

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Public Hearing held in Jefferson City, Missouri,  
via videoconferencing in  
Hannibal, Kirksville, Mexico, and Moberly, Missouri

October 7, 2005

Volume 4

In the Matter of the Request     )  
of Southwestern Bell Telephone,   )  
L.P, d/b/a SBC Missouri, for     ) Case No. TO-2006-0102  
Competitive Classification       )  
Pursuant to Section 392.245.6,    )  
RSMO (2005)-60-Day Petition      )

COLLEEN M. DALE, Presiding,  
CHIEF REGULATORY LAW JUDGE  
ROBERT M. CLAYTON,  
COMMISSIONER

REPORTED BY:

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11 FOR: The Office of Public Counsel and  
12 the public.

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1                   P R O C E E D I N G S

2                   JUDGE DALE: We are on the record.

3 Welcome, everyone today. My name is Colleen Dale.

4 I'm the regulatory law judge who will be presiding

5 over this matter today. This is -- the Commission

6 has set this time for a local public hearing in Case

7 No. TO-2006-0102, in which Southwestern Bell

8 Telephone, L.P. requests the Commission to classify

9 as competitive business and residential services in

10 certain exchanges.

11                   The Commission consists of five

12 Commissioners appointed by the governor to fix terms

13 and confirmed by the Senate. One of the

14 Commissioners, Robert Clayton, is participating in

15 the hearing today. Commissioner Clayton is at the

16 Hannibal location.

17                   The Commission employs a staff of

18 engineers, accountants, attorneys, financial analysts

19 and other specialists in the field of regulation.

20                   Mr. Haas here in the Jefferson City

21 location is the attorney representing the staff. The

22 Office of the Public Counsel is represented by

23 Mr. Michael Dandino. It is the job of the Public

24 Counsel to represent you, the public, in hearings

25 before the Commission.

1                   Representing the company today, do we  
2   have --

3                   MR. DIETRICH:  She stepped out.

4                   JUDGE DALE:  -- a person who has stepped  
5   out of the room.

6                   The purpose of today's hearing is to  
7   give the public an opportunity to offer comments and  
8   suggestions regarding SBC Missouri's request.  We are  
9   using videoconference technology to simultaneously  
10  conduct this hearing in Hannibal, Kirksville and  
11  Mexico.

12                  One of our staff members, Adam McKinnie,  
13  is in Hannibal, Robert Boone is in Kirksville and  
14  Mike Scheperle is in Mexico.  The Commissioners and  
15  I are -- well, actually there are no Commissioners  
16  here in Jeff City.  The only Commissioner attending  
17  is Commissioner Clayton.

18                  This is an official hearing of the  
19  Missouri Public Service Commission, and the  
20  statements and testimony of witnesses will be  
21  recorded by the court reporter and must be given  
22  under oath.  The transcript of today's proceedings  
23  will be provided to the Commissioners who could not  
24  be present today.  We are also streaming this hearing  
25  over the internet via our website.

1                   In addition to the local public hearing  
2 today, the Commission has conducted local public  
3 hearings in Carthage, Moberly, Union, Kennett,  
4 Excelsior Springs and Marshall. A trial type  
5 evidentiary hearing will be held on October 12th and  
6 13th starting at 8:30 here at the Commission's  
7 offices in Jefferson City. At that time the parties  
8 will present their witnesses for and against the  
9 petition.

10                   The hearing will be open to the public.  
11 As for our procedure today, I will call the name of  
12 each person on the witness list. Please, only one  
13 person may speak at a time. When your name is  
14 called, please come forward and stand at the podium.  
15 Are there podiums in the locations? Or -- well, just  
16 stand up so we can all know who's speaking. Please  
17 remain standing or at the podium until I excuse you.

18                   After you speak, there may be questions  
19 for you from a Commissioner or from me or from one of  
20 the attorneys, so we may want to follow up before you  
21 leave. Does anyone have any questions about the  
22 procedure?

23                   COMMISSIONER CLAYTON: Judge, can you  
24 hear me? This is Robert Clayton in Hannibal. I'd  
25 like to make a statement before we get started when

1 it's time for them.

2 JUDGE DALE: Well, I was just about to  
3 ask you if you had any opening remarks, so please go  
4 ahead.

5 COMMISSIONER CLAYTON: Well, if you're  
6 ready for them, I do. First of all, I wanted to  
7 introduce myself. I am in the Moberly Area Community  
8 College/Hannibal Higher Education Center in Hannibal,  
9 and we are without -- it appears without any members  
10 of the public that are here to testify or to get  
11 information, so I'll be paying particular attention  
12 to those members of the public in other locations.  
13 And I'm not sure in looking at the video feed who is  
14 where or how many people will be speaking.

15 I'm a member of the Public Service  
16 Commission. There are five of us. I am originally  
17 from Hannibal, and we are here to take testimony, and  
18 I look forward to hearing what you have to say. I  
19 also want to thank you for coming out to this hearing  
20 because this is something that the Commission is  
21 trying to do in terms of using videoconferencing and  
22 new technologies to exchange information.

23 Not only are we here to take testimony  
24 from you, but also through the question-and-answer  
25 session before, you were able to ask certain

1 questions and get some information about what is  
2 going on before the Commission. The Commission is  
3 not always good at conveying how we do business and  
4 why things are the way they are, so I appreciate you  
5 coming out and participating in this -- this new type  
6 of technology, this modern style local public  
7 hearing, and I look forward to the testimony that  
8 will be before us.

9 I will also add that my fellow  
10 Commissioners do review the transcripts from each of  
11 the proceedings. There is a stenographer, I assume,  
12 that is taking notes in Jefferson City, and this will  
13 be made part of the permanent record. So thank you  
14 all very much for coming.

15 JUDGE DALE: Is there anyone in the  
16 Kirksville location who will be speaking?

17 MR. BOONE: Hi, Judge Dale. This is  
18 Robert Boone. Yes, we do have one young lady. Her  
19 name is Mildred Findling, and she's wanting to  
20 testify.

21 JUDGE DALE: Could you spell that name  
22 for me, please, the last name?

23 MR. BOONE: Mildred's first name is  
24 M-i-l-d-r-e-d. The last name is spelled  
25 F-i-n-d-l-i-n-g.

1 JUDGE DALE: Okay. Mr. Scheperle, do  
2 you have people who wish to testify?

3 MR. SCHEPERLE: Could you hear that?

4 JUDGE DALE: No.

5 MR. SCHEPERLE: Cully, in Mexico we'll  
6 have, I believe, four witnesses and possibly maybe  
7 five.

8 JUDGE DALE: Okay. Could you go ahead  
9 and give me their names?

10 MR. SCHEPERLE: Okay. The first one  
11 would be Dan Barker. It's B-a-r-k-e-r. Kevin Weber,  
12 W-e-b-e-r. Ben Jones, J-o-n-e-s. And the last one  
13 will be Jami Williams, W-i-l-l-i-a-m-s.

14 JUDGE DALE: Okay. Is Jami Williams a  
15 man or a woman?

16 MR. SCHEPERLE: A woman.

17 JUDGE DALE: I can't tell who you are.

18 MR. SCHEPERLE: It's J-a-m-i.

19 JUDGE DALE: Oh, okay. At this time I  
20 would like counsel to make entries of appearance,  
21 please, beginning with Southwestern Bell.

22 MS. DIETRICH: We have no attorneys  
23 present today, Judge.

24 JUDGE DALE: Oh, okay. Staff?

25 MR. HAAS: Good afternoon, your Honor.



1 William K. Haas, appearing on behalf of the Public  
2 Service Commission.

3 MR. DANDINO: Good afternoon, your  
4 Honor. Michael Dandino and Eric Martin appearing on  
5 behalf of the Office of Public Counsel and the  
6 public.

7 JUDGE DALE: Thank you. I'd like to  
8 begin with Ms. Fielding, please.

9 MS. FINDLING: It's Mrs. Findling.

10 JUDGE DALE: Mrs. Findling. Oh, okay.

11 MS. FINDLING: F-i-n-d-l-i-n-g.

12 JUDGE DALE: Would you please stand and  
13 raise your right hand, please.

14 (THE SPEAKER WAS SWORN.)

15 JUDGE DALE: Thank you. Will you please  
16 also state your address for the record.

17 MS. FINDLING: 23317 State Highway AA,  
18 Greentop, Missouri 63546.

19 JUDGE DALE: I'm sorry. I interrupted.

20 MS. FINDLING: 63546.

21 JUDGE DALE: Are you currently a  
22 customer of Southwestern Bell?

23 MS. FINDLING: No, I'm not. But I would  
24 have been about 200 feet.

25 JUDGE DALE: Okay. Go ahead and make

1    whatever comments or statements that you would like  
2    to make.

3 MS. FINDLING: Yes. Well, I want you to  
4 keep in mind that northeast Missouri is very rural  
5 and we don't have the option that all the largest  
6 cities does. And even here in Kirksville with the  
7 Southwestern Bell, we have people going to Mark Twain  
8 which is over Hurdland, or Nemo which is over Green  
9 City, for their internet service because it's  
10 cheaper.

11                   So I have several members of the family  
12   that does have Southwestern Bell, and if you don't  
13   put a cap on it, I'm afraid it's just gonna go up  
14   just like everything else has. And we really need  
15   our phone service, but a lot of us has went to a cell  
16   phone because it's cheaper and you can take it with  
17   you.

18                   So they need to keep that in mind. And  
19   the internet you can get other ways anymore, so a lot  
20   of people is just disconnecting their house phones.  
21   And, you know, they need to make it as cheap as they  
22   can for the people.

23 JUDGE DALE: Commissioner Clayton, do  
24 you have any questions?

25 COMMISSIONER CLAYTON: Can you hear me,

1 Judge?

2 JUDGE DALE: Yes.

3 COMMISSIONER CLAYTON: Good.

4 Ms. Findling, thank you very much for appearing. And  
5 you're from Greentop, Missouri?

6 MS. FINDLING: Yes, I am.

7 COMMISSIONER CLAYTON: Are you a  
8 resident of Adair County or Schuyler County?

9 MS. FINDLING: Adair County. And we  
10 built our house in '70, and we went to Southwestern  
11 Bell for our phone service before we ever built our  
12 house and got the line where the dividing line was  
13 for our phone service, and we built our house back  
14 because of that. And before we had it done and ready  
15 for service, they updated their map, and when they  
16 updated their map, it was like 200 feet we were  
17 lacking from having service from Southwestern Bell.  
18 So they didn't do their studying while we was  
19 building to tell us that while we was building.

20 COMMISSIONER CLAYTON: So did you -- I'm  
21 sorry. I didn't mean to interrupt. There's a bit of  
22 a delay. Who do you have your local wireline  
23 telephone service from right now?

24 MS. FINDLING: Mark Twain. And I also  
25 have a cell phone, myself and my husband.

1                   COMMISSIONER CLAYTON: Do you have a  
2 local number in Greentop for your cell phone or is it  
3 a Kirksville number or what type of number do you  
4 have?

5                   MS. FINDLING: It's a 341.

6                   COMMISSIONER CLAYTON: And is that a  
7 local number for where?

8                   MS. FINDLING: Kirksville. I can call  
9 anywhere.

10                  COMMISSIONER CLAYTON: How about people  
11 calling you? Can your neighbors in Greentop call you  
12 without paying long distance?

13                  MS. FINDLING: On my house phone they  
14 can, but on my cell phone anyone can call and it's no  
15 charge to me.

16                  COMMISSIONER CLAYTON: It's no charge to  
17 you, but it's a charge to them, right?

18                  MS. FINDLING: Not from Kirksville, no.

19                  COMMISSIONER CLAYTON: Okay. Just from  
20 Kirksville?

21                  MS. FINDLING: No, any -- any incoming  
22 call is free.

23                  COMMISSIONER CLAYTON: I understand.

24                  MS. FINDLING: Yes, uh-huh.

25                  COMMISSIONER CLAYTON: I understand. I

1 don't have any other questions. I just want to thank  
2 you for coming out today and trying out this new  
3 technology with us.

4 MS. FINDLING: Yes. Well, the prefix is  
5 a Kirksville prefix, my cell phone is, and that's why  
6 anyone from Kirksville can call me and it doesn't  
7 cost. But Greentop is a different prefix, and I  
8 think that Kirksville has five prefixes that they can  
9 call and no charge to anyone.

10 COMMISSIONER CLAYTON: Okay. Is the  
11 cellular coverage pretty good in Adair County?

12 MS. FINDLING: Yes, it is.

13 COMMISSIONER CLAYTON: You're happy with  
14 the coverage?

15 MS. FINDLING: Yes.

16 COMMISSIONER CLAYTON: Okay. Well, I  
17 appreciate you coming out.

18 MS. FINDLING: Well, thank you.

19 JUDGE DALE: Thank you, Commissioner  
20 Clayton. Do any of the counsel have questions for  
21 this witness?

22 MR. DANDINO: Yes, your Honor.

23 Ms. Fielding, this is Mike Dandino with the Office of  
24 Public Counsel. Thank you for coming out today. I  
25 really appreciate it. I do want to ask you, do you

1 find that -- is your -- who do you have cell phone  
2 service with?

3 MS. FINDLING: US Cellular. And my name  
4 is Ms. Findling.

5 MR. DANDINO: Ms. Findling. I'm sorry.

6 MS. FINDLING: Yes, F-i-n-d-l-i-n-g.

7 MR. DANDINO: Findling, okay. And then  
8 primarily do you use your cell phone for both local  
9 calls and long distance?

10 MS. FINDLING: I use it for long  
11 distance, and then we have a wide area of almost five  
12 states that I can call and no charge.

13 MR. DANDINO: Okay. Now, with your Mark  
14 Twain phone, do you have -- do you use that just for  
15 local calls?

16 MS. FINDLING: Yes, I do. That's all.

17 MR. DANDINO: And you use it for  
18 internet, right?

19 MS. FINDLING: Uh-huh. But I'm thinking  
20 about going to FastTrack, which is an antenna on the  
21 house and wouldn't have to worry about that.

22 MR. DANDINO: Okay. That's all I have.  
23 Thank you.

24 JUDGE DALE: Thank you, Mr. Dandino.  
25 Mr. Haas?

1 MR. HAAS: No questions, your Honor.

2 JUDGE DALE: Thank you very much,  
3 Ms. Findling.

4 MS. FINDLING: All right. Thank you.

5 JUDGE DALE: You're excused.

6 Okay. Moving on to, is it Mexico?  
7 That's where you are, Mr. Scheperle?

8 MR. SCHEPERLE: Yes.

9 JUDGE DALE: Okay. Then we'll go ahead  
10 with Mr. Barker. I'm sorry. We're getting a little  
11 feedback and it's confusing.

12 Mr. Barker, would you please stand and  
13 raise your right hand.

14 (THE SPEAKER WAS SWORN.)

15 JUDGE DALE: Thank you. If you could  
16 state your name and your address for the record,  
17 please.

18 MR. BARKER: My name is Dan Barker. My  
19 address is 1101 West Monroe, Mexico, Missouri 65265.

20 JUDGE DALE: Are you currently a  
21 customer of Southwestern Bell?

22 MR. BARKER: Yes, in both business and  
23 residential.

24 JUDGE DALE: Thank you. You may proceed  
25 to make whatever comments or statement you want to

1 make.

2 MR. BARKER: Thank you, your Honor. I  
3 appreciate the opportunity to address this Commission  
4 today. Several concerns that I have like many in the  
5 room. One would be the lack of notification for  
6 these kinds of hearings. We kind of found out very  
7 slightly, and we kind of spread the word ourselves.

8 And I think if we look around the screen  
9 up here, the attendance in some of the other areas  
10 kind of show that -- I kind of feel like this is  
11 being maybe snuck by us, and that alarms me greatly.  
12 I maybe would have liked to have seen something in my  
13 last bill if this was gonna be something that was  
14 gonna be really good for us. So I guess that's,  
15 first of all, what makes me a little leery of  
16 anything we're trying to accomplish here by removing  
17 regulation.

18 To my knowledge, we don't have any other  
19 facility-based carriers in our area. So keeping in  
20 the back of our minds that everything that any  
21 competition's gonna do in our area is gonna have to  
22 be done through wholesale arrangements with  
23 Southwestern Bell. And from earlier conversations we  
24 had with the various folks earlier, my understanding,  
25 that is based on a discount percentage that is set



1 and negotiated between those companies.

2                   Voice over IP is not a reality to us out  
3 here at this time. We still have areas in our town  
4 within two miles of the Central Office that still  
5 don't have DSL. So the folks in the rural areas  
6 certainly don't have any kind of alternative using  
7 alternate technology.

8                   I have personally installed and helped  
9 folks with various satellite installations. The  
10 latency is far too great for satellite to work for  
11 any kind of voice. And then the other major concern  
12 with those types of technologies is security and  
13 E 911.

14                   You know, we lose track of those things  
15 when we get away from landline-based services.  
16 Wireless in our area, although it's gotten better  
17 over the years, we still have some serious spots. If  
18 you travel south of our town on Highway 54 or if you  
19 head east of our town, there are some major gaps and  
20 holes where wireless is just nonexistent. And so I  
21 don't look at that as a viable alternative for a lot  
22 of the folks in our area.

23                   And finally, my biggest concern is, is  
24 this type of action is segue for them to pull out or  
25 stop serving certain portions of our area in the

1 future. It just concerns me that this may provide a  
2 foothold for that down the road. Thank you, your  
3 Honor.

4 JUDGE DALE: Thank you. Commissioner  
5 Clayton, do you have questions?

6 COMMISSIONER CLAYTON: Thank you, Judge.  
7 Mr. Barker, thank you very much for appearing today.  
8 Your comments are timely and very applicable. You  
9 obviously have some knowledge of the  
10 telecommunications industry. Are you employed by  
11 anyone in the industry right now?

12 MR. BARKER: No, sir, I'm not. I'm one  
13 of the guys that got washed out during the IT thing,  
14 but I have worked for a phone company in the past,  
15 yes.

16 COMMISSIONER CLAYTON: I understand.  
17 Well, you have a great deal of knowledge, and I  
18 appreciate that. Much of this is very complicated,  
19 and for the average person who does not deal in  
20 telecommunications, many of the terms that you use  
21 would be new to that type of person.

22 When you say that there are no  
23 facilities-based carriers, are there any other  
24 alternative wireline carriers serving Mexico at this  
25 time, even if they're just reselling or under a UNE-P

1 type of arrangement?

2 MR. BARKER: Yes. McLeod is the one  
3 that comes to mind. VarTech, McLeod, those are the  
4 only two that I'm aware of.

5 COMMISSIONER CLAYTON: And are you aware  
6 of whether they are a reselling agreement or under a  
7 UNE-P arrangement?

8 MR. BARKER: I'm not sure. I don't  
9 know. I don't have any knowledge of that.

10 COMMISSIONER CLAYTON: Okay. Does --  
11 you mentioned that wireless has some real coverage  
12 problems in Mexico?

13 MR. BARKER: Yes, sir.

14 COMMISSIONER CLAYTON: Within the city  
15 limits of Mexico, are there coverage problems?

16 MR. BARKER: Not that I'm aware of. You  
17 can get outside of town a couple of miles and you'll  
18 have them, have real problems.

19 COMMISSIONER CLAYTON: How many wireless  
20 carriers are serving Mexico, do you know that?

21 MR. BARKER: Two that I'm aware of, US  
22 Cellular, Cingular, Nextel. Yeah, they just came in.

23 COMMISSIONER CLAYTON: And do they offer  
24 telephone numbers that are within the Mexico exchange  
25 so your Mexico neighbor can dial as a local call?

1 MR. BARKER: Yes, sir.

2 COMMISSIONER CLAYTON: Okay. I don't  
3 have any other questions. I do want to offer a  
4 comment regarding the lack of notification. In the  
5 end we have to take responsibility for perhaps the  
6 lack of notification. I'm from Hannibal and I'm  
7 embarrassed to say that there are no people from  
8 Hannibal that are attending this part of the local  
9 public hearing.

10 One thing that you need to be aware of  
11 is that the General Assembly gave us very strict  
12 timelines in these new cases. This type of action  
13 was provided for in new legislation that was passed  
14 during the last session, and this component of the  
15 competitive classification case have to be resolved  
16 within 60 days, and we just were not able to get all  
17 the orders and all the notification in line, and we  
18 had to rely on media contacts through newspaper and  
19 TV and the like.

20 So I want to apologize for that.  
21 Although we are under some strict timelines, we have  
22 to finish the case within 60 days of it being filed.  
23 But I appreciate your comments and I appreciate you  
24 coming out today.

25 MR. BARKER: Thank you.

1 JUDGE DALE: Thank you, Commissioner.  
2 Are there any questions from counsel? Mr. Dandino,  
3 Mr. Haas?  
4 MR. HAAS: No questions.  
5 JUDGE DALE: No questions. Thank you  
6 very much, Mr. Barker. You're excused.  
7 Mr. Weber?  
8 MR. WEBER: Yes.  
9 JUDGE DALE: If you'll please stand and  
10 raise your right hand.  
11 (THE SPEAKER WAS SWORN.)  
12 JUDGE DALE: Could you please state your  
13 name and address for the record.  
14 MR. WEBER: Kevin Weber, 621 West  
15 Monroe, Mexico.  
16 JUDGE DALE: Thank you. Are you a  
17 customer of Southwestern Bell?  
18 MR. WEBER: Yes. I'm actually a split  
19 customer. Residentially I am. In our business we  
20 have one line that is handled by Southwestern Bell  
21 and two lines that are handled by a company now  
22 called XO or X&O.  
23 JUDGE DALE: Okay. Thank you. Go ahead  
24 and make your statement or comments.  
25 MR. WEBER: Well, first of all, I

1 represent the general manager for KJAB radio here in  
2 Mexico, and I appreciate what's been said about  
3 notification. I just want to put my input on that,  
4 that we were notified by a listener who had heard  
5 about this on another station.

6                   We did receive a fax about this sometime  
7 after four o'clock on Wednesday evening. We were  
8 faxed and notified about it, which gave us yesterday  
9 basically to notify the public about it. So I  
10 appreciate the comments already been made about that.

11                   But what I do want to let our gentleman  
12 in Hannibal know that we did not receive notification  
13 adequately for letting the public know. In letting  
14 the public know, reading the information and letting  
15 the public know, we received probably a dozen or more  
16 phone calls at the station from our listeners very,  
17 very concerned about it, which is why I'm here today,  
18 so I came with things that were being stated.

19                   By the way, I want to say I appreciate  
20 what you have opened up here. I think the technology  
21 is wonderful. It's good to see this kind of thing  
22 happen and be able to see all the communities  
23 together. So I'm very appreciative of that.

24                   And -- but each listener who called was  
25 extremely concerned about what was going to happen to

1    their local bill.  Mr. Barker, I think, has  
2    expressed -- I would be reiterating what Mr. Barker  
3    has expressed about the availability of other  
4    carriers.  My -- I got involved in learning about  
5    this just at the deregulation time.

6                   We have three lines at our business.  
7    One of those lines is Southwestern Bell because we  
8    needed DSL.  The other two lines we maintain with X&O  
9    simply because -- and I'm talking a little off the  
10   top of my head, but I think I can save 15, 18 percent  
11   savings by using those folks.

12                  I review it about every year, two years  
13   or so, and we have maintained our lines with that  
14   company.  The service has been fantastic, we have no  
15   complaints.  So as a businessman in town, we're very  
16   concerned that if this cap was lifted, what are gonna  
17   happen to all of the rates across the board no matter  
18   what company that we are with.

19                  Would like to see maybe DSL in -- DSL  
20   right now for us, unless somebody can tell me  
21   differently, is only available through Southwestern  
22   Bell, so we have no competition in that realm.

23                  So that's our comments.  I just want to  
24   let you know that our listeners were concerned about  
25   it.  I will go back and report the findings here from

1     this probably this afternoon. And so thank you very  
2     much for the opportunity to talk with you.

3                     JUDGE DALE: Thank you. Commissioner  
4     Clayton, do you have questions?

5                     COMMISSIONER CLAYTON: Yes, I do. Thank  
6     you, Mr. Weber, for coming, and I appreciate your  
7     comments regarding the timeliness of the contacts  
8     coming from our communications office. I want to  
9     apologize to you and to your listeners for the short  
10    time on the notice.

11                    I addressed the problem with placing an  
12    insert in customer bills due to the strict timelines.  
13    We should have sent out several different releases.  
14    One was a comprehensive release that I think went out  
15    last week, and then the community-specific releases  
16    were supposed to go out this week, and obviously it's  
17    not satisfactory in terms of getting that information  
18    out there, and I apologize for that.

19                    You brought up several points that I  
20    just want to ask a couple of questions if that would  
21    be okay.

22                    MR. WEBER: Yes, sir.

23                    COMMISSIONER CLAYTON: You mentioned  
24    that you have several lines that are -- you're being  
25    served by XO Communications; is that correct?



1 MR. WEBER: Yes, sir.

2 COMMISSIONER CLAYTON: Is that the  
3 company that you are referring to when you said that  
4 you were receiving 15 to 18 percent savings?

5 MR. WEBER: Yes, sir.

6 COMMISSIONER CLAYTON: Okay. Do you  
7 know what type of service that they provide? Is it a  
8 facility-based service or do you know if they are  
9 just a reseller of Southwestern Bell's system?

10 MR. WEBER: My opinion, they're  
11 reselling Southwestern Bell lines.

12 COMMISSIONER CLAYTON: Have you been  
13 notified whether your service will stay in place over  
14 the course of the next year or is it continuing in  
15 place as usual?

16 MR. WEBER: It's continuing in place as  
17 usual.

18 COMMISSIONER CLAYTON: Okay. Okay. You  
19 made a comment regarding DSL and being required to  
20 purchase a telephone line to be able to get DSL from  
21 Southwestern Bell; is that correct?

22 MR. WEBER: Yes, sir.

23 COMMISSIONER CLAYTON: I want you to be  
24 aware that the Missouri Commission has no control  
25 over that issue. The Federal Communications

1 Commission has made it clear that they want to hold  
2 the cards with regard to who makes those decisions,  
3 so I just wanted to make you aware of that.

4 MR. WEBER: That's fine.

5 COMMISSIONER CLAYTON: I don't think I  
6 have any other questions. You've mentioned some very  
7 important things, and I appreciate you coming out  
8 today.

9 MR. WEBER: Yes, sir. I just want to  
10 also say, Mr. Barker, you were asking him about the  
11 cell service. And the cell service up north of us  
12 also, if you get out of Mexico -- I have an employee  
13 that lives up north, and there's quite a bit of  
14 dropout probably eight miles or so up out of us.

15 So locally, yes, there is some cell  
16 coverage. But if you try to get out at all, it's  
17 very difficult.

18 COMMISSIONER CLAYTON: In that area is  
19 that part of the Mexico exchange or is it a different  
20 exchange?

21 MR. WEBER: I can't answer that. I  
22 don't know.

23 COMMISSIONER CLAYTON: Okay. Thank you.  
24 Thank you.

25 MR. WEBER: Thank you.

1 JUDGE DALE: Counsel, do you have  
2 questions?

3 MR. DANDINO: Yes, your Honor. Thank  
4 you. This is Mike Dandino with the Office of Public  
5 Counsel. Mr. Weber, I have a few questions. You  
6 said you had dozens of calls from listeners. What  
7 exactly were -- or could you restate what their  
8 biggest concern was?

9 MR. WEBER: That isn't exactly what I  
10 said. We heard from about a dozen of our listeners.

11 MR. DANDINO: A dozen, okay.

12 MR. WEBER: Yes. And the comments from  
13 each of them were they wanted to know about the  
14 meeting. None of our listeners have come to the  
15 meeting. There were some that were requesting, two  
16 were requesting how to contact the Commission, how to  
17 follow up on that.

18 We gave them website information and  
19 some phone numbers. Basically the information that  
20 we heard back was concern, what was -- what did this  
21 mean if Southwestern Bell had no caps? What was  
22 that -- how was that gonna affect their telephone  
23 rates and their service?

24 Of course we couldn't fully answer that  
25 until we came here. So those are the concerns from

1 those people, yes, sir.

2 MR. DANDINO: Okay. In the area, if --  
3 so if you want to have access to the internet, then  
4 you mostly have to rely upon a dial-up service?

5 MR. WEBER: Yes, sir. There is some  
6 dial-up opportunity. The only DSL provider I'm aware  
7 of is Southwestern Bell.

8 MR. DANDINO: So even though DSL isn't  
9 regulated, if you want to use that service, you have  
10 to purchase the Southwestern Bell basic local  
11 service?

12 MR. WEBER: Yes, sir.

13 MR. DANDINO: And so if people want to  
14 package their long distance -- their high-speed  
15 internet, excuse me, if they want a high-speed  
16 internet through DSL, they have to go with SBC,  
17 right?

18 MR. WEBER: Correct, yes, sir.

19 MR. DANDINO: And is SBC's DSL available  
20 throughout the Mexico exchange?

21 MR. WEBER: No, sir, it is not. Our  
22 station is very close to the switch office, and so  
23 we're able to get it. I do not know what the  
24 boundaries are. I have never studied that. But I do  
25 not believe that throughout the entire city of Mexico

1     that you can get that.  I -- there are areas that you  
2     cannot I'm being told.

3                     MR. DANDINO:  And when you talk about  
4     cell phone coverage, it's kind of difficult to define  
5     in terms of exchanges.  Nobody talks in terms of  
6     exchanges except telephone companies and people in  
7     the industry.

8                     But like between Mexico and let's say  
9     Mexico and Columbia or Mexico to the north, is the  
10    coverage hit and miss in that area or there's just a  
11    few dead spots?

12                    MR. WEBER:  I think I can talk a little  
13    intelligently on that because I live on the telephone  
14    just about.  Between Mexico and Paris, you've got  
15    some dead spots that direction.  The -- just outside  
16    the city limits to the east of Mexico you get  
17    Vandiver Village, and then you get out into the  
18    county.  Very, very difficult to get service.

19                    Mexico just was graced with a new  
20    Wal-Mart Super Store.  You get on the highway at 54  
21    right there and you'll travel down no more than a  
22    mile or so and you're gonna be in serious trouble  
23    getting cell service from there all the way through  
24    Auxvasse.  You get down to almost to the highway down  
25    in that neighborhood.  It's always been that way.

1 This area has been difficult.

2 MR. DANDINO: So when you talk about  
3 E 911 service, you better have a wireline phone; is  
4 that what you'd think?

5 MR. WEBER: Yes, sir, absolutely.

6 MR. DANDINO: You couldn't depend on  
7 VOIP service or internet service for E 911 coverage?

8 MR. WEBER: I'd hate to.

9 MR. DANDINO: And I take it not from the  
10 wireless. One other question concerning about the  
11 notice. Our office, your Office of Public Counsel,  
12 we run into this problem many a'time just trying to  
13 get out -- get it to the people and get them out to  
14 the public hearings.

15 Do you have any suggestions on how, you  
16 know, our agency and the public -- and the Public  
17 Service Commission can get to the right people to get  
18 people to these public hearings?

19 MR. WEBER: Yes, sir. I believe if you  
20 were to contact the Missouri Broadcasters  
21 Association, you would be able to get contact  
22 information. I know they work hard in order to  
23 maintain that. And sometimes there's some breakdowns  
24 even there.

25 We were notified by fax. In my opinion,

1 fax is outdated. Fax has a place. Nearly every  
2 radio station that I work in conjunction with, e-mail  
3 is the standard communication form. I really feel  
4 that if the Commission could get somebody to put a  
5 database together, e-mail contacts, not just for  
6 media outlets, I'm sure the city would enjoy that,  
7 other outlets.

8 I believe e-mail is probably monitored  
9 very well. We monitor e-mail better than we do  
10 faxes. But that fax -- the other information that  
11 the gentleman was speaking of that was mailed out, we  
12 did not receive any of that. We did, like I say,  
13 receive the fax. It was Wednesday but there was  
14 actually another station in the area that was already  
15 broadcasting that announcement.

16 We heard about it from another listener,  
17 which that's not a problem with us. We're glad they  
18 were able to do it. We just would like to have had  
19 notification as well.

20 MR. DANDINO: Right. I understand.  
21 It's always been a problem. We've been, you know,  
22 trying to contact cities or especially if we know  
23 they're interested in a, you know, gas case, water  
24 case, electric case, and the same way with telephone.  
25 And then we've even tried to go to -- or we've been

1 told that we should contact some of the churches,  
2 sometimes they can spread the word. What do you  
3 think of that idea?

4 MR. WEBER: Time-sensitive would be a  
5 little difficult in the churches. Most churches only  
6 have communication with their congregation on the  
7 weekend. So in a situation like this, it would not  
8 have been effective at all. If there's a lengthier  
9 notification process, something like that might work.

10 I'm sure that there are local pastors  
11 that would like to inform their parishioners of that  
12 kind of information.

13 MR. DANDINO: Mr. Weber, I certainly  
14 appreciate your comments and your testimony, and  
15 thanks so much for coming. I think you were a big  
16 help to the Commission, and I know you were a big  
17 help to our office. Thank you.

18 MR. WEBER: Well, thank you. It's a  
19 pleasure to be here.

20 JUDGE DALE: Mr. Haas, do you have any  
21 questions?

22 MR. HAAS: No questions.

23 JUDGE DALE: Mr. Weber, then you're  
24 excused.

25 MR. WEBER: Thank you.



1 JUDGE DALE: Mr. Jones?

2 MR. JONES: Yes, ma'am.

3 JUDGE DALE: Will you please raise your  
4 right hand.

5 (THE SPEAKER WAS SWORN.)

6 JUDGE DALE: Will you please state your  
7 name and your address for the record, please.

8 MR. JONES: My name is Benjamin Jones.  
9 My address is 19 Craven Drive, and that's in  
10 Montgomery City, Missouri 63361.

11 JUDGE DALE: Thank you. Are you a  
12 Southwestern Bell customer?

13 MR. JONES: Yes, I am.

14 JUDGE DALE: Thank you. Please give us  
15 whatever comments or testimony you would like to  
16 give.

17 MR. JONES: Thank you for the  
18 opportunity to be here. I am the economic  
19 development director for Montgomery City, Missouri,  
20 and I've heard the concerns here in Mexico about the  
21 City of Mexico. However, I'm here to support the  
22 idea for the City of Montgomery.

23 We do have what I feel is a competitive  
24 situation in Montgomery City. SBC is the local  
25 network. I do know that there are other companies

1 available for both dial-up service. However, I've  
2 seen a great movement toward wireless -- toward  
3 wireless service. We have a Cingular tower in town.  
4 Montgomery City's a relatively flat area within the  
5 business community, and I believe we're a community  
6 where only businesses are being asked to be placed in  
7 the competitive category, not residential.

8               You can get wireless service pretty well  
9 throughout Montgomery County with the exception of  
10 the southern area near the Missouri River. But of  
11 course with the river bluffs and the hilly area down  
12 there, the service does fall off a little bit. But  
13 I'm only speaking again about the businesses within  
14 and surrounding the Montgomery City area.

15               I've seen a great movement toward  
16 wireless phone use, and then I feel like with the SBC  
17 being the only customer that has a regulatory cap on  
18 their prices, it's dampening competition not just for  
19 them, but also affects our local cable provider as  
20 well.

21               We've seen no movement by our local  
22 cable provider to provide any kind of modern services  
23 through their cable company, and I feel like if SBC  
24 were not regulated on their local phone rates, that  
25 perhaps a more competitive situation might arise.

1 Not just for business, but for residential.

2 The biggest competition we have in  
3 Montgomery County right now is wireless phones. More  
4 and more people are using their Cingular service,  
5 Nextel, Sprint PCS. If we could just limit it to  
6 Montgomery County, it might be because we're close to  
7 the interstate.

8 I do know, like I said, we do have a  
9 Cingular tower in town. More and more business  
10 people are using the wireless phone, and I feel like  
11 if the land lines for businesses were unregulated,  
12 that maybe perhaps we'll get more competitive service  
13 not only from SBC but also from our local cable  
14 company right now. And without any competition on  
15 the local land lines, why compete is kind of my  
16 philosophy.

17 So I'm here actually to support the idea  
18 that because the Montgomery exchange has been  
19 declared a classified area, I think it will lead to  
20 better conditions within Montgomery City. And thank  
21 you for your time. And I'd be happy to answer any  
22 questions you might have.

23 JUDGE DALE: Thank you. Commissioner  
24 Clayton, do you have questions?

25 COMMISSIONER CLAYTON: Thank you, Judge.

1 Mr. Jones, thanks for coming out today. You are the  
2 economic development director for Montgomery City,  
3 did I hear that correctly?

4 MR. JONES: Yes, sir.

5 COMMISSIONER CLAYTON: And are -- so you  
6 have members of your association or do you work for  
7 the City of Montgomery City?

8 MR. JONES: I actually work for a  
9 not-for-profit organization. We can track with the  
10 City of Montgomery. The majority of our funding  
11 comes from the city. We also get part of our funding  
12 from our local Chamber of Commerce. I also receive  
13 contributions throughout the year from utility  
14 companies, including SBC, local banks, local  
15 businesses and individuals as well. I'd even take a  
16 contribution from you if you'd care to write a check.

17 COMMISSIONER CLAYTON: All right. I  
18 appreciate an active and aggressive fund-raiser, and  
19 I'll keep that in mind. Send me the literature.

20 The reason I ask the question was I was  
21 wondering whether you had members or a board of  
22 directors of local business people?

23 MR. JONES: Yes, sir, I have a  
24 seven-member board of directors. They're appointed  
25 by the mayor, they serve at no pay, they're

1 volunteers, and they are my bosses. I work for those  
2 seven individuals.

3 COMMISSIONER CLAYTON: Okay. Is it fair  
4 to say that they are local business owners or  
5 operators?

6 MR. JONES: Yes, sir. My bylaws of my  
7 organization require that they be citizens of  
8 Montgomery City, have a residence there, and then the  
9 mayor has chosen to have business owners to be on my  
10 board of directors.

11 COMMISSIONER CLAYTON: Okay. So these  
12 are people with knowledge and experience in working  
13 on improving economic development circumstances in  
14 your region?

15 MR. JONES: Yes, sir.

16 COMMISSIONER CLAYTON: Okay. Have you  
17 had conversations with your board of directors about  
18 competitive telephone providers in Montgomery City?

19 MR. JONES: Yes. The situation's  
20 improved greatly over the last couple of years.  
21 Several years ago before Cingular built a cell phone  
22 tower in Montgomery City, we got service through  
23 other providers, but it was not a very strong signal.  
24 It was a little spotty throughout town.

25 However, in the last several years we've

1 had not only DSL put in by SBC, we've had a Cingular  
2 cell phone tower actually built in town, and we've  
3 also had access to a high speed wireless company by  
4 the name of -- I'm sorry, it's escaping me now.  
5 We've got a high speed wireless company that has the  
6 receivers on the city water towers. It will come to  
7 me in a moment.

8                   And then Kingdom Telephone Company also  
9 is now offering a high speed wireless satellite  
10 connection. I do believe it's only high speed in one  
11 direction. I think you can download data very  
12 quickly, and I think you have to send data up on a  
13 telephone line. I'm not a technical person so --

14                   UNIDENTIFIED SPEAKER: Kingdom Head  
15 Wireless has been over the last few years ago too.

16                   MR. JONES: It sounds like we've got  
17 more wireless in town. I am not a technical person.  
18 So the situation's really improved in the last  
19 several years.

20                   COMMISSIONER CLAYTON: I'm not gonna ask  
21 any technical questions. How many other companies  
22 are providing wireline telephone service in  
23 Montgomery City right now?

24                   MR. JONES: I know there's like Sage and  
25 a company that used to be called Allegiance. I don't

1 know if they've changed their name. I do not know if  
2 they are facilities-based -- I heard that term  
3 earlier -- or if they're buying line space from SBC.  
4 I do know there's several in town.

5 Our City Hall switched to one a few  
6 years back, and we have since switched to SBC. So I  
7 do know there are local providers like that. I  
8 cannot tell you, though, if they are buying line  
9 space from SBC or if they have their own lines in  
10 town.

11 COMMISSIONER CLAYTON: Are you aware as  
12 economic development director whether having low-cost  
13 utility service in a community is important in  
14 attracting or maintaining industry?

15 MR. JONES: That's always important.

16 COMMISSIONER CLAYTON: Are you assuming  
17 that rates will go up or go down following -- if we  
18 were to grant competitive classification to  
19 Southwestern Bell, do you assume that rates would go  
20 up or go down in this circumstance?

21 MR. JONES: They could go up. In my  
22 humble opinion, what I think would happen is you  
23 might see an increase on the land lines for  
24 businesses. However, as soon as they do that, people  
25 always have the option of using cell phones which I

1 see more and more. But I also think they're going to  
2 be bound by the fact that our local cable company  
3 which has cable in just about every home and business  
4 in the city, we'd love to see them offer some kind of  
5 voice over internet protocol or some kind of  
6 something that you could do over that.

7                   So I think SBC would have to be very  
8 careful if they were to raise rates much or raise  
9 rates at all in Montgomery City. We already have  
10 competitive situations, and again, we're talking  
11 about businesses now.

12                   COMMISSIONER CLAYTON: Do you know  
13 any --

14                   MR. JONES: I'm sorry. Go ahead.

15                   COMMISSIONER CLAYTON: Excuse me. I  
16 didn't mean to interrupt you. Do you know of any  
17 businesses that have dropped their wirelines in favor  
18 of strictly wireless service?

19                   MR. JONES: A lot of the contractors  
20 have. I know that several of the gas stations have  
21 both -- there's a convenience store in town where the  
22 owner actually carries a cell phone with him but he  
23 still has a landline.

24                   COMMISSIONER CLAYTON: I'm only asking  
25 about a circumstance where a wireless telephone has



1 replaced a wireline telephone, not if they have both.  
2 I just want to know if the wireless -- do you have  
3 any members or any like members of the local chamber  
4 that have dropped their wireline service to only  
5 conduct their business over wireless service?

6 MR. JONES: I can't say for certain that  
7 there has. It would not surprise me. Some of the  
8 smaller businesses in town, a sole proprietor with no  
9 employees, my guess would be maybe, but I cannot say  
10 with certainty 100 percent yes or no to that. I  
11 guess my answer would be I don't know.

12 COMMISSIONER CLAYTON: If -- if you  
13 don't know if anyone has ever replaced their wireline  
14 service with a wireless telephone service, how do you  
15 support your statement that you have a competitive  
16 market for wireline service?

17 MR. JONES: I say that because there is  
18 an alternative for wireline service in Montgomery  
19 City. And I mentioned Montgomery City all actually  
20 switched over to a different company.

21 I believe the name was Allegiance or  
22 Alliance, I forget which. It was a year or so ago,  
23 and we have since switched back. And I could add one  
24 more comment to that.

25 I'm trying to stay focused on the

1 business. But I can tell you what's happening with  
2 the residential service that leads me to support my  
3 earlier statement. Just about everybody in town  
4 carries either a Nextel phone which has the  
5 walkie-talkie feature, or carries a Cingular phone  
6 which you can call between Cingular customers at no  
7 charge.

8                   A lot of people are eliminating their  
9 residential lines because of that. They're just  
10 carrying their cell phone because you buy a cell  
11 phone anyway for your car. And I base my earlier  
12 statement on the fact that I believe you're gonna  
13 start seeing business owners do that too,  
14 particularly businesses where they're not dependent  
15 upon their phone for their customers coming in and  
16 out of the door, or if they're a service type  
17 business where they're traveling about.

18                   COMMISSIONER CLAYTON: Okay. Do you  
19 have any idea what percentage of the population in  
20 terms of residential service have dropped their  
21 wireline service and gone strictly to wireless?

22                   MR. JONES: No, sir, I don't. I just  
23 know I have several friends and acquaintances that  
24 have. That's just an opinion.

25                   COMMISSIONER CLAYTON: Okay. I

1 appreciate your comments, and I don't have any other  
2 questions. Thanks for coming out today.

3 JUDGE DALE: Thank you, Commissioner.  
4 Counsel, Mr. Dandino?

5 MR. DANDINO: Thank you, your Honor.  
6 Mr. Jones, I go through your city almost every day.

7 MR. JONES: Stop and spend money,  
8 please.

9 MR. DANDINO: I frequent your gas  
10 stations.

11 MR. JONES: Thank you.

12 MR. DANDINO: Anyway, you were talking  
13 about, well, about mostly the customers, but the  
14 business customers in your community. Would you --  
15 what percentage would you say are SBC local  
16 customers?

17 MR. JONES: All I could say is I would  
18 assume a majority. I don't really have a feel for  
19 that. The company that I was speaking of earlier,  
20 Alliance or Allegiance, they came through town with  
21 sales folks a year or so ago and got a number of  
22 people to switch, and the service was not great. The  
23 savings weren't really there that they said, and I  
24 know that a lot of folks switched back. I couldn't  
25 even really hazard a guess.

1                   MR. DANDINO: Are they still doing  
2 business in your community?

3                   MR. JONES: I believe they are still  
4 there. I know that at City Hall they are not.

5                   MR. DANDINO: Are they doing as much  
6 business as they were?

7                   MR. JONES: Amongst the folks that I  
8 talked to, no.

9                   MR. DANDINO: I see. It sounds like --  
10 you talk -- being on the economic development, you'd  
11 probably be talking to the key business leaders then?

12                  MR. JONES: Yes, sir.

13                  MR. DANDINO: Your statement that said  
14 that if the cap would be removed, you would -- on  
15 prices, you would think that there would be no more  
16 competition coming into the area. I'm having trouble  
17 following that. So if prices go up, there will be  
18 more competition?

19                  MR. JONES: Well, sir, here's the way I  
20 see it. And again, this is my humble opinion. Right  
21 now we have a regulated market on land lines, as I  
22 understand it. And again, I'm saying this is my  
23 opinion. I think we're seeing a switch away from  
24 land lines amongst business users in situations where  
25 they can use the wireless phone.

1                   Now, obviously if it's a desk where a  
2     person is sitting there with a phone, they may choose  
3     to keep that local line. But I would believe that if  
4     SBC were to raise rates, if they had the ability to  
5     raise rates, it's gonna make it more attractive for a  
6     competitor to come in with an artificially low cap  
7     rate like it is now. You're keeping competition out.

8                   I mean, SBC might be able to turn a  
9     profit at that, but nobody else will. And if SBC is  
10    making a profit at the land lines as they're existing  
11    right now, what's their motivation to provide for  
12    service to the citizens of Montgomery City?

13                  I feel like a competitive environment  
14    brings more services and ultimately more savings just  
15    like the long distance market, just like the wireless  
16    market, the satellite TV providers now since you can  
17    get TV instead of just over a cable.

18                  I have a satellite dish at home, and I  
19    am not a technical person as everybody's heard me  
20    say, but it would seem to reason that the more we  
21    unregulate the utilities where we have an instance  
22    where alternate -- or technology's available,  
23    particularly since we're talking about the business  
24    only in Montgomery City, it would seem to me that it  
25    would create a more competitive condition.

1                   Maybe not one month down road, maybe not  
2   a year or so down the road, but ultimately it's gonna  
3   lead to more competition in Montgomery City I  
4   believe.

5                   MR. DANDINO:   So even if there were  
6   higher rates for the next year or two, you'd think in  
7   the long run that would be beneficial?

8                   MR. JONES:   I think so.   And again, if  
9   they're too high, pick up your wireless phone, or  
10   call Allegiance or Alliance.

11                  MR. DANDINO:   Obviously they've done a  
12   good job of branding their service with you.

13                  MR. JONES:   Oddly enough, it wasn't the  
14   quality of the phone service, it was the customer  
15   service that was costing them their business.

16                  MR. DANDINO:   Well, that's the key point  
17   of service, isn't it?

18                  MR. JONES:   Yes, sir.

19                  MR. DANDINO:   Now, as far as the cable  
20   company, does -- does at present -- who is the cable  
21   operator?

22                  MR. JONES:   US Cable.

23                  MR. DANDINO:   And do they provide  
24   internet service?

25                  MR. JONES:   No, they do not.

1                   MR. DANDINO: Do they provide voice or  
2 telephone service?

3                   MR. JONES: No, they do not.

4                   MR. DANDINO: And one other thing you  
5 said about wireless. Now, if I recall, wireless  
6 phone -- if you're a wireless customer, your phone  
7 number doesn't appear in the directory or the Yellow  
8 Pages; is that correct?

9                   MR. JONES: As I understand it, yes.

10                  MR. DANDINO: Is it important for a  
11 business to be listed in a directory or the Yellow  
12 Pages in order to attract business?

13                  MR. JONES: You know, it's funny you  
14 should mention that. Amongst the businesses in  
15 Montgomery City, some of them purchase very large  
16 spaces in the phone book and some of our very  
17 successful businesses in Montgomery City have nothing  
18 more than the single-line listing as if they were a  
19 resident. So from what I see in Montgomery City,  
20 it's a mixed bag.

21                  Some of our businesses swear by the  
22 Yellow Pages, and some of them obviously don't care  
23 about the Yellow Pages, so I guess my answer to that  
24 is I don't know.

25                  MR. DANDINO: So even if you had a

1     wireless phone, you wouldn't even be listed in the  
2     white pages?

3                     MR. JONES:   Correct.

4                     MR. DANDINO:  Does any other company  
5     such as Allegiance, or whatever their name is,  
6     provide DSL service?

7                     MR. JONES:  No, sir.   Only SBC.

8                     MR. DANDINO:  And is DSL service  
9     available throughout the Montgomery exchange, City of  
10    Montgomery?

11                    MR. JONES:  It's -- Montgomery City is a  
12    small town of about 2500, as you know.  I believe  
13    most of the people within town can get it, but I  
14    don't know what the size of the 564 exchange is.  If  
15    the exchange extends outside the City of Montgomery,  
16    then I'm not sure how far out the DSL goes.

17                    It's my understanding the DSL's limited  
18    pretty much to just within the city limits of  
19    Montgomery.

20                    MR. DANDINO:  Okay.  Does Montgomery  
21    City and the county there have E 911 service?

22                    MR. JONES:  Yes, we have 911 service.

23                    MR. DANDINO:  And is that available or  
24    functional through the wireless telephones?

25                    MR. JONES:  I do not know.



1                   MR. DANDINO: I think that's all I have.  
2 Thank you so much, Mr. Jones. Maybe I'll see you at  
3 the gas station.

4                   MR. JONES: Thank you, sir.

5                   JUDGE DALE: Mr. Haas, do you have any  
6 questions?

7                   MR. HAAS: Yes, your Honor. Mr. Jones,  
8 how did you hear about today's public hearing?

9                   MR. JONES: I heard it through Ron  
10 Gillette who's an SBC representative in Moberly.

11                  MR. HAAS: Thank you. That was my only  
12 question.

13                  JUDGE DALE: Thank you. Mr. Jones, I  
14 think, unless you have anything else to add, you're  
15 excused.

16                  MR. JONES: Thank you.

17                  JUDGE DALE: Ms. Williams, if you'll  
18 please raise your right hand? Thank you.

19                  (THE SPEAKER WAS SWORN.)

20                  JUDGE DALE: Thank you. Will you please  
21 state your name and address for the record.

22                  MS. WILLIAMS: My name is Jami, J-a-m-i,  
23 Williams. I live at 115 West Anderson Street,  
24 Mexico, Missouri 65265.

25                  JUDGE DALE: Thank you. Are you a

1 customer of Southwestern Bell?

2 MS. WILLIAMS: Yes, I am.

3 JUDGE DALE: Thank you. Please proceed  
4 with your comment or your statement.

5 MS. WILLIAMS: Am a member of the media,  
6 I am the Ledger staff writer for the Mexico Ledger,  
7 which is our local publication here. We received no  
8 notification officially of the meeting today, and as  
9 I go back over the timeline, I understand that the  
10 legislation was passed on August 28th, 2005, that  
11 governs the 60-day trial period.

12 What I don't understand is why that  
13 mattered when Southwestern Bell did not file this  
14 petition for competitive classification until August  
15 30th, 2005. And as for getting the word out, the  
16 concerns for getting the word out, it would seem to  
17 me that as soon as a company files such a petition,  
18 that its customers should be notified.

19 This is going to have an effect on  
20 everyone in Mexico and in Audrain County, especially  
21 since Audrain County just recently switched their 911  
22 service to being funded by a local one and a half  
23 percent sales tax increase. That is going to cause a  
24 15 percent decrease in telephone bills, or it was  
25 going to cause a 15 percent decrease in telephone

1 bills because we'll lose the sales tax revenue that  
2 was once on the phone bill which, of course, is now  
3 being taken care of by the sales tax.

4 Also I'd like to share with you, I did a  
5 little research this morning. According to the 2000  
6 Census, 10 percent of Mexico's residential base or  
7 population base, if you were, is over the age of 65.

8 While I understand that there are phone  
9 cards and calling cards and cell phones, there are a  
10 great majority of our population, 10 percent, as a  
11 matter of fact, over the age of 65 who just simply  
12 don't want to have anything to do with that kind of  
13 thing. They like their phone to ring inside their  
14 home. They need their phone to call out in case they  
15 fall or they're sick.

16 What are we gonna do about the 10  
17 percent of people that will lose their phone service  
18 possibly if the rates do go up because of this CLEC  
19 that SBC would like to put in place? Because, let's  
20 face it, they're not going to petition to put this in  
21 place and lower the rates. The chances of that  
22 happening are very, very slim.

23 So I would be worried about the  
24 ramifications to the elderly population of Mexico as  
25 well. Those are my comments.

1 JUDGE DALE: Thank you. Commissioner  
2 Clayton, do you have any questions?

3 COMMISSIONER CLAYTON: Yes. Hang on  
4 just a second.

5 Ms. Williams, I appreciate your comments  
6 and I know it probably doesn't do any good at this  
7 point; I'll apologize on behalf of the Commission for  
8 the notice not getting out in time. This is a new  
9 type of case that we've -- that we're dealing with.

10 And frankly there was a discussion about  
11 whether there would be public hearings in the first  
12 place, and the Commission agreed that public hearings  
13 were important. And then we looked at how many  
14 different communities around the state would be  
15 impacted, and frankly I'm not even sure how many  
16 are -- what the total number is. Do you know, Adam?

17 It's a huge number. We're not even  
18 having hearings in most of the communities that  
19 potentially could be affected by this order. And  
20 when we tried to take steps to have some sort of  
21 public hearing, we turned to this type of technology,  
22 this videoconferencing, to allow for multiple  
23 destinations to be beamed in at once, and that took  
24 time trying to find a location.

25 It's no excuse, and I don't want to seem

1     like I'm making excuses, but there are reasons behind  
2     it, and I apologize for that.

3                     MS. WILLIAMS:   Sure, I understand.

4                     COMMISSIONER CLAYTON:   You mentioned the  
5     15 percent decrease in telephone bills in Audrain  
6     County.   When was that?   Was that something that  
7     passed by a public vote?

8                     MS. WILLIAMS:   That was put to the  
9     voters in the April 2005 municipal election.   It was  
10    passed.   911 or emergency services board has been  
11    created.   They meet on a regular monthly basis to  
12    govern the emergency services or the joint  
13    communication here in Mexico, and the tax went into  
14    effect officially October 1st.   And the first deposit  
15    to the emergency services board is expected in  
16    November.

17                    COMMISSIONER CLAYTON:   Okay.   And the  
18    funding for 911 goes to a sales tax; is that correct?

19                    MS. WILLIAMS:   Funding for emergencies  
20    or for a local dispatch comes from a local sales tax,  
21    a half-cent sales tax.

22                    COMMISSIONER CLAYTON:   So there would be  
23    no taxes for 911 service or emergency services on  
24    telephone bills as soon as that sales tax goes into  
25    effect?

1 MS. WILLIAMS: As of October 1st, SBC  
2 should have dropped that tax. The emergency services  
3 board, I spoke with the chairman and he believes that  
4 the decrease in the amount on people's phone bills  
5 should be displayed on the November bill.

6 COMMISSIONER CLAYTON: Okay. You work  
7 for the Mexico Ledger; is that correct?

8 MS. WILLIAMS: Yes, sir.

9 COMMISSIONER CLAYTON: And who provides  
10 the telecommunications services to the Mexico Ledger,  
11 do you know?

12 MS. WILLIAMS: I think it's probably  
13 SBC.

14 COMMISSIONER CLAYTON: But you don't  
15 know for sure?

16 MS. WILLIAMS: No. We do have DSL so --  
17 yeah, we do have DSL, so it has to be SBC.

18 COMMISSIONER CLAYTON: Okay. Are you  
19 aware of any other local telephone providers in  
20 Mexico?

21 MS. WILLIAMS: No.

22 COMMISSIONER CLAYTON: I assume you have  
23 an opportunity to actually look at the Mexico Ledger  
24 once in a while. Do you ever see any advertising for  
25 alternatives to local telephone service in the local

1 newspaper?

2 MS. WILLIAMS: Not so much, not really.

3 I think that people in Mexico that they take  
4 advantage of any kind of outside sourcing for their  
5 phone service. It's either Cellular, or I know a lot  
6 of people go out to Wal-Mart and pick up the AT&T  
7 prepaid calling cards, which I don't -- I think  
8 they're listed on this contact information for Mexico  
9 exchange that you have here along with what looks  
10 like hundreds of other outside sources that I've  
11 never heard of.

12 What it looks like is somebody did a  
13 Google search to find absolutely every way possible  
14 to make a phone call from Mexico, and this is what  
15 they got. Some of this stuff is that 30 percent  
16 increase to people who have bad credit, get a phone  
17 if you've been disconnected by SBC. Some of it's  
18 just a rip-off, so I would not use this as a reliable  
19 source.

20 I mean, I don't know that I'd want to  
21 make a phone call through the Big River Telephone  
22 Company, LLC, in Cape Girardeau, Missouri, or Smoke  
23 Signals. I wouldn't even know how to make a phone  
24 call through Connect! which is C-o-n-n-e-c-t  
25 exclamation point.

1                   You know, I don't know that this is a  
2     reliable -- I don't know that this is something that  
3     you could really use as evidentiary of what is  
4     happening in Mexico. We have SBC, welcome to it.  
5     And they're doing a great job.

6                   COMMISSIONER CLAYTON: I appreciate your  
7     comments. I don't have any other questions. Thank  
8     you for coming today.

9                   MS. WILLIAMS: Thank you.

10                  JUDGE DALE: Thank you, Commissioner  
11     Clayton. Counsel have questions? Mr. Dandino?

12                  MR. DANDINO: Thank you, your Honor.  
13     Ms. Williams, thank you so much for coming out. I'm  
14     going to ask a question about the -- you said that  
15     the percentage of people in Mexico over 65, was that  
16     10 percent?

17                  MS. WILLIAMS: Approximately 10 percent,  
18     according to the 2000 Census. The majority of people  
19     that live in Audrain County are actually under the  
20     age of five, 16.9 percent, and they're not really  
21     making many decisions about the phone service. Well,  
22     in my house they are.

23                  MR. DANDINO: I understand that. Do you  
24     happen to know what -- what percentage of the people  
25     in Mexico are, let's say, at or below the poverty



1 level?

2 MS. WILLIAMS: Is there --

3 MR. DANDINO: Just if you happen to  
4 know.

5 MS. WILLIAMS: It's very -- I know that  
6 it's fairly high. I'm gonna shoot a figure -- I know  
7 I'm under oath -- of approximately somewhere between  
8 20 to 23 percent.

9 MR. DANDINO: You were -- it seems like  
10 the older -- older people, or maybe all people, they  
11 like to stick with companies that they've heard of,  
12 names that they've --

13 MS. WILLIAMS: Yes.

14 MR. DANDINO: -- found to be tried and  
15 true. Is that your impression.

16 MS. WILLIAMS: Yes, that is my  
17 impression. And I get that impression from the fact  
18 that I make one trip a week about six blocks from  
19 where I live over to the home of my great aunt who  
20 has a prepaid cell phone but can't figure out for the  
21 life of her how to use it. So I'm over there about  
22 once a week helping her put her minutes on her phone,  
23 or helping her figure out what -- you know, how many  
24 minutes she has left.

25 So she's got the phone for the purpose

1 of travel, which she doesn't do much anymore, and you  
2 should thank the Lord for that.

3 MR. DANDINO: Especially if I drive  
4 through Mexico.

5 MS. WILLIAMS: There you go.

6 MR. DANDINO: I would -- it seems most  
7 of the people in your community are interested in  
8 more than -- in plain old telephone service than some  
9 of the other fancier services?

10 MS. WILLIAMS: Yes, senior citizens  
11 especially. Simply because they don't -- they don't  
12 want to mess with that kind of technology, you know.  
13 And that's how they see it. They just don't want to  
14 mess with it.

15 MR. DANDINO: But there's still a demand  
16 for services such as internet access through DSL?

17 MS. WILLIAMS: Yes. And that -- that  
18 comes -- I'm sorry. Go ahead.

19 MR. DANDINO: Go ahead.

20 MS. WILLIAMS: That comes -- I think a  
21 lot of that demand is coming from the business  
22 community. I mean, if you're not moving forward with  
23 your business and if you don't have a web presence,  
24 you know, you're slowly killing yourself. So the  
25 demand for DSL is more than just, boy, I really want

1 to download some music. It's more of a, we have to  
2 do this to stay alive mentality, especially when  
3 you're located in mid-Missouri, in rural  
4 mid-Missouri. You have to get the word out.

5 MR. DANDINO: E 911 is just being  
6 instituted; is that correct?

7 MS. WILLIAMS: No. We've had 91-- we  
8 haven't had it enhanced. We're getting ready to move  
9 into enhanced, and they're talking about doing even  
10 the medical dispatch now.

11 MR. DANDINO: Okay. And that half-cent  
12 sales tax, that's on all goods; is that correct?

13 MS. WILLIAMS: Yes, it is.

14 MR. DANDINO: Okay. And they removed  
15 the -- just the sales tax or franchise tax on the  
16 telephones; is that the tradeoff?

17 MS. WILLIAMS: Yes, yes.

18 MR. DANDINO: I think that's all I have.  
19 Thank you so much, Ms. Williams. Appreciate it.

20 MS. WILLIAMS: Thank you.

21 JUDGE DALE: Thank you, Mr. Dandino.

22 Mr. Haas?

23 MR. HAAS: Yes, I do have a question.  
24 Ms. Williams, you referred to a list of ways to make  
25 calls from Mexico. Can you describe that list and

1     who prepared it for you?

2                   MS. WILLIAMS:  Okay.  It was here on the  
3     table when I got here, and I found out that it's  
4     submitted by Dan --

5                   MR. BARKER:  Yeah, look at the web  
6     address.

7                   MS. WILLIAMS:  Dan brought it and he found  
8     it at a site called [www.psc.mo.gov/teleco/exchange.asp](http://www.psc.mo.gov/teleco/exchange.asp).  
9     Would you like me to repeat that slower?

10                  MR. HAAS:  No, thank you.  I heard it.

11                  MS. WILLIAMS:  It's on the PSC -- okay.  
12     It's on the PSC website for Mexico.

13                  MR. HAAS:  Thank you.

14                  MS. WILLIAMS:  Thank you.

15                  JUDGE DALE:  Okay.  Do I have any other  
16     witnesses?  If no one else would like to testify,  
17     Commissioner Clayton, do you have any closing remarks  
18     you'd like to make?

19                  COMMISSIONER CLAYTON:  I will just say  
20     one final time, thanks to everyone coming out.  I'm  
21     sure that the other Commissioners will be very  
22     interested to hear the testimony that's presented  
23     today.

24                  Especially to the members of the media  
25     who are there, there is still a way of passing along

1 information to the Commission. You can either do  
2 that through the Office of Public Counsel, or I think  
3 there's a way of forwarding something to our data  
4 center, and I'm not sure that was covered before.

5 But there are ways of taking that  
6 information, and the Commission stands ready to  
7 review whatever comes into us. So thank you all very  
8 much.

9 JUDGE DALE: Thank you, Commissioner. I  
10 would also like to thank all of the people who came  
11 and testified today, and I would like to especially  
12 thank those technical people who helped us set up  
13 these rooms in those locations, and thanks to  
14 Mr. Boone, Mr. Scheperle and Mr. McKinnie. We are  
15 now adjourned. Thank you. Off the record.

16 (WHEREUPON, the proceedings were  
17 adjourned.)

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