

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Spectra Communications	)	
Group, LLC d/b/a CenturyTel Proposed Revision	)	
to its PSC MO. NO. 3 Long Distance Message	)	<u>Case No. IT-2004-0141</u>
Telecommunications Service Tariff to Introduce	)	Tariff No. JI-2004-0148
the Promotional Macon Expanded Calling Plan.	)	

AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.'S
MOTION TO SUSPEND AND
REQUEST FOR INTERVENTION

COMES NOW AT&T Communications of the Southwest, Inc. ("AT&T") pursuant to section 386.420, Section 392.200, and 392.230 RSMo. 2000. 2000 and 4 CSR 240-2.075, and respectfully submits its Motion to Suspend and Application to Intervene. In support of its request, AT&T states as follows:

1. AT&T is a competitive local and interexchange telecommunications company duly incorporated and existing under and by virtue of the laws of the State of Delaware, authorized to do business in the State of Missouri as a foreign corporation. AT&T's principal Missouri offices are located at 101 W. McCarty, Ste. 216, Jefferson City, MO 65101. AT&T has been granted authority to provide local exchange service and basic local exchange service in portions of Missouri, as well as intrastate, interexchange telecommunications services in Missouri under authority granted and tariffs approved by the Commission. AT&T is also an authorized provider of interstate interexchange telecommunications services under the oversight and jurisdiction of the Federal Communications Commission.

2. All correspondence, pleadings, orders, decision and communications regarding this proceeding should be sent to:

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3. Spectra Communications Group, L.L.C d/b/a CenturyTel (“Spectra”) is a Delaware Limited Liability Company authorized to do business in Missouri under a certificate of service authority granted by this Commission in Case No. TM-2000-182. Spectra operates as a non-competitive, incumbent local exchange company providing basic local, switched access, and intraLATA interexchange telecommunications service in 107 exchanges in Missouri.

4. On August 1, 2003, Spectra filed a proposed tariff sheet in PSC Mo. No. 3 Long Distance Message Telecommunications Service to offer an optional intraLATA calling plan in the Macon exchange. Under the proposed tariff, an intraLATA toll customer of Spectra may purchase toll calling under either a 240 or 600-minute block of time for \$16.95 or \$34.95 per month, respectively. If a customer uses every minute in the block of time, the customer would pay 5.9¢ and 5.8¢ per minute respectively. Each additional minute over the initial block of time is priced at 7¢ per minute.

5. On September 17, 2003, Spectra filed an Application with the Commission for relief from Section 392.200.4(1) RSMo. 2000. 2000. Spectra is seeking relief under this section because it is proposing to only offer the new optional toll calling plan in one of the exchanges where Spectra provides intraLATA toll service. On September 30, 2003 the Commission's Staff filed its Memorandum and Recommendation, recommending that the Commission suspend the proposed sheet. An Application to Intervene was received on September 26, 2003 from a group of carriers that oppose approval of the proposed sheet. On October 6, the Commission issued an Order Directing Filing in which it directed Spectra to file a response, if any, by October 8, 2003.

6. AT&T agrees with Staff and others that the proposed tariff should be suspended and an evidentiary hearing should be conducted. While AT&T does not necessarily oppose the geographic limitations contained in the proposed tariff,¹ AT&T is opposed to the proposed tariff on the grounds that the proposed plans are priced in a manner that is anti-competitive, contrary to the Missouri statutes, and not in the public interest. The proposed offering is contrary to the provision of Section 392.200.4(1) that requires the offering to be in the public interest (by clear and convincing evidence) and reasonably necessary to promote the purposes of and policies of Chapter 392 RSMo. 2000 as set forth in Section 392.185 RSMo. 2000.

7. Spectra compares its proposed optional intraLATA toll calling plan to other local exchange plans (Application, pgs. 3 – 5). AT&T disagrees with this characterization, as the plan being proposed by Spectra is clearly an optional intraLATA

¹ Although AT&T would note that Spectra's request may be impacted by the ruling in Case No. TO-2000-22.

toll calling plan. AT&T competes with Spectra in the intraLATA interexchange market place. In order to provide intraLATA, interexchange service in Spectra's local exchanges, AT&T must purchase originating switched access service from Spectra and terminating switched access service from Spectra or another local exchange carrier in Missouri based upon where the call terminates. Spectra currently charges approximately 8.14¢ per minute for originating switched access and 11.36¢ per minute for terminating switched access for a total end-to-end switched access rate of 19.50¢ per minute.

8. The proposed service is anti-competitive in that the retail rate for intraLATA toll service is priced drastically below the wholesale price that Spectra's competitors must pay for wholesale switched access service. In order to provide a comparable retail service, AT&T must purchase switched access for approximately 19.50¢ per minute for a call that both originates and terminates in Spectra's ILEC territory. Even if the call terminates in SBC Missouri, Inc.'s service territory, AT&T would still incur a cost of 11.54¢ per minute.² When compared to the approximately 6¢ to 7¢ per minute retail rate of Spectra's proposed offering, it is clear that the proposed offering is priced well below the wholesale access rates that an interexchange carrier must pay to compete with Spectra, even on the lowest cost route. It is contrary to the public interest to allow a non-competitive provider of switched access and a non-competitive provider of intraLATA toll to provide retail toll service below its wholesale rate for switched access service. Allowing this type of discriminatory pricing clearly does not promote full and fair competition nor does it promote diversity in the supply of telecommunications services as set forth Section 392.185 RSMo 2000.

² SBC Missouri, Inc. is the largest local exchange carrier in Missouri and has one of the lowest intrastate terminating switched access rates in Missouri

9. In its Application, Spectra cites to Section 392.200.4(2) to support its request (Application, pgs 4 – 5). While not directly on point as this section relates to local exchange and exchange access services rather than intraLATA toll calling plan, the Commission should be aware that Section 392.200.4(2)(c) prohibits an incumbent local exchange carrier such as Spectra from pricing any non-competitive local exchange or switched access service below its long-run incremental cost. AT&T contends that this service is priced below the long run incremental cost that a company that had to pay switched access rates would incur. Further, AT&T agrees with Staff that Section 392.400.3 and 392.400.5 are also relevant to the issue of whether the service is priced below cost.

10. AT&T is a purchaser of Spectra's access services and a competitor of Spectra in the intraLATA toll market. As a wholesale customer and competitor, AT&T has an interest in this proceeding that is different from that of the general public. AT&T may be adversely affected by the tariff proposed by Spectra. Therefore, a decision on this matter will affect its interest as a provider of telecommunications services in Missouri. Further, AT&T's participation in this proceeding is in the public interest because of AT&T's expertise in the telecommunications industry. At this time, AT&T is opposed to the proposed tariff but is unsure of the position it will take on specific issues that might arise in this proceeding.

11. AT&T requests that the Commission suspend the proposed tariff under Section 392.230, grant AT&T's request for intervention, set an intervention period, and establish a prehearing conference so that all parties can develop a proposed procedural schedule and conduct an evidentiary hearing.

WHEREFORE, AT&T respectfully requests the Commission to grant this Motion.

Respectfully submitted,



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ATTORNEYS FOR AT&T
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CERTIFICATE OF SERVICE

(IT-2004-0141, JI-2004-0148)

I certify that copies of AT&T's Motion to Suspend and Request for Intervention were served on the following by e-mail on October 7, 2003.

Rebecca B. DeLoach by DRF

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

In the Matter of the Application of Southwestern Bell	)	
Telephone Co. d/b/a SBC Filing Tariff Revisions to)	)	<u>Docket No. IT-2004-0141</u>
Suspend Billing and Collection Services for a Customer)	)	Tariff No. JI-2004-0148
if the Customer is in Breach of Any Other Agreement)	)	
Between the Parties		

AT&T'S ENTRY OF APPEARANCE

Rebecca B. DeCook and J. Steve Weber respectfully enter their appearance on
behalf of AT&T Communications of the Southwest, Inc.

Respectfully submitted,


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