

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

In the Matter of the Combined Application of)	
AT&T Corp. for a Certificate of Service)	
Authority to Provide Intrastate Local Exchange,)	<u>File No. TA-2012-0408</u>
Basic Local Exchange and Interexchange)	
Telecommunications Services within the State of)	
Missouri and of AT&T Communications of the)	
Southwest, Inc. for Cancellation of Certificates of)	
Service Authority)	

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission and for its recommendation, states as follows:

1. On June 6, 2012, AT&T Corporation (ATTC) and AT&T Communications of the Southwest, Inc. (ATTSW) filed a combined Application requesting the Commission grant certificates of Local Exchange, Basic Local Exchange and Interexchange Telecommunications service authority to ATTC and to simultaneously cancel ATTSW’s certificates of service authority to provide Local Exchange, Basic Local Exchange and Interexchange authority.

2. As set forth in the attached Staff Memorandum, the Staff supports the granting of the application of ATTC and the certificate cancellation of ATTSW. As the companies’ services are detariffed, no tariff filing or approval is necessary. The companies are compliant with all assessment and other requirements, have agreed to provide customer notice, have complied with the name registration requirements of the Secretary of State, and are entitled to the waivers the Staff recommends as “standard” in File No. TE-2012-0073, as follows:

392.210.2 Accounting requirements (system of accounts)
 392.240.1 Reasonableness of rates
 392.270 Accounting requirements (valuation of property)
 392.280 Accounting requirements (depreciation rates/accounts)
 392.290 Issuance of stocks, bonds and other indebtedness
 392.300 Transfer of property and ownership of stock
 392.310 Approval of issuing stocks, bonds and other indebtedness
 392.320 Certificate of Commission to be recorded-stock dividends
 392.330 Accounting requirements (proceeds of sales of stock, bonds, notes, etc.)
 392.340 Company reorganization
 4 CSR 240-3.520 Applications to sell or transfer assets
 4 CSR 240-3.525 Applications to merge or consolidate
 4 CSR 240-3.530 Applications to issue stocks, obtain loans
 4 CSR 240-3.535 Applications to acquire stock
 4 CSR 240-3.545(8)(C) Listing of Waivers in Tariff
 4 CSR 240-3.550 Telco Records and Reports (except (5)(B), (D) and (E))
 4 CSR 240-3.555 Residential Customer Inquiries
 4 CSR 240-3.560 Procedure for Ceasing Operations
 4 CSR 240-10.020 Depreciation Records
 4 CSR 240-30.020 Residential Telephone Underground Systems
 4 CSR 240-30.040 Uniform System of Accounts
 4 CSR 240-32.010 General Provisions
 4 CSR 240-32.040 Metering, Inspections and Tests
 4 CSR 240-32.050 Customer Services
 4 CSR 240-32.060 Engineering and Maintenance
 4 CSR 240-32.070 Quality of Service
 4 CSR 240-32.080 Service objectives and surveillance levels
 4 CSR 240-32.090 Connection of equipment and Inside Wiring
 4 CSR 240-32.100 Provision of Basic Local and Interexchange Services
 4 CSR 240-32.130-170 Prepaid Calling Cards (except 32.140 and 32.150(1))
 4 CSR 240-32.180-190 Caller ID blocking requirements
 4 CSR 240-33.010 Service and Billing Practice General Provisions
 4 CSR 240-33.040 Billing and Payment standards
 4 CSR 240-33.045 Clear identification and placement of charges on bills
 4 CSR 240-33.050 Deposits
 4 CSR 240-33.060 Residential Customer Inquiries
 4 CSR 240-33.070 Discontinuance of service
 4 CSR 240-33.080 Disputes by Residential Customers
 4 CSR 240-33.090 Settlement agreements with residential customers
 4 CSR 240-33.130 Operator service requirements
 4 CSR 240-33.140 Payphone requirements (except (2))
 4 CSR 240-33.150 "Anti-slamming" requirements
 4 CSR 240-33.160 Customer Proprietary Network Information

3. 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.

4. Staff also recommends that the Commission classify the Company 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 and that such lesser regulation is consistent with the protection of ratepayers and promotes public interest. §392.361.4. RSMo Supp. 2009. A majority of the services a competitive company provides must be classified as competitive. §392.361.3. RSMo Supp. 2009.

5. The Staff further recommends that the Commission state in its order that, pursuant to § 392.410 RSMo 2000, the authority conferred by the certificate of service authority shall be null and void unless it is exercised within one year of its issuance.

6. The Staff recommends that the application be granted with the following condition:

The Company will undertake all necessary measures to ensure its contracts with underlying carriers do not contain provisions preventing delivery of traffic to any telephone exchange area of Missouri. Such measures include but are not limited to:

- 1) Prevention of call blocking and/or call gapping based on the cost of traffic termination,
- 2) Preventing the alteration or stripping of Calling Party Number identification, and
- 3) Ensuring sufficient network capacity exists to process all traffic according to industry accepted practices.

WHEREFORE, Staff recommends that the Commission grant AT&T Corporation's Application for basic local, non-switched local and interexchange telecommunications service authority, classify the company as competitive and cancel the certificate(s) of AT&T Communications of the Southwest, Inc.

Respectfully submitted,



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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 31st day of July, 2012.



MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No. TA-2012-0408
AT&T Corporation and AT&T Communications of the Southwest, Inc.

From: William Voight
Supervisor, Telecommunications Rates and Tariffs

Subject: Staff's Recommendation to Approve Application to Provide Local Exchange, Basic Local Exchange and Interexchange Telecommunications Service of AT&T Corporation; and to Cancel Certificates of AT&T of the Southwest.

Date: July 31, 2012

On June 6, 2012, AT&T Corporation (ATTC) and AT&T Communications of the Southwest, Inc. (ATTSW) filed a combined Application requesting the Commission grant certificates of Local Exchange, Basic Local Exchange and Interexchange Telecommunications service authority to ATTC and to simultaneously cancel ATTSW's certificates of service authority to provide Local Exchange, Basic Local Exchange and Interexchange authority.

ATTC and ATTSW (Collectively "AT&T") explain that its request is part of a broader, multi-state initiative to merge – effective October 31, 2012 – multiple AT&T entities into a single business entity.

AT&T explains that its merger is entirely *pro forma* and that it does not affect the rates, terms and conditions of service to any of its customers. Under the proposal, ATTC will do business in Missouri as "ACC Business" and "Lucky Dog Phone Company" and ATTSW and the two associated fictitious names of "ConQuest" and "SmartTalk" will cease operations in Missouri. AT&T has provided a copy of the registration of fictitious names "ACC Business" and "Lucky Dog Phone Company" from the office of the Missouri Secretary of State. AT&T notes in footnote 3 of its Application that a copy of the Certificate of Good Standing from the Secretary of State was provided in Case No. TA-2009-0045.

Staff recommends the Commission grant AT&T's request for Local Exchange, Basic Local Exchange and Interexchange Telecommunications authority to ATTC, and for the company to be classified as a competitive telecommunications company. Staff recommends ATTC's certificate to provide Basic Local Exchange service be predicated upon the conditions of §392.500 and §392.510 RSMo which hold that the company's originating and terminating switched access rates shall be no greater than those with

whom it is competing. Staff recommends the Commission grant ATTC's request for authority to provide service in the service areas of AT&T Missouri, CenturyLink, and Windstream.

Staff further recommends the Commission cancel the requisite certificates of ATTSW (Local, Basic Local, and Interexchange telecommunications authority). Staff notes that notwithstanding the business-as-usual nature of the transaction, ATT has provided a notice of the merger to ATTSW's customers (Exhibit 5 of its June 6th Application). Lastly, Staff notes that both ATTSW and ATTC have elected to "detariff" pursuant to §392.461 RSMo. Therefore, this transaction requires no tariffs for the Commission to approve.

AT&T also requests the Commission grant waivers of certain statutes and rules to the extent necessary. ATT lists those waivers in paragraph 18 of its Application. Staff recommends the Commission grant AT&T's request for the requisite waivers.

The Staff is unaware of any other matter that affects this matter. Staff recommends the Commission approve AT&T's request at the Commission's earliest convenience.

Under penalty of perjury, I affirm that the above statement is true and correct.


William Voight