



FILED

SEP 18 2001

Missouri Public
Service Commission

September 18, 2001

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65101

Re: Case No. TO-2001-467

Dear Judge Roberts:

Attached for filing with the Commission is the original and eight (8) copies of AT&T Communications of the Southwest, Inc., TCG St. Louis, Inc. and TCG Kansas City, Inc.'s Statement of Position in the above referenced docket.

I thank you in advance for your cooperation in bringing this to the attention of the Commission.

Very truly yours,

LATHROP & GAGE, L.C.

By: Paul S. DeFord (mc)
Paul S. DeFord

Attachment

cc: All parties of record

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**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

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SEP 18 2001
Missouri Public
Service Commission

In the Matter of the Investigation of the)
State of Competition in the Exchanges of)
Southwestern Bell Telephone Company)

Case No. TO-2001-467

**POSITION STATEMENT OF
AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.,
TCG ST. LOUIS, AND TCG KANSAS CITY**

COMES NOW, AT&T Communications of the Southwest, Inc., TCG St. Louis, and TCG Kansas City (collectively "AT&T"), and respectfully submits its Position Statement on each of the issues identified by the parties to this proceeding in Staff's List of Issues filed September 14, 2001:

Issue 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?

AT&T's Position:

SWBT's core business services should not be classified as competitive in any exchanges. Based upon the evidence presented in this case, AT&T does not believe there is effective competition as defined by Section 386.020(13) RSMo. 2000 for these services. (Kohly, Rebuttal, pgs. 2-22 and pgs. 32-34, Surrebuttal, pgs. 3-5 and pgs. 11-21)

Issue 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?

AT&T's Position:

These services are offered only in conjunction with core business services. Therefore, AT&T takes the same position identified in Issue 1.

Issue 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?

AT&T's Position:

These services should not be classified as competitive in any exchanges. AT&T does not believe there has been a sufficient demonstration that there is effective competition as defined by Section 386.020(13) RSMo. 2000 for these services. AT&T does not believe there are sufficient regulatory safeguards in place to prevent predatory pricing and other anti-competitive behavior. In addition, SWBT's attempt at the FCC to eliminate the mandatory unbundling requirements for high capacity loops and dedicated transport creates a barrier to entry. (Kohly, Rebuttal, pgs. 2-22 and pgs. 32-34, Surrebuttal, pgs. 3-5 and pgs. 11-21)

- Issue 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?

AT&T's Position:

SWBT's Plexar services should not be classified as competitive in any exchanges. Based upon the evidence presented in this case, AT&T does not believe there is effective competition as defined by Section 386.020(13) RSMo. 2000 for these services. (Kohly, Rebuttal, pgs. 2-22 and pgs. 32-34, Surrebuttal, pgs. 3-5 and pgs. 11-21)

- Issue 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?

AT&T's Position:

Private line/dedicated services should not be classified as competitive in any exchanges. Based upon the evidence presented in this case, AT&T does not believe there is effective competition as defined by Section 386.020(13) RSMo. 2000 for these services. (Kohly, Rebuttal, pgs. 2-22 and pgs. 32-34, Surrebuttal, pgs. 3-5 and pgs. 11-21)

- Issue 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?

AT&T's Position:

SWBT's residential access line services should not be classified as competitive in any exchanges. Based upon the evidence presented in this case, AT&T does not believe there is effective competition as defined by Section 386.020(13)

RSMo. 2000 for these services. (Kohly, Rebuttal, pgs. 2-22 and pgs. 32-34, Surrebuttal, pgs. 2-3 and pgs. 11-21)

Issue 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?

AT&T's Position:

These services are available only in conjunction with residential access line services. Therefore, AT&T takes the same position as identified in Issue 6.

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

AT&T's Position:

SWBT's IntraLATA toll service should not be classified as competitive in any exchanges. SWBT's monopoly in switched access combined with access rates priced above cost provides SWBT with the ability to engage in predatory pricing by pricing retail toll services below the wholesale rates charged for switched access. For this reason, competition cannot function as a substitute for regulation. (Kohly, Rebuttal Testimony, pgs. 27-31, Surrebuttal Testimony, pgs. 5 - 11)

Issue 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?

AT&T's Position:

SWBT's Local Plus service should not be classified as competitive in any exchanges as there is not effective competition for this service. The Commission has recognized that Local Plus is priced below the imputed cost of switched access and the competitive harm that has resulted from SWBT's failure with the to comply with the resale and unbundling obligations imposed by the Commission for this Local Plus. Rather than ease regulation for this service by declaring it competitive, the Commission should ensure the SWBT complies with those resale and unbundling obligations or ceases providing Local Plus. (Kohly, Rebuttal Testimony, pgs. 27-31, Surrebuttal Testimony, pgs. 5 - 11)

Issue 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?

AT&T's Position:

These services are offered only in conjunction with residential and business access line services. Therefore, AT&T takes the same position as identified in Issues 1 and 6.

- Issue 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?

AT&T's Position:

SWBT's IntraLATA toll service should not be classified as competitive in any exchanges. SWBT's monopoly in switched access combined with access rates priced above cost provides SWBT with the ability to engage in predatory pricing by pricing retail toll services below the wholesale rates charged for switched access. For this reason, competition cannot function as a substitute for regulation and SWBT ability to engage in predatory pricing creates a barrier to entry. (Kohly, Rebuttal Testimony, pgs. 27-31, Surrebuttal Testimony, pgs. 5 - 11)

- Issue 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?

AT&T's Position:

These services should not be classified as competitive in any exchanges. Based upon the evidence presented in this case, AT&T does not believe there is effective competition as defined by Section 386.020(13) RSMo. 2000 for these services. Experience at the interstate level indicates that permitting pricing flexibility for special access services will, most likely, lead to an increase in rates. (Kohly, Rebuttal Testimony, pg. 27)

- Issue 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?

AT&T's Position:

AT&T does not believe SWBT's switched access services should be classified as competitive in any exchanges. Switched access services represent a locational monopoly and the market for access services is not structured in manner that allows competition. Declaring SWBT's switched access services

competitive services will most likely lead to runaway and excessive access rates. (Kohly, Rebuttal Testimony, pgs. 22-27)

- Issue 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?

AT&T's Position:

AT&T does not take a position on this issue.

- Issue 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?

AT&T's Position:

AT&T does not take a position on this issue.

- Issue 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?

AT&T's Position:

AT&T does not take a position on this issue.

- Issue 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?

AT&T's Position:


AT&T does not take a position on this issue.

- Issue 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)?

AT&T's Position:

Based upon the testimony of OPC Witness Barbara Meisenheimer, and as reflected in filed tariffs, there are no SWBT exchanges in which an alternative local exchange telecommunications company has been providing basic local telecommunications service for at least five years.

Respectfully Submitted,

 (wK)

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Attorneys for AT&T Communications of the
Southwest, Inc., TCG St. Louis, and
TCG Kansas City

CERTIFICATE OF SERVICE BY MAIL

A true and correct copy of the foregoing in Docket TO-2001-467 was served upon the parties identified on the following service list on this 18th day of September, 2001 by either hand delivery or placing same in a postage paid envelope and depositing in the U.S. Mail.

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Tampa, FL 33614

AccuTel of Texas, Inc.
7900 John W. Carpenter Freewa
Dallas, TX 75247

Adelphia Business Solutions
Operations, Inc.
121 Champion Way
Canonsburg, PA 15317

Allegiance Telecom of Missouri
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ALLTEL Communications, Inc.
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American Communications Services
of Kansas City, Inc.
131 National Business Pkwy #100
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BarTel Communications, Inc.
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Birch Telecom of Missouri, Inc.
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Brooks Fiber of Missouri, Inc.
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Buy-Tel Communications, Inc.
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Colleyville, TX 76034

Camarato Distributing, Inc.
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Central MO Telecommunications
PO Box 596
Osage Beach, MO 65065

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

Computer Business Sciences, Inc.
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Kew Gardens, NY 11415

Connect!
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Little Rock, AR 72201

The Cube
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Delhi, LA 71232

DMJ Communications, Inc.
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Odessa, TX 79761

dPi-Teleconnect, L.L.C.
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Dallas, TX 75234

GLA International
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4727 South Main
Stafford, TX 74777

Fidelity Communications Svcs., Inc.
64 North Clark
Sullivan, MO 63080

Gabriel Communications of MO
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Global Crossing Local Services
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Green Hills Telecommunications
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HJN Telecom, Inc.
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Ionex Communications
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Dallas, TX 75240

KMC Telecom III, Inc.
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LDD, Inc.
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Cape Girardeau, MO 63702

Level 3 Communications LLC
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Missouri Telecom, Inc.
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Little Rock, AR 72203

Net-Tel Communications Corp.
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NOW Communications, Inc.
713 Country Place Drive
Jackson, MS 39208

Omniplex Communications Gro
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
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Primary Network Communications
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Quick-Tel Communications
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Boyd, TX 76023

Quintelco, Inc.
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Pearl River, NY 10965

Qwest Communications Corp.
4250 N. Fairfax Drive, 12W002
Arlington, VA 22203

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

Simply Local Services, Inc.
2225 Apollo Drive
Fenton, MO 63026

Smoke Signal Communications
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Snappy Phone
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Teligent, Inc.
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Tel-Link, L.L.C.
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