



Commissioners

SHEILA LUMPE
Chair

M. DIANNE DRAINER
Vice Chair

CONNIE MURRAY

ROBERT G. SCHEMENAUER

KELVIN L. SIMMONS

Missouri Public Service Commission

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

September 7, 2000

BRIAN D. KINKADE
Executive Director

GORDON L. PERSINGER
Director, Research and Public Affairs

WESS A. HENDERSON
Director, Utility Operations

ROBERT SCHALLENBERG
Director, Utility Services

DONNA M. KOLILIS
Director, Administration

DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

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

RE: Case No.TO-2000-261

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Bruce H. Bates
Assistant General Counsel
(573) 751-7434
(573) 751-9285 (Fax)

Enclosure

cc: Counsel of Record

FILED²

SEP 7 2000

Missouri Public
Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

FILED

SEP 7 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

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and for its
Recommendation states:

In the attached *Memorandum*, which is labeled *Appendix A*, the Staff recommends that
the Missouri Public Service Commission issue an order rejecting Interconnection Agreement
Amendment No. IA20010004, as Staff believes that the proposed interconnection agreement
amendment is discriminatory, and thus would not be consistent with the public interest,
convenience, and necessity, for the reasons set out therein.

Respectfully submitted,

DANA K. JOYCE
General Counsel



Bruce H. Bates
Assistant General Counsel
Missouri Bar No. 35442

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-7434 (Telephone)
(573) 751-9285 (Fax)
bbates@mail.state.mo.us (E-Mail)

Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel or parties of record as shown on the attached service list this 7th day of September 2000.



Bruce H. Bates

MEMORANDUM

To: Missouri Public Service Commission Official Case File
TO-2000-261, Amendment to Interconnection Agreement
IA20010004
Parties: Southwestern Bell Telephone Company, SBC Advanced
Solutions Inc.

From: Philip M. Garcia, Telecommunications Department

[Signature] 9/5/00
Utility Operations Division/Date

[Signature] 9/6/00 *9-6-00*
General Counsel Office/Date

Subject: Staff Recommendation to Reject Interconnection Agreement
Amendment IA20010004

Date: September 1, 2000

On July 20, 2000, Southwestern Bell Telephone Company (SWBT) and SBC Advanced Solutions Inc. (ASI) submitted an Amendment to Interconnection Agreement IA20010004. The original interconnection agreement between these parties had been assigned Case No. TO-2000-261 and received Commission approval on December 1, 1999. The Parties have previously submitted two interconnection agreement amendments: the first (IA20000032) was withdrawn by Parties on May 25, 2000, and the second (IA20000042) was approved by the Commission May 25, 2000. The instant Amendment to Interconnection Agreement IA 20010004 raises several concerns among Telecommunications Department Staff.

1. The Commission's authority to approve or reject an interconnection agreement is pursuant to 47 U.S.C. 252(e) of the Telecommunications Act of 1996. The statutory standards of review are that a commission shall approve or reject an interconnection agreement with written findings as to any deficiencies. Grounds for rejection are:
 - i. An agreement (or any portion thereof) discriminates against a telecommunications carrier not a party to the agreement or
 - ii The implementation of such agreement or portion is not consistent with the public interest, convenience, and necessity.
2. Pages 512, 513 of the proposed amendment, which consists of the Virtual Collocation Rates, proposes that every monthly recurring charge (34 of 34) be available on an Individual Case Basis (ICB), and that most of the non-recurring rates (22 of 32) be also available on an ICB basis.

Appendix A

[Signature]
09-06-00 A09:35 IN

While a lack of experience with specific technologies, collocation activities, or interconnection issues might support ICB pricing on specific and documented circumstances, Staff finds the proposed wholesale ICB pricing unconvincing. Even the most routine collocating functions, such as power cabling and equipment grounding are proposed on a monthly ICB rate.

3. On May 24, 2000, Staff opposed Parties' first proposed Interconnection Agreement Amendment (IA20000032), which was eventually withdrawn, because the amendment proposed the use of confidential *affiliate services agreements* rather than the interconnection agreement process established by the FCC. The FCC's pick-and-choose clause, Sec 252(i) states:

A local exchange carrier shall make available any interconnection, service, or network element provided under an agreement approved under this section to which it is a party to any other requesting telecommunications carrier upon the same terms and conditions as those provided in the agreement.

In this case Staff also finds itself opposing the proposed interconnection agreement amendment because Staff does not believe it conforms to Section 252(i) and so discriminates against telecommunication carriers not party to the agreement. ICB pricing would not allow other telecommunications carriers to adopt virtual collocation agreements with SWBT upon the same terms and conditions as SWBT would provision to its affiliate, ASI.

4. Since Staff believes the proposed interconnection agreement amendment is discriminatory, Staff also believes that the implementation of such agreement would not be consistent with the public interest, convenience, and necessity.

Recommendation

Due to the issues raised above, Staff recommends that the instant Interconnection Agreement Amendment No IA20010004 be rejected.