



Missouri Telecommunications Industry Association

TX-2010-0099

RICHARD TELTHORST, CAE
President

September 21, 2010

Mr. Steven C. Reed
Secretary of the Commission
Missouri Public Service Commission
Post Office Box 360
Jefferson City, Missouri 65102

RE: Proposed rulemaking for 4 CSR 240-3.510 (CLEC financial test)

Dear Mr. Reed:

During the agenda session held September 15, the Commission and staff discussed a possible revision to the above-captioned rule. Based on the discussion, it appeared that staff was proposing to remove the CLEC financial test from the rule because the current requirement is not an effective measure of a carrier's financial viability.

Commissioners commented that the interests of CLEC customers need to be considered in any rule change. I would suggest that it is also important to consider the interests of the underlying ILEC as well. When a CLEC is re-selling the services of an ILEC, it is possible that the ILEC may not receive payment in a case in which the CLEC becomes insolvent or bankrupt. Any measure that would help to determine the stability or viability of a CLEC at the time of certification would help to protect ILECs from this exposure.

I am not in a position to dispute the staff's determination that the current financial test is inadequate. However, it would be prudent to consider other alternatives to the current test before concluding that no financial test was needed.

We appreciate your bringing these comments to the Commission's attention.

Sincerely,

Richard Telthorst, CAE
President

c John Van Eschen
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