

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

In the Matter of the Second Investigation)	
into the State of Competition in the Exchanges of)	Case No. TO-2005-0035
Southwestern Bell Telephone, L.P., d/b/a)	
SBC Missouri.)	

**SBC MISSOURI'S RESPONSE TO
ORDER DIRECTING FILING**

Comes now Southwestern Bell Telephone, L.P., d/b/a SBC Missouri ("SBC Missouri") and for its Response to the Order Directing Filing states as follows:

1. On May 23, 2005, the Missouri Public Service Commission ("Commission") issued its Order Directing Filing in which it requested SBC Missouri and Staff to file a pleading regarding the impact of Senate Bill 237 on this case by May 25, 2005. SBC Missouri notes that it is currently involved in simultaneous arbitration cases with six individual CLECs or groups of CLECs to replace the Missouri 271 Interconnection Agreements under which those CLECs are currently operating. The hearing is being held the week of May 23-27, 2005 and involves more than 45 witnesses litigating over seven hundred issues. Given the press of that hearing, this response will necessarily be short. SBC Missouri also notes that the Commission has not identified any specific issues it wants parties to address, but asks the parties to discuss generally the impact of SB 237 on this case. While SBC Missouri's response will be short, it is willing to answer any questions the Commission may have if this response does not sufficiently respond to the Commission's request.

2. SB 237 has not yet been signed by the Governor. SBC Missouri understands that the Governor has until approximately July 14, 2005 to sign the legislation. Once signed, the legislation will not be effective until August 28, 2005. Once the legislation becomes effective, it

will revise the test by which the Commission determines whether a price cap regulated ILEC's services are subject to competitive classification with its associated pricing flexibility. Assuming the legislation becomes effective, SBC Missouri will make a filing to initiate a proceeding in which the Commission will have the opportunity to apply the Legislature's directive concerning competitive classification. Under the new legislation, the Commission is required to grant competitive classification within thirty days of a request by a price cap regulated ILEC if certain triggers relating to facilities based competition are met. For exchanges which do not meet the specified triggers, the commission has sixty days following a request by the price cap regulated ILEC to determine whether competitive classification is contrary to the public interest.

Assuming SBC Missouri files a request for competitive classification on September 1, 2005, the Commission would have until October 1 to determine if the triggers were met and, for requested areas where the triggers are not, until October 30 to determine if competitive classification is contrary to the public interest.


3. With regard to the pending case, the Commission may go forward and decide the case if it deems it appropriate. The existing law remains in effect until replaced. SBC Missouri has produced evidence demonstrating that it faces effective competition for its services.

Granting competitive classifications upon a finding of effective competition is consistent with current law and could be accomplished prior to August 28, assuming SB 237 goes into effect at that time. To the extent the Commission were to wait until after August 28, again assuming SB 237 becomes law, the pending case would become moot as the new law would provide the appropriate framework for determining competitive classification. As mentioned above, SBC Missouri plans to seek competitive classification based on the new provisions of SB 237 after it becomes effective.

Wherefore, for all the foregoing reasons, SBC Missouri respectfully requests the Commission to consider its response to the Order Directing Filing.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE, L.P.
D/B/A SBC MISSOURI

BY  _____

PAUL G. LANE #27011

LEO J. BUB #34326

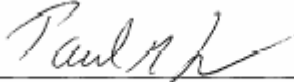
ROBERT J. GRYZMALA #32454

MIMI B. MACDONALD #37606

Attorneys for SBC Missouri
One SBC Center, Room 3518
St. Louis, Missouri 63101
314-235-2508 (Telephone)/314-247-0014(Facsimile)
paul.lane@sbc.com

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing document were served to all parties by e-mail on May 25, 2005.



Paul G. Lane

GENERAL COUNSEL
WILLIAM K. HAAS
MISSOURI PUBLIC SERVICE COMMISSION
PO BOX 360
JEFFERSON CITY, MO 65102

PUBLIC COUNSEL
MICHAEL F. DANDINO
OFFICE OF THE PUBLIC COUNSEL
PO BOX 7800
JEFFERSON CITY, MO 65102

CARL J. LUMLEY
LELAND B. CURTIS
CURTIS OETTING HEINZ GARRETT &
SOULE, P.C.
130 S. BEMISTON, SUITE 200
ST. LOUIS, MO 63105