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January 19, 2001

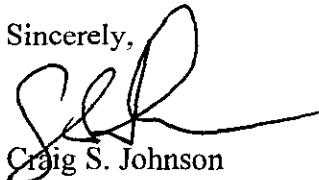
Mr. Dale Hardy Roberts
Secretary/Chief Administrative Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

Re: TO-99-593

Dear Mr. Roberts:

Enclosed please find an original and eight (8) copies each of the Position Statement of the Missouri Independent Telephone Group. Thank you for seeing this filed. A copy of this letter and its encloses have been served upon all counsel of record.

Sincerely,



Craig S. Johnson

CSJ:tr

Enc.

cc: MITG Managers
General Counsel
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Leo J. Bub
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BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

FILED³
JAN 19 2001

Missouri Public
Service Commission

In the Matter of the Investigation into)
Signaling Protocols, Call Records, Trunk)
Arrangements and Traffic Measurement.) Case No. TO-99-593

POSITION STATEMENT OF THE MITG

The Missouri Independent Telephone Company Group submits the following
statement of position with respect to the list of issues filed in this case:

1. **Signaling Protocols. Is it necessary for the Commission to decide in this case what signaling protocols should be utilized for intrastate intraLATA traffic terminating over the common trunks between the former PTCs and the former SCs?**

MITG Position:

No, it is not necessary at this time for the Commission to make any decisions as to what signaling protocols should be used for intrastate intraLATA traffic terminating over the common trunks. The small company terminating compensation proposal can be applied with the signaling protocol currently in use. The MITG believes that the Commission should recognize that in the long run all intrastate intraLATA traffic should be transmitted utilizing Feature Group D signaling protocols, the protocol designed for equal carrier access in a presubscribed carrier environment, as the access tariff of the former SCs currently requires.

2. Traffic Measurement. How and where should intrastate intraLATA traffic terminating over the common trunks between the former PTCs and the former SCs be measured for purposes of terminating compensation?

MITG Position:

Local Exchange Carriers (LECs) terminating interexchange traffic should have the right to make their own measurement of use of their facilities. The recording should be made at the terminating LEC's end office or tandem, as set forth in their access tariffs. An originating records system attempts to measure terminating traffic at the originating side of the call. The overriding defect of an originating record system is that it provides the ability for carriers not to report terminating traffic. It puts the responsibility to record with carriers that have financial incentive not to pay. The end result can be intentional or inadvertent confiscation of use of the terminating LEC's facilities. The terminating LEC has limited ability to correct this confiscation. A secondary defect of the originating record system is that it places intermediate transport providers in control of systems used to measure, record, and exchange billing records and revenue assurance. The use of an originating record system thereby disadvantages terminating LECs in what should be a competitively neutral environment.

Former SCs possessing their own tandem should measure the total traffic terminating over the common trunk group from the IC (former PTC), subtract reported interstate intraLATA traffic, subtract reported FGA traffic, subtract reported CTUSR traffic, subtract MCA traffic if applicable, and bill the IC (former PTC) ordering the trunks for any remaining terminating traffic.

Former SCs having an end office served by the tandem of a former PTC should measure the total traffic terminating over the common trunk group from the IC (former

PTC), subtract reported interstate intraLATA traffic, subtract reported FGA traffic, subtract reported CTUSR traffic, subtract IXC traffic as reported by the terminating tandem provider, subtract MCA traffic if applicable, and bill the IC (former PTC) ordering the trunk for any remaining terminating traffic.

3. Call Records. What call records should be utilized for intrastate intraLATA traffic terminating over the common trunks between the former PTCs and the former SCs?

MITG Position:

Industry standard call code 119 AMA records (including the 1101 access records and the 1150 access summary usage records) should be used for this traffic. The Commission has previously approved the use of category 11 records for traffic terminating to the former SCs. These are the same records currently to report IXC traffic.

Records currently in use for FGA traffic should be continued. Unless the recent Circuit Court decision is upheld on appeal, wireless traffic should continue to be reported via a CTUSR, although it may be necessary for the CTUSR to be modified to provide more call detail to identify interstate or inter-MTA call jurisdiction. Although currently records are not completely being passed for interstate intraLATA traffic, agreed or ordered records should be exchanged. Category 11 records should continue to be used to record interexchange carrier (IXC) usage to former SCs that are served by a tandem of a former PTC.

4. Trunking Arrangements. What changes, if any, should be made to the existing common trunking arrangements between the former PTCs and the former SCs?

MITG Position:

Where feasible, it may be appropriate to separately trunk for which no compensation is due. For example, intercompany compensation for MCA traffic is handled on a bill and keep basis. SWB has already established separate trunk groups between it and other LECs in the St. Louis and Kansas City MCAs for MCA traffic. Where separate trunks for MCA traffic is not feasible, a traffic study could be performed and developed to determine the amount of MCA traffic on the common trunks.

Another situation where separate trunking of traffic may be appropriate is when a carrier does not pay for traffic placed on the common trunks for which it is responsible to pay terminating compensation. Because the common trunk cannot be disconnected without blocking other carriers' traffic, placing the offending carrier's traffic on a separate trunk group, thereby removing it from the common trunk, will allow the terminating LEC to disconnect that carrier for non-payment without assistance from the former PTC responsible for the common trunks.

5. Business Relationships. What business relationship should be utilized for payment for intrastate intraLATA traffic terminating over the common trunks between the former PTCs and the former SCs?

MITG Position:

The IXC business model developed for the competitive interLATA market should also be adopted for the now competitive intraLATA market. The IXC (or IC under the small company access tariff) who ordered the facility for terminating traffic to a LEC

should be responsible for all traffic terminating over that facility. Under this model, a terminating LEC with its own tandem measures the total terminating traffic and bills the IXC (IC) for this traffic. Under this model, a terminating LEC with an end office served by the tandem of a former PTC relies upon the terminating records created at the terminating tandem by the former PTC for billing IXC traffic terminating over the common trunk. LECs should not be required to rely on other carriers' records in a competitive environment.

This IXC model is the most appropriate for a competitive intraLATA market. It provides all IXCs with equal carrier access. It does not create competitive advantage for former PTCs over other IXCs. It does place former PTCs in control of systems used to measure, record, and exchange billing records and revenue assurance. It does not result in confiscation of use of terminating facilities. The IXC model places the responsibility on the former PTCs to either pay or provide the appropriate IXC billing record for all traffic placed on the common trunk. It does not relegate the terminating LEC into the untenable position of attempting to collect for uncompensated traffic with no identifying carrier information with which to identify the responsible carrier from among a myriad of carriers with whom the LEC has not established a business relationship with.

Compensation relationships should be based upon direct interconnections. The former PTCs are not required to, and do not themselves accept "transit" traffic. The former PTCs insist upon compensation relationships with IXCs, wireless carriers, and CLECs constructed over a direct connection. When a former PTC agrees with a third party carrier to place traffic on the common trunk that terminates to a former SC, the

former PTC should be responsible for this use of its direct connection, just as occurs in the interLATA model for IXC traffic.

Former SCs are not required to accept transit traffic. They should have the same freedom to reject compensation relationships built upon indirect interconnection. There is no requirement that compels former SCs to accept "transited" traffic. There is no requirement that they attempt to bill and collect from carriers other than the former PTC responsible for ordering the common trunk. While they may agree to do so in a voluntary arrangement with all three (or more) carriers involved, they are not required to do so

6. Call Blocking. What procedure or arrangement, if any, should be utilized to prevent noncompensated intrastate intraLATA traffic from continuing to terminate over the common trunks between the former PTCs and the former SCs?

MITG Position:

Blocking uncompensated traffic should be a last resort. When such action is necessary for uncompensated traffic delivered over the common trunk ordered by the former PTC, there are three acceptable methods: (1) having the former PTC block this traffic at its interconnection with the offending carrier; (2) establish a separate trunk between the former PTC and the former SC for the traffic of the offending carrier, thereby allowing the former SC to block without the assistance of the former PTC, or (3) adopt a secondary liability/indemnity relationship between the carriers.

Under the first method the blocking charge of the former PTC should be a reasonable, non-recurring charge which recognizes the former PTC's responsibility for the common trunk and traffic placed thereon.

Under the second method normal tarified charges for trunk establishment should apply.

Under the third method upon the offending carrier's failure to discharge its primary responsibility to pay, the former SC would look to the former PTC for secondary liability for traffic it placed on the trunk it is responsible for. Upon payment of this secondary liability to the former SC, the former PTC would then have indemnity rights against the offending carrier. If the offending carrier does not satisfy the former PTC's indemnity rights, the former PTC should then be entitled to block that carrier's traffic at that carrier's separate trunks to the former PTC's tandem.

ANDERECK, EVANS, MILNE,
PEACE & JOHNSON, L.L.C.

By

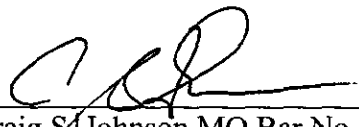


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ATTORNEYS FOR MITG

CERTIFICATE OF SERVICE

The undersigned does hereby certify that a true and accurate copy of the foregoing was mailed, via U.S. Mail, postage prepaid, this 19th day of January, 2001, to all attorneys of record in this proceeding.



Craig S. Johnson MO Bar No. 28179