

LOCAL ACCESS SERVICE

VIRTUAL COLLOCATION (Continued)

18.0 CDOW (CLECs Doing Own Work) - Collocator Responsibilities (cont'd)

18.3 Intervals and Provisioning (cont'd)

18.3.1 The delivery interval relates to the period in which SWBT shall construct and turnover to the Collocator's SWBT Approved Vendor the requested Virtual Collocation Space. The delivery interval begins on the date SWBT receives a complete and accurate Virtual Collocation Application from the Collocator. The Collocator must provide the SWBT, within seven (7) calendar days from the date of notification granting the application request, a confirmatory response in writing to continue construction along with the fifty percent (50%) payment of non-recurring charges (unless payment was received with application) or the delivery interval provided in table below will not commence until such time as SWBT has received such response and payment. If the Collocator has not provided SWBT such response and payment by the twelfth (12th) calendar day after the date SWBT notified Collocator its request has been granted, the application will be canceled. Dedicated space is not reserved until SWBT's receipt of the confirmatory response in writing from the Collocator with applicable fees. The delivery in from the Collocator with applicable fees. The delivery interval for Virtual Collocation is determined by SWBT taking into consideration the various factors set forth in Table (1) below including, without limitation, the number of all Virtual Collocation Applications submitted by Collocator and the need for additional preparation of the space such as overhead racking, additional power or HVAC. The delivery interval assigned will be provided to the Collocator by SWBT with the ten (10) calendar day space notification. Each complete and accurate Virtual Collocation Application received by SWBT from the Collocator will be processed in the order received unless the Collocator provides a priority list, whichever is applicable.

Table (1)

Number of All Applications submitted by One Collocator per state or metering region	Overhead Iron/Racking Exists for Virtual Collocation Space Use	Overhead Iron/Racking Does Not Exist for Virtual Collocation Space Use	Additional Power or HVAC is Required for Virtual Collocation Space Use
1 - 10	60 calendar days	80 calendar days	180 calendar days
11-20	65 calendar days	85 calendar days	185 calendar days

Issued:

Effective:

By JAN NEWTON, President-Missouri
 Southwestern Bell Telephone Company
 St. Louis, Missouri

LOCAL ACCESS SERVICE

VIRTUAL COLLOCATION (Continued)

18.0 CDOW (CLECs Doing Own Work) - Collocator Responsibilities (cont'd)

18.3 Intervals and Provisioning (cont'd)

18.3.1 (Continued)

Should the Collocator submit twenty-one (21) or more applications within ten (10) business days, the above delivery intervals will be increased by five (5) days for every five (5) additional applications or fraction thereof. Any material revision to an application will be treated as a new application and the delivery intervals set forth in Table (1) above will be re-started. All Virtual Collocation Applications received by SWBT from a Collocator within a ten (10) business day period shall be treated as submitted at the same time for purposes of administering the above staggering intervals. The Virtual Collocation delivery interval ends when roughed in and the assigned space has been distinctly marked by SWBT.

For example, but not by way of limitation, if a Collocator submits twelve (12) complete and accurate Virtual Collocation Applications in a state, the delivery intervals assigned by SWBT will depend on which variables apply within each Eligible Structure Virtual Collocation is requested:

If Applications (1-4) are for Virtual Collocation Space where overhead racking exists, the delivery intervals assigned will be sixty (60) days. If Applications (5-11) are for Virtual Collocation Space where overhead racking does not exist, the delivery intervals assigned to Applications (5-10) will be eighty (80) calendar days and Application (11) will be assigned eighty five (85) calendar days. The Virtual Collocation Application (12) was requested in an Eligible Structure that needs additional HVAC added and would be assigned one hundred and eight five (185) calendar days.

- 18.3.2 The second fifty percent (50%) payment must be received by SWBT prior to the space being turned over to the Collocator's SWBT_Approved Vendor. At space turnover, the Actual Point of Termination (APOT) Connection(s) will be provided to the Collocator's SWBT Approved Vendor by SWBT.

Issued:

Effective:

By JAN NEWTON, President-Missouri
Southwestern Bell Telephone Company
St. Louis, Missouri

LOCAL ACCESS SERVICE

VIRTUAL COLLOCATION (Continued)

18.0 CDOW (CLECs Doing Own Work) - Collocator Responsibilities (cont'd)

18.3 Intervals and Provisioning (cont'd)

18.3.3 For the following interconnection cabling Augments, the Collocator must submit a complete and accurate Virtual Collocation Application:

- 168 DS1 connections and/or
- 48 DS3 connections and/or
- 400 Copper (shielded or nonshielded) cable pair connections and/or
- 12 fiber pair connections

This application must include an up-front payment of the Application Fee and fifty percent (50%) of all applicable non-recurring charges.

The cabling Augment interval is determined by SWBT taking into consideration the various factors set forth in Table (2) below including, without limitation, the number of all Virtual Collocation Applications for the above Augments submitted by Collocator, the type of infrastructure available for collocation, and the need for additional preparation of the infrastructure such as overhead racking and additional power. The cabling Augment interval assigned will be provided to the Collocator by SWBT with the ten (10) calendar day Augment notification. Each complete and accurate Virtual Collocation Application received by SWBT from the Collocator will be processed in the order received unless the Collocator provides a priority list, whichever is applicable.

Table (2)

Number of All Applications submitted by One Collocator per state or metering region	Necessary Elements such as Iron/Racking and Power exist for Virtual Collocation Use	Necessary Elements such as Iron/Racking and Power does not exist for Virtual Collocation Use
1 – 10	30 calendar days	60 calendar days
11-20	35calendar days	65 calendar days

Issued:

Effective:

By JAN NEWTON, President-Missouri
 Southwestern Bell Telephone Company
 St. Louis, Missouri

LOCAL ACCESS SERVICE

VIRTUAL COLLOCATION (Continued)

18.0 CDOW (CLECs Doing Own Work) - Collocator Responsibilities (cont'd)

18.3 Intervals and Provisioning (cont'd)

18.3.3 Should the Collocator submit twenty-one (21) or more Virtual Collocation Applications for cabling Augments within ten (10) business days, the above cabling Augment intervals will be increased by five (5) days for every five (5) additional application or fraction thereof. Any material revision to a Virtual Collocation Application for cabling Augments will be treated as a new application and the cabling Augment delivery intervals set forth in Table (2) above. All cabling Augment applications received by SWBT from a Collocator within a ten (10) business day period shall be treated as submitted at the same time for purposes of administering the above staggering intervals.

For example, but not by way of limitation, if a Collocator submits twelve (12) Virtual Collocation Applications for cabling Augments in a state, the delivery intervals assigned will depend on which variables apply within each Eligible Structure requested:

If Applications (1-4) are for Virtual Collocation cabling Augments where necessary elements such as overhead racking and power exists, the delivery interval assigned will be thirty (30) calendar days. If Applications (5-12) are for Physical Collocation where necessary elements such as overhead racking and power does not exist, the delivery interval assigned to Applications (5-10) will be sixty (60) calendar days and for Applications (11-12) sixty five (65) calendar days.

18.3.4 For all Augments other than provided above, SWBT will work cooperatively with Collocator to negotiate a mutually agreeable delivery intervals.

18.3.5 Within twenty (20) calendar days or mutually agreed upon time, from SWBT's receipt of the confirmatory response in writing to continue construction on the Virtual Collocation job requested along with the 50% payment of non-recurring charges (unless payment was received with application), Network Support and/or appropriate departments will schedule a walk through visit with the CLEC and/or vendor to provide floor plans of space and the preliminary route design for the interconnection and power cabling.

Issued:

Effective:

By JAN NEWTON, President-Missouri
Southwestern Bell Telephone Company
St. Louis, Missouri

LOCAL ACCESS SERVICE

VIRTUAL COLLOCATION (Continued)

18.0 CDOW (CLECs Doing Own Work) - Collocator Responsibilities (cont'd)

18.4 Rates Elements for SWBT Central Offices

A. Power Arrangement

When the Collocator selects the option to install the power cable by an SWBT Approved Power Installation vendor, only the rack occupancy and on-going maintenance of the rack charge will apply. This is expressed as a monthly rate as specified in 19.1 (A).

B. Voice Grade Interconnection

When the Collocator selects the option to provide and install the interconnection cabling by an SWBT approved vendor, the Voice Grade Terminal blocks at the MDF, rack occupancy, and on-going maintenance charges will apply. This is expressed as a combination of a non-recurring charge and a monthly rate as specified in 19.1 (B).

C. DS-1 Interconnection Arrangement to DCS

When the Collocator selects the option to provide and install the interconnection cabling by an SWBT approved vendor, the DS-1 Port, rack occupancy, and on-going maintenance charges will apply. This is expressed as a combination of a non-recurring charge and a monthly rate as specified in 19.1 (C).

D. DS-1 Interconnection Arrangement to DSX

When the Collocator selects the option to provide and install the interconnection cabling by an SWBT approved vendor, the DSX at the MDF, rack occupancy, and on-going maintenance charges will apply. This is expressed as a combination of a non-recurring charge and a monthly rate as specified in 19.1 (D).

E. DS-3 Interconnection Arrangement to DCS

When the Collocator selects the option to provide and install the interconnection cabling by an SWBT approved vendor, the DS-3 Port, rack occupancy, and on-going maintenance charges will apply. This is expressed as a combination of a non-recurring charge and a monthly rate as specified in 19.1 (E).

Issued:

Effective:

By JAN NEWTON, President-Missouri
Southwestern Bell Telephone Company
St. Louis, Missouri

LOCAL ACCESS SERVICE

VIRTUAL COLLOCATION (Continued)

18.0 CDOW (CLECs Doing Own Work) - Collocator Responsibilities (cont'd)

18.4 Rates Elements for SWBT Central Offices (cont'd)

F. DS-3 Interconnection Arrangement to DSX

When the Collocator selects the option to provide and install the interconnection cabling by an SWBT approved vendor, the DSX at the MDF, rack occupancy, and on-going maintenance charges will apply. This is expressed as a combination of a non-recurring charge and a monthly rate as specified in 19.1 (F).

G. Fiber Interconnection Arrangement

When the Collocator selects the option to provide and install the interconnection cabling by an SWBT approved vendor, the Fiber terminating panel at the FDF-1 Port, rack occupancy, and on-going maintenance charges will apply. This is expressed as a combination of a non-recurring charge and a monthly rate as specified in 19.1 (G).

H. Collocation to Collocation Connection

This rate element include virtual to virtual and virtual to physical connection options.

1. Fiber Cable

When the Collocator selects the option to provide and install the interconnection cabling by an SWBT approved vendor, the charge for on-going maintenance of the rack will apply. This is expressed as a combination of a non-recurring charge and a monthly rate as specified in 19.1 (H) (1).

2. Copper Cable

When the Collocator selects the option to provide and install the interconnection cabling by an SWBT approved vendor, the charge for on-going maintenance of the rack will apply. This is expressed as a combination of a non-recurring charge and a monthly rate as specified in 19.1 (H) (2).

Issued:

Effective:

By JAN NEWTON, President-Missouri
Southwestern Bell Telephone Company
St. Louis, Missouri

LOCAL ACCESS SERVICE

VIRTUAL COLLOCATION (Continued)

18.0 CDOW (CLECs Doing Own Work) - Collocator Responsibilities (cont'd)

18.4 Rates Elements for SWBT Central Offices (cont'd)

3. Coax Cable

When the Collocator selects the option to provide and install the interconnection cabling by an SWBT approved vendor, the charge for on-going maintenance will apply. This is expressed as a combination of a non-recurring charge and a monthly rate as specified in 19.1 (H) (3).

4. Cable Racking and Hole

This sub-element provides for cable rack space and hole for copper, coax and optical cabling between two collocation arrangements and the required terminations at each virtual collocation arrangement(s) at an Eligible Structure. This sub-element is expressed as a monthly rate specified in 19.1 (H)(4).

5. Route Design

This sub-element provides the route design for collocation-to-collocation connections. This sub-element is expressed as a non-recurring charge and this charge is specific in 19.1 (H) (5)

Issued:

Effective:

By JAN NEWTON, President-Missouri
Southwestern Bell Telephone Company
St. Louis, Missouri

LOCAL ACCESS SERVICE

VIRTUAL COLLOCATION (Continued)

19.0 CENTRAL OFFICES

19.1 Rates and Charges for CLECs Doing own Work

The rate elements below represent the charges associated with CLEC's providing, installing, and terminating their interconnection and power cabling. All other charges associated with the Collocator's Virtual Collocation arrangement are contained within this tariff.

	<u>USOC</u>	<u>Rate Per Month</u>	<u>Nonrecurring Charge</u>
A. Power Arrangements (Collocator provides and installs Power Cables 2-20 AMP Feeds (Per 2-20 AMP power Feeds) 2-50 AMP Feeds (Per 2-50 AMP power Feeds)		\$0.52 \$0.52	\$0.00 \$0.00
B. Voice Grade Interconnection (Collocator provides and installs Power Cabling)			
Arrangement (Non-Shielded and Shielded) (Per 100 Pairs)		\$3.86	\$225.02
C. DS1 Interconnection (Collocator provides and installs cabling)			
Arrangement to DCS (Per 28 DS1s)		\$295.42	\$3,496.22
D. DS1 Interconnection (Collocator provides and installs cabling)			
Arrangement to DSX (Per 20 DS1s)		\$6.07	\$651.13

Issued:

Effective:

By JAN NEWTON, President-Missouri
 Southwestern Bell Telephone Company
 St. Louis, Missouri

LOCAL ACCESS SERVICE

VIRTUAL COLLOCATION (Continued)

19.0 CENTRAL OFFICES (cont'd)

19.1 Rates and Charges (cont'd)

	<u>USOC</u>	<u>Rate Per Month</u>	<u>Nonrecurring Charge</u>
E. DS3 Interconnection (Collocator provides and installs cabling)			
Arrangement to DCS (Per DS3)		\$115.30	\$2,186.12
F. DS3 Interconnection (Collocator provides and installs cabling)			
Arrangement to DSX (Per DS3)		\$5.69	\$204.42
G. Fiber Interconnection (Collocator provides and installs cabling)			
Arrangement (12 Fibers)		\$10.47	\$152.71

 Issued:

Effective:

By JAN NEWTON, President-Missouri
Southwestern Bell Telephone Company
St. Louis, Missouri

LOCAL ACCESS SERVICE

VIRTUAL COLLOCATION (Continued)

19.0 CENTRAL OFFICES (cont'd)

19.1 Rates and Charges (cont'd)

	<u>USOC</u>	<u>Rate Per Month</u>	<u>Nonrecurring Charge</u>
H. Collocation to Collocation Connection			
1. Fiber Cable (12 Fibers) Collocator Provides Cable and Installs		\$0.81	\$0.00
2. Copper Cable (28 DS1s) Collocator Provides Cable and Installs		\$0.41	\$0.00
3. Coax Cable (1 DS3) Collocator Provides Cable and Installs		\$0.27	\$0.00
4. Cable Racking and Hole			
- For Optical, per cable		\$0.90	\$0.00
- DS1, per cable		\$0.49	\$0.00
- DS3, per cable		\$0.35	\$0.00
5. Route Design		\$0.00	\$463.36

 Issued:

Effective:

By JAN NEWTON, President-Missouri
Southwestern Bell Telephone Company
St. Louis, Missouri

AMENDMENT NO. ____
TO THE
INTERCONNECTION AGREEMENT – MISSOURI
EFFECTIVE _____
BETWEEN
SOUTHWESTERN BELL TELEPHONE COMPANY
AND
CLEC

This Amendment to the Interconnection Agreement – Missouri is entered into this _____ day of _____, 2001 between, SOUTHWESTERN BELL TELEPHONE COMPANY (“SWBT”), and _____ (“CLEC”), (collectively, “the Parties”).

WHEREAS the Parties have entered into the Interconnection Agreement – Missouri which has been approved by an Order of the Missouri Public Service Commission in (“the Agreement”); and

WHEREAS, the Agreement permits the Parties to mutually amend the Agreement in writing; and

WHEREAS, the parties wish to amend the following sections of the Agreement as indicated. All other sections remain unchanged.

NOW THEREFORE, in consideration of the premises and the mutual covenants of this Amendment, the Parties hereby agree as follows:

SWBT will provide CLEC collocation under the terms and conditions set forth in the Appendix Collocation below. In the event that any of the terms and conditions of this Appendix Collocation conflict with the terms and conditions of the underlying Agreement, including any attachments or appendices thereto, the terms of this Appendix Collocation shall control and shall supersede any conflicting terms in the underlying agreement, including any attachments or appendices thereto.

APPENDIX COLLOCATION

1.0 Physical Collocation. SWBT will provide physical collocation arrangements at the rates, terms and conditions set forth in the Commission-approved Missouri Local Access Service Tariff [identify the Physical collocation tariff/tariff section by tariff No., section, title, etc.], including any future modifications thereto.

2.0 Virtual Collocation. SWBT will provide virtual collocation at the rates, terms and conditions set forth in the Commission-approved Missouri Local Access Service Tariff [identify the Virtual collocation tariff/tariff section by tariff No., section, title, etc.] including any future modifications thereto.

IT IS FURTHER AGREED THAT:

This Amendment shall not modify or extend the Effective Date or Term of the underlying Agreement, but rather, shall be coterminous with such Agreement.

This Amendment shall not modify the terms of the Stipulation reached in Case No. TT-2001-298.

EXCEPT AS MODIFIED HEREIN, ALL OTHER TERMS AND CONDITIONS OF THE UNDERLYING AGREEMENT SHALL REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT, and such terms are hereby incorporated by reference and the Parties hereby reaffirm the terms and provisions thereof.

Upon receipt of SWBT's signed Amendment to the Interconnection Agreement, the CLEC shall sign the Amendment and file it with the Commission. The signed Amendment to the Interconnection Agreement between SWBT and the CLEC shall become effective immediately upon filing with the Commission (the "Effective Date") pursuant to procedures established in Case No. TT-2001-298.

IN WITNESS WHEREOF, this Amendment to the Agreement was exchanged in triplicate on this _____ day of _____, 2001, by SWBT, signing by and through its duly authorized representative, and CLEC, signing by and through its duly authorized representative.

**Southwestern Bell Telephone Company
By SBC Telecommunications, Inc.,
Its authorized agent**

By: * _____

By: * _____

Title: _____

Title: President – Industry Markets

Name: _____

Name: _____

(Print or Type)

(Print or Type)

*On January 25, 1999, the United States Supreme Court issued its opinion in *AT&T Corp. v. Iowa Utilities Board*, 525 U.S. 366 (1999) (and on remand *Iowa Utilities Board v. FCC*, 219 F.3d 744 (8th Cir. 2000)) and on June 1, 1999, the United States Supreme Court issued its opinion in *Ameritech v. FCC*, No. 98-1381, 1999 WL 116994, 1999 Lexis 3671 (June 1, 1999). In addition, on July 18, 2000, the United States Court of Appeals for the Eighth Circuit issued its opinion in *Iowa Utilities Board v. FCC*, No. 96-3321, 2000 Lexis 17234 (July 18, 1999). In addition, on November 5, 1999, the FCC issued its Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-96 (FCC 99-238), including the FCC's Supplemental Order issued *In the Matter of the Local Competition Provisions of the Telecommunications Act of 1996*, in CC Docket No. 96-98 (FCC 99-370) (rel. November 24, 1999), portions of which become effective thirty (30) days following publication of such Order in the Federal Register (February 17, 2000) and other portions of which become effective 120 days following publication of such Order in the Federal Register (May 17, 2000). By executing this amendment, neither Party waives any of its rights, remedies or arguments with respect to such decisions and any remands thereof, including its right to seek legal review or a stay of such decisions, or its rights contained in the Interconnection Agreement. The Parties further note that on April 27, 2001, the FCC released its Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68, *In the Matter of the Local Competition Provisions in the Telecommunications Act of 1996; Intercarrier Compensation for ISP-bound Traffic* (the "ISP Intercarrier Compensation Order.") By executing this Amendment, neither Party waives any of its rights, and expressly reserves all of its rights, under the ISP Intercarrier Compensation Order. In addition, pursuant to the FCC's ISP Intercarrier Compensation Order, SWBT expressly reserves its right to exercise its option at any time in the future to invoke the Intervening Law or Change of Law provisions and to adopt on a date specified by SWBT the FCC ISP terminating compensation plan, after which date ISP-bound traffic will be subject to the FCC's prescribed terminating compensation rates, and other terms and conditions.

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 28th day
of August, 2001.

In the Matter of the Application of Southwestern Bell)
Telephone Company to Provide Notice of Intent to File an)
Application for Authorization to Provide In-region InterLATA)
Services Originating in Missouri Pursuant to Section 271 of)
the Telecommunications Act of 1996.)
Case No. TO-99-227

**ORDER GRANTING MOTION TO INCLUDE MISSOURI DATA
IN THE AUDIT OF SOUTHWESTERN BELL IN THE STATE OF TEXAS**

This order grants the motion of AT&T Communications of the Southwest, Inc., requesting that the Commission direct Southwestern Bell Telephone Company (SWBT) to include Missouri data within the scope of the audit that has been ordered in the state of Texas.

AT&T filed a motion on August 14, 2001, requesting that the Commission direct SWBT to include Missouri data in the loop maintenance operations system (LMOS) and flow-through audit being conducted in the state of Texas. AT&T alleged that the results of the audit are necessary to determine if SWBT's previous performance data present material issues regarding competitive local exchange company (CLEC) access to unbundled network elements (UNEs) and the quality of SWBT's operations systems support. AT&T stated that the Public Utilities Commission of Texas "ordered an audit to address the LMOS and flow-through issues."¹ AT&T also attached an Audit Plan to which SWBT, AT&T, and

¹ PUCT Project No. 20400, Order No. 33 (June 1, 2001).

others agreed and which was submitted to the Texas Commission on July 27, 2001. Part of the agreed audit plan provides that the scope of the audit may be expanded to include other SWBT states if requested by that state commission.

According to AT&T, the audit will broadly cover the following LMOS issues:

(1) performance of SWBT systems in updating LMOS records on incoming CLEC orders today; (2) accuracy and completeness of revisions to SWBT's LMOS database to identify all lines currently serving CLEC customers, regardless of when the CLEC order was processed; (3) accuracy of performance measurement data being collected currently that is dependent on LMOS records; and (4) restatement of historical performance measurement data to adjust for errors caused by failure to update records in LMOS database.

According to AT&T, the audit will also cover the following flow-through issues:

(1) that on a current basis PM 13 is reported correctly (in accordance with the business rules) and is providing an appropriate parity comparison between the order processing flow-through that SWBT achieves for CLECs and the flow-through it provides to its own retail operations and (2) that SWBT has accurately restated its PM 13 data to include CLEC order types for which the SWBT retail equivalent would flow through EASE but were excluded from previously reported data and correct any errors.

The Staff of the Missouri Public Service Commission filed a response to AT&T's motion on August 17, 2001. In its response, Staff reported that it attended an April 4-5, 2001, workshop in the state of Texas during which SWBT acknowledged a problem with its LMOS system. Staff also included statements made by SWBT in a May 16, 2001, filing with the Federal Communications Commission. In those statements, SWBT indicated that it had corrected a problem with this system. SWBT had additional written *ex parte* communications with the FCC regarding the actions it has taken to resolve these issues. Staff recommended that the Commission direct SWBT to include Missouri data in the scope of the audit because it is important to Staff's role in monitoring SWBT's performance and its continuing obligation to keep markets open to competition.

On August 21, 2001, SWBT responded to AT&T. In its response, and at the on-the-record presentation held on August 16, 2001, SWBT explained to the Commission that it had identified a sequencing error in its LMOS. SWBT further explained that the error resulted in some CLECs being unable to submit trouble reports. SWBT stated to the Commission that the process has been corrected and that it is acting to restate performance measure results that may have been affected by the error.

SWBT argued that it is not necessary to include the Missouri data within the audit. SWBT stated that the results would only be relevant in Missouri for the limited time period from the approval of the Missouri 271 Interconnection Agreement (M2A) in March of 2001, to the time of the corrections to the LMOS in May 2001. SWBT also argued that the Ernst & Young audit performed in Missouri covers many of the same areas as the Texas audit. Therefore, SWBT believes that portions of the audit would be cumulative. SWBT stated, however, that it is willing to include Missouri data in the audit so long as it does not interfere with its pending 271 application at the FCC.

The Commission has considered the motion of AT&T and the responses of Staff and SWBT. The Commission determines that in order to continue its monitoring of SWBT's performance, it is important to have the complete picture of its performance. Therefore, the Commission will direct SWBT to include Missouri data within the scope of its audit being performed in the state of Texas.

IT IS THEREFORE ORDERED:

1. That SWBT shall include Missouri data in its loop maintenance operation systems (LMOS) and flow-through audit currently pending at the Public Utilities Commission of Texas' Project No. 20400.

2. That this order shall become effective on September 7, 2001.

BY THE COMMISSION

A handwritten signature in black ink that reads "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

(S E A L)

Simmons, Ch., Murray,
Lumpe, and Gaw, CC., concur.

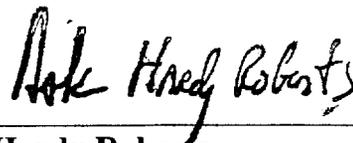
Dippell, Senior Regulatory Law Judge

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 4th day of Sept. 2001.



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 30th day
of August, 2001.

In the Matter of the Application of Southwestern Bell)
Telephone Company to Provide Notice of Intent to File an)
Application for Authorization to Provide In-region InterLATA)
Services Originating in Missouri Pursuant to Section 271 of)
the Telecommunications Act of 1996.)
Case No. TO-99-227

**ORDER GRANTING MOTION TO ACCEPT
REVISED MISSOURI INTERCONNECTION RATES**

This order grants Southwestern Bell Telephone Company's (SWBT) motion to accept lowered rates in the Missouri Interconnection Agreement (M2A).

On August 16, 2001, SWBT filed a motion asking the Commission to accept modifications to the prices for unbundled network elements (UNEs) available under the M2A. The Commission previously found that the M2A, including the UNE pricing schedule, met the requirements of 47 U.S.C. Section 271(c) and that any M2A interconnection agreement adopted by a telecommunications carrier and filed with the Commission would be deemed approved by the Commission when filed. The approved agreement included prices for UNEs that the Commission had established in its Case No. TO-97-40.¹ Following the Commission's approval of the M2A, numerous competitive local exchange carriers (CLECs) adopted the agreement.

¹ *In the Matter of AT&T Communications of the Southwest, Inc.'s Petition for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Southwestern Bell Telephone Company.*

SWBT now requests that the Commission accept revisions to the Appendix Pricing UNE Schedule of Prices and corresponding revisions to Attachment 12: Compensation and Attachment 25: xDSL of the M2A. The revisions proposed by SWBT are generally described by SWBT as follows:

(1) recurring loop rates were reduced an average of 10%, with greater reductions for two wire analog loops in the rural zone and no reduction for two wire analog and digital loops in the urban zone, (2) a reduction of 18.5% for recurring local switching and tandem switching rates, (3) an average reduction of 18.5% on recurring blended transport, common transport and certain dedicated transport rates, (4) a reduction of 18.5% on recurring charges for SS7 transport and STP port-per-port and (5) a 95.7% reduction in the non-recurring charge for analog line ports.

The Commission scheduled an on-the-record presentation on August 16, 2001, at which SWBT further described the proposed rate changes.

Several CLECs have asked the Commission to reconsider its first recommendation to the FCC and to hold additional evidentiary hearings before making a recommendation on SWBT's second application filed on August 20, 2001. Several parties also raised concerns that the prices were not being reduced enough. Those parties suggested to the Commission that the prices should be reduced to the same level as the prices offered by SWBT to its competitors in the states of Arkansas and Kansas. No party, however, objected to the prices being lowered.

NuVox Communications, Inc., filed a reply in which it requested that the Commission make the rate reductions retroactive to the date each CLEC adopted the M2A. NuVox also suggested that the Commission order SWBT to extend the terms of the contract for an additional three years beyond its current expiration date of March 5, 2002.

SWBT responded to NuVox on August 27, 2001. SWBT stated that in its opinion the proposed rates could not be applied retroactively. SWBT also reiterated that it has made the commitment to the Commission that if its application is approved by the FCC, it will extend the terms of the M2A. SWBT stated that no action is needed by the Commission on that point.

The Staff of the Missouri Public Service Commission filed suggestions to the Commission on August 28, 2001. In its suggestions, Staff stated it had reviewed the proposed M2A rates, and that the rates are lower than those rates the Commission has previously found to meet the requirements of 47 U.S.C. Section 271. Staff stated that the revisions will not affect SWBT's compliance with 47 U.S.C. Section 271. Thus, Staff recommended that the Commission approve the revised rates.

The Commission may only reject a negotiated interconnection agreement if it finds that the agreement is discriminatory to a telecommunications carrier that is not a party to the agreement, or if "the implementation of . . . [the] agreement . . . is not consistent with the public interest, convenience, and necessity."² The Commission has already approved the rates, terms, and conditions offered in numerous interconnection agreements identical to the M2A. The amendments to UNE prices as proposed by SWBT are reductions in the prices its competitors will have to pay for certain UNEs. These amendments will have no effect on the Commission's previous findings that this agreement is not discriminatory and is in the public interest. Therefore, the Commission determines that the CLECs should be given the opportunity to benefit from these reduced rates. The Commission does not find, however, that these prices should be made retroactive; rather, SWBT should offer these

² 47 U.S.C. § 252(e)(2)(A).

reduced prices as amendments to the interconnection agreements currently active and should do so as expeditiously as possible. SWBT should also make the lowered prices available as part of the M2A for adoption by other CLECs.

NuVox suggests that the Commission should order SWBT to extend the terms of the M2A for an additional three years. NuVox does not, however, cite any authority on which the Commission may take such an action. SWBT has made a commitment to this Commission in its pleadings and motions and at the most recent on-the-record presentation that if its application for in-region interLATA authority is approved by the FCC, it will extend the terms of the M2A for an additional three years. Therefore, the Commission will rely on those statements of SWBT and finds no need to address that issue further.

IT IS THEREFORE ORDERED:

1. That the amendments proposed to the Appendix Pricing UNE Schedule of Prices, Attachment 12: Compensation, and Attachment 25: xDSL, attached as Exhibits A, B, and C to the Motion of Southwestern Bell Telephone Company for Approval of Revised Missouri 271 Interconnection Agreement Rates filed on August 16, 2001, are found to meet the requirements of 47 U.S.C. Section 271(c).

2. That any amendment to a currently approved Missouri Interconnection Agreement (M2A) or any future agreement adopted and filed with the Commission containing the same terms and conditions including these amendments, shall be deemed approved by the Commission when filed.

3. That this order shall become effective on September 9, 2001.

BY THE COMMISSION



**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

(S E A L)

Simmons, Ch., Murray, and Lumpe,
CC., concur.

Gaw, C., concurs, with separate
concurring opinion attached.

Dippell, Senior Regulatory Law Judge

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

In the Matter of the Application of Southwestern Bell)
Telephone Company to Provide Notice of Intent to File)
an Application for Authorization to Provide In-Region)
InterLATA Services Originating in Missouri Pursuant)
To Section 271 of the Telecommunications Act of 1996.)

Case No. TO-99-227

Concurring Opinion of Commissioner Steve Gaw

I concur in the result of the majority opinion in that the rates charged by Southwestern Bell Telephone Company to Competitive Local Exchange Companies under the TO-97-40 case will be reduced. However, I believe this reduction should be ordered only because the rates are lower than those approved by this Commission in the TO-97-40 case.

Having not been a member of this Commission when a decision in that case was rendered nor when the Commission recommended that SWBT enter the long distance market, I cannot say that either the initial TO-97-40 rates nor the new rates offered by SWBT meet the requirements of 47 USC § 271. Nor do I believe that the Commission should infer that it believes that the new rates are the appropriate rates as of August 30, 2001.

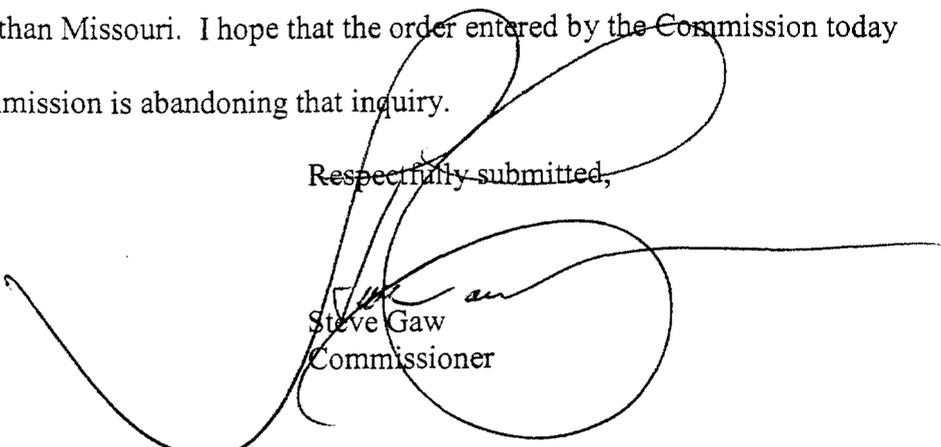
This Commission has heard no evidence as to the appropriateness of these rates as of the date of this order. It can only say that the rates are lower and thus deductively better for competition than rates approved in a previous case.

If this case were about modifying a child support order and increasing the amount of support to a custodial parent from a previous order, it could easily be presumed that such an increase would be beneficial to the custodial parent. However, I know of no judge who would enter a new order adjusting the support that the non-custodial parent proposed without the custodial parent's agreement or hearing evidence that the amount was the correct amount, considering all appropriate facts.

The parties in this case do not object to the lower rates. However, they have not agreed that the lower rates are low enough nor has this Commission made any updated inquiry into that issue. What we do know is that the rates volunteered to Missouri are higher than Texas and Kansas. More striking, Missouri's rates are higher than the rates just volunteered by SWBT to Arkansas - a state that is more rural and with more difficult terrain than Missouri. These are important factors in the differences in prices, according to Counsel for SWBT.

This Commission should do further inquiry into the rates in the TO-97-40 case and allow all parties to be heard on the appropriateness of the TO-97-40 prices. This Commission should continue to inquire and demand an explanation for the reason that Texas, Kansas, and, most particularly, Arkansas have lower prices than Missouri. I hope that the order entered by the Commission today does not mean that this Commission is abandoning that inquiry.

Respectfully submitted,



Steve Gaw
Commissioner

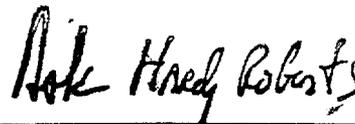
Dated at Jefferson City, Missouri,
on this 30th day of August, 2001.

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

**I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.**

**WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 4th day of Sept. 2001.**



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

