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**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 23rd day of December, 1997.

In the Matter of the Application of United Telephone Company of Missouri d/b/a Sprint for Designation as an Eligible Telecommunications Carrier Under 47 U.S.C. Section 214(E)(2) of the Telecommunications Act of 1996. )  
)  
) Case No. TO-98-205  
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**ORDER APPROVING STIPULATION AND  
DESIGNATION OF ELIGIBLE TELECOMMUNICATIONS CARRIER**

Sprint Missouri, Inc. (Sprint)<sup>1</sup> filed on November 14, 1997, an Application for Designation as Eligible Telecommunications Carrier Pursuant to Section 254 of the Telecommunications Act of 1996. Sprint, an incumbent local exchange carrier, asked the Commission to designate it a telecommunications carrier eligible to receive federal universal service support under 47 C.F.R. § 54.201(d). Beginning on January 1, 1998, any carrier that is eligible for universal service support must provide the services that are supported by federal universal support mechanisms as described in 47 C.F.R. § 101 using its own facilities at least in part. The carrier must also advertise the availability of those services and the charges for them using media of general distribution. 47 C.F.R. § 54.201(d). Where a telecommunications carrier is otherwise eligible for universal service support it may request additional time to complete the network upgrades necessary to provide single-party service, access to enhanced 911 service, or toll limitation. 47 C.F.R. § 54.101(c). The Commission may grant a

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<sup>1</sup> Formerly United Telephone Company of Missouri d/b/a Sprint.

request for additional time only on a showing of exceptional circumstances and for the period of time the Commission deems necessary to complete the upgrades. *Id.* Because funding will become available under these conditions in January of 1998, Sprint has asked the Commission to make a determination of its eligibility no later than December 31, 1997.

The Commission issued its order directing interested parties to file applications to intervene by December 8. MCI Telecommunications Corporation (MCI) and MCImetro Access Transmission Services, Inc. (MCImetro) filed a joint application to intervene on December 8, which was granted on December 11. MCI and MCImetro stated that, if Sprint is not willing to make certain specified commitments that were included in the stipulation in Case No. TO-98-49, the Commission should conduct a hearing where Sprint should explain its position.

The Commission directed Sprint to file a pleading addressing the concerns raised in the application for intervention by December 17. Sprint filed a response on December 15 stating that all the commitments demanded by MCI and MCImetro are alleged and verified in its application. Sprint also stated that the Commission could rule on its application without a stipulation between the parties.

The parties filed a Stipulation and Agreement (Stipulation) on December 22 which is included with this order as Attachment 1. The Stipulation provides for Sprint to be designated an eligible telecommunications carrier for purposes of federal universal service support, and to be granted additional time to provide single-party service in all exchanges and toll limitation.

The parties agreed that Sprint provides the following services:

- (1) Voice grade access to the public switched network;
- (2) Local usage;
- (3) Dual tone multifrequency signaling or its functional equivalent;
- (4) Access to emergency services;
- (5) Access to operator services;
- (6) Access to interexchange services; and
- (7) Access to directory assistance.

The parties stipulated that Sprint is not capable at the present time of providing toll limitation for qualifying low-income customers, as that service is defined by the Federal Communications Commission (FCC) because it does not have the technical ability to provide toll control. Providing toll control will require extensive revisions to Sprint's billing system and the establishment of totally new information exchanges among carriers. The parties agreed that exceptional circumstances prevent Sprint from presently providing this service and that the Commission should grant additional time to implement it pursuant to 47 C.F.R. § 54.101(c). The parties agreed that the Sprint will either provide toll limitation, including toll control, on or before December 31, 1999. In the event that Sprint will not be able to meet that deadline, it will file a request with the Commission for additional time by November 1, 1999, and a report setting out the current status of the technology. Sprint will also provide a report regarding the status of the technology for toll control and the progress being made toward its implementation on December 31, 1998, to the Commission and the parties to this case.

The parties stipulated that exceptional circumstances prevent Sprint from providing single-party service to some of its customers.

Sprint is currently in the process of upgrading customers to single-party service pursuant to a modernization plan approved by the Commission. in Case No. TR-93-181. The plan calls for Sprint to provide single party service to all of its Missouri customers by December 31, 2000. Sprint requests an extension of time until that date to provide ubiquitous single party service.

The parties agreed that Sprint qualifies for designation as an "eligible telecommunications carrier" under the provisions of 47 C.F.R. § 54.201(d) because, throughout its service area, with the exceptions noted above, it offers the services to be supported by federal universal service support using its own facilities. In addition, Sprint advertises the availability of these services using directories, public record tariffs, and bill messages. Sprint has agreed to comply with any additional advertising in media of general distribution that the Commission deems appropriate to meet the requirements of 47 C.F.R. § 54.201(d)(2).

Sprint agreed that, if it does not already have tariff provisions regarding Lifeline and Link Up services as defined in 47 C.F.R. 54.501 it will file revisions to its existing tariffs before December 31 so the services will be available to customer by January 1, 1998, or as soon as approved.

The parties recommended that the Commission issue an order to be effective prior to December 31, 1997, designating Sprint as a telecommunications carrier eligible to receive federal universal service support, granting the requested additional time to provide ubiquitous single-party service and toll limitation, and designating Sprint's service area to be equivalent to its "study area" unless and until determined otherwise pursuant to 47 C.F.R. § 54.207(b). The parties also recommended that the

Commission specifically direct Sprint to file revised tariffs for Lifeline and Link Up service no later than December 31, 1997.

The Commission has reviewed the pleadings in the case and the Stipulation and Agreement of the parties and finds that the Stipulation should be approved in resolution of all issues and Sprint shall be designated an eligible telecommunications carrier for purposes of federal universal service support. The Commission finds that exceptional circumstances exist which prevent the Sprint from providing ubiquitous single party service and toll limitation and that the requested extensions of time shall be granted. The Commission finds that Sprint should be directed to file tariff revisions as necessary to implement Lifeline and Link Up services.

**IT IS THEREFORE ORDERED:**

1. That the Stipulation and Agreement filed by the parties on December 22, 1997 is approved in resolution of the issues.

2. That Sprint Missouri, Inc. is designated an eligible telecommunications carrier for purposes of federal universal service support pursuant to 47 U.S.C. §§ 214(e) and 254(e). Sprint's Missouri service area shall be its service area for purposes of federal universal service support. Sprint's service area shall be equivalent to its "study area" pursuant to 47 C.F.R. § 54.207(b).

3. That Sprint Missouri, Inc. is granted an extension of time until December 31, 1999, to provide toll limitation as defined by 47 C.F.R. § 54.400. Sprint will file a report with the Commission no later than December 31, 1998, regarding the status of the technology and progress being made toward implementing toll limitation. If exceptional circumstances continue to prevent compliance by the extended deadline, the Sprint

will file a request for additional time no later than November 1, 1999, accompanied by a report on the status of the technology as of that date.

4. That Sprint Missouri, Inc. is granted an extension of time until December 31, 2000, to provide single party service to all of its Missouri customers.

5. That, to the extent necessary for implementation of the services, Sprint Missouri, Inc. shall file tariff revisions for Commission approval for the provision of Lifeline and Link Up services no later than December 31, 1997, with a 30-day effective date.

6. That this order shall become effective on December 31, 1997.

7. That this case will be closed on January 2, 1998.

**BY THE COMMISSION**



**Dale Hardy Roberts**  
**Secretary/Chief Regulatory Law Judge**

( S E A L )

Lumpe, Ch., Crumpton, Drainer  
and Murray, CC., concur.

Wickliffe, Deputy Chief Regulatory Law Judge

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

DEC 23 1997  
PUBLIC SERVICE COMMISSION

In the Matter of the Application of )  
United Telephone Company of Missouri, )  
d/b/a Sprint for Designation as an ) Case No. TO-98-205  
Eligible Telecommunications Carrier )  
under 47 U.S.C. 214(E)(2) of the )  
Telecommunications Act of 1996. )

**STIPULATION AND AGREEMENT**  
**INTRODUCTION**

Section 254 of the Telecommunications Act of 1996 ("the Act") enacted policy changes to the federal universal service support system and established a subsequent schedule by which a joint universal service board as well as the Federal Communications Commission ("FCC") would implement rules and regulations embodying the policy changes. On May 7, 1997, in FCC Docket No. 96-45, the FCC issued its Report and Order as well as final rules implementing these changes to the federal universal service support system. 47 CFR 54.201(b) of the FCC's rules authorizes the Missouri Public Service Commission ("Commission"), on its own motion or upon request, to designate a common carrier as an "eligible telecommunications carrier" for a service area designated by the Commission so long as the carrier meets the requirements of rule 47 CFR 54.201(d).

On November 14, 1997, Sprint Missouri, Inc. f/k/a United Telephone Company of Missouri, d/b/a Sprint ("Sprint") filed an Application for Designation as an Eligible Telecommunications Carrier Pursuant to 47 U.S.C. Sections 214(e) and 254 requesting that the Commission designate Sprint, prior to December 31, 1997, an eligible telecommunications carrier under the provisions of 47 CFR 54.201(d) to receive federal universal service support. On December 8, 1997, MCI Telecommunications Corporation ("MCI") and MCImetro Access Transmission Services, Inc. ("MCImetro") filed an Application to Intervene. On December 15, 1997, Sprint filed a response

indicating that the verified Application was sufficient but that Sprint would nevertheless enter into a Stipulation if necessary.

In order to be eligible for universal service support after January 1, 1998, a carrier must provide the services that are supported by federal universal support mechanisms as described in 47 CFR §-54.101 using its own facilities at least in part. The carrier must also advertise the availability of those services and the charges for them using media of general distribution. 47 CFR §-54.201(d)(2). Where a telecommunications carrier is otherwise eligible for universal service support it may request additional time to complete the network upgrades necessary to provide single-party service, access to enhanced 911 service, or toll limitation. 47 CFR §-54.101(c).

The services required by 47 CFR 54.101 are:

- (1) Voice grade access to the public switched network;
- (2) Local usage;
- (3) Dual tone multi-frequency signaling or its functional equivalent;
- (4) Single-party service or its functional equivalent;
- (5) Access to emergency services;
- (6) Access to operator services;
- (7) Access to interexchange service;
- (8) Access to directory assistance; and
- (9) Toll limitation for qualifying low-income consumers.

"Toll limitation" is defined by the FCC in 47 CFR 54.400(a)(4) as including both toll blocking and toll control. "Toll control" is defined at 47 CFR 54.400(a)(3) as "a service provided by carriers that



allows consumers to specify a certain amount of toll usage that may be incurred on their telecommunications channel per month or per billing cycle."

According to the verified Application, Sprint provides seven of the required services but is currently unable to offer all aspects of the ninth service, toll limitation for qualifying low-income consumers as it is defined by the FCC and is unable to offer single-party service to a limited number of customers. Sprint is in the process of upgrading customers to single-party service pursuant to a previously approved modernization plan and Sprint commits to continue to meet the terms of that plan. As to toll limitation, Sprint is able to provide toll blocking however it does not have the technical ability to provide toll control. Accordingly, Sprint requested that the Commission grant it additional time to provide toll control for qualifying low-income consumers until such time as industry standards have been developed which will allow Sprint to provide this service.

As Sprint understands the FCC's definition of toll control, this service would require the following elements:

- a. The customer would specify a dollar amount of toll usage that would be allowed to be charged to his account each month or billing cycle.
- b. At the beginning of each cycle the customer would be allowed to make toll calls to any jurisdiction, using any carrier, until the specified dollar amount was reached.
- c. The telephone company would have to monitor and rate all toll calls made by the customer to each jurisdiction and each carrier and keep a running total of the toll calls made.
- d. When the customer's dollar limit was reached for that billing period, the telephone company would implement toll blocking in its switch for the remainder of the billing cycle to prevent the customer from making additional toll calls.

Sprint understands that in order to accomplish this task, Sprint would have to have systems in place so that at the completion of each toll call either the telephone company would immediately rate the call and keep a "real time" record accumulating the customer's toll calls for the billing period or immediately receive from the carrier who handled the call a record of the call rating so that it could be accumulated in the customer's toll summary record. When that summary amount reached the limit set by the customer, Sprint's billing system would then have to communicate with the central office switch serving the customer to impose the toll blocking feature in the switch so that further toll calls could not be made. At the beginning of the new cycle, the central office switch would have to be reset to remove the toll blocking feature for the next billing cycle until the limit was again reached.

Sprint represents that it only rates messages periodically during the month, and that its billing systems currently do not normally summarize a customer's toll usage until the end of the month when the bill is prepared. Customers may also receive toll bills from several different carriers depending on their choices for interLATA presubscription and the extent to which they use the 1OXXX or 101XXXX dialing features to reach carriers other than the presubscribed carrier. There are no current provisions for carriers to provide rated messages that the carriers are going to bill back to Sprint on any basis, let alone on a "real time" basis. Finally, Sprint represents that there are no systems established for its billing systems to communicate with the switch to impose toll blocking restrictions on a real time basis.

#### **STIPULATION AND AGREEMENT**

1. The signatory parties stipulate and agree that Sprint provides the following services:
  - (1) Voice grade access to the public switched network;

- (2) Local usage;
- (3) Dual tone multi-frequency signaling or its functional equivalent;
- (4) Access to emergency services;
- (5) Access to operator services;
- (6) Access to interexchange service; and
- (7) Access to directory assistance.

2. Sprint represents, and the other signatory parties do not dispute, that Sprint is currently in the process of upgrading customers to single-party service pursuant to an approved modernization plan. Furthermore, Sprint represents, and the other signatory parties do not dispute, that Sprint is incapable at the present time of providing the ninth required service, toll limitation for qualifying low-income customers, as that service is defined by the FCC in that Sprint does not have the technical ability to provide the toll control portion of the FCC's definition of toll limitation. Accordingly, in order for Sprint to provide toll control if the FCC maintains this requirement, there will have to be extensive revisions to telephone company billing systems and totally new information exchanges established with other carriers to provide the capability required by the FCC. The parties agree that exceptional circumstances prevent Sprint from providing this service at the present time and that the Commission should grant Sprint additional time to provide this service pursuant to 47 CFR 54.101(c). The parties agree that Sprint will either provide toll control (and thereby fully provide toll limitation) on or before December 31, 1999, or by November 1, 1999, will file with the Commission and serve on the parties hereto another request for additional time accompanied by a report regarding the current status of the technology. In addition, Sprint will provide a report regarding the current status of the technology for toll control and a report regarding the progress

being made toward its implementation on or before December 31, 1998, to the Commission and the parties to this case.

3. The parties agree that Sprint qualifies for designation as "eligible telecommunications carriers" under the provisions of 47 CFR 54.201(d), in that throughout its respective exchanges or service area, Sprint, with the exceptions noted above, offers the services to be supported by federal universal service support using its own facilities. In addition, Sprint advertises the availability of such services using directories, public record tariffs, and bill messages. Sprint further commits to comply with any additional advertising in media of general distribution that the Commission deems appropriate to meet the requirements of 47 CFR 54.201(d)(2) to the extent Sprint wishes to remain designated an "eligible telecommunications carrier." The parties recommend that the Commission establish a docket in early 1998 to determine if there should be a rulemaking to establish the requirements of 47 CFR 54.201(d)(2) for telecommunication companies in which all issues involving these requirements may be addressed. In the interim, the parties agree that Sprint's current advertising is adequate until such time as the issues are explored more fully in the docket to be established in early 1998.

4. Sprint agrees that if it does not already have tariff provisions regarding Lifeline services as defined in 47 CFR 54.401 and Link Up services to qualifying low-income customers, it will file revisions to its existing tariffs with the Commission before December 31, 1997 so that such service will be available to qualifying low-income consumers by January 1, 1998 or as soon thereafter as the Commission approves such tariff revisions. The parties recommend that the Commission issue an order specifically addressing Sprint's tariff revision filing by December 31, 1997 if possible.

5. The parties stipulate and agree that the Commission should issue its order to be effective prior to December 31, 1997, designating Sprint as a telecommunications carrier eligible under the provisions of 47 CFR 54.201(d) to receive federal universal service support. In addition, the parties agree that the Commission should grant the requests for additional time for Sprint set out above. The parties further agree that in its order designating Sprint as an eligible carrier the Commission should designate the service area of Sprint and state that the service area is equivalent to Sprint's "study area" unless and until determined otherwise.

### CONCLUSION

6. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation and Agreement in total, then this Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof. This Stipulation and Agreement is specific to the resolution of this proceeding and is made without prejudice to the rights of the signatories to take other positions in other proceedings before this Commission, the FCC, and other regulatory agencies.

7. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the signatory parties and participants waive, with respect to the issues resolved herein: their respective rights pursuant to § 536.080.1, RSMo 1994, to present testimony, to cross-examine witnesses, and to present oral argument or written briefs; their respective rights to the reading of the transcript by the Commission pursuant to § 536.080.2, RSMo 1994; and their respective rights to seek rehearing pursuant to § 386.500, RSMo 1994 and to seek judicial review pursuant to §386.510, RSMo 1994. The signatory parties agree to cooperate with each other in presenting this Stipulation

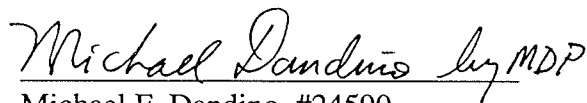
and Agreement for approval to the Commission and shall take no action, direct or indirect, in opposition to the request for approval of this recommended solution. The signatory parties are not waiving their rights to participate in any hearing scheduled in connection with this Stipulation and Agreement.

8. If requested by the Commission, the Staff shall have the right to submit to the Commission a memorandum explaining its rationale for entering into this Stipulation and Agreement. Each party of record and participant shall be served with a copy of any memorandum and shall be entitled to submit to the Commission, within five days of the filing of Staff's memorandum a responsive memorandum which shall also be considered privileged in the same manner as settlement discussions under the Commission rules, shall be maintained on a confidential basis by all parties and participants, and shall not become a part of the record of this proceeding or bind or prejudice the party submitting such memorandum in any future proceeding or in this proceeding whether or not the Commission approves this Stipulation and Agreement. The contents of any memorandum provided by any party are its own and are not acquiesced in or otherwise adopted by the other signatories to the Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties and participants with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from the Staff. Staff's oral explanation shall be subject to public disclosure.

WHEREFORE, the signatories respectfully request the Commission issue its Order effective prior to December 31, 1997, designating Sprint a telecommunications carrier eligible under the provisions of 47 CFR 54.201(d) to receive federal universal service support; granting the requests for additional time set out above and designating the service as Sprint's "study area" unless and until determined otherwise.

Respectfully submitted:



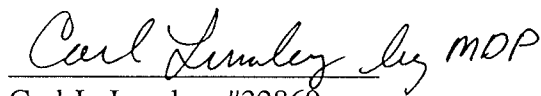
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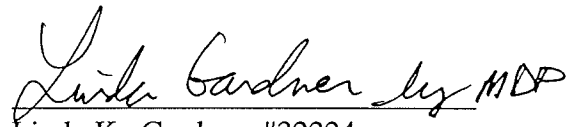
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## CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 22nd day of December, 1997.

A handwritten signature in cursive script, appearing to read "Marc Poston", written over a horizontal line.

Marc Poston