# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of	)	
Angel Americas LLC for Certificate of	)	
Authority to Provide Interexchange	)	File No. TA-2014-0083
Prepaid Telecommunications Services in the	)	
State of Missouri.	)	

#### **STAFF RECOMMENDATION**

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

- 1. On September 24, 2013, Angel Americas LLC ("Applicant") applied for certificate of service authority to provide prepaid interexchange telecommunications services and for competitive classification.
- 2. In the attached Memorandum, the Staff recommends that the Missouri Public Service Commission ("Commission") grant Applicant a certificate to provide 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.
- 3. 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 and that such lesser regulation is consistent with the protection of ratepayers and promotes public interest. \$392.361.4. RSMo. A majority of the services a competitive company provides must be classified as competitive. \$392.361.3. RSMo.
- 4. The Staff further recommends that the application be granted with the following conditions:

- a. The applicant's originating and terminating access rates shall not exceed the access rates of the incumbent local exchange company against whom the applicant is competing pursuant to §§ 392.361.6 and 392.370 RSMo.
- b. 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.
- 5. The Staff recommends that the Commission grant the waivers listed below:

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392.210.2 Accounting requirements (system of accounts)
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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
- 6. The Staff further recommends that the Commission state in its order that, pursuant to Section 392.410, the authority conferred by the certificate of service authority shall be null and void unless it is exercised within one year of its issuance.
- 7. The Applicant requests a temporary waiver of 4 CSR 240-3.510(1)(c), which requires that an application for a certificate of service authority as an interexchange telecommunications carrier shall include a proposed tariff with a 45-day effective date, but allows applicants the option of postponing tariff submittal. Applicant plans to file a tariff in the future. The Staff recommends that the Commission note in its order that the Company may not offer telecommunications services in Missouri until it has either an approved tariff or a web site on which it posts its rates, terms and conditions.
- 8. The Applicant is not delinquent in filing an annual report, paying the PSC assessment, MoUSF, and Relay Missouri.
- 9. The Staff recommends that the Commission specifically include the following language in its Order, conditioning the certificate on continued compliance with the following representation:

Angel Americas LLC 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:

- Prevention of call blocking and/or call gapping based on the cost of traffic termination.
- Preventing the alteration or stripping of Calling Party Number identification.

• Ensuring sufficient network capacity exists to process all traffic according to industry accepted practices.

WHEREFORE, Staff recommends that the Commission grant Angel Americas LLC a certificate of service authority to provide interexchange telecommunications services, grant it the requested competitive classification, grant the waivers listed above, and condition the certificate as requested above in paragraphs six and seven.

Respectfully submitted,

## /s/ Tim Opitz\_

Tim Opitz Assistant Staff Counsel Missouri Bar No. 65082

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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  $30^{th}$  day of October, 2013.

/s/ Tim Opitz\_\_\_\_\_

#### MEMORANDUM

To:	Missouri P	Missouri Public Service Commission Official Case File			
	Case No:	TA-2014-0083	File No:		
	Applicant:	Angel Americas LI	LC .		
From:	Contessa P	Poole-King unications Unit			
	John Van I Tariff, Safe	Eschen ety, Economic and En	ngineering Analysis		
Subject:	Staff Reco	mmendation for Appr	roval of Certificate		
Date:	October 25	5, 2013			
	cate(s), as inc		mends the applicant be granted the ffective on the same date the tarif		
following servic  All o  All o  All o		souri k	communications services in the		
certificate to	provide loca	rexchange telecommu all exchange telecomm ould be restricted to de			
Staff recommend	ds the applica	ant and its services rec	ceive competitive classification.	Sta	

Staff recommends the applicant and its services receive competitive classification. Staff further recommends a Commission order granting certification state that pursuant to Section 392.410 RSMo, unless exercised within a period of one year from the issuance thereof, authority conferred by a certificate of service authority shall be null and void. In addition, Staff recommends approval of the waivers listed in the Notice.

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

1. The applicant's originating and terminating access rates shall not exceed the access rates of the incumbent local exchange company against whom the applicant is competing pursuant to Sections 392.361.6 and 392.370 RSMo.

	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.			
	No objection to tariffs taking effect: Effective Date:			
	<ul> <li>Tariff was not submitted with application.</li> <li>Applicant request a temporary waiver of 4 CSR 240-3.510(1)(c).</li> </ul>			
Review Items for IXC, Non-switched Local and CLEC Certificate Applications (as required by 4 CSR 240-2.060):				
$\boxtimes$	Proper Secretary of State authorization			
$\boxtimes$	Statement of character of business performed.			
	Statement declaring no pending action or final unsatisfied judgments			
$\square$	Statement declaring no overdue annual reports/assessment fees			
$\boxtimes$	Application includes an affidavit.			
	The applicant is requesting waivers of rules or statutes previously granted to a			
	competitively classified company.			
	Application shows that grant of authority is in the public interest (as required by			
	392.430/.440).			
Addit	ional Review Items for CLEC Applications (as required by 392.455):			
	Possesses sufficient technical and managerial resources and abilities.			
	Applicant has provided an affidavit attesting that the company possesses			
	sufficient financial resources.			
	Statement that the applicant will satisfy the minimum standards established by the commission.			
	Identifies geographic area (no smaller than an exchange).			
	Statement that applicant will give equitable access to all Missourians.			

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