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Missouri Public Service Commission

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Missouri Public Service Commission

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December 17, 2001

ROBERT J. QUINN, JR. Executive Director WESS A. HENDERSON Director, Utility Operations ROBERT SCHALLENBERG Director, Utility Services DONNA M. PRENGER Director, Administration DALE HARDY ROBERTS Secretary/Chief Regulatory Law Judge

> DANA K. JOYCE General Counsel

Mr. Dale Hardy Roberts Secretary/Chief Regulatory Law Judge Missouri Public Service Commission P. O. Box 360 Jefferson City, MO 65102

RE: Case No. TO-2002-185

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of the SUPPLEMENTAL BRIEF OF STAFF.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Wm K Hoos

William K. Haas Deputy General Counsel (573) 751-7510 (573) 751-9285 (Fax)

WKH:sw Enclosure cc: Counsel of Record

Informed Consumers, Quality Utility Services, and a Dedicated Organization for Missourians in the 21st Century

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

DEC 1 7 2001

FILFD³

Missouri Public Service Commission

In the Matter of the Application of Southwestern Bell Telephone Company to Transfer Property and Ownership of Stock Pursuant to Section 392.300 RSMo.

Case No. TO-2002-185

SUPPLEMENTAL BRIEF OF STAFF

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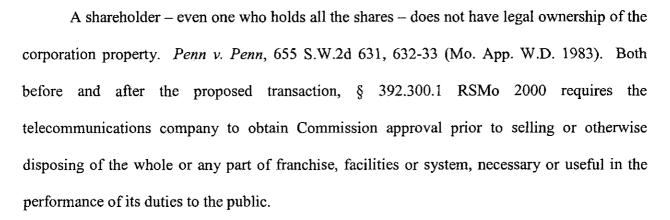
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COMES NOW the Staff of the Missouri Public Service Commission and for its supplemental brief states:

On December 13, 2001, the Commission issued an Order Granting Intervention And Directing Filing which directs the parties to brief three questions.

1. Whether there is any different oversight over SBC's ability to sell or otherwise dispose of the assets of SWBT the Missouri corporation compared to its ability to sell or otherwise dispose of the assets of SWBT as a Texas limited partnership?

No. Southwestern Bell Telephone Company (SWBT) is currently a wholly-owned subsidiary of SBC Communications, Inc. (SBC). (Joint Application, p. 1). Following the proposed transaction, SBC would be the ultimate parent of both Southwestern Bell Texas Holdings, Inc. and SWBT Texas, L.L.C. Southwestern Bell Texas Holdings, Inc. and SWBT Texas, L.L.C. Southwestern Bell Texas Holdings, Inc. and SWBT Texas, L.L.C. Southwestern Bell Texas Holdings, Inc. and SWBT Texas, L.L.C. Southwestern Bell Texas Holdings, Inc. and SWBT Texas, L.L.C. Southwestern Bell Texas Holdings, Inc. and SWBT Texas, L.L.C. Southwestern Bell Texas Holdings, Inc. and SWBT Texas, L.L.C. Would be the limited partner and the general partner, respectively, in the regulated telecommunications company, Southwestern Bell Telephone, L.P., d/b/a Southwestern Bell Telephone Company. (Joint Application, pp. 2-3).



2. Whether there is any different oversight over the ability of SWBT the Missouri corporation to sell or otherwise dispose of its assets compared to the ability of SWBT as a Texas limited partnership to sell or otherwise of its assets?

No. As noted, § 392.300.1 RSMo requires the telecommunications company to obtain prior approval before selling or otherwise disposing of the described assets. Section 386.020(51) RSMo 2000, which defines "telecommunications company," recognizes that a telecommunications company may be a corporation, a partnership, or other business entity.

3. Whether there is any different oversight over SBC's ability to sell or otherwise dispose of SWBT the Missouri corporation compared to its ability to sell or otherwise dispose of SWBT as a Texas limited partnership?

Yes. Section 392.300.2 RSMo 2000, which requires Commission approval for a stock corporation to purchase more than ten percent of the total capital stock issued by a telecommunications company organized or existing under or by virtue of the laws of this state, would not be applicable to Southwestern Bell Telephone, L.P., a foreign partnership.

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Respectfully submitted,

DANA K. JOYCE General Counsel

Wm K Haa

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 17th day of December, 2001.

Wm K Haas

Service List for Case No. TO-2002-185 Revised: December 17, 2001 (SW)

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