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Policy

Donald G. Price Rebuttal Testimony

WorldCom TO-2001-467 FILED³

AUG 1 6 2001

Service Commission

WORLDCOM

- CASE NO. T0-2001-467

REBUTTTAL TESTIMONY

OF

DONALD G. PRICE

Exhibit No. Date <u>9/24/0/</u> Case No. <u>70</u>-8 Reporter Kem

BEFORE THE PUBLIC SERVICE COMMISSION



OF THE STATE OF MISSOURI

AUG 2 0 2001

l∀lissouri Public ∋er**vice Commissi**on

Service Commis
In the Matter of the Investigation of the State of Competition in the Exchanges of Southwestern Case No. TO-2001-467 Bell Telephone Company
AFFIDAVIT OF DONALD G. PRICE
STATE OF TEXAS) SS COUNTY OF TRAVIS)
I, Donald G. Price, of lawful age, being duly sworn, depose and state:
 My name of Donald G, Price. I am Senior Regional Manager – Competition Policy for WorldCom.
2. Attached hereto and made a part hereof for all purposes is my rebuttal testimon
 I hereby swear and affirm that my answers contained in the attached testimony tot the questions therein propounded are true and correct to the best of my knowledge and belief.
Donald G. Price
Subscribed and sworn to before me on this

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Investigation of the State of Competition in the Exchanges of Southwestern Case No. TO-2001-467 Bell Telephone Company
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1 2 3 4 5 6 7		CASE NO. TO-2001-467 WORLDCOM REBUTTAL TESTIMONY OF DONALD G. PRICE
8	I.	Introduction
9	Q.	Please state your name, title and business address.
10		My name is Donald G. Price. 1 am a Senior Regional Manager, Competition
11		Policy at WorldCom. My business address is 701 Brazos, Suite 600, Austin,
12		Texas 78701.
13	Q.	Please describe your background and professional experience.
14	A.	Provided as Attachment 1 to this testimony is a schedule setting forth my
15		academic and professional credentials and a list of proceedings in which I've
16		provided testimony.
17	Q.	What is the purpose of your testimony?
18	A.	The purpose of my testimony is to show that the services of Southwestern Bell
19		Telephone Company ("SWBT") are not subject to effective competition under
20		section 392.245 of the Revised Statutes of Missouri . The Commission must
21		conclude that the reclassification of SWBT's services do not even meet the
22		minimum statutory criteria and therefore should be denied.
23		
24	п.	SWBT's services should not be reclassified because they do not meet the
25		pertinent statutory criteria.

1	Q.	Under what conditions can the PSC determine that a service may be
2		reclassified as competitive?
3	A.	The PSC may classify an incumbent local exchange carrier's services as
4		competitive in a given exchange if one or more competitor (i.e. a CLEC) has been
5		providing service in that exchange for five years and if the ILEC's services are
6		subject to "effective competition" as defined by the statute. That statutory
7		definition of "effective competition is:
8		"Effective competition" shall be determined by the commission based on:
9		(a) The extent to which services are available from alternative providers in the
10		relevant market;
11		(b) The extent to which the services of alternative providers are functionally
12		equivalent or substitutable at comparable rates, terms and conditions;
13	-	(c) The extent to which the purposes and policies of chapter 392, RSMo,
14		including the reasonableness of rates, as set out in section 392.185, RSMo,
15		are being advanced;
16		(d) Existing economic or regulatory barriers to entry; and
17		(e) Any other factors deemed relevant by the commission and necessary to
18		implement the purposes and policies of chapter 392.
19		
20	Q	What are the benefits to SWBT of having its services reclassified as
21		competitive?
22	A.	Upon classification of a service to the competitive category, RSMo Section
23		392.245.5, requires that essentially all rate setting oversight of the reclassified

service be eliminated. The statute specifically states: "If the commission determines that effective competition exists in the exchange, the local exchange telecommunications company may thereafter adjust its rates for such competitive services upward or downward as it determines appropriate in its competitive environment."

Reclassifying SWBT's services as competitive would permit SWBT to strategically and selectively reduce prices for services in any instance where it perceives a competitive threat and raise rates in other instances where no competitive threat is perceived. In addition, it would permit SWBT to discriminate against competitors that depend upon it for access to network elements.

- Q. Does the statute establish safeguards in the event SWBT's services are determined to be competitive?
- 15 A. The statute does require the commission to examine the state of competition at
 16 least every five years. The ILEC, such as SWBT, would be come under price cap
 17 regulation if the commission were to find that "effective competition" no longer
 18 exists.

- Q. Aren't these safeguards sufficient to protect against discriminatory pricing or discriminatory provisioning by SWBT?
- I believe that the safeguards are sufficient to protect the public interest against anticompetitive and discriminatory practices only if the services so classified are

competitive to begin with. In circumstances where a service is wrongly or prematurely reclassified as competitive and where SWBT retains market power over the pricing or provisioning of services and network elements, the safeguards (actually, an after-the-fact reversion to the status quo, which is price cap regulation) are not sufficient to prevent harm to the public, competitors and the competitive process.

A.

8 Q. Is WorldCom opposed to SWBT gaining this level of deregulation over its 9 provision of services under all circumstances?

No. There is nothing inherently wrong with SWBT gaining the pricing flexibility to which it is entitled under the statute once SWBT's services are, in fact, subject to "effective competition."

The current conditions in Missouri are such that there are varying degrees of competition existing in certain niche markets in limited geographic areas of the state, and new entrants remain highly dependent on SWBT's network to provide service in those niche markets and limited geographic areas. This last point requires elaboration. Specifically, SWBT functions in a dual role as both a retail service provider and as a provider of network facilities upon which competitors are highly dependent. As a result, SWBT has ample opportunities at present to discriminate against its competitors in favor of its retail offerings. Providing SWBT with retail pricing flexibility without its first having demonstrated that its markets are opened is contrary to the intent of the statute and harmful to the public interest.

2 III. The information provided by SWBT does not support its proposal to 3 reclassify its services as competitive on a statewide basis.

- What information does SWBT provide in support of its proposal to reclassify
 as competitive its services offered throughout the state?
- A. SWBT provides various pieces of information in support of its reclassification proposal. This "evidence" consists of identifying the number of facilities based CLECs, the amount and location of their facilities, access lines lost to facilities based carriers and the services tariffed by those entities. SWBT also provides the location of resellers and the number of access lines sold to resellers.
- Q. Does the evidence provided by SWBT support its claim that its services are competitive throughout the state?
 - A. No. While the data on certificated CLECs, CLEC tariffs, CLEC networks and access lines lost to CLECs is interesting, at most it indicates the extent to which competitors are attempting to enter the market—not whether any of SWBT's services in any geographic location is competitive. Of course, the presence of competitors is a necessary condition for competition to exist, but that fact alone is not sufficient to determine that effective competition actually exists for any service or in any geographic area. Similarly, while arguments related to the ease of entry may provide some indication of future potential competition, they do not provide direct evidence that any particular service in any particular geographic

area is currently competitive. Further, the magnitude of the economic barrier to providing geographically wide-spread, facilities-based competition to SWBT cannot be ignored. According to SWBT's most recent ARMIS report to the FCC, its loop investment in Missouri totals \$3 Billion. A CLEC seeking to provide a competitive alternative to SWBT in all its market segments would have to expend at least that amount to completely eliminate dependence on SWBT's facilities. (And the CLEC could not hope to earn anywhere near the return on such an investment that SWBT enjoys.) Simply because a CLEC is certificated in the state, has a tariff on file with the Commission or operates certain facilities in the state does not mean that the market for all services throughout the state are competitive as SWBT would have the Commission believe.

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IV. The "presence" of CLECs in the Missouri markets does not currently offer an effective constraint against SWBT's market power.

- 16 Q. Is it true even for those CLECs that have a presence of some kind in some of
 17 the markets in the state; that these CLECs face difficulties which prevent
 18 their presence from acting as a check on SWBT's market power?
- Yes. Even when CLECs have a presence in portions of the market, they face certain difficulties in competing against SWBT. For example, CLECs face a difficult financial environment where the combination of their inability to generate sufficient cash is compounded by the sudden negative turn of the financial markets causing external funding to be unavailable as well. Second,

CLECs with a limited market presence face difficulties in leveraging existing customer relationships to cross sell additional services, expand geographically, and develop and market new services. Third, CLECs that are already in the market face difficulties in delivering services either using their own networks in part and using SWBT's network in part. Using their own networks limits the geographic scope of their offerings and denies them the economies of scale that characterize the industry. On the other hand, relying on SWBT's network presents its own array of problems: uneconomic UNE prices, discriminatory and restricted access to UNEs, and circuit provision problems are common examples.

You mentioned that the dire financial health of the CLEC sector inhibits the

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Q.

A.

ability of CLECs to further build their networks and to sustain any competitive challenge to SWBT's dominant market position. Please explain. CLECs are facing a difficult financial environment and many struggle for survival. Share prices in this sector have fallen by 90% or more, debt quality ratings have plummeted and external funding sources have evaporated. In addition, many CLECs including Covad, e.spire, Rhythms, Teligent and Winstar have been or are about to be delisted from the public security exchanges. Others have received "going concern" warnings from their auditors conveying that the auditors have substantial doubt that the companies will survive. Many CLECs including Rhythms, have lost key senior managers through firings or resignations. Moreover, many CLECs have resorted to massive layoffs including Adelphia Business Solutions, Covad, 1CG, Northpoint, CoreComm and Teligent. Winstar,

Northpoint, ICG, e.spire, Rhythms, Covad, Teligent and several others have already filed for relief from creditors claims under Chapter 11 of the Bankruptcy Code.¹ But for the purchase by WorldCom, Intermedia, would have been a casualty as well.

The degree to which CLECs can continue to present competitive alternatives in SWBT's serving area in the future is questionable.² Certainly, solvency issues related to many of SWBT's potential competitors will hamper their ability to acquire additional customers and to maintain those already acquired. Also, the ability of facilities based CLECs to continue to build out their networks is severely limited by the inability to generate sufficient cash internally or to raise additional external financing.³ For all of these reasons, the Commission should recognize that the future ability of smaller CLECs to compete against SWBT is hampered by the financial difficulties characterizing the sector.

¹ Covad, ICG, Northpoint, CoreCom, and Rhythms may not be certificated in Missouri. It is, however, noteworthy that the financial problems of the CLEC industry are widespread and not endemic to Missouri.

² Indeed, the Texas Public Utilities Commission has acknowledged this issue and has convened a workshop to study the implications of having financially strapped CLECs in the market. See *Proceeding Relating to Service and Transition Issues when Telecommunications Carriers File for Bankruptcy Protection*, Project 23948.

³ Even after raising an additional equity infusion from Forstmann Little & Company, XO Communications announced that it would reduce its planned capital expenditures by over \$2.0 billion over the next five years. XO Communications tries to kick the debt habit, Red Herring, April 27, 2001. As another example of capital expenditure cutbacks, Winstar, at the time of its latest layoff announcement, stated that it would halt its network expansion. CLEC Meltdown Seems Worse as Layoffs, Cutbacks Continue, Telecommunications Reports, April 9, 2001. More generally, USB Warburg has recently concluded that telecommunications carriers will reduce their expenditures on network equipment by about 7% throughout 2002 and Moody's Investors Service identified the telecommunications sector as leading the way in corporate bond defaults.

Q. Does the mere existence of a customer relationship indicates the presence of competitors?

A.

No. While it is true that large IXCs have relationships with most business customers, they should only be considered as present in the local exchange services market if they can rapidly provide local service. It is true that the existence of a relationship between a carrier and a customer provides a basis for the carrier to sell additional services to that customer. It is however, quite a leap from that generally agreed-to fact to suggest that the existence of a customer relationship provides much assistance in entering geographically adjacent markets or in leveraging the existing relationship between a carrier and an existing customer to another customer of a different type or size.

The problems typically encountered by competitive companies in efforts to expand product lines, to expand geographically and to cross-sell additional services to existing customers should not be understated. The problems experienced by CLECs generally will likely be experienced by IXCs seeking to enter the local exchange market. Consequently, the degree of inter-company rivalry among IXCs in the market for services sold to multi-line business customers and the amount of competitive choices available to those consumers is questionable at best.

Q. SWBT provides information on the location and size of CLECs' networks in the state as evidence of their market presence. Please comment on this information.

Competitive entrants can and do self-provision network facilities and also purchase them from SWBT and from other providers. In fact, I believe that new entrants generally prefer to own their own network facilities as a means to control the rollout of technology, develop and offer new services and to control the customer relationship. Of course, even in a normal economic climate, the construction of local facilities is constrained by time, lack of additional capital and lack of economies of scale. Consequently, CLECs depend heavily on SWBT's network even under more normal circumstances. The existence of the prevailing capital-constrained economic climate, as previously discussed, increases CLECs' already heavy reliance on SWBT's network.

For these and other reasons, WorldCom and other carriers depend significantly on the network facilities of other carriers, including SWBT, to provide service to its multi-line business customers. For example, most CLECs, including WorldCom, order loops to connect business customers to their fiber rings. CLECs also generally order interoffice facilities and interconnection trunks as well as special access circuits from SWBT to route and manage the traffic of their customers. SWBT's provisioning of these circuits has recently deteriorated and is harmful to competition -- and more importantly, harmful to the Missouri customers WorldCom serves by reliance on SWBT's circuits.

A.

Q. In addition to relying on its own network facilities, a CLEC can purchase
UNEs from SWBT to facilitate its entry and competitive efforts in the State.

Please comment.

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SWBT's ability to charge UNE rates that are above economic cost and its ability to discriminate against its competitors are indicative of SWBT's market power and its ability to use such power to limit local entry. The costs faced by new entrants play a large role in how much competition will come to any state. The prices that SWBT is permitted to charge CLECs for UNEs represent a significant cost for new entrants. In particular, pricing UNEs above economic cost reduces an entrant's ability to extend the reach of its network and at the same time renders uneconomic the delivery of services to certain customers. Clearly, the higher the price for UNEs, the less likely it is that CLEC will purchase them from SWBT, or the fewer the number of customers that can profitably be served. Consequently, cost-based UNE rates are critical to rational entry decisions and to the spread of competition across the state and for a wide variety of customers. To the extent that UNE rates are not just and reasonable, they serve to deter entry, and the spread of competitive alternatives once the initial entry has been achieved. On those grounds, SWBT's services should not be designated as competitive.

Q. Aside from the uneconomic pricing of UNEs, does discriminatory access to
UNEs and their combinations have a separate deleterious effect on
competitive entry and the spread of competition once initial entry has been
achieved?

A.

Yes. For example, SWBT's UNE-P offering contains statewide restrictions on the availability of UNE-P for customers where a central office has four or more collocators present. M2A, Attachment UNE-MO, Section 14.3.3. In addition, SWBT imposes usage restriction on the use of its EEL offering. Specifically, SWBT proposed that EELs involving DS1 and DS3 circuits would be restricted to uses for the CLEC's own end user customers, unless the CLEC agrees to combine the elements comprising the EEL itself. M2A, Attachment UNE-MO, Section 14.7.1. These and other limitations associated with the use of SWBT's UNEs and UNE combinations surely impact the degree of competition in SWBT's service area.

To the extent that the use of UNEs or their combinations are restricted, the restrictions reduce the incentive for CLECs to build in precisely the same way that overpricing UNEs does. The restrictions increase the cost of extending the reach of a CLEC network by making it more difficult to use the UNEs or their combinations.

For CLECs attempting to serve these customers where they are located beyond the CLECs' network footprints, Commission approved restrictions reduces a CLEC's opportunity to fill its network -- with the effect that the

CLEC's risk is increased as it contemplates additional network investment. As such, these restrictions reduce rather than enhance the CLECs incentive to build.

In addition, restrictions on the use of leased UNEs or discriminatory access to UNEs confines the ability of competitive alternatives to spread geographically to other parts of the state. Clearly, if UNEs or UNE combinations are unnecessarily restricted in the use to which they can be put, the volume of traffic flowing onto the CLEC's network is diminished and with it the economies of scale that are associated with traffic volumes. The loss of economies of scale raises the average unit cost of service and in the face of capital construction constraints such as currently exists, limits the growth of CLEC networks and the ability of competition to spread across the state.

For example, by restricting the use of EELs, CLECs' ability to enjoy economies of scale is reduced and unit costs are increased from two perspectives. By requiring a CLEC to find an alternative means -- presumably, SWBT access service -- of terminating access traffic to the customer, SWBT imposes additional costs on a CLEC's provision of local service to the affected customer. As a result, CLECs would find investment in additional facilities relatively more risky.

Finally, the SWBT EEL restrictions would markedly reduce a CLEC's ability to realize economies of scope from its provision of local service through EELs. By placing restrictions on the traffic carried by EELs, SWBT eliminates a source of revenue to CLECs using the EEL to augment their entry strategy and their local networks. Clearly, this restriction represents a SWBT attempt to shield its access revenue from competitive pressure. More importantly, the restriction

would reduce the ability and the incentives for CLECs to build additional facilities for local service. By reducing CLECs' ability to realize economies of scope, SWBT restricts the availability of revenues to recover the sunk costs associated with additional investment, thereby deterring the investment.

V. The potential for competitors to enter the market cannot be expected to offer effective constraints against SWBT's exercise of market power.

A.

10 Q. SWBT witness Aron discusses the ease of market entry. Do you have any comments?

Yes. This section of the Aron's testimony is designed to support SWBT's contention that its services are subject to effective competition. Aron points out for example, that if there are low barriers to entry and there are close substitutes for the services in question, customers could shift their demand to substitute services in response to a price increase by the ILEC. According to SWBT, under these circumstances, the incumbent would have no ability to charge prices above competitive levels. In a similar vein, Aron argues that the mere availability of UNE-P eliminates all potential for market power that it may have in the retail markets

As a result of the above-referenced restrictions and other SWBT-imposed restrictions on UNEs and UNE-P, competitors are simply unable to offer substitutes for the services in question in sufficient quantities or over a

sufficiently large geographical area to constrain SWBT's use of market power in its pricing decisions. This fact indicates that the existence of UNE-P is not an effective check on SWBT's market power, notwithstanding SWBT's assertions to the contrary. For these reasons, SWBT's services should not be reclassified as competitive.

VI. Conclusion

Α.

9 Q. Please summarize your testimony.

In this testimony, I discuss whether SWBT's services should be reclassified as competitive. SWBT fails to satisfy the statutory criteria set forth to guide such service reclassification in RSMo, particularly whether SWBT's services are subject to "effective competition." The Commission should take into account direct indications of competition including the pricing behavior of SWBT and other measures of SWBT's market power such as market share calculations.

The failure of SWBT's service reclassification proposal to satisfy the pertinent statutory criteria is the direct result of SWBT's failure to implement measures to promote local competition. Accordingly, the Commission cannot reclassify any of SWBT's services as competitive.

Q. Does this conclude your testimony?

22 A. Yes, it does.

DON PRICE ACADEMIC AND PROFESSIONAL QUALIFICATIONS, AND TESTIMONY PRESENTED BEFORE REGULATORY UTILITY COMMISSIONS

Academic Background:

My academic background is in the social sciences. I received my Bachelor of Arts degree in Sociology from the University of Texas at Arlington May of 1977 and was awarded a Master of Arts degree in Sociology by the University of Texas at Arlington in December, 1978.

Professional Qualifications:

From January, 1979 until October, 1983, I was employed by the Southwest telephone operating company of GTE where I held several positions of increasing responsibility in Economic Planning. In those positions I became acquainted with such local exchange telephone company functions as the workings and design of the local exchange network, the network planning process, the operation of a business office, and the design and operation of large billing systems.

From November 1983 until October 1986, was employed by the Public Utility Commission of Texas. I provided analysis and expert testimony on a variety of rate design issues including setting of rates for switched and special access services, MTS (toll), WATS, EAS, and local and general exchange services. In 1986 I was promoted to Manager of Rates and Tariffs, and was directly responsible for staff analyses of rate design and tariff issues in all telecommunications proceedings before the Texas Commission.

I have been with WorldCom (formerly MCI WorldCom, and MCI Telecommunications Corporation prior to the merger) for over fourteen years, during which time all of my experience has been in the regulatory and public policy arena. In my present position as Senior Regional Manager, Competition Policy, I have broad responsibilities in developing and coordinating WorldCom's regulatory and public policy initiatives for the western portion of the company's domestic operations. Those responsibilities require that I work closely on a day-to-day basis with WorldCom's regulatory teams in both the state and federal arenas, as well as with all of the Company's business units.

While with WorldCom, I have appeared as a panelist before various professional and trade associations and public seminars, including the Texas Society of CPAs, the University of Texas Department of Electrical and Computer Engineering Telecommunications Conference, the Alabama Telephone Association, the Arkansas Telephone Association, and the National Association of Regulatory Utility Attorneys.

I have testified before a number of commissions, including the Federal Communications Commission, the Public Service Commission of Arkansas, the California Public Utilities Commission, the Public Service Commission of Florida, the Georgia Public Service Commission, the Kansas Corporation Commission, the Public Service Commission of Kentucky, the Louisiana Public Service Commission, the Missouri Public Service Commission, the North Carolina Utilities Commission, the Corporation Commission of the State of Oklahoma, the Public Service Commission of South Carolina, the Tennessee Regulatory Authority, and the Public Utility Commission of Texas. A list of those

proceedings in which I have furnished testimony is provided below.

Testimony Presented:

FCC

CC Docket No. 00-4: In the Matter of Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-Region, InterLATA Services in Texas

Arkansas

Docket No. 91-051-U: IN RE IMPLEMENTATION OF TITLE IV OF THE AMERICANS WITH DISABILITIES ACT OF 1990

Docket No. 92-079-R: IN THE MATTER OF A PROCEEDING FOR THE DEVELOPMENT OF RULES AND POLICIES CONCERNING OPERATOR SERVICE PROVIDERS

Arizona

Docket No. T-00000A-97-238: IN THE MATTER OF U S WEST COMMUNICATIONS, INC.'S COMPLIANCE WITH SECTION 271 OF THE TELECOMMUNICATIONS ACT OF 1996

California

Application 01-01-010: Application by Pacific Bell Telephone Company (U 1001 C) for Arbitration of an Interconnection Agreement with MCImetro Access Transmission Services, L.L.C. (U 5253 C) Pursuant to Section 252(b) of the Telecommunications Act of 1996

<u>Florida</u>

Docket No. 941272-TL: IN RE: SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY'S PETITION FOR APPROVAL OF NUMBERING PLAN AREA RELIEF FOR 305 AREA CODE

Florida (continued)

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- Docket No.950696-TP: IN RE: DETERMINATION OF FUNDING FOR UNIVERSAL SERVICE AND CARRIER OF LAST RESORT RESPONSIBILITIES.
- Docket No. 950737-TP: IN RE: INVESTIGATION INTO TEMPORARY LOCAL TELEPHONE NUMBER PORTABILITY SOLUTION TO IMPLEMENT COMPETITION IN LOCAL EXCHANGE TELEPHONE MARKETS.
- Docket No. 950984-TP: IN RE: RESOLUTION OF PETITION(S) TO ESTABLISH NON-DISCRIMINATORY RATES, TERMS, AND CONDITIONS FOR RESALE INVOLVING LOCAL EXCHANGE COMPANIES AND ALTERNATIVE LOCAL EXCHANGE COMPANIES PURSUANT TO SECTION 364.162, FLORIDA STATUTES.
- Docket No. 950985-TP: IN RE: RESOLUTION OF PETITION(S) TO ESTABLISH NON-DISCRIMINATORY RATES, TERMS, AND CONDITIONS FOR INTERCONNECTION INVOLVING LOCAL EXCHANGE COMPANIES AND ALTERNATIVE LOCAL EXCHANGE COMPANIES PURSUANT TO SECTION 364.162, FLORIDA STATUTES.
- Docket No. 000649-TP: IN RE: PETITION OF MCIMETRO ACCESS TRANSMISSION SERVICES, LLC AND MCI WORLDCOM COMMUNICATIONS, INC. FOR ARBITRATION OF CERTAIN TERMS AND CONDITIONS OF PROPOSED AGREEMENT WITH BELLSOUTH TELECOMMUNICATIONS, INC. CONCERNING INTERCONNECTION AND RESALE UNDER THE TELECOMMUNICATIONS ACT OF 1996.

Georgia

- Docket No. 5548-U: IN RE: INVESTIGATION INTO THE FUNDING OF UNIVERSAL SERVICE.
- Docket No. 6537-U: IN THE MATTER OF: MCIMETRO PETITION TO ESTABLISH NONDISCRIMINATORY RATES, TERMS AND CONDITIONS FOR UNBUNDLING AND RESALE OF LOCAL LOOPS.

Georgia (continued)

Docket No. 11901-U: IN RE: PETITION OF MCIMETRO ACCESS TRANSMISSION SERVICES, LLC AND MCI WORLDCOM COMMUNICATIONS, INC. FOR ARBITRATION OF CERTAIN TERMS AND CONDITIONS OF PROPOSED AGREEMENT WITH BELLSOUTH TELECOMMUNICATIONS, INC. CONCERNING INTERCONNECTION AND RESALE UNDER THE TELECOMMUNICATIONS ACT OF 1996.

Kansas

Docket No. 190,492-U: IN THE MATTER OF A GENERAL INVESTIGATION INTO COMPETITION WITHIN THE TELECOMMUNICATIONS INDUSTRY IN THE STATE OF KANSAS

Louisiana

- Docket No. U-17957: IN RE: INVESTIGATION OF OPERATING PRACTICES OF ALTERNATIVE OPERATOR SERVICES PROVIDERS TO INCLUDE RATES AND CHARGES.
- Docket No. U-19806: IN RE: PETITION OF AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, INC., FOR REDUCED REGULATION OF INTRASTATE OPERATIONS.
- Docket No. U-20237: IN RE: OBJECTIONS TO THE FILING OF REDUCED WATS SAVER SERVICE RATES, INTRALATA, STATE OF LOUISIANA.
- Docket No. U-20710: IN RE: GENERIC HEARING TO CLARIFY THE PRICING/IMPUTATION STANDARD SET FORTH IN COMMISSION ORDER NO. U- 17949-N ON A PROSPECTIVE BASIS ONLY, AS THE STANDARD RELATES TO LEC COMPETITIVE TOLL OFFERINGS.
- Docket No. U-20883: IN RE: THE DEVELOPMENT OF RULES AND REGULATIONS APPLICABLE TO THE ENTRY AND OPERATIONS OF, AND THE PROVIDING OF SERVICES BY, COMPETITIVE AND ALTERNATE ACCESS PROVIDERS IN THE LOCAL, INTRASTATE AND/OR INTEREXCHANGE TELECOMMUNICATIONS MARKET IN LOUISIANA, SUBDOCKET A: UNIVERSAL SERVICE.

Louisiana (continued)

Docket No. U-25350: IN RE: PETITION OF MCIMETRO ACCESS TRANSMISSION SERVICES, LLC FOR ARBITRATION OF CERTAIN TERMS AND CONDITIONS OF PROPOSED AGREEMENT WITH BELLSOUTH TELECOMMUNICATIONS, INC. CONCERNING INTERCONNECTION AND RESALE UNDER THE TELECOMMUNICATIONS ACT OF 1996.

<u>Missouri</u>

- Case No. TO-87-42: IN THE MATTER OF SOUTHWESTERN BELL TELEPHONE COMPANY FILING ACCESS SERVICES TARIFF REVISIONS AND WIDE AREA TELECOMMUNICATIONS SERVICE (WATS) TARIFF, INDEX, 6th REVISED SHEET, ORIGINAL SHEET 16.01.
- Case No. TO-95-289, ET AL: IN THE MATTER OF AN INVESTIGATION INTO THE EXHAUSTION OF TELEPHONE NUMBERS IN THE 314 NUMBERING PLAN AREA.
- Case No. TC-2000-225, et al.: MCI WorldCom Communications, Inc., Brooks Fiber Communications of Missouri, Inc., BroadSpan Communications, Inc., d/b/a Primary Network Communications, Inc., Complainants, vs. Southwestern Bell Telephone Company, Respondent.

North Carolina

- Docket No. P-100, SUB 119: IN THE MATTER OF: ASSIGNMENT OF NII DIALING CODES.
- Docket No. P-141, SUB 29: IN THE MATTER OF: PETITION OF MCI TELECOMMUNICATIONS CORPORATION FOR ARBITRATION OF INTERCONNECTION WITH BELLSOUTH TELECOMMUNICATIONS, INC.
- Docket No. P-474, SUB 10: IN RE: PETITION OF MCIMETRO ACCESS TRANSMISSION SERVICES, LLC FOR ARBITRATION OF CERTAIN TERMS AND CONDITIONS OF PROPOSED AGREEMENT WITH BELLSOUTH TELECOMMUNICATIONS, INC. CONCERNING INTERCONNECTION AND RESALE UNDER THE TELECOMMUNICATIONS ACT OF 1996.

Oklahoma

- Consolidated Dockets PUD NO. 000237: IN THE MATTER OF THE APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY FOR AN ORDER APPROVING PROPOSED CHANGES AND ADDITIONS IN APPLICANTS' WIDE AREA TELECOMMUNICATIONS SERVICE PLAN TARIFF; and,
- PUD NO. 000254: IN THE MATTER OF THE APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY FOR AN ORDER APPROVING PROPOSED ADDITIONS AND CHANGES IN APPLICANTS' ACCESS SERVICE TARIFF AND WIDE AREA TELECOMMUNICATIONS SERVICE PLAN TARIFF
- Consolidated Dockets PUD NO.920001335: IN THE MATTER OF THE APPLICATION OF THE OKLAHOMA RURAL TELEPHONE COALITION, GTE SOUTHWEST, INC., ALLTEL OKLAHOMA, INC., AND OKLAHOMA ALLTEL, INC. FOR AN ORDER ADOPTING THE OKLAHOMA ALTERNATIVE SETTLEMENT PLAN; and
- PUD NO.920001213: IN THE MATTER OF THE APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY FOR AN ORDER IMPLEMENTING TERMINATING ACCESS CHARGES IN LIEU OF INTRALATA TOLL AND SURCHARGE POOLS; and
- PUD NO.940000051: IN RE: INQUIRY OF THE OKLAHOMA CORPORATION COMMISSION REGARDING WHETHER THE INTRALATA TOLL POOL AND SURCHARGE POOL SHOULD CONTINUE TO EXIST IN THE STATE OF OKLAHOMA

South Carolina

Docket No. 92-606-C: IN RE: N11 SERVICE CODES.

Tennessee

- Docket No.93-07799: IN RE: SHOW CAUSE PROCEEDING AGAINST CERTIFIED IXCS AND LECS TO PROVIDE TOLL FREE, COUNTY-WIDE CALLING.
- Docket No.93-08793: IN RE: APPLICATION OF MCI METRO ACCESS TRANSMISSION SERVICES, INC. FOR AUTHORITY TO OFFER LOCAL EXCHANGE SERVICES WITHIN TENNESSEE.
- Docket No.94-00184: INQUIRY FOR TELECOMMUNICATIONS RULEMAKING REGARDING COMPETITION IN THE LOCAL EXCHANGE.

Tennessee (continued)

- Docket No.95-02499: UNIVERSAL SERVICE PROCEEDING, PART 1 COST OF UNIVERSAL SERVICE AND CURRENT SOURCES OF UNIVERSAL SERVICE SUPPORT, AND PART 2 ALTERNATIVE UNIVERSAL SERVICE SUPPORT MECHANISMS.
- Docket No. 00-00309: PETITION OF MCIMETRO ACCESS SERVICES, LLC AND BROOKS FIBER COMMUNICATIONS OF TENNESSEE, INC. FOR ARBITRATION UNDER THE TELECOMMUNICATIONS ACT OF 1996

Texas

- Docket 4992: APPLICATION OF GENERAL TELEPHONE COMPANY OF THE SOUTHWEST FOR A RATE/TARIFF REVISION.
- Docket 5113: PETITION OF PUBLIC UTILITY COMMISSION FOR AN INQUIRY CONCERNING THE EFFECTS OF THE MODIFIED FINAL JUDGMENT AND THE ACCESS CHARGE ORDER UPON SW BELL AND THE INDEPENDENT TELEPHONE COMPANIES OF TEXAS (Phase II).
- Docket 5610: APPLICATION OF GENERAL TELEPHONE COMPANY OF THE SOUTHWEST FOR A RATE INCREASE.
- Docket 5800: APPLICATION OF AT&T COMMUNICATIONS FOR AUTHORITY TO IMPLEMENT "REACH OUT TEXAS."
- Docket 5898; APPLICATION OF SAN ANGELO FOR REMOVAL OF THE EXTENDED AREA SERVICE CHARGE FROM GENERAL TELEPHONE COMPANY OF THE SOUTHWEST'S RATES IN SAN ANGELO, TEXAS.
- Docket 5926: APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY TO ESTABLISH FEATURE GROUP "E" (FGE) ACCESS SERVICE FOR RADIO AND CELLULAR COMMON CARRIERS.
- Docket 5954: INQUIRY OF THE PUBLIC UTILITY COMMISSION OF TEXAS INTO OFFERING EXTENDED AREA SERVICE IN THE CITY OF ROCKWALL.
- Docket 6095: APPLICATION OF AT&T COMMUNICATION FOR A RATE INCREASE.

Texas (continued)

- Docket 6200: PETITION OF SOUTHWESTERN BELL TELEPHONE COMPANY FOR AUTHORITY TO CHANGE RATES.
- Docket 6264: PETITION OF THE GENERAL COUNSEL FOR INITIATION OF AN EVIDENTIARY PROCEEDING TO ESTABLISH TELECOMMUNICATIONS SUBMARKETS.
- Docket 6501: APPLICATION OF VALLEY VIEW TELEPHONE COMPANY FOR AN AMENDMENT TO CERTIFICATE OF CONVENIENCE AND NECESSITY.
- Docket 6635: APPLICATION OF MUSTANG TELEPHONE COMPANY FOR AUTHORITY TO CHANGE RATES.
- Docket 6740: APPLICATION OF SOUTHWEST TEXAS TELEPHONE COMPANY FOR RATE INCREASE.
- Docket 6935: APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY TO INTRODUCE MICROLINK II- PACKET SWITCHING DIGITAL SERVICE.
- Docket 8730: INQUIRY OF THE GENERAL COUNSEL INTO THE MEET-POINT BILLING PRACTICES OF GTE SOUTHWEST, INC.
- Docket 8218: INQUIRY OF THE GENERAL COUNSEL INTO THE WATS PRORATE CREDIT.
- Docket 8585: INQUIRY OF THE GENERAL COUNSEL INTO THE REASONABLENESS OF THE RATES AND SERVICES OF SOUTHWESTERN BELL TELEPHONE COMPANY.
- Docket 10127: APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY TO REVISE SECTION 2 OF ITS INTRASTATE ACCESS SERVICE TARIFF.
- Docket 11441: PETITIONS OF INFODIAL, INC., AND OTHERS FOR ASSIGNMENT OF ABBREVIATED NII DIALING CODES.
- Docket 11840: JOINT PETITION OF SOUTHWESTERN BELL TELEPHONE COMPANY AND GTE SOUTHWEST, INC. TO PROVIDE EXTENDED AREA SERVICE TO CERTAIN COMMUNITIES IN THE LOWER RIO GRANDE VALLEY.

Texas (continued)

- Docket 14447: PETITION OF MCI TELECOMMUNICATIONS CORPORATION FOR AN INVESTIGATION OF THE PRACTICES OF SOUTHWESTERN BELL TELEPHONE COMPANY REGARDING THE EXHAUSTION OF TELEPHONE NUMBERS IN THE 214 NUMBERING PLAN AREA AND REQUEST FOR A CEASE AND DESIST ORDER AGAINST SOUTHWESTERN BELL TELEPHONE COMPANY.
- Dockets 14940 and 14943: APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY FOR INTERIM NUMBER PORTABILITY PURSUANT TO '3.455 OF THE PUBLIC UTILITY REGULATORY ACT; AND APPLICATION OF GTE SOUTHWEST, INC. AND CONTEL OF TEXAS, INC. FOR INTERIM NUMBER PORTABILITY PURSUANT TO '3.455 OF THE PUBLIC UTILITY REGULATORY ACT.
- Docket 16251: INVESTIGATION OF SOUTHWESTERN BELL TELEPHONE COMPANY'S ENTRY INTO THE INTERLATA TELECOMMUNICATIONS MARKET.
- Docket 16285: PETITION OF MCI TELECOMMUNICATIONS CORPORATION AND ITS AFFILIATE MCIMETRO ACCESS TRANSMISSION SERVICES, INC. FOR ARBITRATION AND REQUEST FOR MEDIATION UNDER THE FEDERAL TELECOMMUNICATIONS ACT OF 1996.
- Docket 18117: COMPLAINT OF MCI TELECOMMUNICATIONS CORPORATION AND MCIMETRO ACCESS TRANSMISSION SERVICE, INC. AGAINST SWBT FOR VIOLATION OF COMMISSION ORDER IN DOCKET NOS. 16285 AND 17587 REGARDING PROVISIONING OF UNBUNDLED DEDICATED TRANSPORT.
- Docket 19075: PETITION OF MCI TELECOMMUNICATIONS CORPORATION FOR ARBITRATION OF DIRECTORY ASSISTANCE LISTINGS ISSUES UNDER FEDERAL TELECOMMUNICATIONS ACT OF 1996.
- Docket 21706: COMPLAINT OF MFS COMMUNICATIONS COMPANY, INC. AGAINST GTE SOUTHWEST, INCORPORATED REGARDING GTE'S NONPAYMENT OF RECIPROCAL COMPENSATION
- Docket 21791: PETITION OF SOUTHWESTERN BELL TELEPHONE COMPANY FOR ARBITRATION WITH MCI WORLDCOM COMMUNICATIONS, INC. PURSUANT TO SECTION 252(B)(1) OF THE FEDERAL TELECOMMUNICATIONS ACT OF 1996.

Texas (continued)

Docket 21982: PROCEEDING TO EXAMINE RECIPROCAL COMPENSATION PURSUANT TO SECTION 252 OF THE FEDERAL TELECOMMUNICATIONS ACT OF 1996.

Washington

Docket No. UT-003022: IN THE MATTER OF THE INVESTIGATION INTO U S WEST COMMUNICATIONS, INC.'S COMPLIANCE WITH SECTION 271 OF THE TELECOMMUNICATIONS ACT OF 1996