuttal Testimony pursuant to the procedural schedule that had been filed in this case. On March 28, 2000, interested parties filed Surrebuttal Testimony pursuant to the procedural schedule that had been filed in this case.

On April 11, 2000, Staff filed a List of Issues. On April 21, 2000, Staffed filed a Proposed Order of Witnesses and Order of Cross-Examination. That same day, April 21, 2000, Staff filed a Motion for Leave to File Supplemental Direct Testimony. On April 25, 2000, interested parties filed Statements of Position.

On May 4, 2000, the Commission issued an Order Granting Leave to File Supplemental Direct Testimony and Granting Motion to Compel. In that Order, the Commission granted Staff leave to file the Supplemental Direct Testimony of William L. Voight and the Supplemental Direct Testimony of Amonia L. Moore. The Commission ordered any interested party to file Supplemental Surrebuttal to the Supplemental Direct Testimony of William L. Voight and the Supplemental Direct Testimony of Amonia L. Moore on May 11, 2000.

On May 9, 2000, the Commission issued its Order Granting Motions to Accept Testimony Out of Time and Substituting Parties. In that Order, the Commission substituted MCI WorldCom Communications, Inc. for MCI WorldCom Network Services, Inc., f/k/a MCI Telecommunications Corporation as a participant without intervention in this proceeding. The

Commission also accepted the motions to accept testimony out-of-time of McLeodUSA Telecommunications Services, Inc., ALLTEL Missouri, Inc., Cass County Telephone Company, Citizens Telephone Company of Higginsville, Missouri, Inc., Grand River Mutual Telephone Company, Lathrop Telephone Company, Green Hills Telephone Company, and Orchard Farm Telephone Company.

On May 11, 2000, interested parties filed Supplemental Surrebuttal, pursuant to the Commission's May 4, 2000 Order.

Finally, an evidentiary hearing was held from May 15-19, 2000, at the Commission's offices in Jefferson City, Missouri. Interested parties were represented at the hearing. Thereafter, interested parties filed Initial Briefs on June 30, 2000, Reply Briefs on July 17, 2000, and Proposed Findings of Fact, Conclusions of Law and Orders on July 17, 2000.

Findings of Fact

1. On December 23, 1992, the Commission ordered the implementation of the Metropolitan Calling Area ("MCA") Plan in its Report and Order, In the Matter of the Establishment of a Plan for Expanded Calling Scopes in Metropolitan and Outstate Exchanges, Case No. TO-92-306, December 23, 1992 ("MCA Order"). The primary goal of the docket was to fashion new expanded calling scope services that would address existing customer complaints, desires, and needs, and that would also put in place a service that would adequately meet customers' long-term requirements.

2. In the MCA Order, the Commission defined the calling scope of the MCA Plan. The Commission structured the MCA areas in tiers radiating out from the centers of St. Louis, Kansas City, and Springfield. In St. Louis and Kansas City, there are six tiers, the Center tier and MCA tiers 1-5. In Springfield, there are three tiers, the Center tier and MCA tiers 1 and 2. In St. Louis and Kansas City, the Center tier, MCA-1 and MCA-2 comprise the metropolitan

exchange. In Springfield, the Center tier and MCA-1 comprise the Springfield metropolitan exchange. Unlike the metropolitan exchanges in St. Louis, Kansas City, and Springfield, the optional MCA tiers 3, 4, and 5 in St. Louis, and the optional tier 2 in Springfield, are actually composed of several individual exchanges within each MCA tier.

3. The Commission also defined the calling patterns for the three MCAs. In general, the MCA calling patterns provide for an expanded out-bound local calling scope to: (a) all customers in certain designated areas; and (b) MCA subscribers in other designated areas. The MCA Plan also provides subscribers with the ability to receive in-bound toll-free calling from certain customers within the MCA. Specifically, the MCA Plan provides an MCA subscriber the ability to receive toll-free calls from other MCA subscribers and from customers in the MCA Center tier, MCA-1 and MCA-2 tiers (MCA Center tier and MCA-1 in Springfield), of the respective metropolitan exchanges. For example, the MCA Plan provides an MCA-5 subscriber the ability to receive toll-free calls from customers located in the MCA Center tier, MCA-1 and MCA-2 tiers plus other MCA subscribers in MCA-3, MCA-4, and MCA-5.

4. The Commission ordered MCA Service to be a mandatory service offering in MCA-Central, MCA-1, and MCA-2 in St. Louis and Kansas City, as well as MCA-Central and MCA-1 in Springfield. The Commission determined in these exchanges, MCA Service would replace basic local service, except for those customers who choose local measured service where that service is available. The Commission further determined that MCA Service would be an optional service to which a customer could subscribe in MCA-3, MCA-4, and MCA-5 in St. Louis and Kansas City, as well as MCA-2 in Springfield. Additionally, the Commission mandated the rates to be charged for MCA service. These rates are as follows:

	<u>Residential</u>	<u>Business</u>	
<u>St. Louis and Kansas City</u>			
MCA-Central	\$11.35	\$33.55	Mandatory
MCA-1	\$11.85	\$35.00	Mandatory
MCA-2	\$12.50	\$36.95	Mandatory
MCA-3	\$12.35	\$24.80	Optional Additive
MCA-4	\$21.55	\$46.75	Optional Additive
MCA-5	\$32.50	\$70.70	Optional Additive
<u>Springfield</u>			
MCA-Central	\$10.10	\$25.70	Mandatory
MCA-1	\$11.40	\$28.00	Mandatory
MCA-2	\$11.45	\$21.75	Optional Additive

5. The Commission prescribed MCA rates as part of an overall plan to maintain revenue neutrality among the incumbent local exchange carriers ("ILECs") that it required to provide MCA Service. Specifically, the amount of lost toll that the ILECs would experience once the MCA Plan was implemented was included in the revenue neutrality calculations.

6. The Commission adopted the Joint Recommendation of the technical committee for local tariffing of MCA Service. All ILECs offering MCA Service filed tariffs consistent with the MCA Order.

7. The Commission did not require information about the MCA Plan to be included in the call guide sections of directories when its issued its MCA Order.

8. On May 26, 1999, the Commission established this docket for the purpose of investigating the continued provisioning of MCA Service after the passage of the Telecommunications Act of 1996.

9. In December, 1999, SWBT and Intermedia reached an interim agreement, entitled: "Memorandum of Understanding Between Southwestern Bell Telephone Company and Intermedia Communications, Inc.", under which Intermedia agreed to compensate SWBT at a

rate of 2.6 cents per minute in return for SWBT permitting its own customers to call Intermedia's customers on a toll-free basis within SWBT's portion of the MCA.¹

10. SWBT, as well as certain other ILECs, currently charge their own customers toll, pursuant to the terms of their tariffs, to call customers who are not participants in the MCA Plan. CLECs, on the other hand, want all ILECs to provide toll-free calling to their own customers when calling CLECs' customers and want to be MCA Plan participants.

Conclusions of Law

Issue 1: Are CLECs Currently Included In The MCA Plan, And, If Not, Should CLECs Be Permitted/Required To Participate In The MCA Plan

1. CLECs were neither initially included in the MCA Plan, in that CLEC entry was brought about by the passage of the Telecommunications Act of 1996, nor are they currently included in the MCA Plan.

2. The time has come to permit CLECs to participate in the MCA Plan, under the terms and conditions specified in this Order.

Issue 2: If Permitted To Participate In The MCA Plan, Should CLECs Be Required To Follow The Parameters Of The MCA Plan With Regard To: (a) Geographic Scope; (b) Bill And Keep Inter-Compensation; (c) Use of Segregated NXXs For MCA Service; And (d) Price?

1. The CLECs choosing to offer MCA Service shall be required to follow all of the parameters of the MCA Plan, including but not limited to: (a) geographic scope; (b) bill and keep inter-company compensation; (c) use of segregated NXX codes for MCA Service; and (d) price as explicitly set forth in the MCA Order.

2. These parameters are all integral to the operation of the MCA Plan.

¹ This payment reflects compensation at a level equal to originating access charges, which is the minimum amount SWBT would receive if the call were treated as toll.

3. If CLECs were permitted to participate and to vary these internal components of the MCA Plan, the CLECs would obtain a competitive and/or financial advantage at the ILEC's expense.

4. All local exchange telephone companies ("LECs") may establish calling scopes broader than the MCA Plan. However, if any local exchange carrier ("LEC") elects to do so, it must call its plan something other than the "Metropolitan Calling Area Plan" or "MCA Plan."

5. The Commission determines that companies that transits traffic (i.e. a company transits traffic when its facilities are used to transport a call between customers served by other telecommunications companies) are entitled to compensation for that service. If any LEC desires any other LEC to perform a transiting function, compensation for the provision of such service must be achieved through negotiation.

Issue 3: Should There Be Any Restrictions On The MCA Plan (For Example, Resale, Payphones, Wireless, Internet Access, Etc.)?

1. The Commission upholds its determination that IXC's are not permitted to resell MCA service because if IXC's were allowed to do so, IXC's could avoid having to pay tariffed access charges. Report and Order, In the Matter of the Establishment of a Plan for Expanded Calling Scopes in the Metropolitan and Outstate Exchanges, TO-92-306, December 23, 1992.

2. The Commission determines that: (1) customers who subscribe to MCA service, should be allowed to call Internet Service Providers ("ISPs") on a local basis; and (2) ISPs should be allowed to subscribe to MCA Service. However, terminating local reciprocal compensation shall not apply to calls to ISPs as these calls are primarily interstate calls, not local, regardless of the dialing pattern that is used to reach the ISP.

Issue 4: What Pricing Flexibility Should ILECS And/Or CLECs Have Under The MCA Plan?

1. As stated above, CLECs shall be required to follow all of the parameters of the MCA Plan, including but not limited to price as explicitly set forth in the MCA Order.

Issue 5: How Should MCA Codes Be Administered?

1. As stated above, CLECs shall be required to follow all parameters of the MCA Plan, including but not limited to use of segregated NXXs for MCA Service as explicitly set forth in the MCA Order.
2. The use of dedicated NXX codes is currently the only reasonable method of providing MCA Service.
3. MCA NXX codes shall be identified using the Local Exchange Routing Guide ("LERG") since the LERG is an industry report providing NPA/NXX information throughout the nation.

Issue 6: What Is The Appropriate Inter-Company Compensation Between LECs Providing MCA Service?

1. As stated above, CLECs shall be required to follow all parameters of the MCA Plan, including but not limited to bill and keep inter-company compensation as explicitly set forth in the MCA Order. All calls that originate and terminate within the geographic area of the MCA are subject to bill and keep inter-company compensation.

Issue 7: Is The Compensation Sought In The Proposed Memorandum Of Understanding ("MOU") Appropriate?

1. The proposed MOU is appropriate. To the extent that a CLEC seeks to have calls, which constitute toll calls under the terms of SWBT's tariffs, from SWBT customers to CLEC customers within the MCA to be placed on a local basis, compensation is required under principles of revenue neutrality.

Issue 8: Should The MCA Plan Be Retained As Is, Modified (Such As Staff's MCA-2 Proposal) Eliminated?

1. The current design of the MCA Plan is in the public interest and shall be retained as is.

Issue 9: If The Current MCA Plan Is Modified, Are ILECs Entitled To Revenue Neutrality? If So, What Are The Components Of Revenue Neutrality And What Rate Design Should Be Adopted To Provide For Revenue Neutrality?

1. Pursuant to this Order, CLECs shall be allowed to participate in the MCA Plan on the terms and conditions as set forth in this Order.

2. Since the Commission's Order in this docket will adversely affect the ILECs' existing revenue and expense structures due to the loss of revenue associated with the return calling aspect of the current MCA Plan, the Commission must provide for revenue neutrality.

3. The Commission, therefore, determines that the CLECs shall compensate SWBT 2.6 cents per minute for calls from SWBT's customers to CLEC customers that would otherwise be subject to toll charges under SWBT's tariffs. This compensation mechanism appropriately represents the minimum amount SWBT would have received if these calls were treated as toll. Any other ILEC, which demonstrates that its revenues will be adversely impacted by the changes ordered here for MCA, may propose an adjustment to its rates to achieve revenue neutrality.

Issue 10: Should MCA Traffic Be Tracked And Recorded, And If So, How?

1. The Commission determines that since bill and keep inter-company compensation is appropriate for the exchange of MCA traffic, MCA traffic need not be tracked and recorded.

Issue 11: With Regard To Inter-Company Compensation, Does The Commission Have The Authority To Override Reciprocal Compensation Provisions Contained In Existing Interconnection Agreements? If No, Does The Commission Have The Authority To Require Bill And Keep Inter-Company Compensation In All Future Interconnection Agreements Between ILECs and CLECs, Thereby Prohibiting Reciprocal Compensation for MCA Service?

1. CLEC participation in the MCA is expressly conditioned upon the requirement that CLECs follow the bill and keep inter-company compensation mechanism of the MCA Plan. Thus, if a CLEC wants to participate in the MCA Plan, it must agree to follow all of the parameters of the MCA Plan, including bill and keep inter-company compensation for all calls within the MCAs. This may require a CLEC to modify its existing interconnection agreement

with ILEC(s). If, however, a CLEC does not want to participate in the MCA Plan, then the provisions of its interconnection agreements will continue to apply.

2. With respect to future interconnection agreements, such agreements must be consistent with this Order; specifically, such agreements must provide for bill and keep inter-company compensation for traffic within the MCAs.

Issue 12: Does The Commission Have The Authority To Direct CLECs To Negotiate Terminating Traffic Agreements With Small ILECs? If A CLEC Has An Interconnection Agreement With A Large ILEC That Provides That The CLEC Must Have A Terminating Traffic Agreement With The Small ILEC Before Sending Calls To The Small ILEC's Network, Does The Commission Have The Authority To Order A Large ILEC To Block Calls Until The CLEC Provides The Large ILEC With Proof That It Has Such An Agreement?

1. The Commission determines that it shall not implement call blocking at this time due to its decision to maintain the bill and keep inter-company compensation provisions of the MCA Plan.

2. If a LEC believes that it is not being adequately compensated for non-MCA traffic, such LEC shall bring this issue to the attention of the Commission.

Issue 13: The Commission Should Not Require Information About The MCA Plan To Be Included In Directories. However, If The Commission Determines It Should Do So, It Should Require All Carriers That Have Codes Listed In The Directories To Contribute Financially To Implementation And Provision Of This Service.

1. The Commission will not require information about the MCA Plan to be included in directories.

2. The Commission did not require ILECs to include information about the MCA Plan to be included in the call guide pages of directories when it implemented the MCA Plan. Further, information related to the MCA Plan is adequately accessible in the tariffs of the LECs who are offering and/or will offer MCA Service.

Issue 14: The Commission Should Refrain From Ruling On Trunking Arrangements And Signaling Protocols Because These Issues Are Pending In TO-99-593. Further, The Commission Should Not Require MCA Traffic To Be Placed On Separate Trunk Groups Because This Commission Has Already Rejected This Proposal And No New Evidence Has Been Presented Which Would Require This Commission To Change Its Opinion.

1. The Commission once again rejects MITG's claim that the FG-D network should be used instead of FG-C for all intraLATA toll calls. This determination is based in part on the pendency of TO-99-593, a docket that the Commission established to further investigate trunking arrangements and signaling protocols.

2. The Commission also rejects MITG's contention that MCA traffic should be placed on separate trunking groups. MITG failed to present any hard evidence of the number of trunks that would be involved in segregating MCA traffic and/or the cost of doing so.

IT IS THEREFORE ORDERED:

1. The current design of the MCA Plan is in the public interest and shall be retained.

2. CLECs shall be permitted to participate in the MCA Plan under the terms and conditions specified in this Order.

3. CLECs shall be required to follow all of the parameters of the MCA Plan, including but not limited to: (a) geographic scope; (b) bill and keep inter-company compensation; (c) use of segregated NXX codes for MCA Service; and (d) price.

4. All calls that originate and terminate within the geographic area of the MCA are subject to bill and keep inter-company compensation.

5. All LECs may establish calling scopes broader than the MCA Plan. However, if any LEC elects to do so, it must call its plan something other than the "Metropolitan Calling Area Plan" or "MCA Plan" and may not require other carriers to provide toll-free calling under the new plan and may not use the new plan to avoid the payment of access charges.

6. Companies that transit traffic are entitled to compensation for that service. If any LEC desires any other LEC to perform a transiting function, compensation for the provision of such service must be achieved through negotiation.

7. IXC's are not permitted to resell MCA Service because if IXC's were allowed to do so, IXC's could avoid having to pay tariffed access charges.

8. Customers who subscribe to MCA service shall be allowed to call ISPs on a local basis if the call to the ISP is local under the terms of the MCA Plan. Further, ISPs shall be allowed to subscribe to MCA Service. However, terminating local reciprocal compensation shall not apply to calls to ISPs as these calls are primarily interstate calls, not local, regardless of the dialing pattern that is used to reach the ISP.

9. MCA NXX codes shall be identified using the LERG.

10. The MOU between SWBT and Intermedia is appropriate. Prior to the Commission determining that CLECs may participate in the MCA Plan, Intermedia sought to have calls from SWBT customers to Intermedia customers within the MCA be placed on a local basis. SWBT was, therefore, entitled to compensation for the provision of this service.

11. If a CLEC elects to participate in the MCA Plan, it shall compensate SWBT 2.6 cents per minute for calls from SWBT's customers to CLEC customers that would otherwise be subject to toll charges under SWBT's tariffs.

12. MCA traffic need not be tracked and reported.

13. If any CLEC elects to participate in the MCA Plan, it shall modify its existing interconnection agreement(s) with any ILEC to provide for bill and keep inter-company compensation for the exchange of traffic within the MCAs. Further, all future interconnection agreements shall be consistent with this Order.

14. If any LEC believes it is not being adequately compensated for the termination of non-MCA traffic, such LEC shall bring this issue to the attention of the Commission.

15. Information about the MCA Plan need not be included in directories.

16. FG-D network need not be used instead of FG-C for intraLATA toll calls.

17. MCA traffic need not be placed on separate trunking groups.

18. That this /order shall become effective on _____, 2000.

BY THIS COMMISSION

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

CERTIFICATE OF SERVICE

Copies of this document were served on the following parties by first-class, postage prepaid, U.S. Mail on July 17, 2000.



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