

Exhibit Number:
Issue(s)
Witness: Gay Smith
Sponsoring Party: MoPSC Staff
Case Number: TW-97-333

MISSOURI PUBLIC SERVICE COMMISSION
UTILITY OPERATIONS DIVISION DIVISION
COMMUNITY OPTIONAL SERVICE INVESTIGATION
CASE No. TW-97-333

DIRECT TESTIMONY

OF

GAY SMITH

EXHIBIT NO. 32
Date 6/23/97 Case No. TW 97-333
Reporter KRM

JEFFERSON CITY, MISSOURI
APRIL, 1997

Direct Testimony

Of

Gay Smith

Missouri Public Service Commission

Case No. TW-97-333

Q. Please state your name and give your business address.

A. Gay Smith, P.O. Box 360, Jefferson City, Missouri, 65102.

Q. By whom are you employed?

A. I am employed by the Missouri Public Service Commission (Commission).

Q. How long have you been employed by this Commission?

A. Since January, 1987.

Q. What are your duties and responsibilities with the Commission?

A. I am employed as a Rate and Tariff Examiner III within the Telecommunications Department of the Utility Operations Division. My responsibilities are to review, analyze, and make recommendations to the Commission related to tariff filings, certificate applications, interconnection agreements, expanded calling issues, rate design, and other various telecommunications industry proposals.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to describe the existing Community Optional Service (COS) plan. I will then separately describe my understanding of the two straw proposals as identified in the Commission's Order Establishing Docket and originally proposed by Southwestern Bell in Case No. TT-96-398. These two straw proposals are the "one-way reciprocal COS" proposal and the "800 number based service" proposal. I intend to describe and comment on both these proposals before I specifically address

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1 the seven questions posed by the Commission for this docket.

2 **Existing Two-Way COS**

3 Q. Please explain the existing two-way COS offering.

4 A. COS is a unique Missouri Plan offered in certain qualifying
5 exchanges. The Commission must receive a petition from consumers
6 requesting expanded calling to the targeted exchange(s) where they have a
7 community of interest. The target exchange is not required to be a
8 contiguous exchange next to the petitioning exchange. The Commission
9 directs the petitioning exchange company to do a calling study of the toll
10 traffic to the target exchange to determine if a community of interest
11 criteria can be met. If the petitioning exchange passes the community of
12 interest calling criteria, the Commission then orders the petitioning and
13 target exchange companies as well as the Primary Toll Carrier (PTC) to
14 implement the COS route(s). The COS plan allows a customer in a
15 petitioning exchange to subscribe to the optional plan, pay a flat monthly
16 rate and place unlimited toll-free calls to any telephone number in a
17 target exchange. A unique feature to the COS plan is that any customer in
18 the target exchange, without signing up for the plan or paying toll
19 charges, may make unlimited calls to COS subscribers in the petitioning
20 exchange.

21 Q. Does COS allow the petitioning exchange COS subscriber to call
22 toll-free any telephone number in the target exchange?

23 A. Yes as well as any telephone number within the local calling
24 scope of the target exchange. Therefore, the COS calling scope includes
25 toll-free calling to the targeted exchange and the Extended Area Service
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1 (EAS) exchanges of the target exchange. For example, Southwestern Bell
2 Telephone Company's Linn exchange has COS to United Telephone Company of
3 Missouri d/b/a Sprint's (United) Jefferson City exchange which has EAS to
4 the Taos, St. Thomas, Brazito, Centertown, New Bloomfield, Russellville,
5 and Eugene exchanges. Therefore, the Linn exchange COS subscribers can
6 call on a toll-free basis all of the customers in the Jefferson City
7 exchange and all the customers located in Jefferson City's EAS exchanges.
8 Therefore, this inclusion of the targeted exchange EAS points has the
9 potential of expanding the petitioning exchange calling scope significantly
10 if the target exchange has EAS.

11 Q. What is the current dialing pattern used for two-way COS?

12 A. Currently, the dialing pattern used for two-way COS is
13 predominantly 1+ from the petitioning and target exchanges. However, as Ms.
14 Bourneuf stated in her surrebuttal testimony in Case No. TT-96-398,
15 Southwestern Bell Telephone Company provides COS from its petitioning
16 exchanges on a seven-digit dialed basis.

17 Q. Ms. Smith can you please describe the current COS compensation
18 arrangement?

19 A. Currently, COS is provision by the PTCs as an optional long
20 distance toll service with intercompany compensation based on access
21 charges. The Secondary Carriers (SCs) bill the COS charges on behalf of
22 the PTCs. The PTCs receive the COS revenues, through the SCs, and pay
23 intercompany compensation to the SCs in the form of access charges.

24 Q. Currently, how many COS routes are there?

25 A. Schedule No. 1 provides a matrix of all existing COS organized
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1 by the petitioning exchange Local Exchange Company (LEC). The matrix
2 further groups this information according to the targeted exchange LEC and
3 the PTC serving the petitioning exchange. In addition Schedule No. 2
4 provides a graph illustrating all COS routes implemented by year. Schedule
5 No. 3 is a list of all pending COS petitions.

6 **"One-Way Reciprocal COS" Straw Proposal**

7 Q. What is your understanding of the one-way reciprocal COS plan?

8 A. As I understand it customers in the petitioning exchange could
9 continue to make unlimited toll-free calls to the target exchange's local
10 calling area for a flat-rate monthly charge, but customers in the target
11 exchange must subscribe to COS for toll-free unlimited calling to the
12 petitioning exchange.

13 Q. Do you have any concerns with the one-way reciprocal COS
14 proposal?

15 A. Yes, I have concerns regarding the following issues: local
16 calling scope, compensation between SCs and PTCs, implementation of new
17 routes, charge for the service, and customer confusion.

18 Q. Please explain your concerns with the local calling scope as it
19 relates to one-way reciprocal COS.

20 A. The one-way reciprocal COS plan is unclear whether the toll-
21 free calling area available to the target exchange will include the
22 petitioning exchange and the petitioning exchange's EAS exchanges. For
23 instance, as previously discussed existing COS allows COS subscribers in
24 the petitioning exchange to have toll-free calling to the targeted exchange
25 and its EAS exchanges. Will the petitioning exchange's EAS calling scope
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1 be included in the toll-free calling area of the COS subscriber located in
2 the targeted exchange? If so, this aspect of the proposal concerns me
3 because it greatly expands the toll-free calling area presently available
4 to callers located in the targeted exchange. In my opinion, if the
5 Commission were to provide the same local calling scope on the reciprocal
6 one-way COS back to the petitioning exchange the Commission would clearly
7 be expanding the toll-free calling area presently offered through COS. I
8 don't believe that the Commission should attempt to expand COS. Such
9 expansion raises additional concerns regarding such issues as revenue
10 losses and revenue neutrality.

11 Q. Ms. Smith describe your concern with the implementation of new
12 COS routes.

13 A. My primary concern is how to conduct the calling usage studies.
14 Local competition and intraLATA presubscription complicates this process
15 because additional carriers would be involved in handling this traffic.
16 To perform a complete study of all traffic originating in the petitioning
17 exchange and terminating in the targeted exchange additional carriers would
18 need to track their respective traffic. Additionally, tracking this
19 traffic from various carriers is further complicated due to coordination
20 problems in collecting data for the same time frame for all respective
21 customers. At this time, it is not known how readily these carriers could
22 keep track of their respective traffic for the same time frame and for a
23 particular route/exchange. Based on my previous experience it is very
24 difficult for other carriers to track specific calling from one exchange
25 to another exchange. This difficulty was exemplified in Case No. TO-90-42
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1 where the Commission directed Staff to collect data from an interexchange
2 carrier whereby Staff experienced a great deal of difficulty in gathering
3 the data. There is also the issue of the calling usage study generating
4 additional administrative cost related to all carriers.

5 Q. Do you recommend establishing a new method for calling usage
6 studies?

7 A. No. I would simply recommend that the Commission dismiss all
8 pending COS petitions that the Commission has either not received the
9 calling usage study results on as of the effective date of the order of
10 this case or has failed to meet the criteria. I also recommend that the
11 Commission not accept any future COS petitions and grandfather all existing
12 COS routes. Future COS calling studies will simply be too difficult to
13 tabulate all the traffic originating from a petitioning exchange and
14 terminating to a targeted exchange.

15 Q. What concern do you have regarding the existing COS charge?

16 A. The Commission stated in its Report and Order issued
17 December 23, 1992 in Case No. TO-92-306 (which established the metropolitan
18 and the outstate calling plans) that two-way COS more adequately addressed
19 customers' desires than one-way COS and therefore should be considered a
20 premium service, at a premium rate. Therefore, I believe if two-way COS
21 is reduced to a one-way service the value of the service decreases and the
22 rates should decrease accordingly.

23 Q. What would be your recommendation for the rate of one-way
24 reciprocal COS?

25 A. I have previously stated in GTE's intraLATA presubscription
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1 case, Case No. TT-96-398, and United's intraLATA presubscription case, Case
2 No. TO-97-253, that without adequate data and time to review the full
3 impact, I recommended a fifty percent (50%) reduction of the current two-
4 way COS rate based on its decrease in value. At this time I have not seen
5 any evidence to change my previous recommendation.

6 **"800 Number Based Service" Straw Proposal**

7 Q. Can you explain your understanding of the 800 number based
8 service as an alternative for two-way COS?

9 A. Yes. It is my understanding that existing two-way COS
10 subscribers would experience no change in their COS service but would be
11 assigned a second telephone number, which would be an 800/888 prefix
12 telephone number. Their current local telephone number would remain
13 unchanged. The 800 number could be called toll-free by all customers in
14 the COS target exchange. The 800 number would be restricted so that
15 calling to the number was only toll-free from the COS target exchange
16 associated with that customer's COS service. In other words, callers from
17 any other exchanges than the target COS exchange could not dial the 800
18 number toll-free. In addition, SWB's witness Bourneuf indicated that the
19 800 number based service could be offered as an option for COS subscribers.
20 That COS could be modified to a one-way only service with the option of
21 purchasing the return feature thereby essentially having a two-way service
22 for an additive rate. The sum of the basic, one-way COS rate and the
23 additive rate for the return calling feature would equal the current two-
24 way rate. Customers who did not subscribe to the basic, one-way COS could
25 not purchase the COS 800 number based service feature.
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1 Q. Who would be responsible for provisioning the 800 service?

2 A. If the service is to remain a toll service as indicated in the
3 Commission's Order Establishing Docket it would be the involved PTC.

4 Q. Would there be compensation issues regarding the 800
5 alternative?

6 A. It's unclear. Based on SWB's description of the 800 number
7 based service, I'm not sure what the end-user customer would actually pay
8 nor the settlement for intercompany compensation.

9 Q. What is unclear regarding the end-user customer's rate?

10 A. Ms. Bourneuf indicates a customer with the return calling
11 capability will pay the same total amount as the current COS rates of
12 \$16.00 residential, \$33.50 business. According to Ms. Bourneuf this total
13 amount includes the customer's basic local exchange rate, the one-way COS
14 rate, and the additive rate for the return calling feature. I'm unclear
15 about the specific rate levels for these elements. For example, assuming
16 an average residential local rate of \$7.25 and a one-way COS rate of \$8.00,
17 that would leave the additive feature rate at \$0.75 to equal \$16.00. Using
18 these same figures what happens if a residential customer's local rate is
19 \$8.00 or more? Will there be no additive rate for return calling
20 capability? Ms. Bourneuf's proposed rate structure is confusing because
21 the additive rate for return calling capability the rate will vary by
22 company and will also vary between exchanges within a company.

23 Q. What is unclear regarding the intercompany compensation?

24 A. I understand that the 800 number based service would be a toll
25 service and handled by the PTC, and that compensation could continue
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1 through access. However, as set out in my previous example regarding the
2 end-user rates, how would the gains or losses from the collective rate be
3 handled and by whom? In other words, would the losses or gains by exchange
4 be settled by the PTC or would the one-way COS rate or the return calling
5 feature rate vary by exchange?

6 Q. Do you have any special concerns regarding the 800 number based
7 service proposal?

8 A. I have a major concern with the availability of numbers to
9 support this alternative and especially if this service is expanded with
10 the implementation of new routes. The utilization of 800/888 numbers would
11 contribute to the depletion of those numbers at a much faster pace than
12 projected. It would also prevent the general use of 800 numbers by all
13 carriers to provision toll-free calling services.

14 The utilization of available 800 NPA numbers is 99.9%. The new
15 888 NPA numbers were implemented in March 1996 and already there is a
16 utilization of 42.8% as of March 15, 1997. Based on actual 888 NPA number
17 utilization growth it is possible available 888 NPA numbers will exhaust
18 by November 1998. However, the 800 Number Administration Committee in
19 their presentation of the 877 implementation plan before the Federal
20 Communications Commission (FCC), stated that if carriers were to expedite
21 their utilization of 888 NPAs in reserve, it could be exhausted as early
22 as November 1997. The 800 Number Administration Committee also proposed
23 before the FCC the implementation of the 877 NPA to start April 4, 1998.
24 Based on this information, if the Commission were to adopt an 800 number
25 alternative for existing two-way COS subscribers and continued to add new
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1 COS routes it could generate a shortage of these numbers much sooner than
2 even anticipated by the 800 Number Administration Committee.

3 Q. Do you believe limiting the usage of the 800 number alternative
4 to existing COS routes would minimize the depletion of the numbers?

5 A. Perhaps. It's logical to assume it would decrease the pace of
6 the usage of numbers. However, given the number of COS routes and the
7 number of potential COS takers, it will still use a significant amount of
8 800 numbers.

9 Q. Are there any other issues you want to mention regarding the
10 800 number based service?

11 A. Yes three issues should be addressed: telephone directory
12 listings, directory assistance, and customer confusion.

13 Q. With the 800 number based service what concerns do you have
14 with telephone directory listings?

15 A. From my previous experience with expanded calling services, end-
16 users often place a great deal of emphasis on their telephone directory
17 listings. When considering how telephone directory listings would be
18 handled with the 800 service the first issue I think about is which
19 telephone number would appear in the local telephone directory. Would it
20 be the 800 number, the customer's local telephone number, or both telephone
21 numbers listed in the telephone directory? If both numbers are listed in
22 the directory, will customers know that the 800 number is toll-free only
23 when called from the target exchange? Also, if both telephone numbers are
24 listed in the directory, then who is going to be responsible for paying for
25 the additional line listing? Will it be the end-user, the petitioning
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1 exchange LEC or the PTC?

2 Q. With the 800 number based service what concerns do you have
3 with directory assistance?

4 A. In conjunction with the telephone directory listing one also
5 has to consider directory assistance. Today in order to reach 800
6 directory assistance one simply dials 1+800+555-1212 similar to reaching
7 long distance directory assistance which is 1+Area Code+555-1212. The
8 question is which directory assistance local or 800, would the customer
9 have to dial? In addition would local directory assistance provide upon
10 request both the local telephone number and the 800 telephone number? Also
11 if local directory assistance provides the 800 telephone number would they
12 state that the number is toll-free but only when called from the target
13 exchange? To consider such detail may seem inappropriate at this time
14 however, if deciding which alternative may be best for customers during
15 this transition period all details associated with a given plan must be
16 considered.

17 Q. What customer confusion concerns do you have with an 800 number
18 based service?

19 A. I believe an 800 number based service will create a great deal
20 of customer confusion directly related to the assignment of a second
21 telephone number. I recall in past COS arrangements that two-way COS was
22 provisioned utilizing Remote Call Forwarding (RCF) with the assignment of
23 a second number in order for return calling to be toll-free back to a COS
24 subscriber. Customers were confused with the second number assignment and
25 the confusion generated a number of calls to the LECs and the Commission.
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1 Most of the inquiries dealt with explaining why the service was provisioned
2 in this manner and how customers would know which number to dial. In my
3 opinion, to provision two-way COS utilizing an 800 number would be even
4 more confusing than the RCF for one very distinct reason. Customers have
5 a mind set that all 800 telephone numbers are toll-free regardless of where
6 it is called from or any special arrangement. I realize that not all 800
7 numbers are necessarily toll-free but nonetheless it is the general
8 public's perception. Again with a second number assignment there would
9 also be the directory and directory assistance issues.

10 **Staff's Proposal**

11 Q. Ms. Smith, given your understanding and comments on the one-way
12 reciprocal and the 800 number based service, which one would you recommend
13 for a solution?

14 A. I can not support either proposal.

15 Q. Why?

16 A. I believe the only reasonable solution at this time is one-way
17 only COS. It's my belief that with the changing telecommunications
18 environment, one-way COS would be the best transitional service to migrate
19 customers from the traditional monopoly environment to the new competitive
20 environment.

21 Q. Can you explain your recommendation for one-way only COS?

22 A. In contrast to the one-way reciprocal proposal, one-way COS
23 would allow customers in the petitioning exchange to make unlimited toll-
24 free calls to any telephone number in a target exchange for a flat-rate
25 monthly charge. Customers in the targeted exchange would pay toll charges
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1 for return calls to all customers in the petitioning exchange. The calling
2 scope for one-way only COS would include toll-free calling to the targeted
3 exchange and the EAS exchanges of the target exchange. The dialing pattern
4 for one-way COS would be 1+ from the petitioning exchange to the target
5 exchange. One-way only COS would be provisioned by the involved PTC as an
6 optional long distance toll service with intercompany compensation based
7 on access charges. One-way COS would not require changes of telephone
8 numbers, directory listings, or directory assistance.

9 Q. Please explain when COS should change to a one-way service.

10 A. I recommend all existing two-way COS routes be modified to the
11 one-way service at the same time. Any changes to COS will create a great
12 deal of consumer complaints and inquiries. In my opinion the Commission
13 and companies will be best able to address these complaints and inquiries
14 if COS is changed for all customers at the same time. A simultaneous
15 transition will also eliminate customers "looking over the fence" and
16 seeing a neighboring exchange with COS in its present form while they were
17 switched to one-way COS.

18 Q. What about pending COS petitions and future COS routes?

19 A. I recommend the dismissal of all pending COS routes for which
20 implementation orders have not been issued as of the effective day of the
21 Commission's order in this case. If calling usage study results for a
22 pending petition have not been submitted to the Commission by the effective
23 date of the order for this case, then the case that has been generated by
24 the petition should be dismissed.

25 Q. Can you explain further why at this time one-way COS is more
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1 reasonable than at any other time?

2 A. I believe that to establish a more competitive environment the
3 Commission should minimize the extent of mandated services. Expanded
4 calling has been an issue in Missouri since the late 1960's and early
5 1970's when the Commission began to hear from customers who wanted expanded
6 flat rate local calling. The Commission has conducted a number of generic
7 investigations concerning expanded local calling. Over the years, LECs
8 have implemented a number of Commission-approved expanded calling plans
9 aimed at meeting customers' needs and desires. Despite these efforts,
10 customer discontent has continued. Much of this dissatisfaction has arisen
11 from customers "looking over the fence". In addition to all this in past
12 expanded local calling scope dockets, Staff has identified that we are
13 generally addressing an out-cry from a very small percentage of customers
14 compared to the total number of telecommunication consumers in Missouri.

15 I fear that should the adoption of either one of the straw
16 plans occur, the Commission would only establish a band-aid fix. I
17 strongly believe one-way COS should be subsumed in a competitive
18 environment which would result in the most appropriate and permanent
19 solution. I am not suggesting that one-way COS would be subsumed over
20 night by competition but realize it would be retained in each route until
21 competition enters into that area. This entry of competition in some areas
22 could potentially be several years coming. However, I do believe that the
23 one-way COS service would be the most viable transitional service from a
24 monopoly environment to a competitive environment.

25 I realize that such a decision would create a dramatic change
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1 that would be extremely unpopular and painful to the COS customer, the
2 Commission, and the telecommunications industry. However, if given the
3 option of upsetting and dealing with the customers and the
4 telecommunications industry only once versus two or three times over this
5 same issue, I would certainly choose once. Having considered the changing
6 environment and looking at the whole picture which addresses intraLATA
7 presubscription, local competition, dialing parity, access reform, PTC plan
8 changes, and the establishment of a state universal service fund, I believe
9 that it's time to begin making changes to fit the changing environment.

10 **One-Way Reciprocal COS vs. 800 Number Based Service**

11 Q. If the Commission simply wanted you to choose between the one-
12 way reciprocal COS plan versus the 800 number based service which
13 alternative would you choose?

14 A. If I had to choose one over the other I would choose the one-
15 way reciprocal. The one-way reciprocal plan requires fewer changes from
16 the existing two-way COS plan. The Commission should not change existing
17 calling scopes. The calling scope from the petitioning exchange to the
18 targeted exchange could remain the targeted exchange and its EAS points,
19 however the reciprocal calling from the targeted exchange should be limited
20 to the petitioning exchange only and none of its EAS points.

21 **Response to Issue #1**

22 Q. Is the appropriate pricing mechanism for one-way COS with
23 reciprocal service the same as set out by the Staff in Case No.
24 TT-96-398? If not, so indicate and substantiate an alternative
proposal.

25 A. Yes. The one-way COS rate will need to be modified for either
26 the one-way reciprocal or the one-way only COS. Previously in Case No.

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1 TT-96-398 and Case No. TO-97-253 I recommended a fifty percent (50%)
2 reduction of the existing two-way COS rate, given my time limitations to
3 gather and calculate data. At this time I have not seen any evidence to
4 change my prior proposal.

5 **Response to Issue #2**

6 Q. Shall all competitive LECs be required to offer this service?

7 A. No. I believe that as competition progresses competitive LECs
8 will propose services compatible to or better than COS. Competitive LECs
9 should simply have the opportunity to offer such plans. Thus, COS should
10 be available for resale.

11 **Response to Issue #3**

12 Q. What, if any, change must be made in the primary toll carrier
13 (PTC) plan to accommodate or accomplish the proposed COS
14 changes herein?

15 A. I do not see any specific changes for the PTC plan in order to
16 implement my recommendations.

17 **Response to Issue #4**

18 Q. Shall the Commission stay all pending and future COS
19 applications?

20 A. Yes. As I have mentioned previously, I would recommend all COS
21 cases be dismissed for all pending COS petitions whereby calling study
22 results have not yet been submitted to the Commission. I also recommend
23 that no future COS petitions be accepted.

24 **Response to Issue #5**

25 Q. What is the participants' proposal for educating the public?

26 A. I would make the following list of recommendations and list of
27 suggested optional considerations:

Recommendations -

- 1) The Commission's Information Officer should issue a press release indicating the change in service and why, the effective date of the new service, and the date by which customers must call their telephone company to change their account before the effective date of the new service, and the Commission's Hotline and/or Voice-Mail telephone number which would be to all media listed in the current Missouri State Official Manual;
- 2) A brief information brochure should be developed by all involved parties to be included in each petitioning and targeted exchange customer's bill. This brochure should include why the service is being changed, the effective date of the new service, a deadline date for customers who may want to change their account prior to the effective date to avoid fractional billing, the telephone contact numbers for the LEC and the Missouri Public Service Commission, and a positive statement informing customers of other future telecommunications changes (i.e., local competition and Internet access); and
- 3) The Commission's home page should have detailed information explaining the changes and why the changes are necessary in addition to an on-line form for filing complaints.

Suggested Optional Considerations - (Note: The remaining

1 considerations should not be mandated by the Commission. Instead
2 these considerations are provided simply as additional ideas for the
3 parties to consider.)

- 4 1) The Commissioners and Staff should conduct an open forum
5 meeting by invitation from the Commission to the members
6 of the general assembly, to discuss why changes were made
7 to COS. I make this recommendation based on the success
8 of a previous meeting which dealt with the expanded
9 calling services established by Case No. TO-92-306;
10 2) Telephone companies' public relations managers should
11 conduct information forums with community and business
12 leaders; and
13 3) The telephone companies and the Commission should
14 establish a toll-free number with a Voice Mail menu with
15 options for information regarding the changes which would
16 not only provide education for the consumer but would also
17 provide an option to leave the mailbox to speak directly
18 to a consumer representative if questions were not
19 answered.

20 **Response to Issue #6**

21 Q. Ms. Smith do you have any comments regarding the Commission's
22 request that participants explore and discuss the potential for a LATAwide
23 or statewide flat-rate calling scope?

24 A. Yes. I believe that any LATAwide or statewide plan should not
25 be mandated by the Commission. If a plan is offered by an incumbent LEC
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1 then it should be available for resale.

2 Q. Ms. Smith do you have any further comments regarding any other
3 issues?

4 A. No.

5 Q. Could you please summarize your testimony?

6 A. Yes. I provided an explanation on how the existing two-way COS
7 is provisioned I discussed the one-way reciprocal COS and the 800 number
8 based service alternatives as outline by the Commission. My ultimate
9 recommendation is for the Commission to dismiss both alternatives and
10 instead implement one-way COS. I also recommend that all two-way COS
11 routes be modified to one-way service at the same time and all pending COS
12 petitions be dismissed if no calling usage study has been submitted to the
13 Commission prior to the Commission's order and that all future COS
14 petitions be rejected. Finally, I've responded to the six issues posed by
15 the Commission in its Order Establishing Docket.

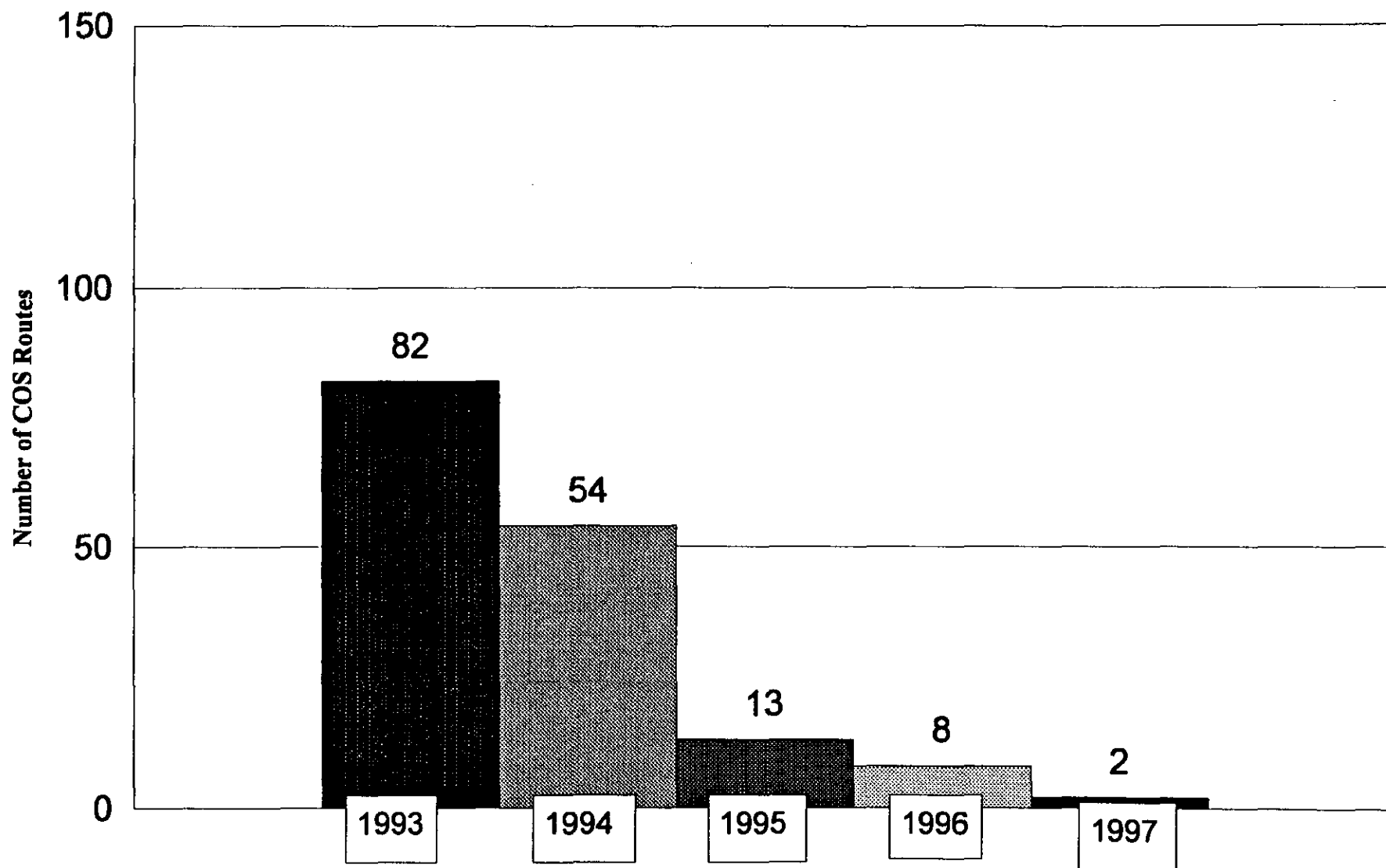
16 Q. Does this conclude your testimony?

17 A. Yes.
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COS Routes by Originating/Terminating Local Exchange Company

No. of COS Routes	Originating Exchange Locally Served by:	Primary Toll Carrier	Targeted Exchange Locally Served by:	Primary Toll Carrier
11	Alltel	SWB	Southwestern Bell	SWB
4	Alltel	GTE	GTE	GTE
1	BPS	SWB	Southwestern Bell	SWB
2	Chariton Valley	SWB	Southwestern Bell	SWB
2	Craw-Kan	SWB	Southwestern Bell	SWB
1	Goodman	SWB	Southwestern Bell	SWB
2	Grand River	SWB	Southwestern Bell	SWB
1	Grand River	SWB	United Telephone	UTS
1	Grand River	SWB	GTE	GTE
11	Green Hills	SWB	Southwestern Bell	SWB
31	GTE	GTE	Southwestern Bell	SWB
25	GTE	GTE	GTE	GTE
7	GTE	GTE	United Telephone	UTS
3	GTE	GTE	Fidelity	Fidelity
2	Kingdom	SWB	Southwestern Bell	SWB
1	Kingdom	SWB	GTE	GTE
2	KLM	SWB	Southwestern Bell	SWB
7	Mark Twain	SWB	Southwestern Bell	SWB
1	Mark Twain	SWB	GTE	GTE
9	Mid-Missouri	SWB	Southwestern Bell	SWB
1	Modern Telephone	SWB	Southwestern Bell	SWB
1	New Florence	SWB	Southwestern Bell	SWB
1	New London	SWB	Southwestern Bell	SWB
2	Northeast MO Rural	SWB	Southwestern Bell	SWB
1	Northeast MO Rural	SWB	GTE	GTE
1	Northeast MO Rural	SWB	Alltel	SWB
1	Peace Valley	GTE	GTE	GTE
6	Southwestern Bell	SWB	United Telephone	UTS
6	Southwestern Bell	SWB	Southwestern Bell	SWB
2	Stoutland	SWB	United Telephone	UTS
5	United Telephone	UTS	United Telephone	UTS
8	United Telephone	UTS	Southwestern Bell	SWB
Total Number of COS Routes = 159				

COS Routes Implemented by Year



PENDING COS CASES

<u>Date Filed</u>	<u>Case No.</u>	<u>Route</u>	<u>Studied/ Pending</u>	<u>Criteria Passed/ Failed</u>	<u>Order Status</u>
7/11/96	TO-97-15	Wright City to St. Louis, Warrenton	studied	failed	Dismissal
10/09/96	TO-97-146	Greenville to Poplar Bluff	studied	failed	Dismissal
10/21/96	TO-97-160	Kimberling City to Branson, Blue Eyes & Branson West	studied	failed	Dismissal
12/04/96	TO-97-223	Vienna to Jefferson City	due 4/97		
12/18/96	TO-97-244	Neosho to Joplin	due 5/97		
02/19/97	TO-97-330	Deerfield to Nevada	due 6/97		
02/20/97	TO-97-336	Knoxville to Richmond	due 6/97		
02/25/97	TO-97-350	Clarence to Macon	due 7/97		
03/07/97	TO-97-370	Stewartsville to St. Joseph	pending		
03/25/97	TO-97-400	Gower to Kansas City	due 7/97		

April 10, 1997

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

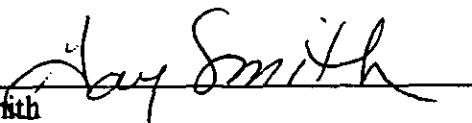
In the Matter of an Investigation into the
Provision of Community Optional Calling
Service in Missouri.

Case No. TW-97-333


AFFIDAVIT OF GAY SMITH

STATE OF MISSOURI)
)
COUNTY OF COLE) SS.

Gay Smith of lawful age on her oath states: that she has participated in the preparation of the foregoing Direct Testimony in question and answer form, consisting of 19 pages and schedules consisting of 3 pages to be presented in the above-referenced case; that the answers in the foregoing Direct Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of her knowledge and belief.


Gay Smith

Subscribed and sworn to before me this 11th day of April, 1997.


JUDY FRITSCH Notary Public
NOTARY PUBLIC STATE OF MISSOURI
COLE COUNTY
My Commission Expires: MY COMMISSION EXPIRES 22, 1997