

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 15th day
of August, 2002.

In the Matter of an Investigation into the Effects)
of the Bankruptcy of Telecommunications Carriers)
in the State of Missouri.)

Case No. TW-2003-

ORDER ESTABLISHING CASE

The Missouri Public Service Commission is aware of an increasing number of bankruptcy filings by certificated telecommunications carriers operating in the state of Missouri. As the culmination of this trend, on July 21, 2002, WorldCom, Inc., and almost all of its active, domestic subsidiaries sought the protection of Chapter 11 of Title 11 United States Code, the Bankruptcy Act.¹ This was reported at the time as the largest single bankruptcy filing in the history of the United States.

The Commission is authorized and required to inform itself as to the general condition of telephone corporations operating in Missouri, including the adequacy of their service.² The telecommunications bankruptcies referred to above raise questions as to the ability of these carriers to continue to provide safe, adequate and nondiscriminatory

¹ Eight of WorldCom, Inc.'s subsidiaries seeking bankruptcy protection – Intermedia Communications, Inc., TTI National, Inc., Brooks Fiber Communications of Missouri, Inc., MCI WORLDCOM Communications, Inc., MCI WORLDCOM Network Services, Inc., MCImetro Access Transmission Services, LLC, Metropolitan Fiber Systems of St. Louis, Inc., and Teleconnect Long Distance Services & Systems Co., – are certificated to provide telecommunications services in the state of Missouri. Metropolitan Fiber Systems of Kansas City, Missouri, Inc., another WorldCom, Inc., subsidiary that is certificated to provide telecommunications service in the state of Missouri, is not listed in bankruptcy documents.

² Section 386.320, RSMo 2000.

services to customers at just and reasonable rates and as to the impact upon other telecommunications carriers operating in Missouri. Together with the bankruptcies, the Commission has seen an increase in expedited requests for additional and expanded certifications by carriers desirous of purchasing the assets and customer base of defunct carriers.

For these reasons, the Commission will open this case to monitor the status of bankrupt telecommunications carriers, including WorldCom and its subsidiaries. The Commission will examine the impact of the bankruptcies upon Missouri consumers and upon other Missouri telecommunications carriers. The Commission may further inquire into other related matters as may appear appropriate. The Commission will charge its Staff with the principal responsibility for this matter.

IT IS THEREFORE ORDERED:

1. That this case is established to monitor the bankruptcies of telecommunications carriers operating in Missouri as discussed above and to determine what actions, if any, this Commission should take to protect the public interest with respect to such bankruptcies.

2. That the Commission's Staff shall compile and maintain a list of those telecommunications carriers operating in Missouri that are currently in bankruptcy. For each such carrier, Staff shall indicate the date of the bankruptcy filing, the court in which the bankruptcy was filed, the case number assigned to the bankruptcy filing, and whether the carrier is presently providing services to customers in Missouri. For each such carrier that is not presently providing services, Staff shall identify the carrier or carriers that are presently serving the bankrupt carrier's customers and shall state the number and date of

the Commission's order approving the transfer of customers. Staff shall file a copy of this list in this case no later than September 13, 2002, and shall update it as needed, but not more often than once monthly.

3. That WorldCom, Inc., Intermedia Communications, Inc., TTI National, Inc., Brooks Fiber Communications of Missouri, Inc., MCI WORLDCOM Communications, Inc., MCI WORLDCOM Network Services, Inc., MCImetro Access Transmission Services, LLC, Metropolitan Fiber Systems of St. Louis, Inc., and Teleconnect Long Distance Services & Systems Co., are hereby made parties to this case.

4. That the Commission's Staff, or other interested entities, may from time-to-time advise the Commission as to any other entities that should be made parties to this case and should be required to file quarterly status reports as discussed below.

5. That WorldCom, Inc., Intermedia Communications, Inc., TTI National, Inc., Brooks Fiber Communications of Missouri, Inc., MCI WORLDCOM Communications, Inc., MCI WORLDCOM Network Services, Inc., MCImetro Access Transmission Services, LLC, Metropolitan Fiber Systems of St. Louis, Inc., and Teleconnect Long Distance Services & Systems Co. shall jointly make an on-the-record presentation to the Commission on Thursday, September 19, 2002, beginning at 2:00 p.m. concerning the status of the bankruptcy, and its expected impact on Missouri customers and on other telephone corporations operating in Missouri. The on-the-record presentation will be held at the Commission's offices in the Governor Office Building, 200 Madison Street, Jefferson City, Missouri, Room 310, a facility which meets the accessibility standards of the Americans with Disabilities Act (ADA). If any person needs additional accommodations to participate

in the on-the-record presentation, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or 1-800-829-7541 (TDD) prior to the on-the-record presentation.

6. That the Commission's Staff, or other interested entities, may from time-to-time advise the Commission as to any other entities that should be requested to make an on-the-record presentation to the Commission regarding any matter related to this case.

7. That the WorldCom, Inc., Intermedia Communications, Inc., TTI National, Inc., Brooks Fiber Communications of Missouri, Inc., MCI WORLDCOM Communications, Inc., MCI WORLDCOM Network Services, Inc., MCImetro Access Transmission Services, LLC, Metropolitan Fiber Systems of St. Louis, Inc., and Teleconnect Long Distance Services & Systems Co. shall jointly file quarterly status reports with the Commission beginning September 1, 2002, and quarterly thereafter until and including a final report after the bankruptcy is closed. These reports shall describe the current status of the bankruptcy and shall address the impact of the bankruptcy on Missouri customers and upon other telephone corporations providing service in Missouri.

8. That the Commission's Staff and the Office of the Public Counsel may file responses, in their discretion, within 20 days after each such status report is filed.

9. That the Commission's Staff shall, and the Office of the Public Counsel may, within 60 days after the final status report is filed by WorldCom, Inc., and its subsidiaries, file a pleading advising the Commission of recommendations, if any, for proposed Commission procedures in future telephone corporation bankruptcies. The Staff and the Office of the Public Counsel may also file such a pleading at any time during this case.

10. That this order shall become effective on August 25, 2002.

BY THE COMMISSION

A handwritten signature in black ink, reading "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

(S E A L)

Simmons, Ch., Murray, Lumpe,
Gaw, and Forbis, CC., concur.

Thompson, Deputy Chief Regulatory Law Judge

