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April 22, 2005

FILED

APR 22 2005

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**Missouri Public
Service Commission**

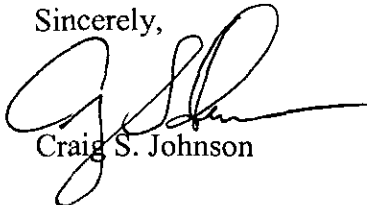
**Re: In the Matter of Application of Chariton Valley Communications Corporation, Inc., for Approval of an Interconnection Agreement with Southwestern Bell Telephone, L.P. d/b/a SBC Missouri.
Case No. TK-2005-0300**

Dear Secretary:

Enclosed for filing please find an original and eight (8) copies of the Response of Chariton Valley Communications to Staff's Recommendation.

Thank you for seeing this filed.

Sincerely,



Craig S. Johnson

CSJ:sjo

CC: PSC General Counsel
OPC General Counsel
Robert Gryzmala
Chariton Valley Communications Corporation, Inc.

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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED

APR 22 2005

Missouri Public
Service Commission

Application of Chariton Valley Communications)
Corporation, Inc., for Approval of an)
Interconnection Agreement with Southwestern)
Bell Telephone, L.P. d/b/a SBC Missouri)
Pursuant to Section 252(e) of the)
Telecommunications Act of 1996.)

Case No. TK-2005-0300

Response of Chariton Valley Communications
To Staff's Recommendation

Comes now Chariton Valley Communications (Chariton Valley), and, for its response to Staff's Recommendation, as directed by the Commission's April 15, 2005 Order Directing Filing, sets forth the following:

1. The agreement before the Commission for approval is an interconnection agreement between Chariton Valley and SBC governing the exchange of local traffic that originates on one party's network and terminates on the other party's network. There is no dispute that the submitted agreement, which provides for a direct interconnection and reciprocal exchange of local traffic, must be approved by the Commission in order to be effective.

2. Staff has recommended that the submitted agreement be rejected unless a separate agreement under which SBC provides transit services to Chariton Valley is filed in this proceeding "as an amendment" to the submitted interconnection agreement.

3. Chariton Valley states that, subject to receiving a request to file the transit service agreement as set forth in paragraphs 16 and 17 below, it has no objection to filing

the separate agreement (entitled “WSP Service Agreement”) for approval, or consideration of approval, in a separate docket.

Chariton Valley anticipates that there will be disputes as to whether or not the WSP Service Agreement is subject to approval under Section 252 of the Act. Those disputes have nothing to do with the terms of the submitted agreement. Chariton Valley believes that addressing those disputes as a preliminary matter will absorb much of the time allotted for approval. Injecting those disputes into this docket will not allow thorough and timely consideration of those issues.

4. Chariton Valley states that it does object to the separate WSP Service Agreement being considered as an amendment to the direct interconnection agreement submitted for approval in this proceeding. The submitted agreement has nothing to do with transit traffic.

5. The agreement before the Commission does not allow Chariton Valley to send traffic to SBC that is bound for a third-party (so called “transit” traffic). SBC was unwilling to offer Chariton Valley transit service in the submitted agreement negotiated pursuant to Section 251 of the Act.

6. The provision of the submitted agreement that Staff relies upon is Section 30.1, General Terms and Conditions, Page 39 of 43. This Section provides that Chariton Valley will not send to SBC local traffic destined for the network of a third party unless Chariton Valley has the authority to exchange traffic with that third party.

7. Chariton Valley does not believe that, in and of itself, Section 30.1 constitutes an “indirect” interconnection agreement for “transiting service” to which Staff

objects. It is simply one of many prohibitions in that part of the submitted agreement entitled “General Terms and Conditions”.

8. Chariton Valley does not believe that Section 30.1 provides it with the authority to obtain transiting service from SBC. Chariton Valley believes that the submitted agreement only governs the exchange of traffic between SBC and Chariton Valley. Any company could opt-in to the terms of this agreement pursuant to Section 252(i) of the Act;

9. Therefore, the submitted agreement does not discriminate against any other carriers and Chariton Valley does not believe that approval of the submitted agreement should be delayed or withheld pending consideration of Staff’s primary focus—that agreements that provide for the provision of transiting service are “interconnection agreements” which are required to be submitted for approval to the Commission.

Request for Relief

10. Therefore, Chariton Valley requests that Staff’s Recommendation be rejected by the Commission, and that the submitted agreement be approved.

Additional Comments

11. Chariton Valley is in agreement with Staff that “transit” service agreements are designed to provide “indirect” interconnection as set forth in Section 251 (a)(1) of the Act.

12. Chariton Valley affirmatively represents that, in addition to the interconnection agreement submitted for approval herein, Chariton Valley and SBC have entered into a separate WSP Service Agreement.

13. Chariton Valley entered into the WSP Service Agreement because SBC offered it as a separate agreement, and was unwilling to offer transit services as part of a direct interconnection agreement. Chariton Valley believed that it was advisable to enter into the WSP Service Agreement in the event Chariton Valley ever needed to send traffic to SBC destined to terminate to a third party carrier connected to SBC. Chariton Valley has no such traffic needs at this time. Chariton Valley does not currently contemplate having to make use of the WSP Service Agreement.

14. Chariton Valley recognizes that Staff's concern regarding the advisability of approving transiting services agreements raises legitimate policy questions. In Missouri we have seen continually changing positions with respect to an ILEC's duty to accept indirect interconnections, with respect to the obligation to "transit" traffic, with respect to whether reciprocal compensation or market rates applied to transiting functions, with respect to obligations of transit providers to be responsible for billing record provision, with respect to transit providers obligation to stop transiting traffic of carriers that do not pay, and with respect to obtaining Commission approval of transiting agreements.

15. Chariton Valley suggests that if these policy issues are going to be resolved at a level of general applicability, it should be the subject of a generic docket or of a rulemaking. All ILECs, CLECs, and wireless carriers should be provided an opportunity to participate.

16. In the negotiations for the interconnection agreement and Wireless Service Agreement, SBC notified Chariton Valley that it would not negotiate a transiting agreement unless Chariton Valley agreed that it was not subject to approval under the

Telecommunications Act of 1996. Chariton Valley did not agree with SBC's position. However, in order to make transiting services available, Chariton Valley executed the WSP Service Agreement. In doing so Chariton Valley negotiated language allowing CV to submit the agreement for approval upon Commission request.

Request for Relief

17. If the Commission wants the WSP Service Agreement to be filed for approval, Chariton Valley respectfully requests that an Order directing its filing be entered.

**ANDERECK, EVANS, MILNE
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By: 

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ATTORNEYS FOR APPLICANT


CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand-delivered on this 22nd day of April, 2005, to the following parties:

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