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P. O. Box 360
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FILED³

DEC 09 2002

Re: Case No. TO-99-593

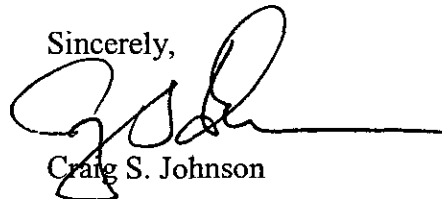
**Missouri Public
Service Commission**

Dear Mr. Roberts:

Enclosed please find an original and three (3) copies of the MITG's Reply to the Opposition of SWBT and Staff to the MITG/STCG's Joint Motion to Adopt a Business Relationship.

A copy of this letter and a copy of the enclosure have been served upon all counsel or record. Thank you for seeing this filed.

Sincerely,



Craig S. Johnson

CSJ:tr

Enc.

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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

FILED³
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Missouri Public
Service Commission

In the Matter of the Investigation	)	
into Signaling Protocols, Call	)	Case No. TO-99-593
Records, Trunking Arrangements,	)	
and Traffic Measurement.	)	

**Reply of MITG to Opposition of SWBT and Staff
to Joint Motion to Adopt Business Relationship**

Comes now the Missouri Independent Telephone Company Group (MITG), and submits the following Reply to the Staff's Response and Southwestern Bell's Suggestions in Opposition to the STCG/MITG Joint Motion to Adopt Business Relationship (Joint Motion).

1. The purpose of this docket, and of the Joint Motion, has become engulfed in a wave of rhetoric. In describing the STCG/MITG and their Joint Motion, SWBT and Staff state that the small companies propose to "change the business relationship", to "radically restructure the industry", to "totally revamp the long-standing intercompany compensation mechanism", "disingenuously attempt to confuse the Commission by comparing the provision of long distance service by IXC's with the provision of access services by LEC's", that the small companies "simply refuse to accept any determination by the Commission that differs from their own demands", that the Joint Motion amounts to "nothing more than another application for rehearing", and that the Joint Motion should not be addressed in preference to a draft rule circulated by Staff, entitled "Enhanced Record Exchange Rule".

2. The MITG believes that a calm review leads to the conclusion that the STCG/MITG Joint Motion is timely, within the ambit of this docket, presents a legitimate proposal for a business relationship that is consistent with industry standard terminating compensation business relationships, and presents legitimate issues for the Commission's determination. As the Commission's December 13, 2001 Order indicated that it would consider the "business relationship" issue if Issue 2056 did not successfully reduce billing discrepancies, or make them easier to resolve, the Joint Motion is timely.

3. This docket was created to look at terminating traffic relationships to be used between PTCs and SCs after termination of the PTC Plan. During the PTC Plan the business relationship in use was similar to that proposed in the STCG/MITG Joint Motion. The PTC delivering intraLATA traffic paid the SC terminating access representing payment for all traffic delivered. The PTC paying terminating access made payment both for traffic that it originated as well as for traffic originated by other PTCs and delivered by the paying PTC.

4. Staff and SWBT suggest that a Staff-proposed "Enhanced Record Exchange Rule" be considered to the exclusion of the Joint Motion. The MITG believes that the draft rule announced by Staff is not within the scope of the rulemaking the Commission directed. The Commission's December 13, 2001 Order directed Staff to "begin the rulemaking process to promulgate a rule that will codify the requirement that all Missouri-regulated telecommunications companies implement Issue 2056 developed by the Ordering and Billing Forum". Staff's announced rule does not adhere to this directive, as it departs from requiring implementation of Issue 2056. The Commission's indication that it would consider later addressing the "business relationship" was in no

way predicated on implementation of a rule. It was predicated upon the failure of Issue 2056 to resolve the compensation issues associated with unidentified traffic. No party now suggests Issue 2056 will do so.

5. Staff's draft rule would in and of itself establish or adopt a "business relationship" between former PTCs and former SCs. The proposed rule establishes or addresses all of the same functions which are contained in the STCG/MITG Joint Motion. These are the functions which comprise the "business relationship", i.e. the place of creation of terminating compensation billing records, designation of the carrier creating the record, the type of record created, the manner of carrier exchange of billing records, and designation of the carrier with terminating compensation responsibility.

6. These are the same functions which the small companies presented to the Commission, and the Commission addressed, in its June 21, 1999 Report and Order in TO-99-254. This was the Order used by the Commission to create this docket.

7. Staff's draft Enhanced Record Exchange Rule assumes that originating carriers should pay terminating compensation, regardless of how the traffic is routed to the terminating LEC. Staff's draft rule assumes that terminating compensation records should be made at the originating leg of a call and passed by the originating carrier to other carriers on the call pay. The Joint Motion proposes that the carrier presenting traffic to the terminating tandem should be responsible for payment of terminating compensation, and the record should be created by the terminating carrier based upon information recorded at the terminating tandem.

8. Staff's draft rule assumes that it is permissible to utilize category

92 or "Missouri specific category 11-01 records. In this regard Staff forgets that the Commission in its June 10, 1999 Report and Order in TO-99-254 ordered *industry standard* 11-01 records to be used *by April 1, 2000*. Staff forgets that "Missouri-specific 11-01" records were only agreed to be used by small companies, at the former PTCs' request, as an interim record created from information on the originating leg of a call until true industry standard category 11 records, created at the terminating tandem/end office, would be implemented.

9. Staff's draft rule assumes that FGC should continue, and that there is such a thing as the "LEC-to-LEC" network. Staff's draft rule assumes that former PTCs are authorized to "transit" traffic, and when they do so they are not interexchange carriers. Staff's draft rule fails to consider the requirement of filed tariffs requiring the elimination of FGC when FGD is made available. Staff's draft rule fails to consider the requirement of filed tariffs defining former PTCs as interexchange carriers.

10. Instead of further a single billing system utilizing industry standard 11-01 billing records, Staff's proposed rule would necessitate a dual 92 record system. The Commission's June 10, 1999 Order in TO-99-254 expressed a reluctance to encourage duplicative record systems, especially a non-standard 92 record system.

11. As demonstrated both by the Joint Motion, Staff's draft rule, and by the evidence upon which the Order creating this docket was predicated, the MITG believes that this docket has always been about terminating traffic record types, location of record creation, types of billing records, compensation responsibility for terminating traffic, and the prevention or minimization of "unidentified" or uncompensated traffic. Semantics and rhetoric have been used to prevent this docket from progressing in a timely manner.

Staff's draft rule is about terminating business relationship. The STCG/MITG Joint Motion is about terminating business relationships.

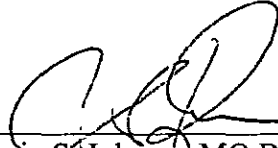
12. SWBT's recitation of STCG comments in the FCC Unified Carrier Compensation docket are an oversimplification of terminating compensation responsibilities. The STCG comments before the FCC regarding unified carrier compensation (bill and keep) are inaccurately summarized and characterized by SWBT. The acronym "Calling Party's Network Pays", or CPNP, focuses on originating compensation. Originating compensation is not at issue here. Even under CPNP, the originating carrier is not necessarily the carrier that actually sends payment to the terminating LEC. Not all carriers have national networks. An access record created by the originating LEC is not and has never been the basis for paying terminating compensation. The record and responsibility used for terminating compensation depends upon what carrier *delivers* the traffic to the terminating access tandem or end office. When the originating carrier lacks terminating facilities, it contracts with another carrier to terminate the call. The carrier PAYS the carrier contracted to terminate the call. The contracted IXC delivering the call on its trunk to the terminating access tandem PAYS the terminating LEC, even though it was not the "CALLING PARTY's NETWORK". It has been the long standing business relationship that terminating compensation responsibilities, and records, are determined at the terminating tandem or end office, as is the premise of the STCG/MITG joint motion. This is the relationship in use during PTC plan for "FGC" traffic (except for record provisioning). This is the relationship still in use for IXC/FGD traffic. The FCC knows this. It is silly for SWBT to attempt to suggest

that the originating IXC pays directly pays the terminating LEC in every instance. CPNP is not at all inconsistent with the Joint Motion.

13. The MITG suggests that the STCG/MITG Joint Motion is timely, whether or not the Joint Motion is considered in conjunction with Staff's "enhanced record exchange" rule. The MITG believes that considering both the Joint Motion and the draft rule could provide the Commission with an excellent platform for comparing and contrasting Staff and SWBT's "originating responsibility, originating 92 record system" with the small company's business relationship proposal.

WHEREFORE, based on the foregoing, the MITG again requests that the STCG/MITG Joint Motion to Adopt Business Relationship be scheduled for notice, prehearing conference, and that a procedural schedule to consider it be adopted.

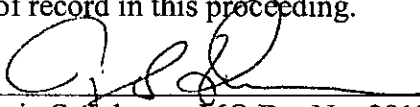
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ATTORNEYS FOR MITG

CERTIFICATE OF SERVICE

The undersigned does hereby certify that a true and accurate copy of the foregoing was mailed, via U.S. Mail, postage prepaid, this 9 day of December, 2002, to all attorneys of record in this proceeding.



Craig S. Johnson MO Bar No. 28179