

**MATT BLUNT**

**Secretary of State  
Administrative Rules Division  
RULE TRANSMITTAL**

**COPY**

\*Administrative Rules Stamp

**RECEIVED**

NOV 30 2004

SECRETARY OF STATE  
ADMINISTRATIVE RULES

A "SEPARATE" rule transmittal sheet **MUST** be used for EACH individual rulemaking.

A. Rule Number 4 CSR 240-29.050  
 Diskette File Name Proposed Rule 29.050  
 Name of person to call with questions about this rule:  
 Content Keith Krueger Phone 573-751-4140 FAX 573-751-9285  
 Data entry Lesli Belt Phone 573-751-7499 FAX Same as above  
 Email address keith.krueger@psc.mo.gov  
 Interagency mailing address Governor Office Building, 200 Madison St., 8th Floor, Jefferson City, MO  
 Statutory Authority 386.040 Current RSMo date 2000  
386.250 2003  
 Date filed with the Joint Committee on Administrative Rules Exempt per Sections 536.024 and  
536.037, RSMo 2000, and Executive Order No. 97-97 (June 27, 1997)

B. CHECK, IF INCLUDED:

- |                                                                |                                                                       |
|----------------------------------------------------------------|-----------------------------------------------------------------------|
| <input checked="" type="checkbox"/> This transmittal completed | <input type="checkbox"/> Incorporation by reference materials, if any |
| <input checked="" type="checkbox"/> Cover letter               | <input type="checkbox"/> Authority with history of the rule           |
| <input checked="" type="checkbox"/> Affidavit                  | <input type="checkbox"/> Public cost                                  |
| <input type="checkbox"/> Forms, number of pages _____          | <input type="checkbox"/> Private cost                                 |
| <input checked="" type="checkbox"/> Fiscal notes               | <input type="checkbox"/> Hearing and comment period                   |

C. RULEMAKING ACTION TO BE TAKEN

- ☐ Emergency rulemaking, (check one) ☐ rule ☐ amendment ☐ rescission ☐ termination  
**MUST include effective date**
- ☒ Proposed Rulemaking (check one) ☒ rule ☐ amendment ☐ rescission  
☐ Order of Rulemaking (check one) ☐ rule ☐ amendment ☐ rescission ☐ termination  
**MUST complete page 2 of this transmittal**
- ☐ Withdrawal (check one) ☐ rule ☐ amendment ☐ rescission ☐ emergency  
☐ Rule action notice  
☐ In addition  
☐ Rule under consideration

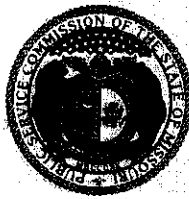
D. SPECIFIC INSTRUCTIONS: Please indicate any special instructions (e.g., publication date preference, identify material to be incorporated by reference, or forms included herein).

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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NOTE: ALL changes MUST be specified here in order for those changes to be published in the *Missouri Register* and the *Code of State Regulations*.

Add additional sheet(s), if more space is needed.



**Commissioners**

**STEVE GAW**  
Chair

**CONNIE MURRAY**

**ROBERT M. CLAYTON III**

**JEFF DAVIS**

**LINWARD "LIN" APPLING**

***Missouri Public Service Commission***

POST OFFICE BOX 360  
JEFFERSON CITY MISSOURI 65102  
573-751-3234  
573-751-1847 (Fax Number)  
<http://www.psc.mo.gov>

**ROBERT J. QUINN, JR.**  
Executive Director

**WESS A. HENDERSON**  
Director, Utility Operations

**ROBERT SCHALLENBERG**  
Director, Utility Services

**DALE HARDY ROBERTS**  
Secretary/Chief Regulatory Law Judge

**DANA K. JOYCE**  
General Counsel

**November 30, 2004**

Mr. Matt Blunt  
Secretary of State  
Administrative Rules Division  
600 West Main Street  
Jefferson City, MO 65101

Dear Secretary Blunt,

**RE: 4 CSR 240-29.050 Option to Establish Separate Trunk Groups for LEC-to-LEC  
Telecommunications Traffic**

**CERTIFICATION OF ADMINISTRATIVE RULE**

I hereby certify that the attached is an accurate and complete copy of the proposed rule lawfully submitted by the Missouri Public Service Commission for filing on this 30th day of November 2004.

The Missouri Public Service Commission has determined and hereby certifies that this proposed rule will not have an economic impact on small businesses. The Missouri Public Service Commission also certifies that it has conducted an analysis of whether or not there has been a taking of real property pursuant to section 536.017 RSMo 2000 and that this proposed rule does not constitute a taking of real property under relevant state and federal law.

Statutory Authority: Sections 386.040 and 386.250.

If there are any questions, please contact:

Keith Krueger, Deputy General Counsel  
P.O. Box 360  
Jefferson City, MO 65102  
(573) 751-4140, FAX (573) 751-9285  
[keith.krueger@psc.mo.gov](mailto:keith.krueger@psc.mo.gov)

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Dale Hardy Roberts', written over the text 'BY THE COMMISSION'.

Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge

**Title 4—DEPARTMENT OF  
ECONOMIC DEVELOPMENT  
Division 240—Public Service Commission  
Chapter 29 – Enhanced Record Exchange Rules**

**PROPOSED RULE**

**4 CSR 240-29.050 Option to Establish Separate Trunk Groups for LEC-to-LEC Telecommunications Traffic**

*PURPOSE: The purpose of this rule is to enable terminating carriers to establish trunking arrangements for LEC-to-LEC traffic separate and distinct from trunking arrangements used for IXC traffic.*

(1) At its discretion, a terminating carrier may elect to establish separate trunk groups for IXC and LEC-to-LEC traffic. Terminating tandem carriers shall work cooperatively with, and abide by requests of, terminating carriers to establish separate trunking arrangements for IXC and LEC-to-LEC traffic occurring between a terminating tandem carrier and a terminating end office.

(2) A transiting carrier may opt to not install separate trunk groups to a requesting terminating carrier if the transiting carrier assumes financial responsibility for all compensable transiting traffic delivered to the terminating carrier.

(3) All terminating carriers electing to create category 11-01-XX records shall establish a trunk group for LEC-to-LEC traffic that is separate from trunk groups for IXC traffic. Such LEC-to-LEC trunk group shall be used to connect the end office to the tandem serving that end office.

(4) After a terminating carrier elects to establish separate trunk groups for IXC and LEC-to-LEC traffic, IXC traffic shall not be placed on the LEC-to-LEC trunks between the terminating tandem carrier and terminating end office.

*AUTHORITY: sections 386.040 and 386.250, RSMo 2000. Original rule filed November 30, 2004.*

*PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.*

*PRIVATE COST: This proposed rule will cost private entities two hundred fifty thousand one hundred ninety-one dollars (\$250,191) in the aggregate.*

*NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Missouri Public Service Commission, Dale Hardy Roberts, Secretary of the Commission, P.O. Box 360, Jefferson City, MO 65102. To be considered, comments must be received at the commission's offices on or*

*before February 2, 2005, and should include a reference to commission Case No. TX-2003-0301. If comments are submitted via a paper filing, an original and eight (8) copies of the comments are required. Comments may also be submitted via a filing using the commission's electronic filing and information system at <http://www.psc.state.mo.us/efis.asp>. A public hearing regarding this proposed rule is scheduled for February 9, 2005, at 10:00 a.m. in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. Interested persons may appear at this hearing to submit additional comments and/or testimony in support of or in opposition to this proposed rule, and may be asked to respond to commission questions. Any persons with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one (1) of the following numbers: Consumer Services Hotline 1-800-392-4211 or TDD Hotline 1-800-829-7541.*

AFFIDAVIT

STATE OF MISSOURI     )  
                                      )  
COUNTY OF COLE        )

I, Anne Walker, Deputy Director of the Department of Economic Development, first being duly sworn on my oath state that it is my opinion that the cost of the **Proposed Rule 4 CSR 240-29.050, Option to Establish Separate Trunk Groups for LEC-to-LEC Telecommunications Traffic** is less than five hundred dollars in the aggregate to this agency, any other agency of state government or any political subdivision thereof.



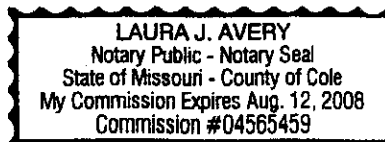
Anne Walker  
Deputy Director  
Department of Economic Development

Subscribed and sworn to before me this 4<sup>th</sup> day of November, 2004.

I am commissioned as a notary public within the County of Cole, State of Missouri, and my commission expires on August 12, 2008.



NOTARY PUBLIC



**FISCAL NOTE  
PRIVATE ENTITY COST**

**I. RULE NUMBER**

Title: Missouri Department of Economic Development  
Division: Missouri Public Service Commission  
Chapter: Filing and Reporting Requirements  
Type of Rulemaking: Proposed Rule Making  
Rule Number and Name: 4 CSR 240-29.050 Option to Establish Separate Trunk Groups for LEC-to-LEC Traffic

**II. SUMMARY OF FISCAL IMPACT**

Estimate of the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification* by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
4	Class A Local Telephone Companies	\$250,191.00
0	Class B Local Telephone Companies	\$0
0	Class C Local Telephone Companies	\$0
	Class Interexchange Companies	\$0
	All entities	\$250,191.00

\* Class A Telephone Companies are incumbent local telephone companies with more than \$100,000,000 annual revenues system wide; Class B Telephone Companies are incumbent local telephone companies with \$100,000,000 annual revenues or less system wide; Class C Local Telephone Companies are all other companies certificated to provide basic local exchange telecommunications services, Class Interexchange Companies are long distance providers.

### III. WORKSHEET

1. The proposed rule applies to 4 Class A telephone companies. Those carriers are SBC, Sprint, CenturyTel, and Spectra. These companies were asked to identify any projected fiscal impact if the rule, as proposed, went into effect. Only SBC and Sprint responded with fiscal impacts. CenturyTel and Spectra did not respond with any fiscal impacts.
2. The fiscal impact for SBC is \$235,941. This fiscal impact is based on the installation of 43 new trunk groups at a cost of \$5,487 per trunk group ( $43 \times \$5,487 = \$235,941$ ).
3. The fiscal impact for Sprint is \$14,250. This fiscal impact is based on the installation of 15 new "T1" lines at a cost of \$950 per "T1" line ( $15 \times \$950 = \$14,250$ ).
4. Total cost to implement this rule is estimated at \$250,191 ( $\$14,250 + \$235,941 = \$250,191$ ).

### IV. ASSUMPTIONS

1. SBC claims the proposed rule will create a fiscal impact of \$444,450. This figure has been reduced to \$235,491 on the assumption that certain carriers will not request separate trunk groups.
2. SBC claims the proposed rule will require the company to install 81 new trunk groups. This number of trunk groups has been reduced to 43 trunk groups. The 43 new trunk groups are based on SBC's projected number of new trunk groups for incumbent local exchange carriers who are not transiting carriers. The 38 trunk groups not counted by the Staff are based on the assumption that the proposed rule will not create a reasonable expectation for SBC to install additional trunks to certain carriers. Specifically, additional trunk groups should not be needed for traffic transmitted from SBC to other carriers who are also transiting carriers (see Assumption No. 3). In addition, the rule does not create a new potential requirement for SBC to install new trunk groups involving wireless carriers or competitive local exchange carriers (see Assumption No. 4).
3. The projected fiscal impact assumes transiting carriers, specifically SBC, Spectra, Century Tel and Sprint, will not request other transiting carriers to install separate trunk groups. This assumption is based on indications in meetings and workshops that these carriers are currently satisfied with the current intercompany records process. Indeed, rule 29.040 (3) and (4) specifically exempts transiting carriers from changing current billing processes from calls among themselves (i.e., the former Primary Toll Carriers may continue the current Category 92 records process among themselves).
4. The projected fiscal impact assumes the rule will not create a new or additional fiscal impact on SBC to install new trunk groups involving wireless carriers or competitive local exchange carriers. Regardless of whether the rule gets approved, SBC's trunking arrangements with wireless and competitive local exchange carriers are made pursuant to interconnection



agreements, which are not expected to be affected by this proposed rule. In this respect, the proposed rule does not affect trunking arrangements between SBC and these types of carriers.

5. SBC's projected cost of \$5,487 per trunk group was applied to the projected number of trunk groups.
6. SBC's estimate to increase overall trunk group capacity an average of 20% was accepted, even though the total quantity of traffic remains unchanged under the proposed rule.
7. SBC's decision to use all new facilities to establish new trunk groups was accepted.
8. Sprint claims the proposed rule will create a fiscal impact of \$18,050. This figure has been reduced to \$14,250 on the assumption certain carriers will not request Sprint to install separate trunk groups (see Assumption Nos. 9 and 3).
9. Sprint projected the proposed rule would require Sprint to install 19 new "T1" lines. This number of "T1" lines was reduced to 15 on the basis that other transiting carriers would not elect to have Sprint install separate trunk groups (See Assumption No. 3). The 15 "T1" lines translates into 360 additional trunks based on one "T1" accommodating 24 circuits ( $15 \text{ "T1" lines} \times 24 = 360 \text{ trunks}$ ).
10. Sprint's formula for calculating costs based on "T1" costs, and not "trunk group" costs was accepted, and used in this analysis. Sprint's method of adding trunk groups by a minimum capacity of 24 trunks each (i.e., one "T1" line) was assumed, even though this method resulted in increased trunk utilization levels as high as 92% (Clearmont). Sprint's estimate to increase overall trunk group capacity an average of 33% was accepted, even though the total quantity of traffic remains unchanged under the proposed rule. Sprint's decision to maintain current trunking levels of 1,379 trunks on existing trunk groups, and not to downsize existing trunk groups, was accepted.
11. Sprint's estimated cost of \$950.00 per "T1" line was accepted for a total estimated cost of \$14,250.00 ( $15 \times \$950 = \$14,250$ ). The \$950.00 estimated cost is based on a \$200 non-recurring cost and a \$750.00 recurring cost.
12. Using Sprint supplied data, Staff calculated Sprint's original "per-trunk" cost estimate as \$39.58 ( $18,050/456 = \$39.58$ ). Because Sprint calculated costs on a "T1" line basis, Staff's adjustments had no impact on Sprint's original "per-trunk" cost estimate ( $14,250/360 = \$39.58$ ).
13. Using SBC supplied data, Staff calculated SBC's original "per-trunk" cost estimate as \$299.09 ( $444,450/1486 = \$299.09$ ). Because SBC calculated costs on a "per trunk group" basis, Staff's adjustments had the effect of lowering SBC's overall "per-trunk" cost estimate ( $\$235,491/1,008 = \$233.62$ ). Although SBC's per-trunk costs were lowered by Staff's adjustments, Staff continued to use SBC's original "per trunk-group" costing method.
14. It is assumed that all trunk groups will be provisioned the first year the rule becomes operational.

15. Estimates assume no sudden change in technology or federal regulations that would influence costs (none are expected), and no inflation factors are assumed.



**Matt Blunt**  
**Secretary of State**

**Administrative Rules Division**  
**Rulemaking Transmittal Receipt**

Rule ID: 2107  
Date Printed: 11/30/2004  
Rule Number: 4 CSR 240-29.050  
Rulemaking Type: Proposed Rule  
Date Submitted to Administrative Rules Division: 11/30/2004  
Date Submitted to Joint Committee on Administrative Rules:

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Name of Person to Contact with questions concerning this rule:

Content: Keith Krueger	Phone: 751-4140	Email: keith.krueger@psc.mo.gov	Fax:
RuleDataEntry: Lesli Belt	Phone: 751-7499	Email: keith.krueger@psc.mo.gov	Fax:

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Included with Rulemaking:

Cover Letter	11/30/2004
Private Fiscal Note	11/30/2004
Affidavit for public cost	11/30/2004

