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**FILED**

**OCT 22 2003**

Mr. Dale Hardy Roberts  
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P. O. Box 360  
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**Missouri Public  
Service Commission**

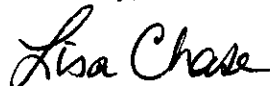
**Re: In the Matter of an Investigation of Voice Over Internet Protocol and Virtual  
NXX Telephony in the State of Missouri  
Case No. TO-2004-0172**

Dear Secretary Roberts:

Enclosed for filing please find an original and eight (8) copies of the Response of MITG to AT&T Communications of the Southwest, Inc.

Thank you for seeing this filed.

Sincerely,



Lisa Cole Chase

LCC:lw

enclosure

CC: Mike Dandino  
Dan Joyce  
Rebecca B. DeCook  
J. Steve Weber  
MITG Managers

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FILED

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

OCT 22 2003

Missouri Public  
Service Commission

In the Matter of an Investigation of Voice )  
Over Internet Protocol and Virtual NXX ) Case No. TO-2004-0172  
Telephony in the State of Missouri )

**RESPONSE OF MITG TO AT&T COMMUNICATIONS OF THE SOUTHWEST,  
INC.**

COMES NOW, Alma Telephone Company, Chariton Valley Telephone Corporation, Choctaw Telephone Company, MoKan Dial, Inc. and Northeast Missouri Rural Telephone Company, (the "MITG") and file this response to the *Response of AT&T Communications of the Southwest, Inc. in Opposition to Staff's Motion to Open Case*. The MITG herein supports Staff's Motion to Open Case to investigate Voice Over Internet Protocol and Virtual NXX Telephony in Missouri.

1. The MITG companies are rural, small, local exchange companies classified as rural telephone companies under the Telecommunications Act of 1996. The MITG provide local, basic local, and exchange access services. The MITG companies are subject to the regulatory supervision of the Missouri Public Service Commission pursuant to § 386.250 RSMo. and Chapter 392 RSMo.

2. Copies of all filings in this docket should be directed to the MITG and CVT by serving:

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3. On October 6, 2003, the Staff of the Missouri Public Service Commission filed a Motion to Open Case to investigate Voice over Internet Protocol (VoIP) and Virtual NXX Protocol (VNXX), citing issues pertaining to intercarrier compensation and the financial impact of these technologies, the effect of VNXX on number resources and portability, and the extent to which these technologies are subject to Missouri law. The MITG agrees with Staff that these are issues that need to be investigated.

4. AT&T asserts that VNXX is a service that has already been addressed by the Commission in the context of the Interconnection Agreement between AT&T and SBC Missouri, Inc. The MITG was not aware that companies were offering VNXX as a *service* to end users. The MITG disagrees that VNXX is a telecommunications service. VNXX is a technology that other carriers have been using to bypass certain records and ratings obligations with respect to toll traffic. Instead of the customer paying for the call and the cost of transport, VNXX enables the customer to avoid paying toll charges, and it enables the carrier using the VNXX to avoid paying transport or access charges. The LEC who is otherwise entitled to access charges on such calls is denied proper compensation, resulting in an adverse impact ultimately to the Missouri telecommunications consumers. This has been a point of concern not only to the MITG, but to other carriers across the country as reflected by comments filed on August 8 & 19, 2002 before the FCC in CC Docket No. 01-92, *In the Matter of Developing a Unified Intercarrier Compensation Regime, Sprint Corp. Petition for Declaratory Ruling Regarding the Routing and Rating of Traffic by ILECs*.


5. VoIP, like VNXX, is an emerging technology that needs to be considered carefully with respect to the impending impact it will have on the ability of ILECs to

compete and to continue to provide their carrier-of-last-resort functions. The telecommunications industry in Missouri has worked diligently with the Staff of the Public Service Commission and the Office of Public Counsel for the past few years in developing an Enhanced Record Exchange Rule in Case No. TX-2003-0301 (which was a spin-off from an earlier proceeding in Case No. TO-99-593 – Terminating Compensation Investigation). The impact of these two technologies has the potential of undermining the implementation of these proposed rules unless action is taken to investigate the utilization of these technologies in Missouri.

6. The Commission needs industry-wide input on these technologies, rather than relegate such important issues to arbitration proceedings where other parties are not permitted to participate. Such a piecemeal approach to these two technologies is not in the public interest as it prohibits the Commission from obtaining a full understanding of the scope of the issues and their potential impacts on Missouri consumers. The Commission ought to move forward with an investigation pertaining to these two technologies and permit interested parties to intervene in this proceeding. The Commission may decide at a later date whether a contested case procedure is needed in this case. VNXX and VoIP technology provides a carrier the ability to make what appears to be a “local” call anywhere in the United States. AT&T may not want the Commission looking at this, but that does not mean considering these issues is not in the public interest.

WHEREFORE, MITG respectfully requests the Commission grant Staff’s Motion to Open Case.

**ANDERECK, EVANS, MILNE  
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**ATTORNEYS FOR MITG**

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing was mailed, U. S. Mail, postage pre-paid, this 22 day of October, 2003, to:

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