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The Honorable Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
P.O. Box 360
Jefferson City, Missouri 65102

**Missouri Public
Service Commission**

Re: Case No. TW-2003-0063 - In the Matter of an Investigation into the Effects of
the Bankruptcy of Telecommunications Carriers in the State of Missouri

Dear Judge Roberts:

In an October 9, 2002 on the record proceeding examining the impacts of bankruptcies by telecommunications companies, Commissioner Gaw asked Southwestern Bell Telephone Company to provide information, if readily available, concerning the extent of its recovery of pre-petition debt from companies in bankruptcy proceedings. In response, Southwestern Bell submits the following information, which is based upon pre-petition debts for wholesale services owed by telecommunications carriers in bankruptcy to various SBC incumbent local exchange companies ("SBC ILECs"). The pre-petition debt for wholesale services consists primarily of interstate and intrastate access charges from interexchange carrier operations and amounts owed under local interconnection agreements.

In most cases, SBC ILECs receive no payments towards pre-petition debts when a company in bankruptcy liquidates or reorganizes. In 27 of the 38 bankruptcies tracked by SBC's wholesale division, where the company has liquidated or has received approval of a reorganization plan, the SBC ILECs received no payment towards the pre-petition debt. In the remaining 11 bankruptcies, the amounts recovered, or which the carrier has agreed to pay, range from 2% to 100% of the pre-petition debt. Thirty-four additional bankruptcy proceedings are pending and the amount of recovery, if any, is not yet known. To date, the bankruptcy filings have resulted in recovery, or promises to pay, approximately 8% of the overall pre-petition monies owed to SBC's ILECs for wholesale services by telecommunication companies who have filed bankruptcy proceedings.

I trust this is responsive to Commissioner Gaw's inquiry, and stand ready to provide additional information to the extent requested by the Commission.

Very truly yours,

Paul G. Lane

cc: Attorneys of record