

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

In the Matter of the Application of AT&T)
Communications of the Southwest, Inc., d/b/a)
SmarTalk, for a Certificate of Authority to) Case No. _____
Provide Competitive Intrastate Interexchange)
Telecommunications Service within the State)
of Missouri and for Competitive Classification.)

VERIFIED APPLICATION

AT&T Communications of the Southwest, Inc., d/b/a SmarTalk (“Applicant”), pursuant to Sections 392.361, 392.410, 392.420, 392.430, 392.440, RSMo. (2000) and 4 CSR 240-2.060 and 4 CSR 240-3.510, files this verified Application¹ requesting that the Missouri Public Service Commission (“Commission”) issue an order:

- granting Applicant a Certificate of Service Authority to provide competitive intrastate, interexchange telecommunications services between and among locations within the State of Missouri;
- granting competitive status to Applicant and Applicant’s requested services;
- waiving or suspending certain Commission rules and statutory provisions, consistent with the Commission’s past treatment of other certificated providers of competitive interexchange telecommunications services; and,
- approving Applicant’s proposed tariff which, in accordance with 4 CSR 240-3.510(1)(C), is being filed with an effective date which is not fewer than forty-five (45) days after the tariff’s issue date.

In support of its request, Applicant states as follows:

1. Applicant is a foreign corporation formed and operating under the laws of the State of Delaware and is duly authorized to transact business in the State of Missouri. Pursuant to 4 CSR 240-2.060(1)(C) and (E), respectively, Applicant submits a copy of its Certificate of Authority to

¹ This Application is verified, in accordance with 4 CSR 2.060(1)(M).

transact business in Missouri and a copy of the registration of its fictitious name as Exhibits A and B.

2. Applicant's legal name, principal place of business and related information is:

AT&T Communications of the Southwest, Inc.,
d/b/a SmarTalk
One AT&T Way
Bedminster, New Jersey 07921
Telephone: 913-685-7581
Facsimile: 913-685-9334

3. All communications, notices, orders and decisions regarding this Application and proceeding should be addressed to:

Paul G. Lane
Leo J. Bub
Robert J. Gryzmala
One AT&T Center, Room 3518
St. Louis, Missouri 63101
leo.bub@att.com

and to:

Wauneta B. Browne
Regional Vice President
Legislative and Regulatory Affairs
AT&T Communications of the Southwest, Inc.
11425 West 146th Street
Olathe, Kansas 66062
wauneta.browne@att.com

4. Applicant requests authority to provide prepaid calling card service that will allow residence and business customers a full range of interexchange telecommunications services originating and terminating within Missouri and directory assistance services. Current services are reflected in its proposed tariff filed with this Application, attached hereto as Exhibit C.

5. Applicant acknowledges 4 CSR 240-3.510(1)(C), which requires that a tariff be filed with and approved by the Commission. Accordingly, Applicant's tariff for its prepaid calling card service, which contains the rules and regulations applicable to its provision of its interexchange

telecommunications services to its customers, a description of the services offered, and a list of rates associated with such services, is set forth in Exhibit C, which bears a forty-five (45) day effective date. In a separately filed Motion, Applicant asks the Commission to approve the tariff on an expedited basis so that it will be effective on October 31, 2006.

6. Applicant requests that it and all of its services proposed herein be classified as competitive. Applicant believes that the highly developed state of the interexchange telecommunications services market in Missouri and nationwide ensures that its proposed services will be subject to sufficient competition to warrant a lesser degree of regulation.

7. Applicant requests streamlined regulatory treatment afforded similarly situated telecommunications companies in Missouri. Likewise, to the extent that the Commission has granted other competitive interexchange carriers waivers of certain of the Commission's rules and regulations, Applicant respectfully requests that it be granted the same waivers.

8. Consistent with the Commission's treatment of other certificated interexchange telecommunications companies, Applicant respectfully requests, pursuant to Sections 392.361.5 and 392.420, RSMo 2000, that the following rules, regulations and statutes be waived with respect to its interexchange service offerings:

4 CSR 240-30.040	--	Uniform System of Accounts
4 CSR 240-10.020	--	Depreciation Fund Income
Section 392.210.2	--	Uniform System of Accounts
Section 392.240.1	--	Rates-Rentals-Service & Physical Connections
Section 392.270	--	Valuation of Property
Section 392.280	--	Depreciation Accounts
Section 392.290	--	Issuance of Securities
Section 392.300.2	--	Acquisition of Stock
Section 392.310	--	Issuance of Stock and Debt
Section 392.320	--	Stock Dividends
Section 392.330	--	Issuance of Securities, Debt and Notes
Section 392.340	--	Reorganization(s)

9. Applicant will comply fully with all applicable Commission rules except those that are specifically waived by the Commission pursuant to the Applicant's request herein. To the extent that the Commission may modify its waiver policies, Applicant respectfully reserves the right to amend its waiver requests accordingly.

10. Pursuant to 4 CSR 240-2.060(1)(K), Applicant has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of this Application.

11. Pursuant to 4 CSR 240-2.060(1)(L), Applicant states that no Commission annual report or assessment fees are overdue.

12. Applicant is financially capable of providing the services proposed, and it possesses the managerial and technical expertise to provide those services at standards that meet or exceed all applicable service standards established by the Commission. AT&T Communications of the Southwest, Inc. is certificated to provide telecommunications services in Missouri and currently operates in all 50 states.

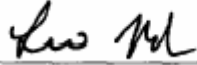
13. Applicant submits that the public interest will be served by Commission approval of this Application because the proposed services will create and enhance competition and expand customer service options consistent with the legislative goals set forth in the federal Telecommunications Act of 1996 and Chapter 392, RSMo. Prompt approval of this Application will also expand the availability of innovative, high quality and reliable telecommunications services within Missouri.

WHEREFORE, AT&T Communications of the Southwest, Inc., d/b/a SmarTalk, respectfully requests that the Commission: (1) grant it a certificate of authority to provide intrastate interexchange telecommunications services within the State of Missouri; (2) grant Applicant and its

proposed services competitive status; (3) waive the application of the above referenced Commission rules and statutory provisions; (4) approve its filed tariff; and (5) grant Applicant such other and further relief as may be just and appropriate in the circumstances.

Respectfully submitted,

AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.,
D/B/A SMARTALK

BY  _____

PAUL G. LANE #27011

LEO J. BUB #34326

ROBERT J. GRYZMALA #32454

Attorneys for AT&T Communications of the Southwest, Inc.
One AT&T Center, Room 3518
St. Louis, Missouri 63101
314-235-2508 (Telephone)/314-247-0014(Facsimile)
leo.bub@att.com

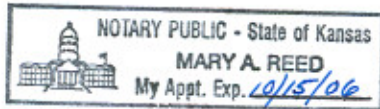
VERIFICATION

STATE OF KANSAS)
) SS:
COUNTY OF SHAWNEE)

I, Wauneta Browne, of lawful age, and being first duly sworn, now state: I am Regional Vice President Legislative and Regulatory Affairs for AT&T Enterprise Services, Inc. I verify that, based upon information and belief, I have knowledge of the statements in the foregoing Application, and declare that they are true and correct to the best of my knowledge and belief.

Wauneta Browne
Wauneta Browne

Subscribed and sworn to before me this 26th day of September, 2006.

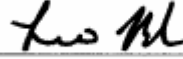


Mary A. Reed
Notary Public

My Appointment Expires: October 15, 2006

CERTIFICATE OF SERVICE

Copies of this document were served on the following parties by e-mail on September 29, 2006.



Leo J. Bub

General Counsel
Missouri Public Service Commission
PO Box 360
Jefferson City, MO 65102
general.counsel@psc.mo.gov

Public Counsel
Office of the Public Counsel
PO Box 7800
Jefferson City, MO 65102
opcservice@ded.mo.gov

STATE OF MISSOURI



Robin Carnahan
Secretary of State

**CORPORATION DIVISION
CERTIFICATE OF GOOD STANDING**

I, ROBIN CARNAHAN, Secretary of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

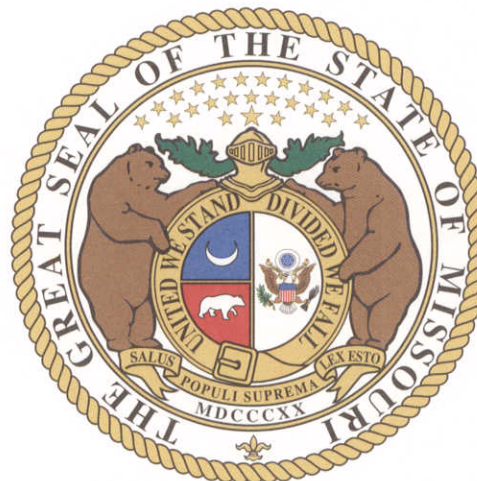
AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.

using in Missouri the name

**AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.
F00257156**

a DELAWARE entity was created under the laws of this State on the 17th day of October, 1983, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 29th day of September, 2006



Robin Carnahan
Secretary of State

Certification Number: 9087324-1 Reference:
Verify this certificate online at <http://www.sos.mo.gov/businessentity/verification>



State of Missouri

No. X 354953

Rebecca McDowell Cook, Secretary of State
Corporation Division

Registration of Fictitious Name

(Submit in duplicate with a filing fee of \$7)

This information is for the use of the public and gives no protection to the name. There is no provision in this Chapter to keep another company or corporation from adopting and using the same name. (RSMo 417)

We, the undersigned, are doing business under the following name, and at the following address:

Name to be registered: SmarTalk

Missouri Business Address: 1425 Oak Street
(P. O. Boxes not accepted)

City, State, and Zip Code: Kansas City, MO 64106

The parties having an interest in the business, and the percentage they own are (if corporation is owner, indicate corporation name and percentage owned). If all parties are jointly and severally liable, percentage of ownership need not be listed:

Name of Owners, Individual or Corporate	Street and Number	City	State and Zip Code	If listed, Percentage of ownership must equal 100%
AT&T Corp.	32 Avenue of the Americas	New York	NY 10013	100 %
<u>F 487 AG</u>				%
				%
				%
				%
				%

(Must be typed or printed)

Return to: Secretary of State
Corporation Division
P.O. Box 778
Jefferson City, Mo. 65102

FILED

MAY 1 1 1999

(Over)

Rebecca McDowell Cook
SECRETARY OF STATE

The undersigned, being all the parties owning interest in the above company, being duly sworn, upon their oaths 2 of 2 each did say that the statement and matters set forth herein are true.

354953

Individual Owners Sign Here	}	X _____	X _____
		X _____	X _____
		X _____	X _____

The undersigned corporation has caused this application to be executed in its name by its President or Vice-President and its Secretary or Assistant Secretary, this _____ day of _____, 19 99

If
Corporation
is Owner,
Corporate
Officers
Execute
Here

AT&T Corp.
(Exact Corporate Title)
By: Marilyn J. Wasser
Its President or Vice-President
Marilyn J. Wasser, V.P.
By: Steven Garfinkel
Its Secretary or Assistant Secretary
Steven Garfinkel, Asst. Secy.

(Corporate Seal)
If no seal, state "none".

State of ~~MISSOURI~~ New Jersey }
County of Somerset } ss.

I, Peter Boyden, A Notary Public, do hereby certify that on the 6th day of May, 1999, personally appeared before me Marilyn J. Wasser/ Steven Garfinkel and being first duly sworn by me, acknowledged that _____ he signed as his own free act and deed the foregoing document in the capacity therein set forth and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year before written.



Peter Boyden
Notary Public
PETER E. BOYDEN
Notary Public, State of New Jersey
L.D. No. 2177839
Qualified in Warren County
Certificate Filed in Morris County
My commission expires 5/11/2000

MESSAGE TELECOMMUNICATIONS SERVICE

Section 1
Original Sheet 1

MESSAGE TELECOMMUNICATIONS SERVICE

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1.1.1 SmarTalk Prepaid Phone Card Service	1-2

P.S.C. Mo. No. 17
AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.
d/b/a SMARTALK
MESSAGE TELECOMMUNICATIONS SERVICE

Exhibit C
2 of 6

Application of Tariff
Original Sheet 1

AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.
d/b/a SMARTALK

SCHEDULE OF RATES

FOR

TELEPHONE SERVICE

This Tariff applies to Message Telecommunications Service furnished or made available by AT&T Communications of the Southwest, Inc. d/b/a SmarTalk, hereafter referred to as the Company, or furnished jointly with other carriers to its authorized territories within the State of Missouri.

Pursuant to applicable Missouri law, the Company is a competitive telecommunications company and all services offered by it are competitive telecommunications services.

Issued: September 29, 2006

Effective: November 13, 2006

Carol Paulsen, Director Regulatory
1010 N. St. Mary's Street
San Antonio, TX 78215

MESSAGE TELECOMMUNICATIONS SERVICE

Application of Tariff
Original Sheet 2

WAIVER OF RULES AND REGULATIONS

STATUTORY PROVISIONS

<u>SECTION(S)</u>	<u>PROVISION(S)</u>
Section 392.210.2	Uniform System of Accounts
Section 392.240.1	General rate case filings
Section 392.270	Authority to ascertain value of property
Section 392.280	Depreciation accounts
Section 392.290	Right to issue stocks, bonds, indebtedness
Section 392.300.2	Acquisition of Stock
Section 293.310	Approval of issuance of stocks, bonds, indebtedness
Section 392.320	Certificate requirement prior to issuance of stocks, bonds, etc.
Section 392.330	Accounting for disposition of funds from sale of stocks, bonds
Section 392.340	Approval required for reorganizations

PUBLIC SERVICE COMMISSION RULES

4 CSR 240-10.020	Depreciation fund income
4 CSR 240-30.040	Uniform system of accounts

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MESSAGE TELECOMMUNICATIONS SERVICE

Application of Tariff
Original Sheet 3

EXPLANATION OF SYMBOLS

- (DR) Indicates discontinued rate
- (AT) Indicates addition to text
- (RT) Indicates removal of text
- (CR) Indicates change in rate
- (CP) Indicates change in practice
- (NR) Indicates a new rate
- (C) Indicates a correction
- (MT) Indicates moved text
- (FC) Indicates a change in format or numbering

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MESSAGE TELECOMMUNICATIONS SERVICE TARIFF

Section 1
Original Sheet 1

MESSAGE TELECOMMUNICATIONS SERVICE

1.1 TWO-POINT SERVICE

1.1.1 SmarTalk Prepaid Phone Card Service

A. General

SmarTalk Prepaid Card Service provides outbound voice grade communications service for calls charged to the following prepaid phone cards ("Prepaid Phone Cards"):

- Prepaid Phone Cards containing the SmarTalk brand (hereinafter "SmarTalk Prepaid Phone Cards"). Services provided with SmarTalk Prepaid Phone Cards are provided by AT&T d/b/a SmarTalk.

Customers can purchase SmarTalk Prepaid Phone Cards as follows:

- SmarTalk Prepaid Phone Cards directly from retailers.

When sold through a retailer, price points for Prepaid Phone Cards and recharged minutes are established by the retailer and are prominently **disclosed** at the point of sale.

This in-state offer is also an add-on to the interstate SmarTalk Prepaid Phone Card services described in the Prepaid Phone Card Service Agreement located at www.prepaidserviceguide.com.

The Company concurs in the terms and conditions governing Prepaid Phone Card Service as set forth in AT&T Communications of the Southwest, Inc.'s P.S.C. Mo. No. 15 tariff as filed with the Missouri Public Service Commission, including any subsequent changes to AT&T Communications of the Southwest, Inc. tariff.

B. Rates and Charges

When sold by retailers, price points for Prepaid Phone Cards are established by the retailer. Prices for cards sold by retailers are prominently displayed on the card or otherwise clearly provided to the customer. The price points do not include any sales tax and may not include other fees and charges that may apply to the transaction at point of purchase.

Calls are billed in one minute increments. Partial minutes used are billed as full minutes.

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MESSAGE TELECOMMUNICATIONS SERVICE TARIFF

Section 1
Original Sheet 2

MESSAGE TELECOMMUNICATIONS SERVICE

1.1 TWO-POINT SERVICE

1.1.1 Smartalk Prepaid Phone Card Service (Continued)

B. Rates and Charges (Continued)

1. Smartalk Prepaid Phone Cards - Minute/Unit based cards are available in various denominations ranging up to 1200 interstate minutes/units per card, and Dollar based cards are available in various denominations up to \$100.00, or as otherwise specified. These cards will have a maximum per minute interstate price not greater than \$1.99. **The following charges will be applied against calls made with a PenniesRule! Smartalk Prepaid Phone Card: a 79¢ first minute, including the per call surcharge, and a weekly fee of 12¢ beginning 7 days after first use. The following charges will be applied against calls made with a Habla a Mexico Smartalk Prepaid Phone Card: a weekly maintenance fee of 95¢ after the first call is made, a 30% communication fee of the total value of the call, after each call, and calls more than 15 minutes are charged 50¢. A first minute surcharge of up to \$3.00 will apply to Smartalk World Touch prepaid cards. Smartalk Prepaid Phone Cards are not rechargeable unless otherwise expressly stated on the card or packaging. If rechargeable, a recharge convenience fee of up to a maximum of 15% of the recharge amount applies. Smartalk Prepaid Phone Cards may have an expiration date as disclosed on the card and/or in the marketing material. In-state calls made with these cards will be decremented one minute/unit for each minute of talk time.**
2. Directory Assistance is available only through the prepaid card platform and is only available for domestic and Canada directory assistance requests. Directory assistance requests will have a maximum per minute price not greater than 60 minutes/units for minute/unit based cards or \$3.00 for dollar based cards.
3. State Universal Service Charge - Smartalk may, at its option, apply the State Universal Service Charge at point of sale.
4. In addition to the rates described above, the U.S. Public Payphone Surcharge applies when Prepaid Phone Cards are placed from a U.S. public or semi-public payphone and will be deducted using corresponding minutes of talk time.

Prepaid Phone Card Service	Not to exceed:
- Dollar Based Card	\$ 1.20
- Unit Based Card	35 Minutes/Units
- Dollar Based Card sold From Vending Machines	\$ 3.50

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