



Robin Carnahan
Secretary of State

**Administrative Rules Division
Rulemaking Transmittal Receipt**

Rule ID: 12570
Date Printed: 2/22/2011
Rule Number: 4 CSR 240-3.510
Rulemaking Type: Final Order Amendment
Date Submitted to Administrative Rules Division: 2/22/2011
Date Submitted to Joint Committee on Administrative Rules: 1/19/2011

Name of Person to Contact with questions concerning this rule:

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Included with Rulemaking:

Cover Letter

2/22/2011

**Robin
Carnahan**
Secretary of State
Administrative Rules Division
RULE TRANSMITTAL

Administrative Rules Stamp
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SECRETARY OF STATE
ADMINISTRATIVE RULES

Rule Number 4 CSR 240-3.510

COPY

Use a "SEPARATE" rule transmittal sheet for EACH individual rulemaking.

Name of person to call with questions about this rule:

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TYPE OF RULEMAKING ACTION TO BE TAKEN

- ☐ Emergency rulemaking, include effective date
☐ Proposed Rulemaking
☐ Withdrawal ☐ Rule Action Notice ☐ In Addition ☐ Rule Under Consideration
☒ Order of Rulemaking

Effective Date for the Order _____

☒ Statutory 30 days OR Specific date _____

Does the Order of Rulemaking contain changes to the rule text? ☒ NO

☐ YES—LIST THE SECTIONS WITH CHANGES, including any deleted rule text:

Small Business Regulatory
Fairness Board (DED) Stamp

JCAR Stamp
JOINT COMMITTEE ON
JAN 19 2011
ADMINISTRATIVE RULES



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Robin Carnahan
Secretary of State
Administrative Rules Division
600 West Main Street
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Re: 4 CSR 240-3.510 Filing Requirements for Telecommunications Company
Applications for Certificates of Service Authority to Provide Telecommunications
Services, Whether Interexchange, Local Exchange, or Basic Local Exchange

Dear Secretary Carnahan,

CERTIFICATION OF ADMINISTRATIVE RULE

I do hereby certify that the attached is an accurate and complete copy of the proposed rulemaking lawfully submitted by the Public Service Commission.

The Public Service Commission has determined and hereby certifies that this proposed rulemaking will not have an economic impact on small businesses. The Public Service Commission further certifies that it has conducted an analysis of whether or not there has been a taking of real property pursuant to section 536.017, RSMo 2000, that the proposed rulemaking does not constitute a taking of real property under relevant state and federal law, and that the proposed rulemaking conforms to the requirements of 1.310, RSMo, regarding user fees.

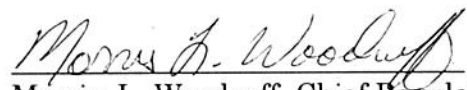
The Public Service Commission has determined and hereby also certifies that this proposed rulemaking complies with the small business requirements of 1.310, RSMo, in that it does not have an adverse impact on small businesses consisting of fewer than twenty-five full or part-time employees or it is necessary to protect the life, health, or safety of the public, or that this rulemaking complies with 1.310, RSMo, by exempting any small business consisting of fewer than twenty-five full or part-time employees from its coverage, by implementing a federal mandate, or by implementing a federal program administered by the state or an act of the general assembly.

Robin Carnahan
Secretary of State
Page Two

Statutory Authority: Sections 386.250 and 392.455, RSMo 2000 and Sections 392.450 and 392.451 RSMo Supp. 2010.

If there are any questions regarding the content of this proposed rulemaking, please contact:

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Morris L. Woodruff, Chief Regulatory Law Judge
Missouri Public Service Commission

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Title 4 – DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 240 – Public Service Commission
Chapter 3—Filing Requirements for Telecommunications Company Tariffs

ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under sections 386.250 and 392.455, RSMo 2000, and sections 392.450 and 392.451 RSMo Supp. 2010, the commission amends a rule as follows:

4 CSR 240-3.510 is amended.

A notice of proposed rulemaking containing the text of the proposed amendment was published in the *Missouri Register* on December 1, 2010 (35 MoReg 1736). No changes have been made in the text of the proposed amendment, so it is not reprinted here. This proposed amendment becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: The public comment period ended January 3, 2011, and the commission held a public hearing on the proposed amendment on January 4, 2011. The commission received timely written comments from the staff of the Missouri Public Service Commission, from William D. Steinmeier (an attorney who regularly practices before the commission), and from AT&T Missouri. In addition, the commission's staff offered comments at the hearing. Each comment supported the proposed amendment.

COMMENT 1: The commission's staff offered a written comment explaining that the existing rule requires applicants for authority to provide basic local telephone service to submit detailed financial information to establish their financial ability to offer such services. Staff indicates its experience since promulgating the existing rule has shown that the detailed financial information reporting requirements are not necessary. Staff believes the amended rule will continue to protect the public interest in local phone service provided by economically stable providers.

RESPONSE: The commission thanks its staff for its comment. The commission has made no changes to the rule because of this comment.

COMMENT 2: William D. Steinmeier offered a written comment indicating he is an attorney who frequently files applications for certificates of service authority on behalf of small competitive telephone companies. Mr. Steinmeier explains that Missouri's current financial reporting criteria are among the most stringent in the nation. As such, those criteria have created a barrier that has discouraged companies from attempting to enter Missouri's competitive market for local



telephone service. Mr. Steinmeier supports the proposed amendment as an appropriate streamlining of the certificate application process, while still protecting the public interest. Mr. Steinmeier encourages the commission to adopt the proposed amendment.

RESPONSE: The commission thanks Mr. Steinmeier for his comment. The commission has made no changes to the rule because of this comment.

COMMENT 3: AT&T Missouri filed a written comment indicating its support for the proposed amendment. It explains that new entrants into the competitive local telephone service market frequently seek to provide service by reselling the services of another carrier, such as AT&T Missouri. If the new entrant becomes financially insolvent, the established carrier, whose service is resold, may not be paid for providing that service. As a result, AT&T Missouri has a financial interest in ensuring that new carriers entering the market are financially stable. AT&T believes that the proposed amendment appropriately streamlines the application process while still protecting the financial interests of established telephone service providers.

RESPONSE: The Commission thanks AT&T Missouri for its comment. The commission has made no changes to the rule because of this comment.