

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

In the Matter of the Review of the Competitive)	
Classification of the Exchanges of Southwestern)	
Bell Telephone, L.P., d/b/a AT&T Missouri)	Case No. TO-2007-0053

STAFF’S STATEMENT OF POSITION

COMES NOW the Staff of the Public Service Commission and states:

1. On October 11, 2006, the Commission issued an order which, *inter alia*, directs the parties to file a list of issues no later than February 22, 2007, and to file their position statements no later than March 1, 2007.

2. On February 22, 2007, the Staff, on behalf of all parties to this case, filed the following proposed issue:

Section 392.245.5 (6) RSMo 2005 Supp. provides that the Commission shall, at least every two years, or where an incumbent local exchange telecommunications company increases rates for basic local telecommunications services in an exchange classified as competitive, review those exchanges where an incumbent local exchange carrier’s services have been classified as competitive, to determine if the conditions of this subsection for competitive classification continue to exist in the exchange and if the commission determines, after hearing, that such conditions no longer exist for the incumbent local exchange telecommunications company in such exchange, it shall re-impose price cap regulation upon the incumbent local exchange telecommunications company, in such exchange. Do the conditions for competitive classification continue to exist in AT&T Missouri’s competitively classified exchanges?

3. Staff Position: Yes. The conditions for competitive classification continue to exist in AT&T Missouri’s competitively classified exchanges.

In Case No. TO-2006-0093, the Commission's Corrected Report and Order granted AT&T Missouri competitive classification for business services for 45 exchanges and for residential services for 26 exchanges under the 30-day track of Section 392.245.5. In Case No. TO-2006-0102, the Commission's Report and Order granted AT&T Missouri competitive classification for business services for 30 exchanges and for residential services for 51 exchanges under the 60-day track of Section 392.245.5.

The Staff initiated this case on August 8, 2006, when it filed its verified Staff Report. In its Report, the Staff stated its opinion that competitive conditions continue to exist in all of AT&T Missouri's competitively-classified exchanges, i.e., both those granted competitive classification under the 30-day track and those granted competitive classification under the 60-day track.

In a joint motion, filed October 5, 2006, the parties state:

The parties stipulate that for purposes of this case, the Commission may consider in its review the verified Staff Report filed in this case as evidence to determine if competitive conditions as defined and provided for in Section 392.245.5, RSMo 2000 (Supp. 2005) for a 30-day petition continue to exist in the AT&T Missouri exchanges granted competitive classification under the 30-day track in Case No. TO-2006-0093. The Staff and AT&T Missouri stipulate that the Staff Report demonstrates that the competitive conditions for those exchanges continue to exist and should remain classified as competitive. Public Counsel does not join in that stipulation. Public Counsel does not object to the Staff's and AT&T Missouri's stipulation and will not offer evidence in opposition to that stipulation.

In testimony, Staff witness Van Eschen states that at least 3 or more qualifying CLECs are providing service in each AT&T exchange granted competitive status under the 60-day track and, accordingly, recommends that the Commission retain competitive classification for all AT&T exchanges with competitive classification.

WHEREFORE, the Staff requests the Commission to determine that conditions for competitive classification continue to exist in AT&T Missouri's competitively classified exchanges.

Respectfully submitted,

/s/ William K. Haas

William K. Haas
Deputy General Counsel
Missouri Bar No. 28701

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-7510 (Telephone)
(573) 751-9285 (Fax)
william.haas@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 1st day of March 2007.

/s/ William K. Haas