

Exhibit No.:
Issues: Competitive Status

Witness: John Van Eschen
Sponsoring Party: MO PSC Staff
Type of Exhibit: Direct Testimony
Case No.: IO-2006-0109
Date Testimony Prepared: September 20, 2005

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

DIRECT TESTIMONY

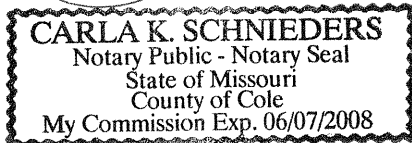
OF

JOHN VAN ESCHEN

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. IO-2006-0109

**Jefferson City, Missouri
September 2005**



DIRECT TESTIMONY
OF
JOHN VAN ESCHEN
MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. IO-2006-0109

Q. Please state your name and business address.

A. My name is John Van Eschen. My business address is 200 Madison Street, Jefferson City, Missouri 65102-0360.

Q. By whom are you employed?

A. I am employed by the Missouri Public Service Commission (Commission) as Manager of the Telecommunications Department.

Q. What are your duties and responsibilities?

A. I direct and coordinate activities and work within the Telecommunications Department. More specifically, I assist in the development of these recommendations in response to tariff filings, certificate applications, interconnection agreements, formal complaints, various telecommunications company transactions, and other matters pending before the Commission. I also assist in the development of rulemakings, comments before the Federal Communications Commission, and the analysis of proposed legislation pertaining to telecommunications regulation. My duties also involve overseeing the monitoring of quality of service provided by basic local telecommunications companies. I have led various roundtable meetings and groups intended to study and discuss various issues related to the telecommunications industry. Most recently I chaired the Calling

1 Scope Task Force formed in Case No. TW-2004-0471 for the purpose of studying
2 expanded calling issues in Missouri.

3 Q. What is your educational background?

4 A. I have a Bachelor of Arts degree in Psychology from the University of
5 Iowa. I also have a Master of Arts degree in Economics from Kansas State University.

6 Q. Have you previously testified before the Commission?

7 A. Yes.

8 Q. What is the purpose of your testimony?

9 A. The Commission Staff (Staff) is evaluating CenturyTel of Missouri,
10 LLC's (CenturyTel's) Application for Competitive Classification. The purpose of this
11 testimony is to respond to the company's request for competitive classification in the 30-
12 day proceeding. In the 30-day proceeding, Staff recommends the Commission grant
13 competitive status to four exchanges for the provisioning of residential services and seven
14 exchanges for the provisioning of business services. The specific exchanges for the
15 provisioning of residential services are Dardenne, O'Fallon, St. Peters and Wentzville
16 and are also identified in bold in Schedule 1. The specific exchange for the provisioning
17 of business services are Bourbon, Columbia, Cuba, O'Fallon, St. James, St. Peters and
18 Wentzville. Staff is not recommending competitive status be granted to the following
19 three exchanges for the provisioning of residential services: Bourbon, Branson, and
20 Columbia. Staff is not recommending competitive status be granted to the Dardenne
21 exchange for the provisioning of business services. My testimony will attempt to explain
22 these recommendations.

1 Q. Please explain your understanding of CenturyTel's application for
2 competitive classification.

3 A. On September 9, 2005, CenturyTel filed an application for competitive
4 classification. The company's application contains a request for certain exchanges to be
5 classified as competitive in a 30-day proceeding. CenturyTel is requesting seven
6 exchanges and eight exchanges be classified as competitive for the respective
7 provisioning of residential and business basic local telecommunications services.

8 Q. What is your understanding of what it means to receive competitive
9 classification?

10 A. Competitive status, if granted to an exchange, will allow an incumbent
11 local exchange telecommunications company greater pricing flexibility than under price
12 cap regulation or rate of return regulation. Depending upon whether competitive status is
13 granted to residential services, business services or both, the company will gain the
14 ability to raise the applicable tariffed rate for all such services, except exchange access
15 service, upon ten days notice to the Commission and to potentially affected customers. In
16 this respect, an incumbent local exchange telecommunications company will essentially
17 have the same pricing flexibility within the exchange as a competitively classified
18 company.

19 SB 237 further expands a company's pricing flexibility for business services
20 depending upon whether competitive status has been granted. For example, the new law
21 allows an incumbent local exchange telecommunications company to price all business
22 services offered within the exchange on a customer specific basis if competitive status
23 has been granted in the exchange for business services. Competitively classified

1 companies will also be able to price all business services in the exchange on a customer
2 specific basis if the incumbent's business services have been declared competitive in the
3 exchange.

4 Competitive status should not impact a company's ability to price bundles or
5 packages of telecommunications services. SB 237 provides new pricing flexibility that
6 previously was unavailable to telecommunications carriers. The new law essentially
7 states that rates associated with bundles of telecommunications will not be regulated by
8 the Commission, regardless of competitive classification, as long as each
9 telecommunications service included in the package is available apart from the package
10 of services. For example, if an incumbent local telephone company bundles its basic
11 local telecommunications service with other regulated or non-regulated
12 telecommunications services (or non-telecommunications services) then the company is
13 free to charge whatever rate it sees fit for the bundle. Staff still believes the bundles need
14 to be tariffed; however, the Commission would not have the ability to establish the prices
15 for these bundles. Pricing flexibility for bundled telecommunications services is
16 available to all telecommunications carriers throughout their service territory regardless
17 of whether competitive status is granted or not. The only criterion appears to be that the
18 services contained in the bundle must be available on a stand alone basis; hence, the
19 distinction between the company's ability to raise the price for stand alone services
20 pursuant to competitive status versus pricing for bundles under SB 237. Conceptually,
21 the rates associated with stand alone services will act as a price ceiling until competitive
22 status has been granted. When the Commission grants competitive status to an exchange,
23 then this price ceiling is essentially removed for services offered on a stand alone basis

1 because the company will gain the ability to increase the price for each stand alone
2 service based on its competitive status.

3 Competitive status, if granted, should also not affect the Commission's ability to
4 control or regulate various aspects of a company's telecommunications offerings. For
5 example competitive status will not affect the Commission's ability to control the rates
6 for exchange access service. The relevant statutes outlining the process for obtaining
7 competitive status exclude exchange access service as part of a company's request for
8 competitive status. If the Commission ultimately grants competitive status to an
9 exchange, it should not impact the Commission's current ability to control or set the rates
10 for exchange access service. Likewise, competitive status, if granted, should not affect
11 the Commission's ability to maintain standards for quality of service, service termination
12 for nonpayment, billing and other requirements. These standards will continue to apply
13 regardless of whether an exchange has received competitive status.

14 **The 30-Day Proceeding**

15
16 Q. What is your understanding of the criteria for qualifying for competitive
17 status in a 30-day proceeding?

18 A. Section 392.245.5 describes the general process for achieving competitive
19 status for an exchange. Specifically, two non-affiliated entities in addition to the
20 incumbent local exchange company must be providing basic local telecommunications
21 service within the exchange. One of the entities can be a commercial mobile service
22 provider as identified in 47 U.S.C. Section 332(d)(1) and 47 C.F.R. Parts 22 or 24. The
23 second entity can be any entity providing local voice service in whole or in part over
24 telecommunications facilities or other facilities in which it or one of its affiliates have an

1 ownership interest. This portion of the statutes directs the Commission to make a
2 determination within 30-days of the request as to whether the requisite number of entities
3 are providing basic local telecommunications service to business or residential customers,
4 or both, in the exchange. The statute lists specific instances whereby the provider of
5 local voice service should not allow the exchange to qualify for competitive status at least
6 under the thirty day process. For example, companies only offering prepaid
7 telecommunications service or only reselling telecommunications service shall not be
8 considered entities providing basic telecommunications service. Likewise, a provider of
9 local voice service that requires the use of a third party, unaffiliated broadband network
10 or dial-up Internet network for the origination of local voice service shall not be
11 considered a basic local telecommunications service provider.

12 Q. Do you believe Spectra has met the criteria that one of the two entities can
13 be a commercial mobile service provider?

14 A. Yes. The company's petition for competitive status provides information
15 regarding the presence of wireless providers in the exchanges where competitive status is
16 sought. Staff does not dispute the presence of at least one wireless provider in any of
17 CenturyTel's exchanges where competitive status is sought. Staff notes the Federal
18 Communications Commission's Ninth Report, released September 28, 2004 (FCC 04-
19 216) states 97% of the population in the United States live in counties with three or more
20 commercial mobile service providers. A map attached to that FCC report shows all areas
21 of Missouri have at least one commercial mobile service provider. In Staff's opinion this
22 information reflects that wireless service is available in at least a portion of every
23 exchange.

1 Q. Do you believe CenturyTel has met the criteria that the second entity can
2 be any entity providing local voice service in whole or in part over telecommunications
3 facilities or other facilities in which it or one of its affiliates have an ownership interest?

4 A. Yes and no. In some instances, the company has met this criterion but for
5 others Staff questions if this criterion has been met.

6 Q. Please explain your criteria for determining if an entity is providing local
7 voice service in whole or in part over telecommunications facilities or other facilities in
8 which it or one of its affiliates have an ownership interest.

9 A. Staff considers local voice service provided in whole or in part over
10 telecommunications facilities or other facilities in which it or one of its affiliates have an
11 ownership interest to mean the provider or its affiliate owns a switch and/or owns the
12 lines connecting the customer's premise to a switch. Sometimes this arrangement can be
13 referred to as a UNE-L arrangement or a full facility based arrangement. Full facility
14 based arrangement can refer to a situation where the provider owns the switch and lines.
15 In contrast a UNE-L arrangement can refer to a situation where the provider owns just the
16 switch. UNE-L refers to "unbundled network element loops" a situation where the
17 company leases a local line or loop from an incumbent local telephone company but may
18 own the switching facilities. This term can also potentially be used to describe a situation
19 where the company may own the switching facilities to provide local voice service but
20 lease a local line or loop from an unaffiliated company. Likewise, a provider may own
21 the line facilities but have switching functions performed by a different company.
22 Regardless of the arrangement, as long as the provider owns either a switch or the lines,
23 the Staff would consider the arrangement as initially qualifying the exchange for

1 competitive status. For ease of discussion, Staff will refer to these arrangements as either
2 UNE-L or full facility based arrangements.

3 The provisioning of service on a full facility basis or UNE-L basis has been
4 selected by the Staff as the minimum threshold to meet for competitive status in a 30-day
5 proceeding because it reflects a situation where the company, or its affiliate, owns certain
6 facilities in the provisioning of service. Although a company providing service on a
7 UNE-L basis generally only has ownership interest in a switch, a switch can probably be
8 included as qualifying as telecommunications facilities as defined by 386.020(52)
9 because a switch can be considered a receiver, machine, apparatus or device. This
10 statutory definition specifically defines “telecommunications facilities” as “...includes
11 lines, conduits, ducts, poles, wires, cables, crossarms, receivers, transmitters, instruments,
12 machines, appliances and all devices, real estate, easements, apparatus, property and
13 routes used, operated, controlled or owned by any telecommunications company to
14 facilitate the provision of telecommunications service.” A strict application of this
15 definition may lead to questionable results from the perspective that a company may not
16 own a switch or lines but rather simply some real estate that may be used to facilitate the
17 provisioning of telecommunications service. For instance, a company may own some
18 office space for taking orders for telecommunications service and meet the definition of
19 telecommunications facilities. Regardless, Staff is considering the provisioning of
20 service on a full facility basis or UNE-L basis as the minimum threshold to meet for
21 competitive status in a thirty day proceeding.

22 Q. What records did Staff rely on in order to determine what wireline entities
23 are providing local voice service in an exchange?

1 A. Section 392.245.5(6) directs the Commission to maintain records of
2 regulated providers of local voice service, including those regulated providers who
3 provide local voice service over their own facilities, or through the use of facilities of
4 another provider of local voice service. Staff's response to this directive has been to rely
5 on the annual reports submitted by telecommunications companies to the Commission.
6 Specifically, all local exchange carriers are required to report the number of access lines
7 served on an exchange-specific basis as of December 31st of the proceeding year.
8 Companies are expected to identify the number of voice grade equivalent lines based on
9 the following categories: pure resale, UNE-L, UNE-P, and full facility based. Attached
10 in Schedule 2 is a blank copy of the Commission's annual report form which attempts to
11 describe most of the access line-related terms used in the annual report form.

12 The annual reports due on April 15, 2005, are the reports focused upon by Staff
13 for this proceeding. Staff has attempted to follow up with many competitively classified
14 companies providing local voice service to ensure their respective annual report
15 information is correct. For example, in some situations a company may have identified
16 an unknown exchange(s) or alternatively simply identified the total number of lines
17 served without identifying lines served on an exchange-specific basis. In all known
18 instances where there may have been an issue, we have attempted to ensure a company's
19 annual report was compiled accurately and completely. Some companies reported
20 serving "0" lines in their annual report but show a positive revenue in the company's
21 annual statement of revenue. In such circumstances, Staff followed up with the
22 telecommunications company to inquire how the revenue was generated and specifically
23 if the company was providing local voice service. When appropriate, companies re-

1 submitted their annual report information. Staff also contacted companies who reflect
2 providing local voice service on either a full facility based basis or on a UNE-L basis.
3 Staff's contact with facility based and UNE-L providers attempted to ensure these
4 companies properly categorized lines served.

5 Q. Are there any potential issues with solely relying on the data submitted by
6 companies in their annual report?

7 A. Yes. The timing of the annual reports may be an issue in some instances
8 since access line data may be considered somewhat dated in the sense that it captures
9 access lines as of December 31, 2004. A company's annual report will not capture access
10 lines implemented during 2005. In addition, the annual report information may be
11 deficient if the competitive company is providing service but has failed to obtain proper
12 certification.

13 Q. Please identify the specific exchanges where Staff believes Spectra meets
14 the criteria for the Commission to grant competitive status to the exchange.

15 A. Schedule 1 identifies the list of exchanges Spectra has requested
16 competitive classification under the 30-day proceeding. Schedule 1 identifies exchanges
17 meeting competitive criteria by an "X" in the Yes box. In addition qualifying exchanges
18 are identified in bold type. The column titled "Local Voice Competitor(s)" identifies the
19 specific wireline companies providing local voice service on either a full facility basis or
20 a UNE-L basis. A company is listed in this column if it is serving at least one line within
21 the exchange. Schedule 3 provides a brief description of Staff's understanding of how
22 these competitors are providing service. As shown on Schedule 1, Staff recommends
23 competitive status be granted to the following exchanges in the 30-day proceeding for

1 residential services: Dardenne, O'Fallon, St. Peters and Wentzville. For business
2 services competitive status should be granted to the following exchanges: Bourbon,
3 Columbia, Cuba, O'Fallon, St. James, St. Peters, and Wentzville.

4 In granting competitive status, the Commission should identify the conditions for
5 granting competitive status. In these instances competitive status is granted on the
6 condition that at least one wireline company is providing local voice service on the basis
7 the provider, or its affiliate, is using its own switching and/or local loop facilities. In
8 addition, at least one wireless company is providing service in the exchange.

9 Q. Do you have any additional comments about any of the exchanges where
10 you are recommending the Commission grant competitive status?

11 A. Yes. In my recommendation to grant competitive status for the exchanges
12 of O'Fallon, St. Peters, and Wentzville for business services, my recommendation is
13 based on AT&T providing local voice service in these exchanges rather than Charter
14 Fiberlink-Missouri, LLC (Charter), as cited by CenturyTel. Our records and recent
15 discussions with AT&T officials indicate AT&T is providing business local voice service
16 in these exchanges on a full facility basis. In contrast to CenturyTel's claims, Charter is
17 not providing local voice service to business customers.

18 Q. What exchanges should not receive competitive classification at this time?

19 A. I am recommending competitive status be denied for the Bourbon,
20 Branson and Columbia exchanges for residential services. In addition, I am
21 recommending competitive status be denied for the Dardenne exchange for business
22 services. I will individually address each of these exchanges.

1 Q. Why are you recommending competitive status be denied for the Bourbon
2 exchange for the provisioning of residential services?

3 A. CenturyTel cites Fidelity Communications Services II, Inc. as a wireline
4 competitor within the exchange. Our records and recent contact with Fidelity officials
5 indicate Fidelity only serves one line in the exchange. The one line is a Fidelity
6 employee. Fidelity also indicates it is not offering residential services within the
7 exchange. Although it may be argued that one line is sufficient to meet the criteria for
8 competitive status, Staff questions the appropriateness of granting competitive status
9 under these circumstances.

10 Q. Why are you recommending competitive status be denied for the Branson
11 exchange for the provisioning of residential services?

12 A. CenturyTel cites CD Telecommunications, LLC (CD Telecom) as a
13 wireline competitor within the exchange. Our recent contact with CD Telecom indicates
14 the company is only providing access to an internet service provider. In this respect, CD
15 Telecom is not providing local voice service. In addition, Staff questions whether CD
16 Telecom is using any switching or local loop facilities that are owned by CD Telecom or
17 an affiliate because company officials indicate they only provide service on a resale basis.
18 CD Telecom recently submitted a revised annual report reflecting service is only
19 provided on a resold basis.

20 Q. Why are you recommending competitive status be denied for the
21 Columbia exchange for the provisioning of residential services?

22 A. CenturyTel cites Socket as a wireline competitor within the exchange for
23 residential services. Our records and recent contact with Socket officials indicate Socket

1 only serves two residential lines within the exchange. Both lines are to Socket
2 employees. One line is for remote call forwarding from the Socket business office and
3 the other is for testing purposes. Socket also indicates it is not offering residential
4 services within the exchange. Although it may be argued that one line is sufficient to
5 meet the criteria for competitive status, Staff questions the appropriateness of granting
6 competitive status under these circumstances.

7 Q. Why are you recommending competitive status be denied for the
8 Dardenne exchange for the provisioning of business services?

9 A. CenturyTel cites Charter Fiberlink-Missouri, LLC (Charter) as a wireline
10 competitor within the exchange for business services. Our records and recent contact
11 with Charter officials indicate Charter only offers and provides residential service within
12 the Dardenne exchange. Charter's tariff indicates the company only offers residential
13 services. In contrast, CenturyTel claims telephone numbers previously assigned to
14 business customers have been ported to Charter. When presented with specific telephone
15 numbers cited by CenturyTel, Charter officials state that while each telephone number
16 had been ported, not all telephone numbers were currently active. Charter classifies the
17 numbers as residential. In Staff's opinion, these customers may have a home-based
18 business.

19 The distinction between residential and business services is not clearly defined. If
20 it can be proven that these telephone numbers in question are advertised in some manner
21 either through the yellow pages, print media or some other media then competitive status
22 should be granted to the exchange for business services. Unfortunately Staff has been
23 unable to resolve this matter at this time; therefore, Staff recommends the Commission

Direct Testimony of
John Van Eschen

1 deny CenturyTel's request for competitive status in the Dardenne exchange for business
2 services. Should additional evidence be discovered by Staff or presented by other parties
3 suggesting these numbers are assigned to business customers then Staff reserves the right
4 to modify its recommendation for the Dardenne exchange.

5 Q. Can you please summarize your testimony?

6 A. Yes. As shown on Schedule 1, Staff recommends competitive status be
7 granted to the following exchanges in the 30-day proceeding for residential services:
8 Dardenne, O'Fallon, St. Peters and Wentzville. For business services competitive status
9 should be granted to the following exchanges: Bourbon, Columbia, Cuba, O'Fallon, St.
10 James, St. Peters, and Wentzville. In these instances, competitive status is granted on the
11 basis that at least one wireline company is providing local voice service and such service
12 is being provided by the use of switching and/or local loop facilities owned by the
13 provider or an affiliate of the provider.

14 Q. Does this conclude your testimony?

15 A. Yes, it does.

**CenturyTel's Request for Competitive Status
Residential**

Exchange ¹	Meet Competitive Criteria?		Local Voice Competitor(s) ²
	Yes	No	
Bourbon		X (Fidelity II)	*
Branson		X (CD Telecom)	*
Columbia		X (Socket)	*
Dardenne	X		Charter
O'Fallon	X		Charter
St. Peters	X		Charter
Wentzville	X		Charter

Business

Exchange ¹	Meet Competitive Criteria?		Local Voice Competitor(s) ²
	Yes	No	
Bourbon	X		Fidelity II
Columbia	X		Socket
Cuba	X		Fidelity II
Dardenne		X (Charter)	*
O'Fallon	X		AT&T
St. James	X		Fidelity II
St. Peters	X		AT&T
Wentzville	X		AT&T

- * Staff has been unable to verify from independent evidence that a qualifying provider is providing local voice service within the exchange using facilities in which it or one of its affiliates have an ownership interest.

¹ Exchanges listed in bold type indicates Staff's opinion the exchange qualifies for competitive status as requested by the company.

² Identified wireline companies are providing local voice service in the exchange on a full facility basis.

**Full Company Name (Do not abbreviate, yet include any Commission approved
AKA/DBA/Fictitious Name, if applicable.)**

COMPETITIVE LOCAL EXCHANGE CARRIER

and / or

INTEREXCHANGE TELECOMMUNICATIONS CARRIER

ANNUAL REPORT

TO THE

MISSOURI PUBLIC SERVICE COMMISSION

For The Year Ending December 31,

CLEC-IXC

Annual Report of _____
for the year ending December 31,

1. State in full the exact 'certificated' name of the
Competitive Local Exchange Carrier/Interexchange Telecommunications Carrier:
(Do not abbreviate; yet include any Commission approved AKA/DBA/Fictitious Name, if applicable.)

2. Is utility certificated as a Competitive Local Exchange Carrier (CLEC)? If yes, state effective
a. date of certification by the MO Public Service Commission and associated case number:
Date (e.g. 00/00/0000): _____ Case No: _____
b. Is utility certificated as a Interexchange Telecommunications Carrier (IXC)? If yes, state
effective date of certification by the MO Public Service Commission and associated case number:
Date (e.g. 00/00/0000): _____ Case No: _____
3. Was the company certificated in Missouri under any other name(s)? If yes, please provide all
names and time periods involved since the original certification:

4. This Competitive Local Exchange/Interexchange Telecommunications Carrier is a (Check box
with an X) and if different than certificated name listed above (e.g. parent corporation name)
or if 'Other' is identified, explain:

<input type="checkbox"/>	Corporation	<input type="checkbox"/>	LLC
<input type="checkbox"/>	Partnership	<input type="checkbox"/>	LP
<input type="checkbox"/>	Sole Proprietorship	<input type="checkbox"/>	Other - Explanation

5. Date of incorporation or other original organization (e.g. 00/00/0000):

6. Under the laws of what state is the Competitive Local Exchange/Interexchange
Telecommunications Carrier organized:

7. State in full the name, street address, telephone number, and e-mail address* of the individual
completing/verifying this Annual Report:

(*) To facilitate electronic sending of the Annual Report form next year.

CLEC-IXC

Annual Report of _____
for the year ending December 31,

8. Whether a corporation or not, give the particulars called for below concerning the principal general officers of the Competitive Local Exchange/Interexchange Telecommunications Carrier at the end of the year:

<u>Date Office Assumed</u>	<u>Title of General Officer</u>	<u>Name of Person Holding Office</u>

9. Please provide a listing of all mergers, consolidations, and reorganizations, completed during the last year.

CLEC-IXC

Annual Report of _____

for the year ending December 31,

10. Please provide the following information concerning Total Company and gross intrastate operating revenues (i.e., Missouri Specific) Revenues for this Calendar Year:

Revenues:

Operating Revenues* from Telecommunication Services
Access Fee Revenues
Federal USF Subsidies
State USF Subsidies
Other Revenues

Total Company MO Specific

TOTAL REVENUES

MO Specific should match Statement of Revenue
(MoPSC Assessment)

* Missouri Revised Statutes §386.020(53)

(53) "Telecommunications service", the transmission of information by wire, radio, optical cable, electronic impulses, or other similar means. As used in this definition, "information" means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or any other symbols. Telecommunications service does not include:

(a) The rent, sale, lease, or exchange for other value received of customer premises equipment except for customer premises equipment owned by a telephone company certificated or otherwise authorized to provide telephone service prior to September 28, 1987, and provided under tariff or in inventory on January 1, 1983, which must be detariffed no later than December 31, 1987, and thereafter the provision of which shall not be a telecommunications service, and except for customer premises equipment owned or provided by a telecommunications company and used for answering 911 or emergency calls;

(b) Answering services and paging services;

(c) The offering of radio communication services and facilities when such services and facilities are provided under a license granted by the Federal Communications Commission under the commercial mobile radio services rules and regulations;

(d) Services provided by a hospital, hotel, motel, or other similar business whose principal service is the provision of temporary lodging through the owning or operating of message switching or billing equipment solely for the purpose of providing at a charge telecommunications services to its temporary patients or guests;

(e) Services provided by a private telecommunications system;

(f) Cable television service;

(g) The installation and maintenance of inside wire within a customer's premises;

(h) Electronic publishing services; or

(i) Services provided pursuant to a broadcast radio or television license issued by the Federal Communications Commission;

11. Local Exchange Carriers Federal/State Low-Income/Disabled Universal Service Fund Subscribers

Background and Purpose: To ascertain on a monthly basis the number of subscribers being provided federal and/or Missouri low-income/disabled support as being reported to USAC (federal support, Form 497) and the fund administrator of the Missouri programs (Missouri support).

	Calendar Year 2004	Calendar Year 2005	
Month	Number of Federal Low Income subscribers	Number of Missouri Low Income subscribers*	Number of Missouri Disabled subscribers*
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
TOTAL:	0	0	0

* Effective for 2005 calendar year
Annual Report.

**Instructions for completing the
Competitive Local Exchange Carrier Access Line Report**

I. BACKGROUND

In opening local telephone markets to competition, the Missouri Public Service Commission (MoPSC) is interested in determining and tracking the amount of actual competition occurring throughout the state. For a variety of reasons including but not limited to statutory reasons, the MoPSC finds it necessary to track the level of competition in local telephone markets.

II. PURPOSE

The purpose of this portion of the Annual Report is to ascertain, on an exchange specific basis, the number of voice-grade equivalent access lines in service being provided by your company in each exchange (as identified in your tariff) in Missouri. Information is sought for residential and business voice-grade equivalent access lines on an exchange-by-exchange basis. **Please use the common exchange name as shown in your tariffs.** Further, information is sought on the following ways of provisioning each access line: (A) pure resale lines; (B) unbundled network element lines (UNE); (C) unbundled network element platform lines (UNE-P); and, (D) pure facility based lines. **Please report on a separate line the number of company used lines.**

III. WHAT IS MEANT BY "VOICE TELEPHONE SERVICE"?

Voice telephone service means local exchange or exchange access services that allow end users to originate and terminate local telephone calls on the public switched telephone network, whether used by the end user for telephone calls or for other types of calls carried over the public switched network (for example, lines used for facsimile equipment and "dial-up" internet lines).

IV. WHAT IS MEANT BY "VOICE-GRADE" EQUIVALENT LINES?

You are to report voice-grade equivalent lines. Count as one voice-grade equivalent line: traditional analog POTS lines, Centrex-CO extensions, and Centrex-CU trunks. Count lines based on how they are charged to the customer rather than how they are physically provisioned. For example, count Basic Rate Integrated (BRI) and Digital Network (ISDN) Services lines as two voice-grade equivalent lines. Report 8 voice-grade equivalent lines if a customer buys 8 trunks that happen to be provisioned over a DS1 circuit. If a customer buys a DS1 circuit that is provided as channelized service, report 24 voice-grade equivalent lines, even if there is some indication that the customer is only using 8 of the derived lines. Thus, a voice-grade equivalent line is a line that directly connects an end user to a carrier and allows the end user to originate and terminate local telephone calls on the public switched network.

Voice-grade equivalent lines include high capacity (DS1, DS-3, etc.) lines that are channelized to provide voice-grade service. In such instances, it is the number of channels available for voice traffic to/from the public switched network that should be counted as voice-grade equivalent access lines. **Note for competitive LEC's providing local exchange service over hybrid fiber-coaxial cable television systems:** Count your records and report how many voice-grade equivalent lines are being billed.

**Instructions for completing the
Competitive Local Exchange Carrier Access Line Report Con'td.**

V. WHAT IS MEANT BY PURE RESALE VOICE GRADE EQUIVALENT LINES?

Pure resold lines are those lines provided pursuant to § 251 (c)(4) of the Communications Act of 1934, as amended. Pure resold lines are those lines not owned or controlled by the telephone company billing the end user for the service. Pure resold lines are typically leased from an underlying carrier at a wholesale discount off the tariffed rate. The use of resold lines exclusively provides a means to offer service without owning or controlling any equipment. Pure resold lines are those lines provided under a general or local exchange tariff, but without benefit of an accompanying switched access tariff.

VI. WHAT IS MEANT BY UNBUNDLED NETWORK ELEMENT (UNE) LINES?

UNE lines are those lines where the carrier provides some portion of the equipment required to provide telephone service. The most common example is a competitive LEC who provides the switching but leases a loop (or extended loop) from the incumbent LEC. UNE loops are obtained on a stand alone basis and service is provided to the end user without combining other UNEs. Service provisioned over UNE loops requires the carrier to lease a loop from another LEC in order to connect the customer to the carrier's own switch. UNE lines are provided under a general or local exchange tariff in combination with a switched access tariff.

VII. WHAT IS MEANT BY UNE-P VOICE GRADE EQUIVALENT LINES?

UNE Platform (UNE-P) lines are those lines utilizing a combination of UNEs so that service provisioned over UNE-P lines does not require the carrier to use its own switch, port, or loop. UNE-P lines are commonly used by competitive LECs. UNE-P lines are provided under a general or local exchange tariff in combination with a switched access tariff.

VIII. WHAT IS MEANT BY FULL FACILITY BASED VOICE GRADE EQUIVALENT LINES?

Full facility based lines are those lines owned or controlled exclusively by a local exchange carrier and used to connect to an end user's premises. Count as your own such facilities, those facilities that you actually owned as well as facilities such as dark fiber that you obtained the right to use from other entities. Do not include, as full facilities based lines, lines provided over UNE loops that you obtained from another carrier. Full facility based lines are provided under a general or local exchange tariff in conjunction with a switched access tariff.

IX. WHAT IS MEANT BY PUBLIC ACCESS LINES?

Some carriers (particularly incumbent carriers) still separate pay telephone lines from business lines. Use this column to report pay telephone lines if your company tariffs reflect pay telephone lines distinct from business lines.

X. WHAT IS MEANT BY EXCHANGE?

"Exchange" as defined in Missouri Revised Statutes §386.020(16), is a geographical area for the administration of telecommunications services, established and described by the tariff of a telecommunications company providing basic local telecommunications service.

Submitting this Annual Report is an "option" through EFIS.

A registered official company representative is authorized to utilize this option, type in all necessary information below, including the Notary's information (pursuant to Sections 432.200 and 432.295). After submitting the Annual Report through EFIS, you will receive a BMAR (confirmation) number. Indicate that BMAR number on the original and retain for your records.

CLEC-IXC	
Annual Report of _____	for the year ending December 31, _____
VERIFICATION	
The foregoing report must be verified by the oath of the President, Treasurer, General Manager or Receiver of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken	
OATH	
State Of _____	} ss:
County Of _____	
_____ makes oath and says that (Insert here the name of the affiant)	
s/he is _____	(Insert here the official title of the affiant)
of _____ (Insert here the exact legal title or name of the respondent)	
that s/he has examined the foregoing report; that to the best of his or her knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent.	
_____, _____, to and including _____, _____	
_____ (Signature of affiant)	
Subscribed and sworn before me, a _____ in and for the	
State and county above named, this _____ day of _____, 20	
My Commission expires _____, 20	
_____ (Signature of officer authorized to administer oaths)	
Missouri Revised Statutes § 392.210	

Original in its entirety must be mailed (if not utilizing EFIS) to:
Manager of the Data Center
MoPSC, 200 Madison Street, Suite 100
Jefferson City, MO 65101 (P.O. Box 360, 65102-0360)

Brief Description of Competitors

AT&T Communications of the Southwest, Inc. (AT&T) provides local voice service through its own switching facilities, although the company may connect to the customer's premise through a special access arrangement.

Charter Fiberlink – Missouri, LLC (Charter) provides local voice service exclusively through its own facilities. Currently Charter officials state the company only provides local voice service to residential customers.

Fidelity Communication Services II (Fidelity II) provides local voice service via both its own loops and switching facilities and through a UNE-L arrangement, using its own switch and a loop leased from the incumbent local exchange carrier. The company is affiliated with Fidelity Telephone Company, an incumbent local exchange carrier (ILEC).

Socket Telecom, LLC (Socket) provides local voice service through its own switching facilities. In some instances the company may provide local voice service in what might be considered its own loop facilities.