

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

In the Matter of the Application of VCI)
Company for Certificate of Service)
Authority to Provide Basic Local)
Exchange and Exchange Access Service)
throughout the State of Missouri and to)
Classify the Company as Competitive)

Case No. CA-2006-0323

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its recommendation states:

1. In the attached Memorandum, which is labeled Appendix A, the Staff recommends that the Missouri Public Service Commission grant VCI Company (Applicant), a certificate of service authority to provide basic local exchange telecommunications service in the service areas of Southwestern Bell Telephone L.P. d/b/a AT&T Missouri; Sprint Missouri, Inc. d/b/a Sprint; CenturyTel of Missouri, LLC; and Spectra Communications Group, LLC d/b/a CenturyTel; conditioned upon certain access rate provisions. The Commission shall grant an application for a certificate of telecommunications service authority upon a finding that the grant of authority is in the public interest. (See §§ 392.430 and 392.440 RSMo. (2000).)

2. Staff also recommends that the Commission classify the Applicant and its services as competitive. The Commission may classify a telecommunications provider or its services as competitive if the Commission determines it is subject to sufficient competition to justify a lesser degree of regulation. (See §392.361.2.) All the services a competitive company provides must be classified as competitive. (See §392.361.3.)

3. Staff further recommends that the Commission grant the waivers listed in the *Notice of Application*. The Commission may waive the application of its rules and certain

statutes if the Commission determines that waiver is consistent with the purposes of Chapter 392. §§ 392.185, 392.361.5, and 392.420.

4. Finally, Staff mentions that a tariff was not submitted with the *Application*. Pursuant to 4 CSR 240-3.510(1)(C), the applicant cannot lawfully provide service until tariffs are effective.

WHEREFORE, Staff recommends that the Commission grant VCI Company a certificate to provide basic local exchange telecommunications services, conditioned upon the access rate provisions described in the Staff memorandum; grant competitive classification; and grant the waiver of the statutes and regulations listed in the Commission's *Notice of Application*.

Respectfully submitted,

/s/ Shelley E. Syler

Shelley E. Syler

Senior Counsel

Missouri Bar No. 52173

Attorney for the Staff of the

Missouri Public Service Commission

P. O. Box 360

Jefferson City, MO 65102

(573) 751-8706 (Telephone)

(573) 751-9285 (Fax)

shelley.syler@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 20th day of March 2006.

/s/ Shelley E. Syler

MEMORANDUM

To: Missouri Public Service Commission Official Case File

Case No.: **CA-2006-0323**

File No.: **N/A**

Applicant: **VCI Company (VCI)**

From: A.P. Kuss
Telecommunications Department

John Van Eschen 03/17/06
Utility Operations Division/Date

/s/ William K. Haas 03/17/06
General Counsel's Office/Date

Subject: Staff Recommendation for approval of Certificate to Provide Service

Date: March 17, 2006

Filing Deadline: N/A

The Telecommunications Department Staff (Staff) recommends the applicant be granted the certificate(s) as indicated below, to be effective on the same date the tariff becomes effective:

- ☒ Certificate to provide basic local exchange telecommunications services in the following service areas:
- ☒ All of Southwestern Bell Telephone, L.P., d/b/a AT&T Missouri (AT&T Mo)
 - ☒ All of Sprint Missouri Inc. d/b/a Sprint (Sprint)
 - ☒ All of CenturyTel of Missouri, LLC (CenturyTel Mo)
 - ☒ All of Spectra Communications Group, LLC d/b/a CenturyTel (Spectra)
 - ☐ Other (please describe):

Granting the certificate should be based on the following conditions:

1. The applicant's originating and terminating access rates will be no greater than the lowest Commission approved corresponding access rates in effect for each ILEC within whose service area the applicant seeks authority to provide service, unless authorized by the Commission pursuant to Sections 392.220 and 392.230 RSMo.
2. The certificate and service classification for switched access service is conditioned on the continued applicability of Section 392.200 RSMo, and the requirement that any increases in switched access services rates above the maximum switched access service rates set forth herein shall be made pursuant to Sections 392.220 and 392.230 RSMo, and not Sections 392.500 and 392.510 RSMo.
3. If the directly competing ILEC, in whose service area the applicant is operating, decreases its originating and/or terminating access service rates, the applicant shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates in the directly competing ILEC's service area within 30 days of the directly competing ILEC's reduction of its originating and/or terminating access rates in order to maintain the cap.
4. The certificate will become null and void if unused after one year.

- ☐ Certificate to provide Interexchange telecommunications services.

☐ Certificate to provide local exchange telecommunications services.*
*Local exchange authority should be restricted to dedicated, private line services.

☒ The Company is not delinquent in filing an annual report or paying the PSC assessment.

☐ The Company is delinquent. Staff recommends the Commission grant the requested relief/action on the condition the applicant corrects the delinquency. The applicant should be instructed to make the appropriate filing in this case after it has corrected the delinquency.

☐ No annual report. ☐ Unpaid PSC assessment. Amount owed: _____

☐ Applicant has filed a proposed tariff per 4 CSR 240-3.545 for service with an effective date not fewer than 45 days from the issue date. The applicant cannot lawfully provide service until tariffs are effective. No objection to tariff taking effect:
PSC No. N/A Effective Date: N/A

☒ Tariff was not submitted with Application [4 CSR 240-3.510(1)(C)].

Staff recommends the applicant and its services receive competitive classification. In addition, Staff recommends approval of the waivers listed in the Notice.

- ☐ There is an Attachment to this recommendation (see below).

Attachment:

Review Items for IXC, Non-switched Local and CLEC Certificate Applications:*(As required by 4 CSR 240-2.060):*

- ☒ Proper Secretary of State authorization.
- ☒ Statement of character of business performed.
- ☒ Statement declaring no pending action or final unsatisfied judgments.
- ☒ Statement declaring no overdue annual reports or assessment fees.
- ☒ Application includes an affidavit.
- ☒ Requesting waivers of rules or statutes previously granted to a competitively classified company.

(As required by RSMo 392.430/.440):

- ☒ Application shows that grant of authority is in the public interest.

Additional Review Items for CLEC Certificate Applications:*(As required by RSMo 392.455):*

- ☒ Possesses sufficient technical, financial and managerial resources and abilities.
- ☒ Statement that applicant will satisfy the minimum standards of the commission.
- ☒ Identifies geographic area (no smaller than an exchange).
- ☒ Statement that applicant will offer basic local service as a separate and distinct service.
- ☒ Statement that applicant will give equitable access to all Missourians.

Tariff Review Items (applicable for all competitively classified companies): N/A

- ☐ Properly formatted:
(Company name, PSC MO No., Page #, Page revision #, proposed effective date).
- ☐ Identifies competitive classification.
- ☐ Identifies waivers granted.
- ☐ ICB pricing, if proposed, limited for private line, special access or Centrex-like services, or in any exchange in which business services have been declared competitive [RSMo 392.200(8)].
- ☐ Proposed rates do not establish geographic deaveraged rates (if not checked, explain in Attachment) [RSMo 392.200(4)].
- ☐ If an Alternative Operator Service provider (receives more than 40% of revenues from traffic aggregators) operator service rates do not exceed: Person-to-Person (\$12.50), Station-to-Station/card (\$7.50) [RSMo 392.515(1)].

Tariff Review Items (applicable only for CLECs): N/A

- ☐ Tariff clearly identifies by exchange areas where it offers basic local telecommunications service [RSMo 392.455(3)].
- ☐ Tariff offers local service as a separate and distinct service [RSMo 392.455(4)].
- ☐ Switched access rates capped at ILEC's rates.

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OF THE STATE OF MISSOURI**

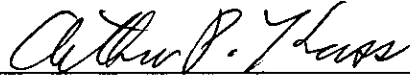
In the Matter of the Application of VCI)
Company for Certificate of Service)
Authority to Provide Basic Local Exchange)
and Exchange Access Service throughout)
the State of Missouri and to Classify the)
Company as Competitive.)

Case No. **CA-2006-0323**

AFFIDAVIT OF Arthur P. Kuss

STATE OF MISSOURI)
) ss:
COUNTY OF COLE)

Arthur P. Kuss, employee of the Staff of the Missouri Public Service Commission, being of lawful age and after being duly sworn, states that he has participated in the preparation of the accompanying Memorandum, and that the facts therein are true and correct to the best of his knowledge and belief.



Arthur P. Kuss

Subscribed and affirmed before me this 17th day of March, 2006.
I am commissioned as a Notary Public within the County of Cole, State of Missouri
and my commission expires on June 7, 2008.





NOTARY PUBLIC

