

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

In the Matter of the Application of US Signal)
Company, L.L.C. for a Certificate to Provide)
Basic Local, Non-Switched and Interexchange) **File No. TA-2011-0170**
Telecommunications Services in Portions of)
the State of Missouri and to Classify Said)
Services of the Company as Competitive)

**ORDER GRANTING CERTIFICATES TO PROVIDE
BASIC LOCAL, NONSWITCHED LOCAL, AND INTEREXCHANGE
TELECOMMUNICATIONS SERVICES**

Issue Date: February 9, 2011

Effective Date: February 19, 2011

This order grants certificates of service authority to provide basic local, nonswitched local, and interexchange telecommunications services in the state of Missouri, classifies those services and the company as competitive and waives certain statutes and regulations.

On December 13, 2010, US Signal Company, L.L.C. applied for certificates of service authority to provide basic and nonswitched local exchange, as well as interexchange telecommunications services within the state of Missouri, and for competitive classification. The company seeks certification to provide interexchange service throughout the state and basic local service in portions of Missouri that are currently being served by Southwestern Bell Telephone, L.P. d/b/a AT&T Missouri; Embarq Missouri, Inc. d/b/a Embarq; CenturyTel of Missouri, LLC d/b/a CenturyTel; or Spectra Communications Group, LLC d/b/a CenturyTel. US Signal is authorized to do business in Missouri by the Missouri Secretary of State.

On December 20, 2010, the Commission issued its Notice of Applications, establishing January 7, 2011 as the deadline for intervention. No applications to intervene were received. On January 21, 2011, the Staff of the Commission recommended that the requested certificates, classifications and waivers be granted. Staff later filed an addendum, recommending that in addition to the waivers initially suggested, the Commission grant a limited waiver of 4 CSR 240-32.050(4)(B). This rule concerns the distribution of telephone directories.

The Commission may grant an application for a certificate of service authority to provide telecommunications service upon a showing that the applicant has met the statutory requirements,¹ and that the grant of authority is in the public interest.² Based on the verified application and Staff's uncontested recommendation, the Commission finds that US Signal satisfies the requirements for certification and that granting such certificates is in the public interest.

US Signal also requests that it and its services be classified as competitive and that the application of certain statutes and regulatory rules be waived. The Commission may classify a telecommunications service as competitive if the Commission determines that the applicant is subject to a sufficient degree of competition to justify a lesser degree of regulation.³ The Commission may only classify a telecommunications carrier as competitive if all of its services are so classified.⁴

¹ See Sections 392.450, 392.451 and 392.455, RSMo 2000. All statutory references, unless otherwise specified, are to the Revised Statutes of Missouri (RSMo), revision of 2000.

² Sections 392.430 and 392.440.

³ Section 392.361.2.

⁴ Section 392.361.3.

The Commission finds that the intrastate interexchange market is competitive and that the interexchange services US Signal will offer are subject to competition. In addition, US Signal will compete with incumbent local exchange carriers, as well as other competitive local exchange carriers in the exchanges in which it provides basic local telecommunications service. The Commission finds that US Signal will be subject to a sufficient level of competition to justify a lesser degree of regulation. Furthermore, all of the services US Signal will offer are qualified for classification as competitive services.

The Commission may waive certain statutes and administrative rules for competitively classified carriers “if such waiver or modification is otherwise consistent with the other provisions of Section 392.361 to 392.520 and the purposes of this chapter.”⁵ Through its Recommendation, Staff lists suggested waivers. The Commission finds that the waiver of those statutes and regulations, as recommended by Staff, is consistent with the purposes of Chapter 392, and will waive those provisions for US Signal.

The Commission may also require a telecommunications company to comply with any conditions reasonably necessary to protect the public interest. Staff recommends that US Signal’s application be granted subject to certain restrictions regarding switched access rates. These conditions are routinely recommended by Staff and US Signal accepted them in its application. The conditions proposed by Staff are necessary to protect the public interest and will be adopted.

The Commission places US Signal on notice that failure to comply with certain obligations pursuant to law may result in penalties assessed against the company. These obligations include, but are not limited to, the following:

⁵ Sections 392.361.5 and 392.420.

- 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 for a penalty of \$100 per day for each day that the violation continues. Rule 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, under Section 386.570, RSMo 2000.
- D) The obligation to keep the Commission informed of its current address and telephone number.

The company is reminded that its officers may not represent it before the Commission. The company must be represented by an attorney licensed to practice law in Missouri.

In addition, Section 392.410.5, RSMo Cum. Supp. 2009, provides that the company's certificate of service authority becomes null and void one year from the date of this order unless the company has exercised its authority under that certificate.

The Commission notes that before providing telecommunications services in Missouri, a party shall possess the following: (1) an interconnection agreement approved by the Commission; (2) except for wireless providers, a certificate of service authority from

the Commission to provide interexchange or basic local telecommunications services; and (3) except for wireless providers, a tariff approved by the Commission.

THE COMMISSION ORDERS THAT:

1. US Signal Company, L.L.C. is granted a certificate of service authority to provide basic local telecommunications services in the exchanges of Southwestern Bell Telephone, L.P. d/b/a AT&T Missouri; Embarq Missouri, Inc. d/b/a Embarq; CenturyTel of Missouri, LLC d/b/a CenturyTel; or Spectra Communications Group, LLC d/b/a CenturyTel, subject to the conditions and recommendations contained in the Staff's Memorandum.

2. US Signal Company, L.L.C. is granted certificates of service authority to provide nonswitched local exchange and interexchange telecommunications services in the state of Missouri.

3. US Signal Company, L.L.C. and its services are granted competitive classification.

4. US Signal Company, L.L.C.'s originating and terminating access rates will be no greater than the lowest Commission-approved corresponding access rates in effect for each incumbent local exchange carrier within whose service area US Signal seeks authority to provide service, unless authorized by the Commission pursuant to Section 392.220 and 392.230, RSMo.

5. The certificates and competitive service classification for switched exchange access are granted conditioned on the continued applicability of Section 392.200, RSMo, and the requirement that any increase in switched access service rates above the maximum switched access service rates set forth herein shall be made pursuant to Section 392.200 and 392.230, RSMo, and not Section 392.500 and 392.510, RSMo.

6. If the directly competing incumbent local exchange carrier, in whose service area US Signal Company, L.L.C. is operating, decreases its originating or terminating access service rates, US Signal shall file an appropriate tariff amendment to reduce its originating or terminating access rates in the directly competing incumbent local exchange carrier's service area within 30 days of the directly competing incumbent local exchange carrier's reduction of its originating or terminating access rates in order to maintain the cap.

7. Application of the following statutes and Commission rules is 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 240-3.550(4)
and (5)(A) - quality of service
- 4 CSR 240-10.020 - depreciation fund income
- 4 CSR 240-30.040 - uniform system of accounts
- 4 CSR 240-32-060 - engineering and maintenance
- 4 CSR 240-32.050(4)(B)
as Staff recommends - telephone directories
- 4 CSR 240-32.070 - quality of service
- 4 CSR 240-32.080 - service objectives and surveillance levels
- 4 CSR 240-33.040(1-3)
and (5-10) - billing and payment standards
- 4 CSR 240-33.045 - how charges on bills are displayed
- 4 CSR 240-33.080(1) - company name and toll-free number on bills
- 4 CSR 240-33.130(1)
(4) and (5) - operator service requirements

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

9. This order and US Signal Company, L.L.C.'s certificates shall become effective on February 19, 2011.

10. This file shall be closed on February 20, 2011.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Kennard L. Jones, Senior Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 9th day of February, 2011.