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September 10, 1998

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, Missouri 65102

Re: Case No. TO-98-49

Dear Mr. Roberts:

Enclosed for filing in the above-referenced matter, please find an original and fourteen (14) copies of a *Motion of the Mid-Missouri Group and The Small Telephone Company Group for Amendment of Order*. Please see that this filing is brought to the attention of the appropriate Commission personnel. Copies of the attached are today being hand-delivered or mailed to parties of record.

If you have any questions regarding this filing, please feel free to give me a call. Otherwise, I thank you in advance for your attention to and cooperation in this matter.

Sincerely,



W.R. England, III

WRE/da  
Enclosures  
cc: Parties of Record

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED  
MAY 19 1998  
PUBLIC SERVICE COMMISSION

In the Matter of the Application of the Mid-Missouri Group )  
and the Small Telephone Group of Incumbent Local Exchange )  
Companies for Designation as Telecommunications Company )  
Carriers Eligible for Federal Universal Service Support Pursuant )  
to Section 254 of the Telecommunications Act of 1996. )

CASE NO. TO-98-49

MOTION OF THE MID-MISSOURI GROUP AND THE SMALL TELEPHONE  
COMPANY GROUP FOR AMENDMENT OF ORDER

Come now the Mid-Missouri Group<sup>1</sup> (hereinafter "Mid-Mo") and the Small Telephone Company Group<sup>2</sup> (hereinafter "STCG"), collectively referred to as "Applicants," and move the Missouri Public Service Commission (hereinafter "Commission") to amend its Order in TO-98-49 to recognize that the Applicants now meet the FCC's requirement for toll-limitation and to relieve the Applicants of the duty to file reports and request waivers concerning toll-limitation. In support thereof, the Applicants respectfully state to the Commission as follows:

1. On August 1, 1997, the Applicants filed an Application for Designation as Telecommunications Carriers Eligible for Federal Universal Service Support pursuant to Section 254 of the Telecommunications Act of 1996. Specifically, the Applicants requested the Commission to designate each of the members of Mid-Mo and the STCG as "eligible telecommunications carriers" under 47 C.F.R. § 54.201(d).

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<sup>1</sup> See Appendix A attached hereto.

<sup>2</sup> See Appendix B attached hereto.

246.

2. On October 23, the Applicants filed a Stipulation and Agreement (hereinafter "Stipulation") that provided for them to be designated as eligible telecommunications carriers for purposes of federal universal service support. Under the Stipulation, the Applicants were to be granted additional time to provide toll-limitation.<sup>3</sup>

3. At the time of the Stipulation, the Applicants did not have the technical capability to provide toll-limitation as that service was defined by the Federal Communications Commission (hereinafter "FCC"). Toll-limitation was then defined as including both toll-blocking and toll-control. Although the Applicants were able to provide toll-blocking, they did not have the technical capability to provide toll-control.<sup>4</sup> Thus, exceptional circumstances prevented all incumbent local exchange carriers (ILECs) from providing toll-limitation, and the Applicants requested additional time from the Commission to provide this service pursuant to 47 C.F.R. § 54.101(c).

4. The parties to the Stipulation agreed that the Applicants would provide toll-limitation, including toll-control, by December 31, 1999. In the event that the Applicants were unable to meet that December deadline, the Applicants were to file a request with the Commission for additional time by November 1, 1999, along with a report setting out the current status of the technology. Additionally, the Applicants were to provide the Commission with

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<sup>3</sup> Where a telecommunications carrier is otherwise eligible for universal service support, it may request additional time to complete the network upgrades necessary to provide toll-limitation. 47 C.F.R. § 54.101(c). The Commission may grant requests for additional time upon a showing of exceptional circumstances. *Id.*

<sup>4</sup> Toll-control is defined as "a service provided by carriers that allows consumers to specify a certain amount of toll usage that may be incurred on their telecommunications channel per month or per billing cycle." 47 C.F.R. 54.400(a)(3).

reports regarding the status of toll-control technology and the progress being made toward its implementation by December 31, 1998.

5. On December 4, 1997, the Commission approved the Stipulation and found that the Applicants should be designated as eligible telecommunications carriers for the purposes of federal universal support. The Commission found that exceptional circumstances prevented the Applicants from providing toll limitation and granted the Applicants the requested extension of time. The Order required the Applicants to file a report with the Commission no later than December 31, 1998 on the status of the technology and the progress being made toward implementing toll-limitation.

6. Provisioning toll-control would require extensive revisions to telephone company billing systems and the establishment of totally new information exchanges among carriers. In order to provision toll-control, a telephone company would need a special system that would either: (1) immediately rate the call and keep a real time record that accumulates the customer's toll calls for the billing period, or (2) immediately receive from the carrier who handled the call a record of the call rating so that the call could be accumulated on the customer's toll summary record. Once the summary amount reached the limit set by the customer, the company's billing system would then have to communicate with the central office switch serving the customer to impose the toll blocking feature in the switch so that further toll calls could not be made. At the beginning of the new billing cycle, the central office switch would have to be reset to remove the toll blocking feature until the limit was again reached.

7. Toll-control creates a number of serious technical obstacles for the Applicants. First, most telephone companies rate messages either periodically during the month, or at the end

of the month only. Second, today's billing systems do not normally summarize a customer's toll usage until the bill is prepared at the end of the month. Third, customers may receive toll bills from several different carriers depending on their choices for interLATA or intraLATA presubscription and the extent to which they use the 10XXX or 101XXXX dialing features to reach carriers other than the pre-subscribed carrier. Fourth, there are no provisions for carriers to produce rated messages that the carrier would pass back to the telephone company on any basis, let alone on a real time basis. Finally, there are no systems established for the billing system to communicate with the switch to impose toll-blocking restrictions on a real time basis.

8. On December 30, 1997, the FCC altered its stance on toll-limitation services in its Fourth Order on Reconsideration of the Universal Service Report and Order (hereinafter "Fourth Order").<sup>5</sup> The Fourth Order recognized that providing the choice of either toll-blocking or toll-control is not presently viable. The FCC found that:

[A]n overwhelming number of carriers are technically incapable of providing both toll-limitation services, particularly toll-control services, at this time. Under our current rules, carriers technically incapable of providing both types of toll-limitation services must seek from their state commissions a time-limited waiver of their obligation to provide both toll-blocking and toll-control. Given that a large number of carriers are technically incapable of providing both toll-blocking and toll-control at this time, we believe that requiring carriers to provide both would result in an unnecessarily burdensome process for state commissions required to act on a large number of waiver proceedings.

Fourth Order, 63 FR at 2102-03 [¶ 56].

9. The FCC then determined that providing toll-blocking but not toll-control would satisfy the FCC's USF requirement for toll-limitation. The Fourth Order found

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<sup>5</sup> CC Docket Nos. 96-45, 96-262, 94-1, 91-213, 95-72; FCC 97-420 (reprinted at 63 FR 2029).

that:

[R]equiring carriers to provide at least one type of toll-limitation service is sufficient to provide low-income consumers a means by which to control their toll usage and thereby maintain their ability to stay connected to the public switched telephone network. Weighing the burdens on the states and the need to have carriers designated in a short time frame against the goal of giving low-income consumers a full range of options for controlling toll usage, we define toll-limitation services as either toll blocking or toll control and require telecommunications carriers to offer only one, and not necessarily both, of those services at this time in order to be designated as eligible telecommunications carriers.

Id. at 2103 [¶ 57] (emphasis added).

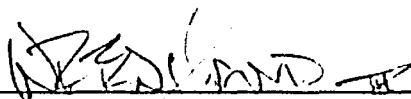
10. Because the FCC no longer requires toll-control as a prerequisite for designation as a Telecommunications Carrier Eligible for Federal Universal Service Support, the Applicants are requesting that the Commission amend its Order in TO-98-49 in the following particulars: a.) that the Commission finds that the Applicants now meet the FCC's requirement for toll-limitation and thus need no further waiver to comply with the requirements of an "eligible telecommunications carrier" designation; b.) that the Commission relieve the Applicants of the requirement to file reports regarding progress toward providing toll-control; c.) that the Commission eliminate the requirement to implement toll control by December 31, 1999; and d.) that the Commission make a decision on this issue by December 1, 1998 so that the Applicants may be relieved of the December 31, 1998 deadline to provide reports regarding the status of toll-control technology and the progress being made toward its implementation.

11. The FCC's Fourth Order has revised the definition of toll-limitation to require either toll-blocking or toll-control, but not both. Because the Applicants are capable of providing toll-blocking and are prepared to do so, the Applicants now meet the FCC's requirement for toll-limitation.

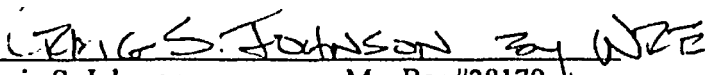
WHEREFORE, the Applicants respectfully request that the Commission:

- (a) amend its Order in TO-98-49 to recognize that the Applicants now meet the FCC's requirement for toll-limitation;
- (b) relieve them of the duty to file reports and request waivers concerning toll-limitation and in particular to implement toll-control by December 31, 1999; and
- (c) grant such further relief as the Commission deems appropriate.

Respectfully submitted,

  
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Attorney for The Small Telephone Company Group

  
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Hawthorn Building - 3rd Floor  
Post Office Box 1438  
Jefferson City, Missouri 65102-1438  
(573) 634-3422

Attorney for The Mid-Missouri Group

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was either hand-delivered or sent via facsimile, this 10<sup>th</sup> day of Sept., 1998, to:

Penny Baker  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, Missouri 65102

Michael Dandino  
Office of the Public Counsel  
P.O. Box 7800  
Jefferson City, Missouri 65102

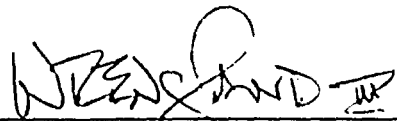
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\_\_\_\_\_  
W.R. England III



**MID-MISSOURI TELEPHONE COMPANY GROUP**

Alma Telephone Company  
Chariton Valley Telephone Corporation  
Choctaw Telephone Company  
Mid-Missouri Telephone Company  
Modern Telecommunications Company  
MoKan Dial, Inc.  
Northeast Missouri Rural Telephone Company  
Peace Valley Telephone Company, Inc.

**APPENDIX A**

**SMALL TELEPHONE COMPANY GROUP**

ALLTEL Missouri, Inc.  
Bourbeuse Telephone Company  
BPS Telephone Company  
Cass County Telephone Company  
Citizens Telephone Company of Higginsville, Missouri, Inc.  
Craw-Kan Telephone Cooperative, Inc.  
Ellington Telephone Company  
Farber Telephone Company  
Fidelity Telephone Company  
Goodman Telephone Company, Inc.  
Granby Telephone Company  
Grand River Mutual Telephone Corporation  
Green Hills Telephone Corp.  
Holway Telephone Company  
Iamo Telephone Company  
Kingdom Telephone Company  
KLM Telephone Company  
Lathrop Telephone Company  
Le-Ru Telephone Company  
McDonald County Telephone Company  
Mark Twain Rural Telephone Company  
Miller Telephone Company  
New Florence Telephone Company  
New London Telephone Company  
Orchard Farm Telephone Company  
Oregon Farmers Mutual Telephone Company  
Ozark Telephone Company  
Rock Port Telephone Company  
Seneca Telephone Company  
Steelville Telephone Exchange, Inc.  
Stoutland Telephone Company

**APPENDIX B**