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September 18, 2001

FILED

SEP 18 2001

The Honorable Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
200 Madison Street, Suite 100  
Jefferson City, Missouri 65101

Missouri Public  
~~Service Commission~~

Re: Case No. TO-2001-467

Dear Judge Roberts:

Enclosed for filing with the Commission in the above-referenced case is an original and eight copies of the Position Statement of Southwestern Bell Telephone Company.

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

Very truly yours,

*Anthony K. Conroy/TM*

Anthony K. Conroy

Enclosure

cc: Attorneys of Record

FILED

SEP 18 2001

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

Missouri Public  
Service Commission

In the Matter of the Investigation of the )  
State of Competition in the Exchanges of ) Case No. TO-2001-467  
Southwestern Bell Telephone Company. )

**POSITION STATEMENT OF SOUTHWESTERN BELL TELEPHONE COMPANY**

COMES NOW Southwestern Bell Telephone Company (SWBT) and for its Position  
Statement, states to the Missouri Public Service Commission (Commission) as follows:

**I. INTRODUCTION**

This case involves an application of the provisions contained in Senate Bill 507 which  
were designed to permit competition for local exchange telecommunications services, including  
the ability of an incumbent local exchange telephone company to compete on equal terms and  
conditions.

This proceeding examines the parameters of Section 392.245.5 RSMo. 2000 which  
provides that, upon examination by the Commission, a price cap regulated company shall have  
the authority to adjust its rates upward or downward as it determines appropriate in a competitive  
environment unless the Commission determines that effective competition does not exist for a  
particular service in a particular exchange. Effective competition is defined in Section  
386.020.13 RSMo. and requires consideration of:

- (a) the extent to which services are available from alternative providers in the relevant market;
- (b) the extent to which the services of alternative providers are functionally equivalent or substitutable at comparable rates, terms and conditions;
- (c) the extent to which the purposes and policies of Chapter 392, RSMo., including the reasonableness of rates, as set out in Section 392.185, RSMo., are being advanced;
- (d) existing economic or regulatory barriers to entry; and
- (e) any other factors deemed relevant by the commission and necessary to implement the purposes and policies of Chapter 392, RSMo.

Under the statute, SWBT is entitled to a finding of effective competition unless the Commission determines that effective competition does not exist. The burden of proof is not placed on SWBT, but SWBT has nevertheless provided substantial information to the Commission to demonstrate that effective competition does in fact exist for all of SWBT services in all of its exchanges.<sup>1</sup>

The Commission's findings in Case No. TO-99-227 concerning SWBT's compliance with Section 271 of the federal Telecommunications Act of 1996 (the Act) are instructive in this proceeding. The Commission in that case determined that SWBT had complied with the Act, that SWBT's local markets were opened to competition and that CLECs were providing business and residential local services in Missouri. In this case, SWBT has presented additional evidence, both from a wholesale and retail perspective, that alternative providers are offering services which are functionally equivalent or substitutable at comparable rates, terms and conditions. Competition from CLECs alone is sufficient for the Commission to make the appropriate findings, although the statute certainly contemplates that competition from non-regulated providers, including wireless providers, should be considered. The statute does not require any type of market share test to evaluate effective competition, although SWBT has presented evidence of significant market share loss.

SWBT would note that the Commission will retain certain regulatory authority even after a finding of effective competition. Specifically, the Commission's continued authority to establish rates for unbundled network elements utilized by CLECs will have a constraining effect on SWBT's prices. Moreover, the Commission retains authority under Section 392.245.5

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<sup>1</sup> SWBT's surrebuttal testimony states that it is seeking only the same level of pricing flexibility for switched access services as is granted to CLECs under the terms of their certifications. Specifically, SWBT seeks only the authority to restructure its access rates while maintaining an overall cap on those switched access rates.

RSMo. 2000 to review the status of competition and to re-impose price caps for particular services in particular exchanges if it finds that effective competition no longer exists.

## **II. SWBT'S POSITION ON SPECIFIC ISSUES**

1. In which Southwestern Bell Telephone Company exchanges, if any, should Southwestern Bell's core business switched services be classified as competitive pursuant to Section 392.245.5 RSMo. 2000?

### **SWBT'S POSITION:**

SWBT's core business switched services, which consist of such services as Business Access Lines, Reserve Lines and Payphone lines, should be classified as competitive pursuant to Section 392.245.5 RSMo. 2000 in all SWBT exchanges in Missouri. In each SWBT exchange in Missouri, there are alternative providers offering substitutable or functionally equivalent services, at comparable rates, terms and conditions, to the core business switched services offered by SWBT. Alternative providers of core business switched services include certificated Competitive Local Exchange Carriers (CLECs), interexchange carriers (IXCs), and numerous non-regulated competitors including wireless, internet-based telephony, e-mail, and customer premise equipment (CPE) providers.

CLECs provide an array of telecommunication services (1) using their own facilities; (2) through unbundled network elements (UNEs) purchased from SWBT; and (3) through resale of SWBT's retail telecommunications services. (Fernandez Direct, p. 8) There are a minimum of 40 CLECs in every SWBT exchange in Missouri that have filed tariffs offering core business switched services. (Fernandez Direct, p. 9) These CLECs offer a variety of basic business access services that may be combined with business long distance services as well as vertical features, data services, internet services, etc. (*Id.*). In addition to their certification by the

Commission and Commission-approved tariffs, CLECs which provide core business switched services are listed in every white pages directory throughout SWBT exchanges in Missouri, and advertise their services throughout Missouri. (Fernandez Direct, pp. 9-10)

Although the statute does not require SWBT to experience any particular level of market share loss in order to have its services classified as competitive, Mr. Hughes testimony reflects a substantial market share loss for core business services throughout Missouri. SWBT's core business switched services clearly face effective competition in all of SWBT's exchanges in Missouri, and should be classified as competitive pursuant to Section 392.245.5 RSMo. 2000.

2. In which Southwestern Bell Telephone Company exchanges, if any, should Southwestern Bell's business line related services be classified as competitive pursuant to Section 392.245.5 RSMo. 2000?

**SWBT'S POSITION:**

SWBT's business line related services should be classified as competitive in each SWBT exchange in Missouri pursuant to Section 392.245.5 RSMo. 2000. Line-related services, consisting primarily of vertical services, include such services as call waiting, call waiting ID, call forwarding, three-way calling, speed calling, call return, auto redial, priority call, caller ID services, and a number of other services offered by both SWBT and CLECs in all of SWBT's Missouri exchanges. (Fernandez Direct, Schedule 1, pp. 3-6) Like SWBT's core business switched services, CLECs offer their customers the same line related services as those offered by SWBT. (Fernandez Direct, p. 14) These services are functionally equivalent to or substitutable for SWBT's business line-related services. Additionally, alternatives such as customer premise equipment (CPE) provides a substitute for many business line-related services. Id. CPE will perform many of the same functions as many of SWBT's line-related services. As a result,

SWBT's business line-related services should be classified as competitive in each SWBT exchange in Missouri pursuant to Section 392.245.5 RSMo. 2000.

3. In which Southwestern Bell Telephone Company exchanges, if any, should Southwestern Bell's high capacity exchange access line services be classified as competitive pursuant to Section 392.245.5 RSMo. 2000?

**SWBT'S POSITION:**

SWBT's high capacity exchange access line services should be classified as competitive in each SWBT exchange in Missouri pursuant to Section 392.245.5 RSMo. 2000. As described in the Direct Testimony of Ms. Fernandez, high capacity exchange access line services provide customers with up to 24 56/64 Kbps channels of switched access to the local switched telephone network on a single DS-1 (1.544 megabytes per second) transport facility. (Fernandez Direct, p. 20) SWBT offers the following high capacity exchange access line services in Missouri: ISDN PRI (including SmartTrunk and Select Video Plus), TDM/DS-1-Digital Trunking (including SuperTrunk and Digital Loop Service), and integrated access (including Access Advantage Plus). High capacity exchange access line services are designed for large business customers, with high volumes of telecommunications traffic. (Fernandez Direct, pp. 21-22)

Missouri business customers have many alternatives in each SWBT exchange to SWBT's high capacity exchange access services. CLECs commonly provide high capacity exchange access services which are functionally equivalent to or substitutable for SWBT's services on a facility basis, including utilizing their own facilities as well as buying UNEs from SWBT. CLECs' tariffed rates for the high capacity exchange access line services offered in competition with SWBT in Missouri are comparable to SWBT's tariff rates. (Fernandez Direct, p. 25, and Schedule 9)

SWBT's high capacity exchange access line services should be classified as competitive in each SWBT exchange in Missouri pursuant to Section 392.245.5 RSMo. 2000.

4. In which Southwestern Bell Telephone Company exchanges, if any, should Southwestern Bell's Plexar services be classified as competitive pursuant to Section 392.245.5 RSMo. 2000?

**SWBT'S POSITION:**

SWBT's Plexar® services should be classified as competitive in each SWBT Missouri exchange pursuant to Section 392.245.5 RSMo. 2000. Plexar is a central office based communications system that allows business customers to use SWBT's central office technology instead of purchasing their own switching equipment. The Plexar family of services includes Plexar-1, Plexar Express, Plexar II and Plexar-Custom. Plexar services provide basic call processing capabilities, such as call hold, call transfer, and three-way calling. Additionally, some Plexar services also offer advanced voice and data call handling, such as basic rate interface (BRI) and integrated service digital network (ISDN) capabilities. (Fernandez Direct, p. 26)

For decades, business customers have had competitive alternatives to SWBT's Plexar services. (Fernandez Direct, p. 26) One of the earliest examples of competitive alternatives to SWBT's business services was key telephone systems and PBXs. (Fernandez Direct, pp. 26-27) Key telephone systems and PBXs were developed and offered to business customers to replace some of the central office based offerings for larger business customers. (Fernandez Direct, p. 27) PBXs and key telephone systems continue to be an attractive competitive alternative for business customers that choose to own their own voice system. Id. New "IP" technology is quickly energizing the PBX market. Id.

In addition, several CLECs in Missouri, have tariffed central office based Centrex offerings in Missouri that are similar to Plexar. CLECs also resell SWBT's Plexar services at wholesale prices to their end-user customers. (Fernandez Direct, p. 29) As described above, facility-based providers provide Plexar-like service and features through their own switching equipment. Id.

Both CLEC and non-CLEC competitors provide alternatives to SWBT's Plexar services which are functionally the same or substitutable for SWBT's Plexar services. These competitors provide services at comparable rates, terms and conditions to the Plexar services provided by SWBT. The Commission should classify SWBT's Plexar services as competitive in each SWBT exchange in Missouri pursuant to Section 392.245.5 RSMo. 2000.

5. In which Southwestern Bell Telephone Company exchanges, if any, should Southwestern Bell's intraLATA private line/dedicated services be classified as competitive pursuant to Section 392.245.5 RSMo. 2000?

**SWBT POSITION:**

SWBT's intraLATA private line/dedicated services should be classified as competitive in all of its Missouri exchanges. The Commission in Case No. TO-93-116 previously granted these services transitionally competitive status because it found them functionally equivalent to and completely interchangeable with services provided by IXC's. SWBT and all other providers have been allowed to use customer-specific pricing for these services under Section 392.200.8 RSMo. (2000) since 1996. (DeHahn Direct, pp. 2, 6, and 12; Hughes Direct, pp. 9-10) Many alternative providers, which existed before CLECs entered the local market, offer non-switched, dedicated private line type services, and the services and functionality they provide are substitutable for or functionally equivalent to SWBT's private line services. These alternatives, against which



SWBT competes, are either not regulated by the Commission or at least not price regulated in the same manner as SWBT. (DeHahn Direct, pp. 2, 5-11) Staff agrees that the Commission should confirm a competitive classification for these services. (Voight Rebuttal, p. 54)

6. In which Southwestern Bell Telephone Company exchanges, if any, should Southwestern Bell's residential access line services be classified as competitive pursuant to Section 392.245.5 RSMo. 2000?

**SWBT'S POSITION:**

SWBT's residential access line services should be classified as competitive in each SWBT exchange in Missouri pursuant to Section 392.245.5 RSMo. 2000. Throughout Missouri, there are alternative providers of residential access line services available to provide services which are functionally equivalent to or substitutable for SWBT's residential services. (Fite Direct, p. 3) Residential access line services includes those services that provide basic voice access to the telecommunications network. For residential service, the most typical service is flat rate telephone service. In addition, there are other forms of access including measured service and message rate service. (Fite Direct, p. 8 and Schedule 1, p. 1)

CLECs provide tariffed residential access line services which are functionally equivalent to or directly substitutable for SWBT's residential access line services in every exchange in Missouri. CLECs provide such services either on a resale basis, by purchasing UNEs from SWBT, or by utilizing their own facilities. (Fite Direct, p. 9) Many CLECs provide residential access line services through resale of SWBT's services or utilizing the UNE-Platform (the unbundled network element platform), which allows CLECs to offer service in all SWBT exchanges with little or no capital investment. Id. As illustrated in Schedule 3 of Ms. Fite's Direct Testimony, numerous CLECs are offering residential access line services in the exchanges

that SWBT offers its residential services. CLECs offer such residential access line services at rates that are comparable to SWBT's rates, and offer the same local calling scopes. (Fite Direct, pp. 11-12) CLECs are also actively marketing their residential line services in Missouri. (Fite Direct, p. 12)

SWBT also faces effective competition for its residential access line services from "non-traditional" sources, such as wireless service. (Fite Direct, pp. 12-13). AT&T Wireless has marketed its services to Missouri customers and encourages customers to use its wireless service in lieu of wireline service. (Fite Direct, p. 13) Other advertisements from wireless providers, which are attached to Ms. Fite's Direct Testimony as Schedule 8, also evidence the substitutability of wireless services for residential access line services. In addition, cable phones, which use the cable wiring traditionally used to provide cable television, are a direct substitute for the SWBT local residential telephone line. (Fite Direct, p. 15) This form of telephony provides the same service and basic features as SWBT's residential access line.

SWBT's residential access line services should be classified as competitive in each Missouri exchange pursuant to Section 392.245.5 RSMo. 2000.

7. In which Southwestern Bell Telephone Company exchanges, if any, should Southwestern Bell's residential access line related services be classified as competitive pursuant to Section 392.245.5 RSMo. 2000?

**SWBT'S POSITION:**

SWBT's residential access line related services should be classified as competitive in each SWBT exchange in Missouri pursuant to Section 392.245.5 RSMo. 2000. SWBT's residential access line related services include vertical services and custom calling features such as calling waiting, auto redial, three-way calling, call blocker, caller ID with name delivery,

caller ID with number delivery, speed dial 8 and call waiting ID. (Fite Direct, p. 17 and Schedule 1, pp. 1-3)

The most obvious type of competition for SWBT's residential access line related services, such as vertical services, is from CLECs that either resell SWBT's service or offer comparable services through their own facilities or through UNEs purchased from SWBT. (Fite Direct, p. 18) As described above, residential consumers also substitute their wireless service for wireline service, and they may then obtain vertical services from their wireless provider. Customer premise equipment also performs some of the same functions as SWBT's vertical services. For example, the redial feature is programmed on most telephone handsets currently available in retail stores. (Fite Direct, p. 18) In addition, internet service providers are now offering call waiting, caller ID and voice mail via their own network. (Fite Direct, p. 19) This eliminates the need for customers to subscribe to SWBT's vertical service so they will not miss incoming calls while surfacing the internet. Id.

The vertical services offered by SWBT's CLEC competitors are described in these CLECs' Commission-approved tariffs. (Fite Direct, pp. 19-20) The prices charged by CLECs for vertical services are generally comparable to the prices charged by SWBT. (Fite Direct, p. 20)

The residential access line related services offered by SWBT's traditional and non-traditional competitors are functionally equivalent or substitutable for SWBT's services. SWBT's residential access line related services should be classified as competitive in each SWBT exchange in Missouri.

8. In which Southwestern Bell Telephone Company exchanges, if any, should Southwestern Bell's intraLATA services be classified as competitive pursuant to Section 392.245.5 RSMo. 2000?

**SWBT POSITION:**

SWBT's intraLATA toll services should be classified as competitive in all SWBT exchanges. The Commission in Case No. TO-93-116 classified SWBT's intraLATA toll services as transitionally competitive and those services automatically became classified as competitive on January 10, 1999. (Jablonski Direct, pp. 5-6; Hughes Direct, pp. 10-12) There are many regulated providers, including IXC's and CLEC's and unregulated/non-traditional providers (such as wireless and Internet providers) offering interexchange services that are functionally equivalent to and/or substitutable for SWBT's intraLATA toll services. (Jablonski Direct, pp. 3, 6-10) Staff agrees that the Commission should approve a statewide competitive classification for SWBT's intraLATA toll services. (Voight Rebuttal, pp. 3-4, 65)

9. In which Southwestern Bell Telephone Company exchanges, if any, should Southwestern Bell's Local Plus services be classified as competitive pursuant to Section 392.245.5 RSMo. 2000?

**SWBT POSITION:**

SWBT's Local Plus® service should be classified as competitive in all of SWBT's exchanges. Local Plus faces competition from the many intraLATA toll calling plans offered by CLEC's and IXC's, which are substitutable for Local Plus as they provide customers the ability to call outside their local calling scope, but within the LATA. CLEC's and IXC's have many different toll calling plans, including large block of time plans, that customers can and do purchase instead of Local Plus. (Jablonski Direct, pp. 13-14; Jablonski Surrebuttal, pp. 3-4)

Wireless providers and Internet service providers also offer plans that provide a very effective alternative to SWBT's services like Local Plus. (Jablonski Direct, p. 14) In addition, SWBT's Local Plus service faces competition from IXC's and CLECs that can resell Local Plus (Jablonski Direct, p. 13; Hughes Surrebuttal, pp. 31-32) SWBT fully complies with the Commission's prior order requiring Local Plus to be made available for resale.

10. In Which Southwestern Bell Telephone Company exchanges, if any, should Southwestern Bell's Optional Metropolitan Calling Area (MCA) services be classified as competitive pursuant to Section 392.245.5 RSMo. 2000?

**SWBT POSITION:**

SWBT's Optional MCA services should be classified as competitive in all SWBT exchanges where the service is offered (the St. Louis MCA, the Kansas City MCA and the Springfield MCA). CLECs, both facility-based and resellers, provide Optional MCA service to customers in competition with SWBT. In addition, Optional MCA service faces competition from IXC's and non-traditional competitors such as wireless providers and Internet-based providers. (Jablonski Direct, pp. 11-12)

11. In which Southwestern Bell Telephone Company exchanges, if any, should Southwestern Bell's Wide Area Telecommunications Services (WATS) and 800 services be classified as competitive pursuant to Section 392.245.5 RSMo. 2000?

**SWBT POSITION:**

SWBT's WATS and 800 services should be classified as competitive in all SWBT exchanges. The Commission in Case No. TO-93-116 classified SWBT's WATS and 800 services as transitionally competitive and those services automatically became classified as competitive on January 10, 1999. (Jablonski Direct, pp. 5-6, 15-16; Hughes Direct, pp. 10-12)

There are many regulated providers, including IXCs and CLECs and unregulated/non-traditional providers, offering interexchange services that are functionally equivalent to and/or substitutable for SWBT's WATS and 800 services. (Jablonski Direct, pp. 3, 15-17) Staff agrees that the Commission should approve a statewide competitive classification for SWBT's WATS service. (Voight Rebuttal, pp. 4, 74)

12. In which Southwestern Bell Telephone Company exchanges, if any, should Southwestern Bell's special access services be classified as competitive pursuant to Section 392.245.5 RSMo. 2000?

**SWBT POSITION:**

SWBT's special access services should be classified as competitive in all SWBT exchanges. The Commission in Case No. TO-93-116, previously found that SWBT's MegaLink Data and High Capacity special access services were transitionally competitive and those services automatically became classified as competitive on January 10, 1999. (Douglas Direct, p. 6; Hughes Direct, pp. 9-12) Competition for special access service is well established and there are numerous providers offering services that are substitutable for or functionally equivalent to SWBT's special access services. (Douglas Direct, pp. 6-9; DeHahn Direct, pp. 5-11).

13. In which Southwestern Bell Telephone Company exchanges, if any, should Southwestern Bell's switched access services be classified as competitive pursuant to Section 392.245.5 RSMo. 2000?

**SWBT POSITION:**

SWBT's switched access services should be classified as competitive in all SWBT exchanges, subject to the same conditions applicable to CLEC provisions of switched access service, i.e., switched access service should remain subject to a price cap, but SWBT should have the authority to restructure its rates under that cap.

14. In which Southwestern Bell Telephone Company exchanges, if any, should Southwestern Bell's Common Channel Signaling/Signaling System 7 (SS7) services be classified as competitive pursuant to Section 392.245.5 RSMo. 2000?

**SWBT POSITION:**

SWBT's SS7 service should be classified as competitive in all SWBT exchanges. SWBT's SS7 service faces significant competition from SS7 providers that offer signaling connectivity and transport on a nationwide basis. (Douglas Direct, p. 18, Sch. 13) Staff supports competitive classification for SWBT's SS7 service. (Voight Rebuttal, p. 43).

15. In which Southwestern Bell Telephone Company exchanges, if any, should Southwestern Bell's Line Information Database (LIDB) services be classified as competitive pursuant to Section 392.245.5 RSMo. 2000?

**SWBT'S POSITION:**

SWBT's LIDB service should be classified as competitive in all SWBT exchanges. SWBT's LIDB service faces significant competition from LIDB providers that offer signaling connectivity and transport on a nationwide basis. (Douglas Direct, p. 18, Sch. 13) Staff supports competitive classification for SWBT's LIDB service. (Voight Rebuttal, p. 43).

16. In which Southwestern Bell Telephone Company exchanges, if any, should Southwestern Bell's directory assistance (DA) services be classified as competitive pursuant to Section 392-245.5 RSMo. 2000?

**SWBT'S POSITION:**

SWBT directory assistance (DA) services should be classified as competitive in each SWBT exchange in Missouri pursuant to Section 392.245.5 RSMo. 2000. SWBT's DA services include local directory assistance, directory assistance call completion (including AutoConnect), and National Directory Assistance. (Moore Direct, p. 5)

Competition for DA services is not limited to competition for the underlying access line, and competitors offer DA services that are functionally equivalent to, or substitutable for, SWBT's DA service at comparable rates and terms. Competitive alternatives to SWBT's DA services are offered throughout Missouri, including all SWBT exchanges, by various regulated local and toll telecommunications providers, as well as non-regulated wireless service providers, internet content providers, directory publishers, independent directory services providers, software companies and others. (Moore Direct, p. 5) Numerous directory assistance competitive alternatives, which are available throughout SWBT's exchanges in Missouri, are identified on Schedule 1 of Ms. Moore's Direct Testimony. These competitive alternatives include 00 info service, (offered by AT&T and MCI WorldCom), 10-10-ATT-00, 10-10-9000 (offered by MCI WorldCom), area code-555-1212, (provided by toll providers throughout Missouri, including AT&T, MCI WorldCom and Sprint), wireless directory services, internet directory providers, (including AT&T, Switchboard and AOL, among others) directory software, online databases, and personal digital assistance, and white pages and yellow pages directories.



In addition, DA services are available directly from both facility-based and resale CLECs in Missouri. (Moore Direct, p. 12) CLECs provide directory services to their customers through their own facilities, through a combination of their own facilities and SWBT's unbundled loops, or by reselling SWBT's services. Id. SWBT also provides CLECs' end-users access to its directory services on the same basis as SWBT's retail end-user customers as part of its resold local telecommunications services. (Moore Direct, p. 13)

The Commission should classify SWBT's directory assistance services as competitive throughout Missouri pursuant to Section 392.245.5 RSMo. 2000. The FCC has repeatedly found the directory services marketplace to be competitive. (Moore Direct, p. 15) There are a wide range of services which are functionally equivalent or substitutable to SWBT's DA services, which are offered at comparable rates, terms and conditions throughout every SWBT exchange in Missouri.

17. In which Southwestern Bell Telephone Company exchanges, if any, should Southwestern Bell's operator services (OS) be classified as competitive pursuant to Section 392.245.5 RSMo. 2000?

**SWBT'S POSITION:**

The Commission should confirm that SWBT's operator services (OS) are classified as competitive pursuant to Section 392.245.5 RSMo. 2000. Operator services refer to a variety of call completion services that SWBT offers its customers in Missouri. SWBT's operator services in Missouri include calling cards, collect calls, calls billed to a third number, sent paid calls, person-to-person service calls, line status verification, and busy line interrupt services. As described in the Direct Testimony of Ms. Moore, alternatives to SWBT's operator services in Missouri are provided by numerous local and toll telecommunication providers, including

AT&T, Sprint and MCI WorldCom, as well as wireless service providers, specialized operator service providers, pay telephone providers, prepaid and post-paid calling card providers and others. These services include '00 service,' AT&T's 1-800-Call ATT services, MCI WorldCom's 1-800-Collect services, Sprint's 1-800-2SPRINT, wireless operator services, 0+ and 0- service from pay telephones, prepaid calling cards, 10-10-XXX-00 services, and personal 800 numbers. (Moore Direct, pp. 21-26)

In case number TO-93-116, the Commission found SWBT's operator services, including station-to-station, person-to-person and calling card OS, to be transitionally competitive. Subsequent to that determination, and following an extension of the transitionally competitive classification, pursuant to Section 392.370.2 RSMo. these services automatically became classified as competitive on January 10, 1999. Similar to DA services, the FCC has found the operator services market place to be competitive. As described in Ms. Moore's Direct Testimony, there are numerous telecommunications carriers and alternative providers throughout Missouri providing functionally equivalent or substitutable products and services, considering both function and price, to SWBT's operator services. The Commission should classify SWBT's operator services as competitive in each SWBT exchange in Missouri pursuant to Section 392.245.5 RSMo. 2000.

18. In each exchange served by SWBT, which if any alternative local exchange telecommunications company has been certified under Section 392.455 and has provided basic local telecommunications service in that exchange for at least five years (or if none, what is the longest period of time that a certified alternative local exchange company has provided basic local telecommunications service in that exchange)?

**SWBT'S POSITION:**

Section 392.245.5 RSMo. establishes the presumption that SWBT should receive competitive classification, and the burden is on other parties to establish SWBT is not entitled to equal regulatory treatment. (Hughes Direct, p. 16) Section 392.245.5 RSMo. 2000 provides that the Commission may examine the status of competition at any time, and must do so no later than 5 years after a CLEC has been certified to provide service in an exchange. Since Dial US received a statewide certificate in January, 1997, the Commission has determined it will examine the state of competition in all of SWBT's exchanges

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE COMPANY

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## CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed to all counsel of record as shown on the below service list this 18th day of September 2001.

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American Communication Services Of  
Kansas City, Inc.  
131 National Business Parkway, Suite 100  
Annapolis Junction, MD 20701

AT&T Communications Of The Southwest  
101 West McCarty, Suite 216  
Jefferson City, MO 65101

Bartel Communications, Inc.  
Richard W. Hird  
P.O. Box 220932  
333 Leffingwell Ave., Suite 101  
St. Louis, MO 63122

Birch Telecom Of Missouri, Inc.  
2020 Baltimore Avenue  
Kansas City, MO 64108

Brooks Fiber Communications Of Missouri,  
Inc.  
701 Brazos, Suite 600  
Austin, TX 78701

BTI  
(Business Telecom, Inc.)  
4300 Six Forks Road, Suite 500  
Raleigh, North Carolina 27609

Buy-Tel Communications, Inc.  
6409 Colleyville Boulevard  
Colleyville, TX 76034

Camarato Distributing, Inc.  
900 Camarato Drive  
Herrin, Illinois 62948

Central Missouri Telecommunications  
P.O. Box 596  
Osage Beach, Missouri 65065

Ciera Network Systems, Inc.  
2630 Fountainview, Suite 300  
Houston, TX 77057

IG2, Inc.  
(F/K/A Computer Business Sciences, Inc.)  
80-02 Kew Gardens Road, Suite 5000  
Kew Gardens, NY 11415

The Cube  
(Tin Can Communications Company,  
L.L.C.)  
1063 Wirt Road, Suite 202  
Houston, TX 77005

Delta Phones, Inc.  
P.O. Box 784  
245 Illinois St.  
Delhi, LA 71232

DMJ Communications, Inc.  
2525 North Grandview, Suite 900  
Odessa, TX 79761

DPI-Teleconnect, L.L.C.  
2997 LBJ Freeway, Suite 225  
Dallas, TX 75234

EZ Talk Communications, L.L.C.  
4727 South Main  
Stafford, TX 74777

Gabriel Communications Of Missouri  
16090 Swingley Ridge Road  
Chesterfield, MO 63017

Global Crossing Local Services, Inc.  
(Formerly Frontier Local Services, Inc.)  
2710 Executive Drive  
Green Bay, WI 54307

Global Crossing Telemanagement, Inc.  
(Formerly Frontier Telemanagement)  
2710 Executive Drive  
Green Bay, WI 54307

HJN Telecom, Inc.  
3235 Satellite Blvd.  
Building 400, Suite 300  
Duluth, GA 30096

Intermedia Communications, Inc.  
Scott Sapperstein  
1 Intermedia Way  
MCFLTHQ3  
Tampa, FL 33647-1752

Ionex Communications, Inc.  
5710 LBJ Freeway, Suite 215  
Dallas, TX 75240

KMC Telecom III, Inc.  
3075 Breckinridge Blvd., Suite 415  
Duluth, GA 30096

LDD, Inc.  
24 South Minnesota  
Cape Girardeau, MO 63702

Level 3 Communications, LLC  
1450 Infinite Drive  
Louisville, CO 80027

Logix Communications Corporation  
(Formerly Dobson Wireless, Inc.)  
3555 Nw 58<sup>th</sup>, Suite 900  
Oklahoma City, OK 73112

Max-Tel Communications, Inc.  
P.O. Box 280  
102 W. Franklin  
Alvord, TX 76225

MCImetro Access Transmission Services  
701 Brazos, Suite 600  
Austin, TX 78701

MCI Worldcom Communications, Inc.  
(Worldcom, Inc.)  
701 Brazos, Suite 600  
Austin, TX 78701

McLeodUSA Telecommunications Services,  
Inc.  
P.O. Box 3177  
Cedar Rapids, IA 52406

Missouri Comm South, Inc.  
(Comm South Companies, Inc.)  
P.O. Box 821269  
6830 Walling Lane  
Dallas, TX 75382-1269

Missouri Telecom, Inc.  
P.O. Box 419  
515 Cleveland, Suite C  
Monett, MO 65708

Mpower Communications Corp.  
(Formerly MGC Communications, Inc.)  
175 Sully's Trail, Suite 202  
Pittsford, NY 14534

Navigator Telecommunications, L.L.C.  
P.O. Box 8004  
Little Rock, AR 72203

Net-Tel Communications Corporation  
(Net-Tel Corporation)  
1023 31<sup>st</sup> Street, NW  
Washington, D.C. 20007

Now Communications, Inc.  
713 Country Place Drive  
Jackson, MS 39208

Omniplex Communications Group, LLC  
(Formerly USA Exchange, LLC)  
17 Research Park Drive  
St. Charles, MO 63304

The Pager Company  
3030 East Truman Road  
Kansas City, MO 64127

Payroll Advance  
808 South Baker  
Mountain Home, AR 72643

Phones For All  
(Preferred Carrier Services, Inc.)  
P.O. Box 700368  
Dallas, TX 75370-0638

Primary Network Communications  
(Broadspan Communications, Inc.)  
11432 Lackland Road  
St. Louis, MO 63146

QCC, Inc.  
(Formerly Quest Communications  
Corporation)  
8829 Bond Street  
Overland Park, KS 66214

Quick-Tel Communications, Inc.  
P.O. Box 196  
456 W Rock Island  
Boyd, TX 76023

Quintelco, Inc.  
1 Blue Hill Plaza  
Pearl River, NY 10965

Qwest Communications Corporation  
(USLD Communications, Inc.)  
4250 N. Fairfax Drive, 12W002  
Arlington, VA 22203

Ren-Tel Communications, Inc.  
7337 S. Mitchell Ct.  
Villa Rica, GA 30180

Smoke Signal Communications  
(Choctaw Communications, L.C.)  
8400 South Gessner  
Houston, TX 77074

Snappy Phone  
P.O. Box 29620  
6901 West 70<sup>th</sup> Street  
Shreveport, LA 71129

Southwest Teleconnect  
7000 Cameron Road, Suite 200  
Austin, TX 78752-2828

Sprint Communications Company, L.P.  
5454 West 110<sup>th</sup> Street  
Overland Park, KS 66211

Suretel, Inc.  
5 North McCormick  
Oklahoma City, OK 73127

TCG Kansas City, Inc.  
Teleport Communications Group  
Two Teleport Drive  
Staten Island, NY 10311

TCG St. Louis  
Two Teleport Drive, Suite 300  
Staten Island, NY 10311

  
Anthony K. Conroy

Tel Com Plus  
United States Telecommunications  
5251 110<sup>th</sup> Avenue, North, Suite 118  
Clearwater, FL 33760-4837

Teligent, Inc.  
8065 Leesburg Pike, Suite 400  
Vienna, VA 22182

Tel-Link, L.L.C.  
1001 Third Avenue West, Suite 354  
Bradenton, FL 34205

Transtar Communications  
P.O. Box 211807  
Bedford, TX 76095

Universal Telephone  
2405 E. Pawnee, Suite 10  
Wichita, KS 67211-5455

U.S. Telco, Inc.  
4001 McEwen, Suite 200  
Dallas, TX 75244

Winstar Wireless, Inc.  
1615 L Street, NW, Suite 1260  
Washington, DC 20036

Worknet Communications, Inc.  
7777 Bonhomme Avenue, Suite 2000  
St. Louis, MO 63105

XO MISSOURI, INC.  
Director of Regulatory & External Affairs  
1300 W. Mockingbird Land, Suite 200  
Dallas, TX 75247