



**Southwestern Bell  
Telephone**

Room 630  
100 North Tucker Boulevard  
St. Louis, Missouri 63101-1976  
Phone (314) 247-3060

**Thomas J. Horn**  
Attorney

August 29, 1988

Mr. Harvey G. Hubbs  
Secretary  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, Missouri 65102

Re: Case No. TA-88-218

Dear Mr. Hubbs:

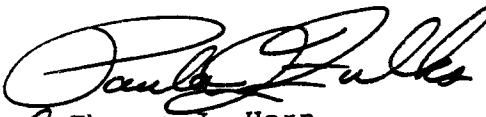
Enclosed please find an original and fourteen copies of the rebuttal testimony of the following witness on behalf of Southwestern Bell Telephone Company in the case referenced above:

William C. Bailey

Please stamp "Filed" on the extra enclosed copy and return it to me in the enclosed self-addressed, stamped envelope.

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

Very truly yours,

  
for Thomas J. Horn

Enclosures

**FILED**  
AUG 30 1988

Exhibit No. 18  
Date 9-20-88 Case No. TA-88-218 et al PUBLIC SERVICE COMMISSION  
Reporter Tweedy

Exhibit No.:  
Issue: Alternate Operator Service Providers  
Witness: Bailey  
Type of Exhibit: Rebuttal Testimony  
Sponsoring Party: Southwestern Bell Telephone  
Company: Southwestern Bell Telephone  
Case No.: TA-88-218 et al.

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of the Application )  
of American Operator Service, Inc. )  
for a certificate of service )  
authority to provide Intrastate ) Case No. TA-88-218  
Operator-Assisted Resold )  
Telecommunications Services )

In the Matter of Teleconnect Company )  
for authority to file tariff sheets )  
designed to establish Operator ) Case No. TR-88-282  
Services within its certificated )  
service area in the State of Missouri. )

In the Matter of Dial U.S. for )  
authority to file tariff sheets )  
designed to establish Operator ) Case No. TR-88-283  
Services within its certificated )  
service area in the State of Missouri. )

In the Matter of Dial U.S.A. for )  
authority to file tariff sheets )  
designed to establish Operator ) Case No. TR-88-284  
Services within its certificated )  
service area in the State of Missouri. )

In the Matter of International )  
Telecharge, Inc. for authority to file )  
tariff sheets designed to establish ) Case No. TR-89-6  
Operator Services within its )  
certificated service area in the State )  
of Missouri )

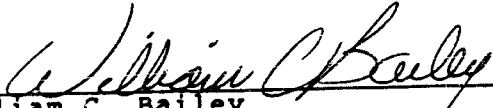
AFFIDAVIT OF WILLIAM C. BAILEY

William C. Bailey, of lawful age, being duly sworn, deposes and states:

1. My name is William C. Bailey. I am presently District Manager-Rate Administration for Southwestern Bell Telephone Company.

Page 2

2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony consisting of Pages 1 through 4 and no Schedules.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
William C. Bailey

Subscribed and sworn to me before this 29 day of August,  
1988.

KERRY K. SELSOR  
NOTARY PUBLIC, STATE OF MISSOURI  
MY COMMISSION EXPIRES 7/3/92  
ST. LOUIS COUNTY

  
\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

7-6-92

REBUTTAL TESTIMONY OF WILLIAM C. BAILEY

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is William C. Bailey and I am employed by Southwestern Bell Telephone Company at 100 N. Tucker, St. Louis, Missouri 63101.

Q. ARE YOU THE SAME WILLIAM C. BAILEY WHO PREFILED DIRECT TESTIMONY IN THIS DOCKET?

A. Yes, I am.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. I will discuss the positions of various witnesses on four issues: 1) Splashing or Splash-back, 2) O minus calls, 3) Billing and Collection issues and 4) Branding.

Q. MR. BAILEY WHAT ARE YOUR COMMENTS REGARDING SPLASHING?

A. Several witnesses have discussed this issue in their testimony. I believe that if a customer in St. Louis, Missouri, is making an operator assisted call to St. Peters, Missouri, over an AOS connection and requests a connection to Southwestern Bell, AT&T or some other carrier, that customer should be billed for a call from St. Louis to St. Peters. It is inappropriate that such a call be billed at interstate rates from a distant location. I agree with Mr. Clark that this practice results in customer confusion but, in addition, it is not fair or equitable treatment of the end user.

Q. WHAT ARE YOUR COMMENTS REGARDING O MINUS CALLS?

A. Public Counsel witness Dianne Drainer, John Van Eschen from the PSC staff and Mr. Ricca from Teleconnect have recommended that O minus traffic be routed to the Local Exchange Company. This practice causes Southwestern Bell to echo the concern expressed by the applicants in this proceeding, that competitors should be allowed to compete on an equal basis.

Q. I TAKE IT THEN THAT YOU VIEW HANDING OFF ALL O MINUS TRAFFIC TO THE LOCAL EXCHANGE COMPANY DOES NOT CONSTITUTE EQUAL COMPETITION.

A. That is correct. If the Commission is concerned about a customer's ability to reach emergency services by dialing an O (as Southwestern Bell believes it should be) then the correct approach is to develop standards for the handling of O minus emergency requests, which are equally applied to all providers.

Q. DIANNE DRAINER RECOMMENDS THAT LECS NOT BE ALLOWED TO DISCONNECT FOR NONPAYMENT OF AOS CALLS. DO YOU AGREE?

A. No, I do not. If the Commission approves the tariffed rates of an AOS provider, Southwestern Bell should be permitted to bill, collect and disconnect for nonpayment of those approved rates. Public Counsel also recommends that LECs

not be allowed to bill for unauthorized calls. A more appropriate course would be for the Commission, through its staff, to require all AOS providers to seek certification. Should one or more AOS providers resist, the Commission could then order the LEC to cease disconnection for nonpayment for those specific AOS providers. Public Counsel's recommendation would unduly require voiding and later redeveloping contracts for AOS providers after receiving a certification.

Q. WHAT COMMENTS DO YOU HAVE REGARDING BRANDING?

A. I have two comments regarding branding. First, all of the applicants state that branding is appropriate. Most state that the operator announces the carriers name on two occasions during the call. However, Mr. Ricca's Schedule 1 indicates that in third party or collect calls the party that pays for the call is not notified of the name of the operator service provider. I believe this is inappropriate and should be corrected.

Second, because there are inconsistencies between the applicants testimony and the Schedule attached to Staff testimony, I recommend that the Commission establish standards for branding and require Staff to monitor contacts of all authorized operator service providers to identify abuses. To the extent the Staff identifies abuses, the Commission should take appropriate action with that provider.

Q. DO YOU HAVE OTHER CONCERNS REGARDING THE DIRECT TESTIMONY FILED IN THIS DOCKET?

A. Yes. I have two minor concerns. First, Mr. Freel indicates that AOS providers be required to provide "informational copy of intrastate rates..." and that the Missouri Public Service Commission does not set the rate of these companies (AOS). I believe that AOS providers should be treated on an equal basis with other telecommunication companies in Missouri. That is, they should be required to file tariffs and those tariffs require Commission approval.

Q. WHAT IS YOUR OTHER CONCERN?

A. Mr. Ricca discusses a customized greeting on Page 7 of his direct testimony. Based on his description of this service, I believe customer confusion would result. Using his example, the end user will hear "Thank you for using XYZ operator services." However, he will be billed by Teleconnect. The purpose of branding should be to enable the customer to make a choice among available operator service providers. In the situation described by Mr. Ricca the end user will not know who the AOS provider is or have any indication what rates will be charged. Customers must be informed when making a choice and should not be surprised when their bill comes. Mr. Ricca's customized greeting will jeopardize both of these requirements.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes, it does.