

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

In the matter of the Application of Startec)	
Global Operating Company for a Certificate)	
of Service Authority to Provide Intrastate)	Case No. TA-2007-0366
Interexchange Telecommunications Services)	Tariff No. YX-2007-0733
in the State of Missouri, for Competitive)	
Classification, and for Approval of Tariff)	
Adoption	

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission and states:

1. In the attached Memorandum, labeled Appendix A, the Staff recommends that the Missouri Public Service Commission grant Startec Global Operating Company (Applicant) a certificate of service authority to provide intrastate, interexchange telecommunications services. The Commission shall grant an application for a certificate of telecommunications service authority upon a finding that the grant of authority is in the public interest. §§ 392.430 and 392.440 RSMo. (2000).
2. Staff also recommends that the Commission classify the Applicant and the services it proposes to offer in its *Application* as competitive. The Commission may classify a telecommunications provider or its services as competitive if the Commission determines it is subject to sufficient competition to justify a lesser degree of regulation. §392.361.4. All the services a competitive company provides must be classified as competitive. §392.361.3.
3. Staff further recommends that the Commission grant the waivers listed in the *Notice of Applications*. The Commission may waive the application of its rules and certain statutes if the Commission determines that waiver is consistent with the purposes of Chapter 392. §§ 392.185, 392.361.5 and 392.420.

4. Finally, Staff recommends that the Commission grant approval of the Applicant's proposed tariff, P.S.C. MO Tariff No. 1, bearing a proposed effective date of May 16, 2007. Staff has no objection to the Applicant's request for expedited approval, and recommends that the Commission approve the tariff with an earlier effective date if it is convenient for the Commission to do so.

WHEREFORE, Staff recommends that the Commission grant Startec Global Operating Company a certificate of service authority to provide intrastate, interexchange telecommunications services; grant it the requested competitive classification; grant the waivers listed in the Commission's Notice of Application; and approve its proposed tariff P.S.C. Mo. Tariff No. 1, bearing an effective date of May 15, 2007, but with an earlier effective date if it is convenient for the Commission to do so.

Respectfully submitted,

/s/ David A. Meyer

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 26th day of April 2007.

/s/ David A. Meyer

The following chart summarizes this transaction.

Companies Involved in Transaction	Customer Served By ("X", if applicable)		Sale of Assets ("X", if applicable)		Certificates* (If applicable, indicate "C" to cancel, "A" to approve)			Tariffs* (If applicable, indicate Tariff PSC MO Nos.)	
	Before	After	Seller	Buyer	IXC	Local	Basic Local	Cancel	Approve
Startec Global Licensing Company	X		X		C			No. 1	
Startec Global Operating Company		X		X	A				No. 1

*See attachment to Staff recommendation for further details associated with approving certificates or tariffs.

Merger, Consolidation, Sell or Transfer Assets

Will affected customers be switched to a different company? No Yes

Customers have been notified.

Customers will be notified of their right to transfer their service to another provider as a result of the merger. Staff recommends that the Commission grant waiver of 4 CSR 240-33.150.

Company Name Change Notification

Company has notified its customers of the name change.

Staff recommends the Commission order the Company to notify its customers at or before the next billing cycle of the name change and file a copy of the notice with the Commission.

Does this transaction involve a company in bankruptcy? Yes No

If yes, a copy of the bankruptcy order is attached.

Competitive Company Transaction Review Items

Administrative:

Application solely involves competitively classified companies.

No applications to intervene filed.

Noteworthy Transaction Application Requirements of 4 CSR 240-3.520 and 4 CSR 240-3.525:

Will have no impact on tax revenues pursuant to 4 CSR 240-3.520(F) or 4 CSR 240-3.525(F)

Appropriate Secretary of State authorization has been submitted for any applicant (or if previously submitted, reference to prior case number). Case No.

Missouri corporations: A Certificate of Good Standing.

Foreign corporations: Authorization to do business in Missouri.

If business conducted under a fictitious name: A copy of registration of the fictitious name.

- No pending or final judgments/decisions described in 4 CSR 240-2.060(1)(K).
- A statement that no annual report or assessment fees are overdue for any applicant.

Are there additional recommendations or special considerations?

No

Yes

If yes, explain in an attachment.

- The Company is not delinquent in filing an annual report and paying the PSC assessment.
 - The Company is delinquent. Staff recommends the Commission grant the requested relief/action on the condition the applicant corrects the delinquency. The applicant should be instructed to make the appropriate filing in this case after it has corrected the delinquency.
- (No annual report Unpaid PSC assessment. Amount owed:)

The Applicant has requested waiver of the provisions of 4 CSR 240-33.150, the Commission's anti-slamming rule. Staff notes that the Applicants have provided copies of the notice the Applicant proposed to give to Startec Global Licensing Company's customers. *See Supplement to Application* (April 19, 2007). The Applicant has complied with part of that rule; however, as the transfer of customers has already taken place, Staff recommends that the Commission grant waiver of that rule, as customers will not receive notice of the "change through a notice in each subscriber's bill at least thirty (30) days prior to the effective date of the change" as required by 4 CSR 240-33.150(4)(B).

Attachment to Staff Recommendation

Is this transaction requesting the granting of certificates and approval of tariffs? No Yes
(If yes, see below. Attach additional sheets, if necessary.)

Applicant:

The applicant has met Staff's review of requirements for obtaining a certificate of service authority and tariff approval. Therefore, Staff recommends the applicant be granted the following certificate(s), as indicated below. The certificate shall be conditioned to become effective on the same date the tariff becomes effective; however no later than the approval date of the transaction involving the competitively classified companies.

certificate to provide basic local exchange telecommunications services. Granting the certificate should be based on the following conditions:

1. The applicant's originating and terminating access rates will be no greater than the lowest Commission approved corresponding access rates in effect for each ILEC within whose service area the applicant seeks authority to provide service, unless authorized by the Commission pursuant to Sections 392.220 and 392.230 RSMo.
2. The certificate and service classification for switched access service is conditioned on the continued applicability of Section 392.200 RSMo, and the requirement that any increases in switched access services rates above the maximum switched access service rates set forth herein shall be made pursuant to Sections 392.220 and 392.230 RSMo, and not Sections 392.500 and 392.510 RSMo.
3. If the directly competing ILEC, in whose service area the applicant is operating, decreases its originating and/or terminating access service rates, the applicant shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates in the directly competing ILEC's service area within 30 days of the directly competing ILEC's reduction of its originating and/or terminating access rates in order to maintain the cap.

certificate to provide interexchange telecommunications services.

certificate to provide local exchange telecommunications services.*

*local exchange authority should be restricted to dedicated, private line services.

No objection to tariff taking effect MO No. 1 Effective 5/16/07

Company's Request for Expedited Treatment was granted April 9, 2007. Staff has no objection to the tariff becoming effective no later than 5/16/07 and sooner if possible.

Staff recommends the applicant and its services receive competitive classification. In addition, Staff recommends approval of the waivers normally granted to competitively classified companies (392.210.2, 392.240.1, 392.270, 392.280, 392.290, 392.300.2, 392.310, 392.320, 392.330, 392.340, 4 CSR 240-10.020, 4 CSR 240-30.040, and 4 CSR 240-3.550(5)(C) (this last rule only applies to companies providing basic local telecommunications service).

Certificate applications, if applicable:

- Statement of character of business performed.
- Application includes an affidavit.
- Applicant seeks waivers of rules or statutes previously granted to a competitively classified company.
- Applicant shows that grant of authority is in the public interest.

Additional review items for CLEC applications, if applicable:

- Possesses sufficient technical, financial and managerial resources and abilities.
- Identifies geographic area (no smaller than an exchange).
- Statement that applicant will offer basic local service as a separate and distinct service.
- Statement that applicant will give equitable access to all Missourians.

Tariff review items (applicable for all competitively classified companies):

- The tariff complies with requirements reviewed by Staff for any competitive telecommunications company tariff filing.

