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In the Matter of the Application of Trans)
National Telecommunications, Inc. for a)
Certificate of Service Authority to Provide) Case No. TA-2000-359
Resold Basic Local Telecommunications Service)
in Portions of the State of Missouri and for)
Competitive Classification)

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

Procedural History

Trans National Telecommunications, Inc. (Trans National) applied to the Missouri Public Service Commission (Commission) on December 3, 1999, for a certificate of service authority to provide basic local and local exchange telecommunications services in Missouri under Sections 392.420-.440, RSMo 1994¹, and Sections 392.410 and .450, RSMo Supp. 1999. Trans National 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. Trans National is a Texas corporation with principal offices located at 8626 Tesoro Drive, Suite 440, San Antonio, Texas 78217.

The Commission issued a notice and schedule of applicants on December 21, 1999, directing interested parties wishing to intervene to do so by January 20, 2000. Southwestern Bell Telephone Company (SWBT) filed

1 All statutory references are to Revised Statutes of Missouri 1994 unless otherwise indicated.

an application to intervene on January 10, 2000, which was granted on February 1, 2000.

On December 14, 1999, the Commission issued a notice of deficiency concerning Trans National's failure to state in its application the nature of its business; on December 30, 1999, Trans National cured that deficiency by filing a response.

On February 1, 2000, the Commission entered an order directing the filing of a procedural schedule no later than February 16, 2000. On February 16, 2000, Trans National filed its motion to extend the time within which to file a procedural schedule. On February 24, 2000, the Commission entered its order directing the filing by Trans National of proof of service upon the Staff of the Commission (Staff) of Trans National's motion. On February 29, 2000, Trans National filed its response to that order, curing the defect. On March 7, 2000, the Commission entered its order extending the time for a procedural schedule to be filed until April 6, 2000.

On March 17, 2000, Trans National filed updated financial statements.

The parties filed a proposed procedural schedule on April 6, 2000, which was approved on April 7, 2000. The parties then filed a motion to suspend the consideration of the procedural schedule on April 7, 2000. However, that motion is rendered moot by this order and will thus not be ruled upon.

The parties filed a Stipulation and Agreement (Agreement), which is included with this order as Attachment 1, on April 7, 2000. The Agreement stated that the Office of the Public Counsel, while not a signatory to the

Agreement, had been contacted with regard to its filing and had offered no objection. The Agreement will be treated as unanimous. Commission Rule 4 CSR 240-2.115(1) states in part: "If no party requests a hearing, the commission will treat the stipulation and agreement as a unanimous stipulation and agreement." Public Counsel did not request a hearing.

The Staff of the Commission filed Suggestions in Support of the Stipulation and Agreement on April 11, 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

Trans National seeks certification to provide basic local and exchange access telecommunications services in portions of Missouri that are currently served by SWBT, GTE Midwest Incorporated (GTE) and Sprint Missouri, Inc. d/b/a Sprint (Sprint). Trans National is not asking for certification in any area that is served by a small incumbent local exchange carrier (ILEC). Trans National proposes to provide service in the exchanges currently served by SWBT, GTE and Sprint as listed in Appendix B to its application. Trans National is requesting that it be classified as

competitive and that the application of certain statutes and regulatory rules be waived.

A. Requirements of 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. Trans National has provided all the required documentation except for the proposed tariff. Trans National 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. Trans National 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 Trans National will file the tariff in this case and give notice of the tariff filing to all the parties. Along with that filing, Trans National 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 Trans National files the required tariff it will be assigned a new case number. Trans National 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 telecommunications company 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.

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

Trans National 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 Trans

National proposes to offer basic local services that satisfy the minimum standards established by the Commission.

Trans National wishes to be certificated to offer services in all the exchanges presently served by SWBT, GTE and Sprint as described in their basic local tariffs. The parties agreed that Trans National 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.

Trans National 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,

the Commission may classify a telecommunications company as a competitive telecommunications company only upon a finding that all telecommunications services offered by such company are competitive telecommunications services pursuant to 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 Trans National should be classified as a competitive telecommunications company. The parties have also agreed that Trans National's switched exchange access services may be classified as a competitive service, conditioned upon certain limitations on Trans National's ability to charge for its access services. Trans National 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 within whose service area in which Trans National seeks to operate. The parties have agreed that the grant of service authority and competitive classification to Trans National 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 agreed that waiver of the following statutes is appropriate: Sections 392.210.2, 392.270, 392.280, 392.290.1, 392.300.2,

392.310, 392.320, 392.330, RSMo Supp. 1999, and 392.340². The parties also agreed that application of these Commission rules could be waived: 4 CSR 240-10.020, 4 CSR 240-30.040, 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 Trans National 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 Trans National has demonstrated good cause to support a temporary waiver of the tariff filing requirement and the waiver shall be granted.

² MVX.COM, in its application, also asked for a waiver of Section 392.240(1). However, this statute was not mentioned in the Agreement and thus the requested waiver of such statute has been abandoned. Also, in the application, MVX.COM requested the waiver of Section 392.290, but the Agreement states that the parties agreed that only Section 392.290.1 shall be waived.

- D. The Commission finds that the local exchange services market is competitive and that granting Trans National a certificate of service authority to provide local exchange telecommunications services is in the public interest. Trans National's certificate shall become effective when its tariff becomes effective.
- E. The Commission finds that Trans National 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 Trans National a certificate of service authority to provide basic local exchange telecommunications services is in the public interest. Trans National's certificate shall become effective when its tariff becomes effective.
- F. The Commission finds that Trans National 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 Trans National'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. Trans National 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 April 7, 2000, is approved.

2. That Trans National Telecommunications, 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 Trans National Telecommunication Inc.'s tariff becomes effective.

3. That Trans National Telecommunications, 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 Trans National Telecommunication Inc.'s tariff becomes effective.

4. That Trans National Telecommunications, 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
- 392.270 - valuation of property (ratemaking)
- 392.280 - depreciation accounts
- 392.290.1 - 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 240-30.040 - uniform system of accounts
- 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 Trans National Telecommunications, Inc. shall file tariff sheets with a minimum 45-day effective date reflecting the rates, rules, regulations and the services it will offer within thirty (30) days after the effective date of a Commission order approving an interconnection agreement that will allow Trans National Telecommunications, Inc. to provide services. The tariff shall include a listing of the statutes and Commission rules waived above.

7. That Trans National Telecommunications, Inc. shall give notice of the filing of the tariffs described above to all parties or participants in this case. In addition, Trans National Telecommunications, 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 Trans National Telecommunications, 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 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 this order shall become effective on May 2, 2000.
10. That this case may be closed on May 3, 2000.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Bill Hopkins, Senior Regulatory Law Judge,
by delegation of authority pursuant to
4 CSR 240-2.120(1) (November 30, 1995) and
Section 386.240, RSMo 1994.

Dated at Jefferson City, Missouri,
on this 20th day of April, 2000.

FILED

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

APR 7 2000

In the Matter of the Application of)
Trans National Telecommunications, Inc.)
for a Certificate of Service Authority to provide)
Resold Basic Local Telecommunications Service)
in portions of the State of Missouri and for)
Competitive Classification.)

Missouri Public
Service Commission

Case No. TA-2000-359

STIPULATION AND AGREEMENT

TRANSNATIONAL TELECOMMUNICATIONS, INC. (hereinafter "TRANSNATIONAL") initiated this proceeding on December 3, 1999 by filing an Application requesting certificate of service authority to provide basic local exchange services in exchanges currently served by Southwestern Bell Telephone Company, GTE of the Midwest, Inc. (GTE) and Sprint Missouri (Sprint).

Southwestern Bell Telephone Company (SWB) applied to intervene in this matter and its application was granted.

A. STANDARDS AND CRITERIA

1. The parties employed the following standards and criteria, which are intended to meet the requirements of existing law, particularly Sections 392.450 and 392.455, RSMo. Cum Supp. 1998 regarding applications for certificates of local exchange service authority to provide or resell basic local telecommunications service, in negotiating the provisions of this Stipulation and Agreement.

2. For purposes of this Stipulation and Agreement, the parties agree that applications for local exchange and basic local exchange service authority in exchanges served by "large" local exchange companies (LECs)¹ should be processed in a manner similar to that in which applications for interexchange authority are currently handled.

¹Large LECs are defined as LECs who serve 100,000 or more access lines. Section 386.020 RSMo. Supp. 1998. In Missouri, the current large LECs are SWBT, GTE and Sprint.

3. In determining whether TRANS NATIONAL's application for certificate of service authority should be granted, the Commission should consider TRANS NATIONAL's technical, financial and managerial resources and abilities to provide basic local telecommunications service. TRANS NATIONAL 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 with which applicant seeks to compete. Further, TRANS NATIONAL must agree to meet the minimum basic local service standards, including quality of service and billing standards, as the Commission requires of the incumbent local exchange telecommunications companies with which the applicant seeks to compete. Notwithstanding the provisions of Section 392.500 RSMo (1994), as a condition of certification and competitive classification, TRANS NATIONAL 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 in effect for the large incumbent LEC(s) within those service area(s) applicant seeks authority to provide service. Further, TRANS NATIONAL agrees to offer basic local telecommunications service 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 incumbent local exchange telecommunications companies in the same area and must be no smaller than an exchange. Finally, TRANS NATIONAL agrees to provide equitable access 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, to affordable telecommunications services. See Section 392.455 RSMo Cum. Supp. 1998.

4. TRANS NATIONAL submitted its application without tariffs and seeks a temporary waiver of 4 CSR 240-2.060(4)(H).² TRANS NATIONAL has agreed to file its initial tariff(s) in the certification docket and serve all parties thereto with written notice at the time the initial tariff(s) are submitted to afford them an opportunity to participate in the tariff approval process. Copies of the tariff(s) will be provided by TRANS NATIONAL to such parties immediately upon request. Any service authority shall be regarded as conditional and shall not be exercised until such time as tariff(s) for services have become effective. When filing its initial basic local tariff, TRANS NATIONAL shall also file and serve a written disclosure of all interconnection agreements which affect its Missouri service areas, all portions of its Missouri service areas for which it does not have an interconnection agreement with the incumbent local exchange carrier; and its explanation of why such an interconnection agreement is unnecessary for such areas.

5. TRANS NATIONAL has, pursuant to §392.420 RSMo. requested that the Commission waive the application of any or all of the following statutory provisions and rules to basic local telecommunications services, and the parties agree that the Commission should grant such request provided that Section 392.200 RSMo should continue to apply to all of TRANS NATIONAL's services:

STATUTORY PROVISIONS

§392.210.2
§392.270
§392.280
§392.290.1
§392.300.2
§392.310
§392.320
§392.330
§392.340

²Good 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.

COMMISSION RULES

4 CSR 240-10.020

4 CSR 240-30.040

4 CSR 240-35

B. TRANS NATIONAL CERTIFICATION

6. TRANS NATIONAL hereby agrees that its application should be deemed amended to include by reference the terms and provisions described in paragraphs 3-4 hereinabove.

7. Based upon its verified application, as amended, TRANS NATIONAL asserts, and no party makes a contrary assertion, that there is sufficient evidence from which the Commission can find and conclude that TRANS NATIONAL:

- a. possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service and local exchange telecommunications service, including exchange access service;
- b. proposes and agrees to offer basic local services that 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 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;³
- d. will offer basic local telecommunications service as a separate and distinct service;
- e. has agreed to provide equitable access for all Missourians 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, to affordable telecommunications services;⁴

³ The identification of specific geographic areas within which TRANS NATIONAL proposes to offer service as referred to in this paragraph shall not be construed to foreclose TRANS NATIONAL from petitioning the Commission pursuant to Section 392.200.4 and .8, RSMo.

⁴ The agreement in Paragraph 7. e. of this Stipulation and Agreement is without prejudice to TRANS NATIONAL's right to appear, after proper application and in accord with Commission rules and regulations, in any rulemaking proceeding or other proceeding regarding the Commission's considerations of equitable access under Section 392.455.(5), RSMo.

f. has sought authority which will serve the public interest.

8. TRANS NATIONAL asserts, and no party opposes, that TRANS NATIONAL's application and request for authority to provide basic local telecommunications services and local exchange telecommunications services (including exchange access service) 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 TRANS NATIONAL shall remain classified as a competitive telecommunications company. TRANS NATIONAL asserts, and no party opposes, such services will be subject to sufficient competition by the services of the incumbent LECs to justify a lesser degree of regulation of TRANS NATIONAL's services consistent with the protection of ratepayers and the promotion of the public interest. Such classification should become effective upon the tariffs for the services becoming effective. Such authority should be conditional, not to be exercised until such time as tariffs for those services have been filed (together with the written disclosure 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 Section 392.200 and are conditional and shall not be exercised until such time as tariffs for services have become effective."

The parties agree that the 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 Section 392.200. Any increases in switched access service rates above the maximum switched access service rates as set forth in paragraph 3 herein shall be cost-justified and

Furthermore, such agreement should not be construed as an admission or conclusion by TRANS NATIONAL that Section 392.455.(5), RSMo. creates new or specific duties or obligations on telecommunications companies to provide equitable access.

be made pursuant to Sections 392.220 and 392.230 and not 392.500 and 392.510. The Commission's order should state the foregoing conditions substantially as follows:

"The service authority 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 service rates above the maximum switched access service rates set forth herein shall be cost-justified and pursuant to Sections 392.220 and 392.230 and not Sections 392.500 and 392.510."

9. TRANS NATIONAL's request for a waiver of 4 CSR 240-2.060(4)(H), which requires applications to include a proposed tariff with a 45-day effective date, is not opposed by the parties and should be granted because at the time of its application, it did not yet have approved interconnection agreements with any underlying carriers. Since the filing of the application in this matter however, the Commission approved TRANS NATIONAL's interconnection agreement with SWB in Case No. TO-2000-360. TRANS NATIONAL agrees that within thirty (30) days of an order granting its application as set out in this Stipulation, it will submit tariffs in this docket, with a minimum 45-day proposed effective date, to the Commission for its approval, together with the written disclosure as stipulated above. TRANS NATIONAL 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 the 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 as conditions to the waiver of 4 CSR 240-2.060(4)(H), substantially as follows:

"Applicant's request for temporary waiver of 4 CSR 240-2.060(4)(H) is hereby granted. Within thirty (30) days of the effective date of an order approving its application herein, Applicant shall submit its tariffs for Commission approval. Such tariffs shall have a minimum of a 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 interconnection agreements which affect its Missouri service areas; all portions of its Missouri service areas for which it does not have an interconnection agreement with the incumbent local exchange carrier; and

its explanation of why such an interconnection agreement is unnecessary for any such areas."

10. TRANS NATIONAL's request for waiver of the application of the following rules and statutory provisions as they relate to the regulation of TRANS NATIONAL's services should be granted:

STATUTORY PROVISIONS

§392.210.2
§392.270
§392.280
§392.290.1
§392.300.2
§392.310
§392.320
§392.330
§392.340

COMMISSION RULES

4 CSR 240-10.020
4 CSR 240-30.040
4 CSR 240-35

11. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the 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 all stipulations are made without prejudice to the rights of the signatories to take other positions in other proceedings.

12. 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 1994, 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 1994; and their respective rights to

seek rehearing pursuant to §386.500 RSMo 1994 and to seek judicial review pursuant to §386.510, RSMo 1994. 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 TRANS NATIONAL application made herein.

13. The Staff may submit a Staff Recommendation concerning matters not addressed in this Stipulation. In addition, if requested by the Commission, the Staff shall have the right to submit to the Commission a memorandum explaining its rationale for entering into this Stipulation and Agreement. Each party of record and participant herein shall be served with a copy of any memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's memorandum, a responsive memorandum which shall also be served on all parties and participants. All memoranda submitted by the parties shall be considered privileged in the same manner as settlement discussions under the Commission's rules, shall be maintained on a confidential basis by all parties and participants, and shall not become a part of the record of this proceeding or bind or prejudice the party submitting such memorandum in any future proceeding or in this proceeding whether or not the Commission approves this Stipulation and Agreement. The contents of any memorandum provided by any party are its own and are not acquiesced in or otherwise adopted by the other signatories to the Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

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 Staff. Staff's oral

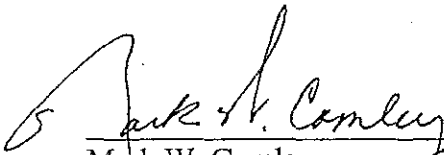
explanation shall be subject to public disclosure.

14. Finally, TRANS NATIONAL will comply with all applicable Commission rules and regulations except those which are specifically waived by the Commission.

15. The Office of Public Counsel, while not a signatory to this stipulation and agreement, has been contacted regarding this filing and has offered no objection.

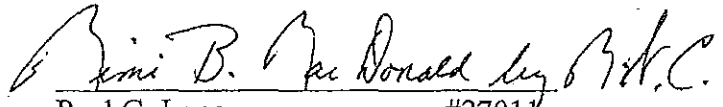
WHEREFORE, the signatories respectfully request the Commission to issue its Order approving the terms of this Stipulation and Agreement and issue its Order granting authority and classification as requested by TRANS NATIONAL, subject to the conditions described above.

Respectfully submitted,



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