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September 19, 2000

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

**FILED<sup>2</sup>**  
SEP 19 2000  
Missouri Public  
Service Commission

Re: Case No. TO-2000-261

Dear Judge Roberts:

Enclosed, for filing in the above-captioned case, are an original and eight copies of Response of Southwestern Bell Telephone Company to Staff Recommendation.

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

Very truly yours,

*Paul G. Lane / TM*

Paul G. Lane

Enclosures

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>2</sup>  
SEP 19 2000

Missouri Public  
Service Commission

In the Matter of the Application of SBC           )  
Advanced Solutions, Inc. for Approval of       )  
an Interconnection Agreement with            )  
Southwestern Bell Telephone Company        )       Case No. TO-2000-261

**RESPONSE OF SOUTHWESTERN BELL TELEPHONE COMPANY  
TO STAFF RECOMMENDATION**

COMES NOW Southwestern Bell Telephone Company ("SWBT") and for its  
response to the Staff's Recommendation states as follows:

1.       On July 20, 2000, SWBT and SBC Advanced Solutions, Inc. ("ASI")  
submitted an Amendment to Interconnection Agreement which had been previously  
approved by the Commission on December 1, 1999 in this docket.
2.       On September 7, 2000, the Staff filed a recommendation which proposed  
that the Amendment to the Interconnection Agreement be rejected. Staff's  
Recommendation was predicated upon its belief that the provision of virtual collocation  
service on an individual case basis (ICB), as opposed to standardized rates, would be  
discriminatory and inconsistent with the public interest, convenience and necessity.
3.       SWBT believes Staff's recommendation was based upon an erroneous  
understanding of the facts in this matter. SWBT believes that Staff was not aware, at the  
time of its recommendation was filed, that all of the interconnection agreements between  
SWBT and CLECs in Missouri contemplate the use of ICB pricing for virtual collocation

as well as physical collocation.<sup>1</sup>

4. Given that all of SWBT's virtual collocation agreements in Missouri contemplate the use of ICB pricing, it is not discriminatory for the same terms and conditions to be included in the SWBT-ASI interconnection agreement. Given that some CLECs have expressed a desire for standardized terms and conditions for collocation services, it is more likely that an agreement which would call for standardized terms and conditions for virtual collocation would be considered discriminatory by other CLECs. It is certainly not discriminatory, however, for SWBT to extend to ASI the same ICB terms and conditions for virtual collocation that are offered to other non-affiliated CLECs.

5. The provision of collocation services on an ICB basis was first addressed in Missouri in the Commission's December 26, 1996 Arbitration Order in the SWBT-AT&T/MCI arbitration, Case No. TO-97-40, et al. The Commission approved the use of ICB pricing in that case, and both physical and virtual collocation agreements since that time have routinely contained provisions for ICB pricing. SWBT notes that it has proposed that standardized terms and conditions, including price, be made available to collocating CLECs as part of SWBT's request for Section 271 interLATA authority (M2A). To the extent that the M2A is ultimately approved, both ASI and other CLECs will have the opportunity to utilize those standard terms and conditions.

6. Pursuant to discussions with Staff since the filing of the Staff recommendation, SWBT has agreed that it will provide to Staff, upon request,

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<sup>1</sup> Some contracts refer to SWBT's FCC 73 tariff which provides for virtual collocation of certain equipment utilized in the provision of interexchange carrier services, but not local services. Even here, the rates are on an ICB basis except for three specified pieces of equipment (DDM 200, FUJITSU 2400 and FJ2000) for services operating at the OSS level or above.

information pertaining to ICB prices for virtual collocation pursuant to the SWBT-ASI interconnection agreement. SWBT will provide that information if and when requested by the Staff.

7. Given that the prices for virtual collocation for all CLECs in Missouri are established on an ICB basis, SWBT believes that any claim that the SWBT-ASI interconnection agreement for virtual collocation is discriminatory in calling for ICB pricing is incorrect. That agreement is similar to other interconnection agreements previously approved by the Commission, and should be approved here.

8. As Staff notes in its recommendation, the Commission's authority to reject an interconnection agreement is limited under Section 252(e) of the Telecommunications Act of 1996. An agreement may only be rejected if it discriminates against a telecommunications carrier not a party to the agreement, or if the implementation of the agreement is not consistent with public interest, convenience and necessity. Neither of those two situations is present here, and the Commission should approve the SWBT-ASI interconnection agreement.

WHEREFORE, for all the foregoing reasons, SWBT respectfully requests the Commission to reject the Staff Recommendation and to approve the interconnection agreement between SWBT and ASI.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE COMPANY

BY Paul G. Lane / TM

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing document were served on all parties on the attached Service List, via U.S. Mail, on September 19<sup>th</sup>, 2000.

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