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December 2, 1988

**FILED**

DEC - 2 1988

Mr. Harvey G. Hubbs, Secretary  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, Missouri 65102

**PUBLIC SERVICE COMMISSION**

Re: Case No. TA-88-218 et al.

Dear Mr. Hubbs:

On behalf of Missouri Telephone Company, Eastern Missouri Telephone Company, Mid-Missouri Telephone Company, Citizens Telephone Company of Higginsville, Missouri, Northeast Missouri Rural Telephone Company and Fidelity Telephone Company, I enclose an original and fourteen copies of a Brief of the Small Telephone Company Group for filing in connection with the above-referenced matter.

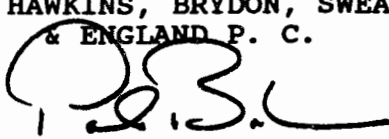
Would you please bring this filing to the attention of the appropriate Commission personnel?

Thank you for your assistance with this matter.

Sincerely yours,

HAWKINS, BRYDON, SWEARENGEN  
& ENGLAND P. C.

By:

  
Paul A. Boudreau

PAB:sw  
Enclosures

cc: Office of the Public Counsel  
All Parties of Record

FILE

DEC - 2 1988

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

PUBLIC SERVICE COMMISS.

In the matter of the application of )  
American Operator Services, Inc. for a )  
certificate of service authority to ) Case No. TA-88-218 ✓  
provide Intrastate Operator-Assisted )  
Resold Telecommunications Services. )

In the matter of Teleconnect Company )  
for authority to file tariff sheets )  
designed to establish Operator Services ) Case No. TR-88-282 ✓  
within its certificated service area )  
in the State of Missouri. )

In the matter of Dial U.S. for )  
authority to file tariff sheets )  
designed to establish Operator Services ) Case No. TR-88-283 ✓  
within its certificated service area )  
in the State of Missouri. )

In the matter of Dial U.S.A. for )  
authority to file tariff sheets )  
designed to establish Operator Services ) Case No. TR-88-284 ✓  
within its certificated service area )  
in the State of Missouri. )

In the matter of International )  
Telecharge, Inc. for authority to file )  
tariff sheets designed to establish ) Case No. TR-89-6 ✓  
Operator Services within its )  
certificated service area in the State )  
of Missouri. )

BRIEF OF THE SMALL TELEPHONE COMPANY GROUP

I.

Introduction

This proceeding involves the request of five companies ("Applicants") for authority to provide operator services to the public. The applicants are providers of alternative operator services (AOS). They are alternative in the sense that the

applicants are not established providers of such services but will, rather, compete with established companies for customers desiring operator services. They have also confined their marketing efforts to a limited customer base. The subscribers of such services appear to be traffic aggregators such as hotels, motels, hospitals and truck stops catering to a transient clientele.<sup>1</sup>

The threshold issue appears to be whether AOS are in the public interest. In addition to this, the Commission has been asked to determine what rules and regulations it will impose on AOS providers. The Small Telephone Company Group<sup>2</sup> ("the Companies") believes that AOS can be in the public interest if subject to appropriate regulatory oversight.

## II.

### Discussion

The Companies concur with the recommendations of Staff witness John Van Eschen and believe that recommendations such as company identification will help educate the end users that non-traditional carriers may be handling their calls. The rates of AOS providers

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<sup>1</sup>At least one Applicant is a certificated IXC that plans to offer operator services to its residential customers as well. (Ricca, Exh. 4, pps. 5, 14).

<sup>2</sup>The Small Telephone Company Group consists of Missouri Telephone Company, Eastern Missouri Telephone Company, Mid-Missouri Telephone Company, Citizens Telephone Company of Higginsville, Missouri, Northeast Missouri Rural Telephone Company and Fidelity Telephone Company.

should be tariffed rates. This will ensure that the public's interest in receiving good telephone service at reasonable rates is protected. This degree of oversight is appropriate in view of the fact that the calling party may not be the person making the choice between competing companies. As such, the Commission cannot be assured that the marketplace will effectively regulate the rates of AOS providers. (Clark, Exh. 16, p. 5).

In addition to Staff's recommendations, the Companies believe that one major source of customer confusion must be resolved. Many customer complaints involve point of origin problems, that is, calls are appearing on customers' bills as having been originated from incorrect locations. This is apparently the result of AOS operators handing off calls to other carriers. This is referred to as splash back. When such a call is handed over, it appears that AOS providers place it on the switched network at the location of their operator center instead of the location of the calling party. As a result, the call is incorrectly recorded as having originated from the operator's location. This call is rated and billed accordingly even though the jurisdiction of the call may differ from that recorded. (Clark, Exh. 16, pps 2-3; Bailey, Exh. 18, p. 1).

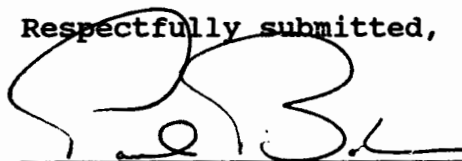
This has been a particularly troublesome issue. Customers perceive that they are being incorrectly billed because the telephone bill shows them as having been at a distant location when

the call was made. On the other hand, customer representatives only have recorded information upon which to rely. The Companies are concerned that this may reflect poorly on their operations and is an unnecessary source of customer confusion. (Clark, Exh. 16, p. 3). In addition to Staff's suggestions, the Companies recommend that AOS providers ensure that splash back be handled in such a way as to make sure that the location of the calling party, and not the operator, be recorded as the point of origin for billing purposes.

Conclusion

Subject to appropriate Commission regulation, AOS are in the public interest. The conditions proposed by Staff appear to be reasonable. In addition, The Companies believe that the Commission must also resolve the issue of the incorrect recording of splashed calls. Incorrectly recorded calls are a uniquely troublesome aspect of competition in the provision of operator services.

Respectfully submitted,



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Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was mailed, United States Mail, postage prepaid, this 2nd day of December, 1988, to:

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