

## **LATE FILED EXHIBIT 8**

## **BACKGROUND**

- On August 30, SBC Missouri filed for competitive classification under Senate Bill 237 with the Missouri Public Service Commission.
- Our filing does not request competitive classification statewide, but focuses on urban, suburban, and larger out-state exchanges.
- Under the new law, there are two processes, a 30-day process and a 60-day process. We filed for competitive classification under both.
- On September 2, the Commission separated the request into two proceedings based on the two different timelines. Each proceeding will examine specific data supporting the request for classification.
- The Commission issued a decision in the 30-day case on September 27 granting competitive classification in 26 residential exchanges and 45 business exchanges.
- The 60-day proceeding calls for two rounds of testimony on September 19 and October 3, and hearings on October 12-13. The Commission has until October 29 to make a decision in the 60-day proceeding.
- On September 6, the Office of Public Counsel requested the Commission to schedule public hearings for each of the proceedings to receive comments from the public. Public hearings have been scheduled for October 3, 4, 5, and 7.

## **MESSAGING**

- Consumers are the real winners under Senate Bill 237, legislation to update Missouri's telecommunications laws. The bill encourages competition to drive the marketplace, instead of outdated regulations.
- And as we have seen in the areas of wireless and long distance, any time competition drives the marketplace, the result is that over time, consumers start seeing new packages, products and services - at a better price.
- Missouri lawmakers, who passed the bill with overwhelming bipartisan support, and Governor Blunt should be commended for recognizing that our laws need to be updated to reflect the robust competition for telephone service in Missouri that exists today.
- With this filing, we are now implementing SB 237. We are following the provisions enacted in SB 237 which require SBC Missouri to file with the Missouri Public Service Commission to identify where competition exists.

## **Q&A (REACTIVE)**

### **Why didn't the Commission approve all of the exchanges?**

- In a few exchanges, the PSC wasn't sure the requirements under the 30 day provisions of the law were being met so they decided to further evaluate the exchanges under the 60 day provisions of the law. In the other exchanges, the PSC decided to evaluate the exchanges under the 60 day provisions because SBC Missouri did not identify these exchanges in its request to the Commission.

### **How will this filing change what SBC is offering customers now?**

- We will likely begin offering various types of packages in response to trends that we are seeing in the competitive marketplace.

Competitive Classification Filing  
Background, Messaging and Q&A  
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- This new law simply allows us to respond more quickly to the market and offer consumers the products and services they want, in the packages that they want.

**How will this filing affect consumer prices?**

- Overall, this bill and the filing before the Commission isn't going to change any pricing trends in the marketplace – the competition that has been driving prices down over the last several years still exists and it's that competition that acts as the best regulator of prices overall.
- The bill simply allows SBC, Sprint, and other incumbent providers to respond more quickly and tailor our product offerings to better meet consumer demands.

**Didn't SBC recently raise prices? How are these two related?**

- Recently, SBC Missouri made a modest adjustment on some optional telephone services such as a 15 cent increase on selective call forwarding. SBC Missouri also decreased some prices, though, such as the reduction in SBC Yahoo DSL to \$14.95. SBC Missouri's pricing adjustments are not related to the competitive classification filing or the new law.

**How many lines are affected by the filing and what percentage of SBC's business is this?**

- We sought competitive status in 77 of our 160 exchanges.

**PRESS RELEASE ISSUED BY THE PSC**

Missouri Public Service Commission  
Governor Office Building  
200 Madison Street  
PO Box 360  
Jefferson City MO 65102-0360  
573-751-9300

FOR IMMEDIATE RELEASE

SEPTEMBER 27, 2005

**PSC ISSUES DECISION IN SBC MISSOURI REQUEST FOR COMPETITIVE  
CLASSIFICATION IN SOME OF ITS EXCHANGES**

JEFFERSON CITY--The Missouri Public Service Commission has granted in part and denied in part an SBC Missouri, L.P. d/b/a SBC Missouri request for competitive classification in some of its exchanges under a new state law (SB 237) which took effect on August 28, 2005.

The Commission granted competitive classification for residential services in 26 of the 29 exchanges requested by SBC Missouri. The PSC granted competitive classification for business services in 45 of the 61 exchanges requested by SBC Missouri. SBC Missouri has 160 exchanges in Missouri.

Three exchanges for residential services and 16 exchanges for business services were denied competitive classification as they either did not meet the criteria under a 30-day filing or those exchanges were not included in SBC Missouri's original filing on August 30, 2005. The Commission determined that due process and issues of fundamental fairness require that SBC Missouri name, in its petition, all the exchanges in which it seeks competitive classification in order that interested parties have an opportunity to intervene and respond to the application.

Under competitive classification, SBC Missouri will no longer be subject to price or rate regulation by the PSC. SBC Missouri will be permitted to raise or lower its telephone prices at its own discretion, subject to the marketplace. The PSC will retain its ability to regulate quality of service, service termination and other billing issues.

In this case, state law requires the Commission to issue its decision within 30 days of SBC Missouri's August 30, 2005, filing. Under SB 237, the 30-day criteria for determining competitive classification is based upon the existence of two entities providing basic local telecommunications service, one of which may be a wireless provider, the other a wireline company providing local voice service using facilities in which it has a partial or full ownership interest.

Residential exchanges given competitive classification include: Advance, Bell City, Chesterfield, Delta, Eureka, Farmington, Fenton, Fredericktown, Harvester, Kansas City, Manchester, Monett, Nevada, Pacific, Perryville, Pochontas-New Wells, Pond, Smithville, Springfield, St. Charles, Ste. Genevieve, St. Joseph, St. Louis, Valley Park, Washington and Wyatt.

Business exchanges given competitive classification include: Antonio, Bonne Terre, Camdenton, Cape Girardeau, Chesterfield, Clever, Eldon, Eureka, Fenton, Farmington, Festus-Crystal City, Flat River, Fredericktown, Fulton, Grain Valley, Gravois Mills, Greenwood, Harvester, Herculaneum-Pevely, High Ridge, Imperial, Jackson, Joplin, Kansas City, Lake Ozark-Osage Beach, Manchester, Marble Hill, Maxville, Monett, Nevada, Pacific, Perryville, Pond, Poplar Bluff, Scott City, Sedalia, Sikeston, Smithville, Springfield, St. Charles, Ste. Genevieve, St. Joseph, St. Louis, Valley Park and Washington.

## **Public Service Commission**

### **Public Hearings**

#### **Format:**

Similar to legislative hearings. Each person that wants to talk will be sworn in and permitted to make remarks.

#### **Messages:**

- There is plenty of competition in this community for telephone service. If I don't like what my current provider offers, I can always go to another provider. [probably wouldn't hurt to make sure the people have some examples of local competitors operating in the area (e.g., Sage, wireless companies, etc.) because they might get asked]
- As a senior, I have plenty of choices for my telephone needs. And, there's Lifeline service for those who need it most. The Lifeline program ensures that everyone has access to low-cost local phone service.
- Letting consumer demand determine pricing is much better than regulated pricing for business customers. When companies are competing for my business, I know I will get the best deal.
- Since we have so much competition, prices have gone down. Just look at our cell-phone services. So I just don't understand all this needless talk about possible increases. If people don't like the cost of their current provider, then they can choose another competitor – or just use their cell phone for everything.
- I was very supportive of the legislation that our legislators approved during this year's session that called for less regulation of telephone rates. The day of one phone company offering service is long gone. Today, there are many options for consumers when it comes to service.
- Consumers like us will be the real winners when we're in the driver's seat driving prices. With all the competition for my business today, prices will remain very affordable.
- I know regulators mean well, but over-regulation can stifle competition and limit investment.