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October 4, 2000

The Honorable Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102-0360

Re: Teligent, Inc.  
Case No. TA-2000-578

FILED<sup>2</sup>  
OCT 4 2000  
Missouri Public  
Service Commission

Dear Judge Roberts:

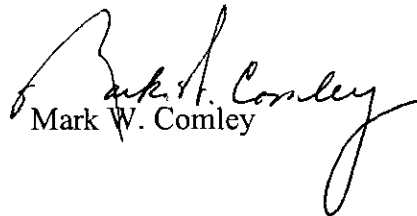
Enclosed for filing in the referenced matter please find the original and eight copies of a Unanimous Stipulation and Agreement.

Please contact me if you have any questions. Thank you.

Very truly yours,

NEWMAN, COMLEY & RUTH P.C.

By:

  
Mark W. Comley

MWC:ab  
Enclosure

cc: Office of Public Counsel  
Mimi B. MacDonald  
Cliff Snodgras  
Robert E. Stup, Jr.

BEFORE THE PUBLIC SERVICE  
COMMISSION OF THE STATE OF MISSOURI

FILED<sup>2</sup>  
OCT 4 2000

In the Matter of the Application of )  
 )  
TELIGENT SERVICES, INC )  
 )  
for a Certificate of Service Authority to Provide )  
Basic Local Telecommunications Services )  
in the State of Missouri )  
and for Competitive Classification )

Missouri Public  
Service Commission

Case No. TA-2000-578

**UNANIMOUS STIPULATION AND AGREEMENT**

TELIGENT SERVICES, INC. (hereinafter "TSI" or "Applicant") initiated this proceeding on March 17, 2000 by filing an Application requesting certificate of service authority to provide basic local exchange and exchange access services in exchanges currently served by Southwestern Bell Telephone Company, and GTE of the Midwest, Inc. (GTE).

Southwestern Bell Telephone Company (SWBT) applied to intervene in this matter and its application was granted.

**A. STANDARDS AND CRITERIA**

1. The parties employed the following standards and criteria, which are intended to meet the requirements of existing law, particularly Sections 392.450 and 392.455, RSMo. Cum Supp. 1999 regarding applications for certificates of local exchange service authority to provide or resell basic local telecommunications service, in negotiating the provisions of this Unanimous Stipulation and Agreement (hereinafter referred to as the "Stipulation").

2. For purposes of this Stipulation, the parties agree that applications for local exchange and basic local exchange service authority in exchanges served by "large" local exchange companies

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(LECs)<sup>1</sup> should be processed in a manner similar to that in which applications for interexchange and local exchange authority are currently handled.

3. In determining whether TSI's application for certificate of service authority should be granted, the Commission should consider TSI's technical, financial and managerial resources and abilities to provide basic local telecommunications service. TSI must demonstrate that the basic local services it proposes to offer satisfy the minimum standards established by the Commission, including but not limited to the applicant agreeing to file and maintain basic local service tariff(s) with the Commission in the same manner and form as the Commission requires of incumbent local exchange telecommunications companies with which applicant seeks to compete. Further, TSI must agree to meet the minimum basic local service standards, including quality of service and billing standards, as the Commission requires of the incumbent local exchange telecommunications companies with which the applicant seeks to compete. Notwithstanding the provisions of Section 392.500 RSMo (1994), as a condition of certification and competitive classification, TSI agrees that, unless otherwise ordered by the Commission, its originating and terminating access rates will be capped at the levels authorized by the Commission in *In the Matter of the Access Rates to be Charged by Competitive Local Exchange Telecommunications Companies in the State of Missouri*, Case No. TO-99-596. Accordingly, the parties acknowledge and agree that TSI may submit tariffs providing for originating and terminating exchange access rates equal to or less than those of the directly competing incumbent local exchange carrier in each exchange in which TSI is authorized to provide basic local telecommunications services. Additionally, TSI agrees that if the directly competing ILEC, in whose service area TSI is operating, decreases its originating and/or terminating

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<sup>1</sup>Large LECs are defined as LECs who serve 100,000 or more access lines. Section 386.020 RSMo. Supp. 1999. In Missouri, the current large LECs are SWBT, GTE and Sprint.

access service rates, TSI shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates in the directly competing ILEC's service area within thirty (30) days of the directly competing ILEC's reduction of its originating and /or terminating access rates in order to maintain the cap.<sup>2</sup> Further, TSI agrees to offer basic local telecommunications service as a separate and distinct service and must sufficiently identify the geographic service area in which it proposes to offer basic local service. Such area must follow exchange boundaries of the incumbent local exchange telecommunications companies in the same area and must be no smaller than an exchange. Finally, TSI agrees to provide equitable access, as determined by the Commission, for all Missourians within the geographic area in which it proposes to offer basic local service, regardless of where they live or their income, to affordable telecommunications services. See Section 392.455 RSMo Cum. Supp. 1999.

4. TSI submitted proposed tariffs with its application and provided a copy to the parties hereto that requested them. Staff will separately evaluate the same and supply its recommendation to the Commission.

5. TSI has, pursuant to §392.420 RSMo. 1994 requested that the Commission waive the application of certain statutory provisions and rules to its basic local telecommunications services. Since the filing of its application, several rules of the Commission had been revised and TSI requested leave to amend its application to reflect those rule revisions. The parties hereto have no objection to Applicant's motion for leave to amend. TSI's application as amended herein requests the Commission to waive any or all of the following statutory provisions and rules to basic

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<sup>2</sup>This provision shall not be construed to require TSI to file a tariff amendment if: 1) TSI has concurred in the directly competing ILEC's access tariff, or 2) if TSI's existing corresponding originating and/or terminating access rates are not higher than the ILEC's originating and/or terminating access rates following the ILEC's reduction of rates.

local telecommunications services, and the parties agree that the Commission should grant such request provided that Section 392.200 RSMo should continue to apply to all of TSI's services:

STATUTORY PROVISIONS

- §392.210.2
- §392.240(1)
- §392.270
- §392.280
- §392.290
- §392.300.2
- §392.310
- §392.320
- §392.330
- §392.340

COMMISSION RULES

- 4 CSR 240-10.020
- 4 CSR 240-30.010(2)(C)
- 4 CSR 240-30.040
- 4 CSR 240-32.030(4)(C)
- 4 CSR 240-33.030
- 4 CSR 240-35

B. TSI CERTIFICATION

6. TSI hereby agrees that its application should be deemed amended to include by reference the terms and provisions described in paragraphs 2-5 hereinabove.

7. Based upon its verified application, as amended herein or by any Order of the Commission, TSI asserts, and no party makes a contrary assertion, that there is sufficient evidence from which the Commission can find and conclude that TSI:

- a. possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service and local exchange telecommunications service, including exchange access service;
- b. proposes and agrees to offer basic local services that satisfy the minimum standards established by the Commission;

- c. has sufficiently identified the geographic area in which it proposes to offer basic local service and such area follows exchange boundaries of the incumbent local exchange telecommunications companies in the same areas, and such area is no smaller than an exchange;<sup>3</sup>
- d. will offer basic local telecommunications service as a separate and distinct service;
- e. has agreed to provide equitable access as determined by the Commission for all Missourians within the geographic area in which it proposes to offer basic local service, regardless of where they live or their income, to affordable telecommunications services;<sup>4</sup>
- f. has sought authority which will serve the public interest.

8. TSI asserts, and no party opposes, that TSI's application and request for authority to provide basic local telecommunications services and local exchange telecommunications services (including exchange access service) should be granted. All services authorized herein should be classified as competitive telecommunications services provided that the requirements of Section 392.200 continue to apply, and TSI shall remain classified as a competitive telecommunications company. TSI asserts, and no party opposes, that such services will be subject to sufficient competition by the services of the incumbent LECs to justify a lesser degree of regulation of TSI's services consistent with the protection of ratepayers and the promotion of the public interest. Such classification should become effective upon the tariffs for the services becoming effective. Such

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<sup>3</sup> The identification of specific geographic areas within which TSI proposes to offer service as referred to in this paragraph shall not be construed to foreclose TSI from 1) petitioning the Commission pursuant to Section 392.200.4 RSMo. for authority to serve an area smaller than an exchange; and 2) offer customer specific pricing pursuant to Section 392.200.8, RSMo.

<sup>4</sup> The agreement in Paragraph 7. e. of this Stipulation is without prejudice to TSI's right to appear, after proper application and in accord with Commission rules and regulations, in any rulemaking proceeding or other proceeding regarding the Commission's considerations of equitable access under Section 392.455.(5), RSMo. Furthermore, such agreement should not be construed as an admission or conclusion by TSI that Section 392.455.(5), RSMo. creates new or specific duties or obligations on telecommunications companies to provide equitable access.

authority should be conditional, not to be exercised until such time as tariffs for those services have been filed and have become effective. The Commission's Order should state the foregoing conditions as follows:

The service authority and service classification herein granted are subject to the requirements of § 392.200 and are conditional and shall not be exercised until such time as tariffs for services have become effective.

The parties agree that the applicant's switched exchange access services may be classified as competitive services. The parties further agree that the applicant's switched exchange access services are subject to Section 392.200. Any increases in switched access service rates above the maximum switched access service rates as set forth in paragraph 3 herein shall be made pursuant to Sections 392.220 and 392.230 and not 392.500 and 392.510. TSI agrees that if the directly competing ILEC, in whose service area TSI is operating, decreases its originating and/or terminating access service rates, TSI shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates in the directly competing ILEC's service area within thirty (30) days of the directly competing ILEC's reduction of its originating and /or terminating access rates in order to maintain the cap.<sup>5</sup> The Commission's order should state the foregoing conditions as follows:

"The service authority and service classification for switched exchange access granted herein is expressly conditioned on the continued applicability of Section 392.200 and the requirement that any increases in switched access service rates above the maximum switched access service rates set forth herein shall be made pursuant to Sections 392.220 and 392.230 and not Sections 392.500 and 392.510. TSI agrees that if the directly competing ILEC, in whose service area TSI is operating, decreases its originating and/or terminating access service rates, TSI shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates in the directly competing ILEC's service area within thirty (30) days of the directly competing ILEC's reduction of its originating and /or terminating access rates in order to maintain the cap. TSI will not be required to file a tariff amendment if: 1) TSI has concurred in the directly competing ILEC's access tariff, or 2) if TSI's

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<sup>5</sup>See footnote 2.

existing corresponding originating and/or terminating access rates are not higher than the directly competing ILEC's originating and/or terminating access rates following the ILEC's reduction of rates."

9. TSI's request for waiver of the application of the following rules and statutory provisions as they relate to the regulation of TSI's services should be granted:

STATUTORY PROVISIONS

§392.210.2  
§392.240(1)  
§392.270  
§392.280  
§392.290  
§392.300.2  
§392.310  
§392.320  
§392.330  
§392.340

COMMISSION RULES

4 CSR 240-10.020  
4 CSR 240-30.010(2)(C)  
4 CSR 240-30.040  
4 CSR 240-32.030(4)(C)  
4 CSR 240-33.030  
4 CSR 240-35

10. Finally, TSI will comply with all applicable Commission rules and regulations except those which specifically are waived by the Commission.

11. This Stipulation has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation in total, then this Stipulation shall be void and no signatory shall be bound by any of the agreements or provisions hereof. The Stipulations herein are specific to the resolution of this proceeding, and all stipulations are made without prejudice to the rights of the signatories to take other positions in



other proceedings.

12. In the event the Commission accepts the specific terms of this Stipulation, the parties and participants waive, with respect to the issues resolved herein the following rights: their respective rights pursuant to §536.080.1, RSMo 1994, to present testimony, to cross examine witnesses, and to present oral argument or written briefs; their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, RSMo 1994; and their respective rights to seek rehearing pursuant to §386.500 RSMo 1994 and to seek judicial review pursuant to §386.510, RSMo 1994. The parties agree to cooperate with the Applicant and with each other in presenting this Stipulation for approval to the Commission and shall take no action, direct or indirect, in opposition to the request for approval of the TSI application made herein.

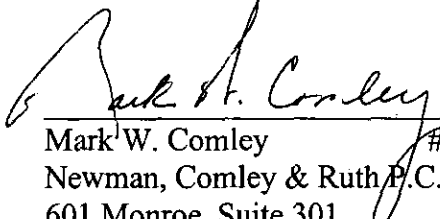
14. The Staff shall file suggestions or a memorandum in support of the Stipulation and the other Parties shall have the right to file responsive suggestions or prepared testimony. All responsive suggestions, prepared testimony or memorandum shall be subject to the terms of any Protective Order that may be entered in this case.

15. The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that Staff shall, to the extent reasonably practicable, provide the other Parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any protective order that may be issued in this case.

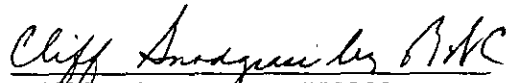
16. The Office of the Public Counsel is a signatory to this Stipulation for the sole purpose of stating that it has no objection to this Stipulation.

WHEREFORE, the signatories respectfully request the Commission to issue its Order approving the terms of this Stipulation and issue its Order granting authority and classification as requested by TSI, subject to the conditions described above.


Respectfully submitted,

  
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