1	STATE OF MISSOURI
2	PUBLIC SERVICE COMMISSION
3	
4	
5	
6	TRANSCRIPT OF PROCEEDINGS
7	Post-Hearing Conference
8	January 26, 2005 Jefferson City, Missouri
9	Volume 12
10	
11	
12	In the Matter of the Determination) of Prices, Terms and Conditions of) Case No. TO-2001-440
13	VICKY RUTH, Presiding, SENIOR REGULATORY LAW JUDGE.
14	
15	
16	
17	
18	
19	
20	
21	
22	REPORTED BY:
23	KELLENE K. FEDDERSEN, CSR, RPR, CCR MIDWEST LITIGATION SERVICES
24	
25	

1	APPEARANCES:
2	ROBERT J. GRYZMALA, Senior Counsel SBC Missouri
3	One SBC Center, Room 3520 St. Louis, MO 63101
4	(314) 235-4300
5	FOR: Southwestern Bell Telephone, LP d/b/a SBC Missouri.
6	CARL J. LUMLEY, Attorney at Law
7	Curtis, Oetting, Heinz, Garrett & O'Keefe 130 South Bemiston, Suite 200
8	Clayton, MO 63105-1913 (314)725-8788
9	FOR: Covad Communications.
10	MARC D. POSTON, Senior Counsel
11	P.O. Box 360
12	200 Madison Street Jefferson City, MO 65102 (573)751-3234
13	
14	FOR: Staff of the Missouri Public Service Commission.
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
2.5	

- 1 PROCEEDINGS
- JUDGE RUTH: Okay. Good morning.
- We are here for a post-hearing conference
- 4 in Case No. TO-2001-440, in the matter of the
- 5 determination of prices, terms and conditions of line
- 6 splitting and line sharing. My name is Vicky Ruth, and
- 7 I'm the Regulatory Law Judge assigned to this case.
- 8 Today's date is January 26, 2005, and it is a few minutes
- 9 after 10 o'clock.
- 10 I'd like to begin by taking entries of
- 11 appearance. And Staff, we'll start with you.
- MR. POSTON: Marc Poston appearing for the
- 13 Staff of the Missouri Public Service Commission.
- JUDGE RUTH: Mr. Lumley?
- 15 MR. LUMLEY: Carl Lumley of the law firm of
- 16 Curtis, Oetting, Heinz, Garrett & O'Keefe on behalf of
- 17 Covad Communications.
- MR. GRYZMALA: Good morning, your Honor.
- 19 Bob Gryzmala on behalf of Southwestern Bell Telephone
- 20 Company, LP, d/b/a SBC Missouri.
- 21 JUDGE RUTH: Okay. It's my understanding
- 22 we only have the three parties today. If anyone comes in
- 23 while we're on the record and I don't appear to notice
- them, please interrupt me and we'll put that on the
- 25 record.

```
Okay. As you know, the Commission issued
```

- 2 an Order a few weeks ago scheduling this conference. As
- 3 the Order indicates, the Commission's hoping that the
- 4 parties will be prepared to discuss the status of the
- 5 Triennial Review Order and its impacts on this case, the
- 6 likelihood that the parties will settle all or part of the
- 7 issues, and whether additional hearings are necessary in
- 8 order to conclude this case. And if additional
- 9 proceedings are necessary, suggestions as to a proposed
- 10 schedule and the type of proceeding would be welcome.
- 11 As you know, the makeup of the Commission
- 12 has changed considerably since this case was initiated.
- 13 In fact, I believe only perhaps one Commissioner was
- 14 present for actual proceedings. Some of the other
- 15 Commissioners have started reviewing the record. However,
- 16 they are feeling a bit overwhelmed, and it may even be
- 17 necessary -- whether you feel that additional evidence is
- 18 needed, there may need to be some type of on-the-record
- 19 presentation. That's something for you to keep in mind,
- 20 but we do have four Commissioners who are only looking at
- 21 this as an overwhelming amount of paper, if you will.
- 22 With that in mind, I'm going to start
- 23 actually over here with you for Southwestern Bell. Can
- 24 you answer the first question for me or give me your
- 25 opinion as to the status of the Triennial Review Order,

- 1 how it impacts this case and how Southwestern Bell would
- 2 recommend that the Commission proceed from here?
- 3 MR. GRYZMALA: Thank you, your Honor. We
- 4 would start out by indicating generally that the pleadings
- 5 we have filed responsive to the Commission's -- that is
- 6 the FCC's TRO order were filed on September 10, as well as
- 7 additional pleadings filed on November 3, November 24 and
- 8 December 15, spurred by comments by Covad and other
- 9 developments. So we have four sets of pleadings on file
- 10 relative to the impact of the TRO. But --
- 11 JUDGE RUTH: Do you feel anything needs to
- 12 be added to those pleadings at this time?
- MR. GRYZMALA: No, except to sum up to the
- 14 extent that the FCC made clear in its TRO that line
- 15 sharing was not required to be provided by ILECs -- or by
- 16 ILECs subject to grandfathering and transitioning, which
- 17 we fully agree. There has been no arresting or
- 18 modification of that development.
- 19 I would point out that to the extent we
- 20 did not already state this in our pleadings, and I thought
- 21 we -- well, we certainly could not have. On March 2nd,
- 22 2004, the United States Court of Appeals for the District
- of Columbia upheld the FCC's line sharing and hybrid loop
- 24 FTTH rules, quote, on the grounds that the decision not to
- 25 unbundle these elements was reasonable even in the face of

- 1 some CLEC impairment in light of the evidence that
- 2 unbundling would skew investment incentives in undesirable
- 3 ways and that intermodal competition from cable ensures
- 4 the persistence of substantial competition in broadband.
- 5 That is what we've come to call USTA-II.
- 6 The citation, your Honor, is 359 F3D 544, 585, is the
- 7 specific page number from the United States Court of
- 8 Appeals DC Circuit decision. So with that application,
- 9 that would have -- that would have postdated our last
- 10 pleading on file of December 15.
- 11 As your Honor also may be aware, the FCC is
- due to issue a so-called TRO Remand Order imminently. I
- 13 don't know when that is expected by the industry. From my
- 14 perspective, from our perspective, there is no indication
- 15 that there will be any change or modification or reversing
- 16 course on its line sharing rulings in the TRO order that
- 17 were upheld by the Court of Appeals. In other words, no
- 18 new news on that front.
- 19 JUDGE RUTH: Can I ask you a question
- 20 about, your company filed -- I believe you filed some
- 21 Proposed Findings of Facts and Conclusions of Law. That
- 22 was back in 2002.
- MR. GRYZMALA: Yes, your Honor.
- JUDGE RUTH: Yes. It was February 2002.
- 25 Have you had a chance to look at those to see what might

- 1 need to be updated? Because one thing the Commission's
- 2 looking at is evidence that was from 2001, 2002, big
- 3 break, impact perhaps of the Triennial Review Order and
- 4 how that would change what the Commission had been looking
- 5 at before. So I guess I'm asking, have you looked at
- 6 those?
- 7 Actually, the February 2002 was your
- 8 Supplemental Proposed Findings of Fact and Conclusions of
- 9 Law. Have you looked at those to see if they would need
- 10 any additional changes? And if you have not, would you
- 11 please just take a look at it after the hearing and then
- 12 file something if you think they need to be updated? I'm
- 13 not asking you to update them all at this time. Just tell
- 14 me whether or not you think they would need to be updated
- 15 or not.
- 16 MR. GRYZMALA: I think to the extent, your
- 17 Honor, that updating would have been required, that
- 18 updating was done, if I understand your question. We made
- 19 a recommendation on September 10 in a pleading to adopt a
- 20 proposed post-triennial review line sharing appendix when
- 21 available. At the time it was not available. And my
- 22 records show that on November 3 we filed our proposed
- 23 post-TRO line sharing appendix and requested that the
- 24 Commission adopt it as the line sharing terms and
- 25 conditions to replace the interim line sharing terms and

- 1 conditions that were offered via the M2A.
- 2 And beyond that, there has been no further
- 3 suggestion of red line entries beyond that date. That was
- 4 on November 3 of 2003 that was submitted.
- 5 JUDGE RUTH: And you don't feel at this
- 6 time that any additional red lining or changes need to be
- 7 made after the -- to the 2003 document?
- 8 MR. GRYZMALA: No. We had also referred in
- 9 our pleadings to the need to complete the second phase, of
- 10 course, which is the other half, if you will, the pricing
- 11 phase, and our comments are on file in that regard. But
- 12 there may be, quite candidly, your Honor, some need to
- 13 revisit the manner in which the Commission may proceed.
- I will observe to you that there does not
- 15 appear to be much need at all to establish final terms and
- 16 conditions for the HFPL, including the line sharing
- 17 appendices. The bulk of the HFPL orders were issued under
- 18 non-M2A agreement.
- 19 I think one good example is Mr. Lumley's
- 20 client Covad, which operated under an agreement other than
- 21 the M2A. There's virtually no HFPL volume under the M2A.
- 22 I've seen numbers that have ranged -- and I believe our
- 23 regulatory client have reported numbers to the Staff about
- 24 existing HFPL circuits in place. My recollection is
- 25 between 200 to 250 in place in the State of Missouri, your

- 1 Honor.
- 2 Furthermore, under the FCC's decision, new
- 3 orders for the HFPL are no longer available under the M2A
- 4 or any ICA, and the M2A will expire on March 6, 2005. So
- 5 with the cumulative effect of those factors, I think it
- 6 does give rise to some discussion as to how the Commission
- 7 might be best advised to proceed henceforth.
- 8 JUDGE RUTH: Do you have suggestions for
- 9 that at this point?
- 10 MR. GRYZMALA: Well, at the outset I would
- 11 say that one thing we would be clear on is that there's
- 12 always been the contention and our firm position, your
- 13 Honor, that given that the HFPL was an interim rate, the
- 14 permanent rate should be 50 percent of the two-wire xDSL
- 15 copper loop monthly recurring rate.
- 16 Having said that and putting that aside,
- 17 given the fact that these orders are effectively mostly
- 18 under non-M2A, virtually no HFPL volumes under the M2A,
- 19 the expiration of the M2A, the no new orders under the
- 20 TRO, there would not be any reason to hold the docket open
- 21 any longer.
- 22 So that to the extent that there are issues
- 23 that might be associated with a CLEC's grandfathered end
- 24 users, an M2A CLEC's grandfathered end users, those could
- 25 be addressed in the context of negotiations between the

- 1 parties. That would have no impact on Covad, who operates
- 2 under an agreement other than the M2A, and under -- under
- 3 which -- under the TRO, of course, any Covad orders placed
- 4 with us for line sharing after I believe it's December 4th
- 5 of 2004 are not under an ICA in any case.
- Because there --- as you may recall, year
- 7 one of the FCC's transition period I believe closed around
- 8 October 2 of 2004, and there were an additional 60 days
- 9 beyond that through which the first year was carried.
- 10 That is, we continue to take orders after that time. Let
- 11 me be more specific on that so I get it right.
- 12 The last date the FCC was required to allow
- 13 CLECs to order new HFPLs under ICA was October 2, 2004.
- 14 SBC voluntarily agreed to extend this time frame for 60
- 15 days, thus we continue to accept orders through December
- 16 2004. All of which is to say, that date has passed, your
- 17 Honor, which goes back to my point about the further
- 18 efficacy of keeping the docket open.
- 19 Now, if the Commission should decide not to
- 20 close the case, then of course our pricing position
- 21 becomes paramount.
- 22 JUDGE RUTH: I'm confused, though, as to --
- 23 your primary recommendation, then, would be that the
- 24 Commission close the entire case?
- MR. GRYZMALA: Yes.

- 1 JUDGE RUTH: Okay.
- 2 MR. GRYZMALA: And that is based, your
- 3 Honor, again due to the de minimis volume of existing
- 4 HFPLs under the M2A and the impending expiration of the
- 5 M2A and the other factors I've talked about. Virtually no
- 6 volumes, your Honor.
- 7 JUDGE RUTH: Is there anything else you
- 8 want to add at this time?
- 9 MR. GRYZMALA: I don't believe, not at this
- 10 time.
- 11 JUDGE RUTH: All right. Mr. Lumley, do you
- 12 want me to mention those three questions that were brought
- 13 up?
- 14 Okay. Then this is your opportunity to
- 15 answer the questions, respond to anything that
- 16 Southwestern Bell has brought up, add anything of your
- 17 own. And then we'll have Staff do the same, and then I'll
- 18 allow one final round if anyone has any additional
- 19 questions or comments.
- 20 MR. LUMLEY: Well, in general terms, I
- 21 concur with Mr. Gryzmala's observations that further
- 22 action in this case would be of limited effect for the
- 23 combination of reasons that he's already stated. So if
- 24 there's a proposal to dismiss the case with the consent of
- 25 the parties, we would not have an objection to that.

```
1 If there's to be an effort to just wrap it
```

- 2 up so that there actually is a substantive resolution, our
- 3 concerns at this point are extremely limited and I would
- 4 believe that we'd be able to resolve the case in that
- 5 fashion as well, by agreement.
- 6 As you know, the case was split into two
- 7 parts. We had fairly extensive proceedings about terms
- 8 and conditions. With the interruptions of court decisions
- 9 and FCC orders, that part's never been concluded, and the
- 10 second part regarding rates has never even commenced. And
- 11 we think we're in a position to resolve the terms and
- 12 conditions by agreement, given the limited nature of our
- 13 concerns.
- In terms of rates, I'm not sure I
- 15 understand why any action would be necessary given --
- 16 given the proposed terms. And why I say that is that the
- 17 introductory language of the post-TRO document that
- 18 Mr. Gryzmala referred to in Section 1.1 indicates that
- 19 this proposed text is for purposes of line sharing in
- 20 accordance with the TRO.
- 21 And with that introduction, the TRO has
- 22 already resolved the pricing issue in our view in that it
- 23 is said in the TRO that for the base of customers that was
- 24 in place prior to the effective date of the TRO, which was
- 25 in October of 2003, the existing price would continue.

- 1 And then for the transition period of one year that
- 2 Mr. Gryzmala referred to, there's actually an accelerated
- 3 pricing scale that's based on the established loop rates,
- 4 and it goes from 25 percent up to 75 percent of those loop
- 5 rates over time. And so it would seem that the question
- 6 of what the rates should be for purposes of TRO would be
- 7 resolved.
- 8 In theory, I suppose, from SBC's
- 9 perspective there could be a fight about whether they're
- 10 entitled to some adjustment of the rates for the prior
- 11 group, you know, the existing base, the pre-TRO base of
- 12 customers based on the zero interim rate here, but I want
- 13 to make clear that Covad does not benefit from that zero
- 14 rate. We pay a \$5.70 rate under our agreement with them.
- 15 So I'm not here trying to take benefit of that zero rate
- 16 because it doesn't apply to us. And based on his comments
- 17 that there's limited volumes there, I'm not sure that
- 18 anybody's benefiting from that, but that particular aspect
- 19 of it really isn't my fight.
- 20 Our concern here, we have basically the
- 21 same text for line sharing that was -- that was adopted as
- 22 the interim provisions here, and our primary concern is
- 23 that action here would be construed as a change of law
- 24 that could then by extension be applied to our document.
- 25 But specifically as I indicated, the document starts out

- 1 saying that this is line sharing per -- in accordance with
- 2 the TRO. And as you know from our pleadings, we've
- 3 indicated an interest in pursuing line sharing as a matter
- 4 of state law under independent state authority as a matter
- 5 of 271 requirements.
- We don't expect the Commission to resolve
- 7 those kind of issues in this case now. I mean, a year ago
- 8 and two years ago we were hopeful of doing that, but with
- 9 the life of the M2A being a matter of months and parties
- 10 are going to be filing pleadings with the Commission in
- 11 the next few weeks to get the ball rolling on future
- 12 agreements, it would not be worth people's resources to
- 13 try and fight a battle like that in this case.
- 14 But the concern that we have is, if you
- 15 look at some of the other sections that deal with the TRO,
- 16 for example, 3.1, 3.1.1 and 4.8, where SBC has wanted to
- 17 make clear that its obligations under the TRO are subject
- 18 to its reservations of rights, which were in Section 11,
- 19 what we would propose is to likewise protect the CLEC
- 20 perspective by including in Section 1.1 after the language
- 21 of "for purposes of line sharing in accordance with the
- 22 FCC's Triennial Review Order, " the same phrase, "subject
- 23 to Section 11 below." And then in addition to that, what
- 24 we would propose to include in Section 11.1 is a sentence
- 25 that says, CLEC reserves its right to seek line sharing

```
1 under other authority besides the Triennial Review Order.
```

- 2 MR. GRYZMALA: Can I -- please, could you
- 3 read that again, Carl? I couldn't --
- 4 MR. LUMLEY: CLEC -- CLEC reserves its
- 5 right to seek line sharing under other authority besides
- 6 the Triennial Review Order.
- 7 Basically what we would seek to accomplish,
- 8 there are statements in the proposed text that have the
- 9 effect of saying SBC shall have no line sharing obligation
- 10 after this date, those kind of blanket statements, and we
- 11 would not want a Commission order approving this text
- 12 being construed as a conclusion of law that SBC has no
- 13 obligation whatsoever. But in the context of a document
- 14 that says, this is line sharing under the auspices of the
- 15 TRO, as long as it's clear that both sides are reserving
- 16 their rights, we think that that's acceptable.
- 17 One other observation about Section 11.1.
- 18 There's a list of proceedings, both court and FCC, that
- 19 are all lumped together then under sort of the defined
- 20 term collectively as government actions, and that part of
- 21 the section states that the parties have not yet fully
- 22 incorporated into the agreement these actions. And I
- 23 guess that part, it causes me a little bit of concern
- 24 because we're saying here's -- SBC is saying, here's our
- 25 Post Triennial Review Order appendix for line sharing, and

- 1 yet seems to be trying to reserve the argument that the
- 2 TRO might warrant additional changes to this text. We're
- 3 not sure we understand that. So we would certainly at
- 4 least like to see some clarification that this appendix
- 5 was meant to fully incorporate the TRO as to the subject
- 6 of line sharing.
- 7 Our other comments are pretty limited. If
- 8 you compare Section 3.1.1 and Section 4.8, you'll see that
- 9 they're duplicate provisions, and we don't really have a
- 10 problem with that, but the reason I point it out is that
- 11 in the fifth line from the end of Section 3.1.1, I believe
- 12 there's a stray reference to end user that makes the text
- 13 hard to understand, and we would propose to delete that,
- 14 so that that line would read, review order as to
- 15 grandfathered end users, as more. There's an extra end
- 16 user there that we would propose to delete so the text is
- 17 clear. Again, if you compare it to Section 4.8, you'll
- 18 see that this is an extra phrase.
- 19 Also, we want to remind the Commission or
- 20 just make a statement on the record that, in addition to
- 21 this text, SBC has proposed a modified line splitting
- 22 paragraph, and they did that in their initial comment of
- 23 September 10th. And at the time that was Section 4.5,
- 24 but when they submitted this post-TRO document, the
- 25 section numbers all changed, and our observation would be

- 1 that that particular paragraph would go in between what is
- 2 now 4.13 and 4.14. So we didn't want that paragraph to
- 3 get lost, since it's not actually in this document but was
- 4 in a separate pleading.
- 5 JUDGE RUTH: Tell me again where it should
- 6 go.
- 7 MR. LUMLEY: Between 4.13 and 4.14. And
- 8 then in Section 7.1, in line 1 there's a statement that
- 9 SBC will not guarantee performance. And then in line 3
- 10 where it starts talking about an exception to that, it
- 11 says, but will assure guarantee performance. And we'd
- 12 propose that the word "assure" be stricken just to
- 13 eliminate confusion.
- 14 And then finally in Section 12.2, there's a
- 15 discussion of true-ups, and we feel that that should be
- 16 tied directly to the Commission's prior orders as to what
- 17 true-ups would be in order, and those were stated in the
- 18 99-227 docket, I believe, that it was a six-month
- 19 limitation.
- 20 So with those pretty targeted comments, you
- 21 know, we're comfortable resolving the case either way. I
- 22 think you'll see from the record over time parties have
- 23 asked to withdraw. Others that I represent, you know,
- 24 you'll notice that I didn't enter my appearance for them
- 25 today. They haven't formally withdrawn, but they

1 certainly have lost interest in the proceedings in large

- 2 part because of the disappearance of UNE-P and their
- 3 change in plans.
- 4 And so I believe that Staff and Covad and
- 5 SBC are the only actively interested parties. I think
- 6 AT&T last filed something in 2003, and I certainly
- 7 specifically advised them of this proceeding and they did
- 8 not indicate interest in participating further. So I
- 9 would think that we could agree to dismiss the case.
- 10 You might, I guess, to be safe want a
- 11 public notice, maybe treat it as a nonunanimous
- 12 settlement-type approach and give everybody one last
- 13 chance to object just to kind of clear that hurdle, but I
- 14 would think that essentially if the three of us agree to a
- 15 dismissal, you're not going to hear any complaints from
- 16 anyone else.
- 17 JUDGE RUTH: If the three parties that are
- 18 here today agree to that, what -- agree to a dismissal, I
- 19 would issue a notice saying that at the post-hearing
- 20 conference this was discussed and give parties 10 days to
- 21 object and see what happens. But I haven't actually had a
- 22 formal motion on the record.
- MR. LUMLEY: Right.
- JUDGE RUTH: But I'm certainly open to
- 25 that, but I think that would accommodate other parties'

- 1 interests if there's notice. If the motion was made,
- 2 parties -- I might give them more than 10 days. I might
- 3 give them two or three weeks to respond, and then the
- 4 Commission could take up the motion in one of their agenda
- 5 sessions. But that would certainly be one way to handle
- 6 it.
- 7 MR. LUMLEY: Like I said, alternatively
- 8 we're willing to agree to the proposed text with the few
- 9 changes that I've outlined here today. If we could reach
- 10 agreement on those or we're also willing to submit that to
- 11 the Commission for consideration.
- 12 I don't think that the sets of Findings of
- 13 Fact and Conclusions of Law that were submitted by all the
- 14 parties back in 2002 would really be in shape to just be
- 15 adopted. I've not taken a look at ours because there's
- 16 been so many changes and because of the -- where we kind
- of stand today on our approach, which was basically to
- 18 walk away from most of our agenda, given the passage of
- 19 time, and just seek to kind of finetune a specific
- 20 proposal.
- 21 JUDGE RUTH: I believe that Mr. Gryzmala,
- 22 he had indicated that his, I think, first choice would be
- 23 for the Commission to dismiss the case, and then he listed
- 24 some other -- if the Commission chooses not do that, he
- 25 had some comments. Can you tell me what your client's

- 1 first preference is, or are you not able to say at this
- 2 point?
- 3 MR. LUMLEY: I don't think -- I don't think
- 4 we'd prefer one over the other. Our main concern is to
- 5 not have an outcome that -- that SBC would try to use to
- 6 negatively affect our contract, and so either approach
- 7 I've outlined meets our concerns, and I don't know that we
- 8 favor one or the other.
- 9 JUDGE RUTH: Staff, do you have comments
- 10 that you'd like to make at this time?
- 11 MR. POSTON: I'll be brief. With the
- 12 changes that were brought on by the Triennial Review Order
- 13 and with the expiration of the M2A and not hearing any
- 14 CLECs in here saying that they would like this case to
- 15 move forward, we would agree that the case should be
- 16 closed.
- 17 JUDGE RUTH: Okay. Do I have a formal
- 18 motion from any party today that the case be closed?
- 19 None?
- 20 MR. POSTON: You want an oral motion?
- 21 JUDGE RUTH: I guess this is my question.
- 22 I have to go back and tell the Commissioners how the
- 23 parties suggest we move forward, and what I'm hearing from
- 24 the parties is, do this way or that way, but I don't
- 25 actually have a motion to dismiss. So without a motion to

- 1 dismiss, the Commission's not going to dismiss. They're
- 2 going to muddle through trying to figure out what they
- 3 should do.
- 4 If the parties all jointly agree that it
- 5 should be dismissed, I don't know if you want to get
- 6 together, discuss that, file a joint motion, or if that's
- 7 not what you prefer, then somebody needs to make that
- 8 clear to me so that I go back and talk to the
- 9 Commissioners about, well, Southwestern Bell has these
- 10 comments, Covad has these comments, here's where you need
- 11 to go. I guess I'm just saying I'm not clear what the
- 12 parties are recommending as for the course of action to
- 13 take from here.
- 14 MR. LUMLEY: I'm comfortable with the case
- 15 being dismissed. I just kind of felt like it is SBC's M2A
- 16 model agreement and I didn't want to step on their toes by
- 17 it.
- 18 JUDGE RUTH: And I'm not going to make you
- 19 make this motion now if you want. I mean, if this is
- 20 something the parties want to discuss and then file a
- 21 status update or recommendation after the on-the-record
- 22 portion, that's fine, too. I just don't want to leave
- 23 here without me understanding what I'm supposed to do
- 24 next.
- 25 And so if the parties would like additional

```
1 time before you commit to anything on the record, that's
```

- 2 fine. But I do want to leave here with a date that I will
- 3 get something from the parties either saying -- maybe
- 4 clarify or just putting into a brief pleading what it is
- 5 Southwestern Bell recommends from here, what it is Covad
- 6 recommends from here, or else the motion to dismiss.
- 7 If I'm not going to have it on the record
- 8 here, I want something followed up. Is that clear?
- 9 MR. GRYZMALA: Your last point was?
- 10 JUDGE RUTH: At this point I'm not sure
- 11 what the parties are recommending. I hear a couple of
- 12 options, but to go back to the Commissioners, I want to be
- 13 a little bit more clear when I talk to the Commissioners
- 14 and say the parties recommend that you do A or in the
- 15 alternative B, but their preference is A. But at this
- 16 point I'm not hearing that. I'm hearing that A or B, not
- 17 really a preference given from all the parties.
- I did hear from Southwestern Bell that, I
- 19 think, that your first recommendation would be that the
- 20 Commission dismiss the case, but you haven't actually
- 21 given an oral motion that the Commission dismiss the case
- 22 and I haven't heard an assurance that you're planning to
- 23 file a motion.
- MR. GRYZMALA: Your Honor, if I can offer,
- 25 I thought what Mr. Poston said was quite interesting. We

- 1 would be prepared -- SBC Missouri would be prepared to
- 2 join with Mr. Lumley and Mr. Poston in an oral motion if
- 3 they are amenable, to ask that the Commission close the
- 4 case, given the imminent expiration of the M2A, the
- 5 de minimis volumes of HFPL under the current M2A, the fact
- 6 that the bulk of the orders for the HFPL were issued under
- 7 non-M2A agreements, and that those be the bases on which
- 8 the Commission grant the motion.
- 9 Is that clearly stated, Mr. Lumley?
- 10 MR. LUMLEY: Yeah. We would support that
- 11 motion.
- 12 JUDGE RUTH: Okay. Covad would support the
- 13 motion.
- 14 MR. POSTON: Staff supports the motion as
- 15 well.
- JUDGE RUTH: Okay. The motion is pending.
- 17 What I'm going to do is wait and get the copy of the
- 18 transcript so I can make sure that my notes are accurate,
- 19 issue a notice regarding the pending motion and allow any
- 20 interested party an opportunity to respond. After the
- 21 expiration of that response time, I will take it back to
- 22 the Commissioners.
- 23 And I will ask our court reporter to be
- 24 thinking about if she could -- since the hearing has been
- 25 fairly quick, if she would maybe be able to get the

1 transcript sooner than 10 business days. I may forget all

- 2 the details.
- 3 MR. LUMLEY: And going to one comment you
- 4 made, your Honor, I think 10 days notice would be
- 5 sufficient. Speaking of someone that represents a wide
- 6 variety of CLECs, there's extremely limited interest in
- 7 this proceeding. I think it's really a matter of being an
- 8 expert in the clauses here or inadvertently stepping on
- 9 someone's rights, but I would be totally shocked if we
- 10 hear from anyone.
- 11 JUDGE RUTH: Okay. Does anyone have any
- 12 additional comment they want to make?
- 13 At this point we have the pending motion.
- 14 I have no further questions, but I want to give you an
- 15 opportunity to add anything if you want. And we'll go --
- 16 start back over here with you.
- 17 MR. GRYZMALA: I would only ask, Judge, if
- 18 you are clear as to what SBC's position would be if the
- 19 Commission were not to close the case?
- JUDGE RUTH: Well, I have notes, and it's
- 21 in the transcript, but if the Commission decides to rule
- 22 against the pending motion, I suspect I would do an Order
- 23 directing some clarification for the second.
- 24 MR. GRYZMALA: That's fine.
- 25 JUDGE RUTH: I did take notes and I took

notes from Mr. Lumley, but it's quite possible I'll have

```
2
    additional questions. So I doubt if the Commission would
    make a ruling which way to proceed without some more
 4
    input.
5
                   MR. GRYZMALA: Very good. That's all I
 6
    wanted to make sure. Thank you.
7
                   JUDGE RUTH: Mr. Lumley?
8
                   MR. LUMLEY: No, your Honor.
9
                   JUDGE RUTH: Mr. Poston?
10
                   MR. POSTON: No, thank you.
11
                   JUDGE RUTH: Then this proceeding is
    concluded. We're off the record.
12
13
                   WHEREUPON, the post-hearing conference in
14
    this case was concluded.
15
16
17
18
19
20
21
22
23
24
```