

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 25th day  
of September, 2008.

In the Matter of the Application of AT&T Corp. for a	)	
Certificate of Service Authority to Provide Intrastate	)	
Interexchange and Nonswitched Local Exchange	)	<b><u>Case No. TA-2009-0045</u></b>
Telecommunications Services Within the State of	)	
Missouri.	)	

**ORDER APPROVING INTEREXCHANGE AND NONSWITCHED  
LOCAL EXCHANGE CERTIFICATE OF SERVICE AUTHORITY  
AND GRANTING WAIVER OF 4 CSR 240-33.150(4)(B) AND (C)**

Issue Date: September 25, 2008

Effective Date: October 5, 2008

This order grants AT&T Corp. a certificate of service authority to provide interexchange and nonswitched local exchange telecommunications services, restricted to providing dedicated private line services.

AT&T Corp. applied to the Missouri Public Service Commission on August 13, 2008, for a certificate of service authority to provide intrastate interexchange and nonswitched local exchange telecommunications services in Missouri under Sections 392.410, RSMo Cum. Supp. 2007, through 392.450, RSMo 2000.<sup>1</sup> AT&T Corp. asked the Commission to classify it as a competitive company and to waive certain statutes and rules as authorized by Sections 392.361 and 392.420. Along with its application, AT&T

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<sup>1</sup> All statutory references are to the Revised Statutes of Missouri (RSMo), revision of 2000, unless otherwise indicated.

Corp. filed a motion for expedited treatment. On August 20, 2008, AT&T Corp. filed an errata to its application.

The Commission issued a Notice of Applications for Intrastate Certificates of Service Authority and Opportunity to Intervene on August 14, 2008, directing parties wishing to intervene to file their requests by August 29, 2008. No requests for intervention were filed.

AT&T Corp. is a New York corporation with its principal office located at One AT&T Way, Bedminster, New Jersey 07921.

This application was made in conjunction with the proposed merger of AT&T Corp. and SBC Advanced Solutions, Inc., d/b/a AT&T Advanced Solutions ("AT&T Advanced Solutions"), in Case No. TM-2009-0044.

AT&T Advanced Solutions was granted a certificate by this Commission to provide interexchange and nonswitched local exchange telecommunications services by order issued November 8, 1999, in Case No. TA-2000-260. AT&T Corp. intends to provide the same services as AT&T Advanced Solutions currently provides in Missouri, and will do so under the same rates, terms, and conditions shown in AT&T Advanced Solutions' currently effective tariffs on file with the Commission, which AT&T Corp. will adopt upon the Commission's approval of its application. These services are high-speed, high-volume, packet switching-based services that large customers use primarily to transmit large volumes of data among multiple locations. Examples of the services to be provided are Frame Relay Service and Asynchronous Transfer Mode ("ATM") service.

In addition to the statutes and Commission rules that the Commission normally waives in applications for interexchange and nonswitched local exchange certificates, as

listed in the August 14, 2008 Notice of Applications, AT&T Corp. requests waiver of or variance from 4 CSR 240-33.150(4)(B) and (4)(C). These subsections require notification of a change of provider to all customers and notification of the customers' right to switch to another service provider. The purpose of 4 CSR 240-33.150 is to prevent "slamming" (the unauthorized change of a customer's telecommunications carrier without the customer's knowledge). AT&T Corp. argues that good cause exists to grant the requested waivers or variances because in this application, the customers' provider is not changing in any practical way. AT&T Corp. submits that the change is strictly *pro forma* and will be transparent to AT&T Advanced Solutions' customers.

In its Memorandum filed on September 4, 2008, the Staff of the Commission recommended that the Commission grant AT&T Corp. a certificate of interexchange service authority and a certificate of service authority for local exchange telecommunications service on condition that this authority be restricted to providing dedicated private line services. Staff recommended that the Commission grant AT&T Corp. competitive status. Staff further recommended that the Commission grant the waivers listed in AT&T Corp.'s application, and noted that the Commission may waive the application of its rules and certain statutes if the Commission determines that waiver is consistent with the purposes of Sections 392.185, 392.361.5, and 392.430, RSMo. Further, Staff noted that the types of customers affected by this transfer are highly sophisticated and therefore a waiver of the customer notice requirements will not be detrimental to the customers.

The Commission finds that competition in the intrastate interexchange and nonswitched local exchange telecommunications markets is in the public interest and AT&T Corp. shall be granted certificates of service authority. The Commission finds that the

services AT&T Corp. proposes to offer are competitive and AT&T Corp. shall be classified as a competitive company. The Commission finds that waiving the statutes and Commission rules set out in the ordered paragraph below is reasonable and not detrimental to the public interest. In addition, for the reasons stated by the Company and the Staff above, the Commission finds that good cause exists to waive 4 CSR 240-33.150(4)(B) and (C) for the purposes of this transaction.

The Commission reminds AT&T Corp. that failure to comply with its regulatory obligations may result in the assessment of penalties against it. These regulatory obligations include, but are not limited to, the following:

A) The obligation to file an annual report, as established by Section 392.210, RSMo 2000. Failure to comply with this obligation will make the utility liable to a penalty of \$100 per day for each day that the violation continues. 4 CSR 240-3.540 requires telecommunications utilities to file their annual report on or before April 15 of each year.

B) The obligation to pay an annual assessment fee established by the Commission, as required by Section 386.370, RSMo 2000.

C) The obligation to comply with all relevant laws and regulations, as well as orders issued by the Commission. If the company fails to comply, it is subject to penalties for noncompliance ranging from \$100 to \$2,000 per day of noncompliance, pursuant to Section 386.570, RSMo 2000.

D) The obligation to keep the Commission informed of its current address and telephone number.

AT&T Corp. did not file a proposed tariff as part of its application. The Commission's regulations do not require that such a tariff be filed along with an application

for a certificate, but AT&T Corp. is reminded that, pursuant to Commission Rule 4 CSR 240-3.510(1)(C), it cannot provide service in Missouri until its tariff is approved by this Commission. In addition, AT&T Corp. is reminded that Section 392.410.5, RSMo Cum. Supp. 2007, renders the company's certificate of service authority null and void one year from the date of this order unless it has exercised its authority under that certificate.

**IT IS ORDERED THAT:**

1. AT&T Corp. is granted a certificate of service authority to provide intrastate interexchange telecommunications services in the state of Missouri, subject to all applicable statutes and Commission rules except as specified in this order.

2. AT&T Corp. is granted a certificate of service authority to provide nonswitched local exchange telecommunications services in the state of Missouri, limited to providing dedicated private line services, subject to all applicable statutes and Commission rules except as specified in this order.

3. The certification granted herein is conditioned upon the company's compliance with the regulatory obligations in this order.

4. AT&T Corp. is classified as a competitive telecommunications company.

Application of the following statutes and regulatory rules shall be waived:

**Statutes**

- 392.210.2 - uniform system of accounts
- 392.240.1 - rates-rentals-service & physical connections
- 392.270 - valuation of property (ratemaking)
- 392.280 - depreciation accounts
- 392.290 - issuance of securities
- 392.300.2 - acquisition of stock
- 392.310 - stock and debt issuance

- 392.320 - stock dividend payment
- 392.330 - issuance of securities, debts and notes
- 392.340 - reorganization(s)

### **Commission Rules**

- 4 CSR 240-10.020 - depreciation fund income
- 4 CSR 240-30.040 - uniform system of accounts

5. The request for waivers of 4 CSR 240-33.150(4)(B) and (C) for purposes of this application is granted.
6. This order shall become effective on October 5, 2008.
7. This case may be closed on October 6, 2008.

**BY THE COMMISSION**



Colleen M. Dale  
Secretary

( S E A L )

Davis, Chm., Murray, Clayton,  
and Gunn, CC., concur.  
Jarrett, C., absent.

Dippell, Deputy Chief Regulatory Law Judge