

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)

Harrisonville Telephone Company)

Tariff FCC No. 2)

Transmittal No. 33

PETITION OF AT&T CORP.

Pursuant to Section 1.773 of the Commission's rules, 47 C.F.R. § 1.773, AT&T Corp. ("AT&T") submits this petition requesting the Commission to reject or, in the alternative, suspend and investigate Harrisonville Telephone Company ("Harrisonville") Transmittal No. 33, filed April 16, 2004.¹ In the instant tariff filing, Harrisonville proposes a mid-course adjustment to its 2003 Annual Access Filing, which would significantly *increase* its switched tandem transport rates by 117.28%.

Harrisonville has not provided any cost justification for the rate increases it has proposed. More significantly, Harrisonville has not provided its Form FCC 492 earnings report to justify its request for such a significant increase to its switched tandem transport

¹ A tariff is subject to rejection when it is *prima facie* unlawful, in that it demonstrably conflicts with the Communications Act or a Commission rule, regulation or order. *See, e.g., American Broadcasting Companies, Inc. v. AT&T*, 663 F.2d 133, 138 (D.C. Cir. 1980); *MCI v. AT&T*, 94 F.C.C.2d 332, 340-41 (1983). Suspension and investigation are appropriate where a tariff raises substantial issues of lawfulness. *See AT&T* (Transmittal No. 148), Memorandum Opinion and Order, 56 RR2d 1503 (1984); *ITT* (Transmittal No. 2191), 73 F.C.C.2d 709, 716 n.5 (1979) (citing *AT&T*, 46 F.C.C.2d 81, 86 (1974)).

rates that were filed less than 10 months ago. The Commission should not allow this precipitous upward price escalation without cost and earnings justification.

**HARRISONVILLE SHOULD NOT BE PERMITTED TO INCREASE RATES
WITHOUT COST JUSTIFICATION OR EVIDENCE THAT IT IS NOT EARNING
ITS AUTHORIZED RATE OF RETURN**

Harrisonville is a local exchange carrier that serves less than 50,000 access lines and is a subset 3 carrier as defined by the Commission's rules under Section 69.602(a)(3).² It is a carrier that has elected to file its access tariff filings under Section 61.39 of the rules on a biennial basis. This option was adopted for the small and mid-size subset 3 carriers to help reduce federal regulatory burdens on small telephone companies and to reduce the frequency of required filings.

On June 16, 2003, Harrisonville filed its annual interstate access tariffs for the 2003/2004 tariff period. It has now filed for a mid-course correction to increase its switched tandem transport rates by 117.28%.³ Harrisonville states that these revisions are necessary to reflect demand and cost changes based on revised 2003 historical costs. In particular, Harrisonville has increased – without explanation – its total interstate revenue requirement by \$857,186,⁴ nearly an 18% increase since July 1, 2003, which results in a local transport revenue requirement that is higher by \$376,501, and a 117.28% increase in the switched tandem transport rate from \$0.00492 to \$0.01069.⁵

² Transmittal No. 33, filed April 16, 2004, Description and Justification.

³ See Attachment B.

⁴ See Attachment A.

⁵ See Attachment B.

Although Harrisonville is not required to measure or report its earnings under Section 65.701 of the Commission's rules, pursuant to section 61.39(c), the Commission may require any carrier to submit such information if it deems it necessary to monitor the carrier's earnings. Also, pursuant to 61.39(a), the Commission may require any carrier to submit such information as may be necessary for review of a tariff filing. As shown in Attachment B, since Harrisonville's 2001 Annual Filing, which was effective July 1, 2001, its switched tandem transport rates have increased by 310%.⁶ Given these facts, the Commission should not allow the instant mid-course rate increases without a showing that Harrisonville is not recovering its authorized rate of return.

CONCLUSION

For the reasons stated above, the Commission should reject or, in the alternative, suspend and investigate for the full five months Harrisonville's tariff filing and impose an accounting order.

Respectfully submitted,

AT&T CORP.

By /s/ Judy Sello

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April 23, 2004

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⁶ See Attachment B.

Harrisonville Telephone Company

Rate Setting Revenue Requirement	Annual 2003/2004 *	Mid-Course 2004 **	Difference 2004 - Annual 2003/2004 Col. B - Col. A (Col. C)	Percent Change (Col C/ColA)*100 (Col. D)
	(Col. A)	(Col. B)		
Local Switching Revenue Requirement	\$420,468	\$370,122	-\$50,346	-11.97%
Information Revenue Requirement	\$44,490	\$43,988	-\$502	-1.13%
Local Transport Revenue Requirement	\$378,488	\$754,989	\$376,501	99.48%
Special Access Revenue Requirement	\$650,705	\$897,487	\$246,782	37.93%
Common Line Revenue Requirement	\$3,425,392	\$3,709,641	\$284,249	8.30%
Total Interstate Revenue Requirement	\$4,875,053	\$5,732,239	\$857,186	17.58%

* Harrisonville, Transmittal 31, Filed June 16, 2003.

** Harrisonville, Transmittal 33, Filed April 16, 2004.

Attachment B

Harrisonville Telephone Company	Annual 2001/2002 Note (1) Col. A	Mid-Course 2002 Note (2) Col. B	Difference 2002-2001/2002 Col.B - Col.A Col. C	Percent Change (Col.C/Col. A)*100 Col. D	Annual 2003/2004 Note (3) Col. E	Mid-Course 2004 Note (4) Col. F	Difference 2004-2003/2004 Col.F - Col.E Col. G	Percent Change 2004 to 2003/2004 (Col.G/Col.E)*100 Col. H	Percent Change 2004 to 2001/2002 (Col.G/Col.A)*100 Col. I
Tandem Transport Rate/MOU	\$0.00261	\$0.00316	\$0.00055	21.07%	\$0.00492	\$0.01069	\$0.00577	117.28%	309.58%
Local Transport Revenue Requirement	\$218,722	\$833,205	\$614,483	280.94%	\$378,488	\$754,989	\$376,501	99.48%	245.18%

- (1) Harrisonville, Transmittal 19, Filed June 18, 2001.
(2) Harrisonville, Transmittal 28, Filed August 28, 2002.
(3) Harrisonville, Transmittal 31, Filed June 16, 2003.
(4) Harrisonville, Transmittal 33, Filed April 16, 2004.

CERTIFICATE OF SERVICE

I, Judy Sello, do hereby certify that on this 23rd day of April, 2004, a copy of the foregoing "Petition of AT&T Corp." was served by facsimile and U.S. first class mail, postage prepaid, on the party named below.

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/s/ Judy Sello
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