

1. The subject matter of this verified Application is confined to certain assets located in St. Louis, Missouri. These assets consist of the One AT&T Center located at 900 Chestnut Street in the St. Louis central business district, bounded by Chestnut, Pine, 9<sup>th</sup> and 10<sup>th</sup> Streets. (the “Facilities”). It is a 42 story building consisting of approximately 1.2 Million Square feet. There are approximately 4295 employees in the Facilities, comprised primarily of employees performing functions for various subsidiaries of AT&T, Inc., AT&T Missouri’s parent company, including information technology and finance support. Additionally, a significant portion of the employees in the Facilities are employees of AT&T, Inc.’s yellow pages subsidiary. Of the total employee base in the Facilities, only twenty-four are AT&T Missouri employees. A description

of the assets being sold in contained in the Purchase and Sale Agreement attached hereto as Appendix 1.

2. The nature of the transfer is a fee simple transfer of the Facilities to an affiliate of Inland Real Estate Acquisitions, Inc. (the "Purchaser"), and the simultaneous execution of a lease whereby AT&T Services, Inc., an affiliate of AT&T Missouri, will leaseback the Facilities for 10 years and nine months, with the ability to renew the lease for up to 20 additional years.

Appendix 1 to this Application is a copy of the Purchase and Sale Agreement between AT&T Missouri and Purchaser under which the assets which are the subject of this Application will be transferred from AT&T Missouri to Purchaser.

3. The purpose of the transaction is to sell the Facilities while the real estate market and financial conditions are favorable. AT&T Missouri has determined that the optimum time to maximize the real estate value of the Facilities is in 2006. The price received for the sale of the Facilities is subject to interest rate fluctuations, and could potentially decrease if interest rates were to rise in 2007. In addition, a rise in interest rates could potentially cause the rental rates in the lease to increase. The Purchaser has advised that it has secured financing through the end of 2006 for the purchase of the Facilities. If the transaction occurs in 2007, the Purchaser may incur additional financing charges. Accordingly, AT&T Missouri respectfully requests the Commission to approve the transaction on an expedited basis, but no later than December 15, 2006. AT&T Missouri requests that any intervention period be similarly expedited.

4. The Purchase and Sale Agreement is subject to a condition that the parties enter into a lease agreement under which AT&T Missouri and other affiliates currently occupying the building will continue under a long term lease. After the transfer is completed, AT&T Services, Inc., an affiliate of AT&T Missouri, will retain all aspects of day-to-day control over the

operation of the building as the lessee under the lease agreement. The twenty-four AT&T Missouri employees currently occupying the building will continue to do so pursuant to an affiliate transaction arrangement between AT&T Missouri and AT&T Services, Inc. To the extent that the building is being used to provision and/or support the provisioning and maintenance of any intrastate regulated services, it will continue to do so under the terms of the lease agreement with Purchaser.

## **II. AT&T MISSOURI MEETS THE REQUIREMENTS OF SECTION 392.300 RSMO 2000**

5. Southwestern Bell Telephone L.P., which does business in Missouri as AT&T Missouri, is a Texas limited partnership,<sup>1</sup> duly authorized to conduct business in Missouri,<sup>2</sup> with its principal Missouri office located at One AT&T Center, St. Louis, Missouri 63101. AT&T Missouri's fictitious name is duly registered with the Missouri Secretary of State.<sup>3</sup>

6. AT&T Missouri is a "local exchange telecommunications company" and a "public utility" and is duly authorized to and does provide "telecommunications service" within the State of Missouri, as each of those terms is defined in §386.020 RSMo. 2000.<sup>4</sup>

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<sup>1</sup> See, 4 CSR 240-2.060(1)(A), (D), (G). AT&T Missouri filed a copy of its Limited Partnership Agreement with the Commission on October 12, 2001. See, 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, October 12, 2001.

<sup>2</sup> See, 4 CSR 240-2.060(1)(C) (G). Though subsection (1)(C) of the rule is directed to "a foreign corporation," AT&T Missouri filed on January 7, 2002 a certificate from the Missouri Secretary of State Certifying that Southwestern Bell Telephone L.P. is a foreign limited partnership that is duly authorized to transact business in the State of Missouri with the Commission. See, 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, January 7, 2002.

<sup>3</sup> See, 4 CSR 240-2.060(1)(E) (G). AT&T Missouri filed a copy of the registration of its fictitious name "AT&T Missouri" with the Commission on December 7, 2005. See, In the Matter of the Application of Southwestern Bell Telephone, L.P., d/b/a AT&T Missouri for Review and Reversal of the North American Number Plan Administrator's Decision to Withhold Numbering Resources, Case No. TO-2006-0247, December 7, 2005.

<sup>4</sup> See, 4 CSR 240-2.060(1)(H).

7. All correspondence, pleadings, orders, decisions and communications in this matter should be sent to:

Paul G. Lane  
Leo J. Bub  
Robert J. Gryzmala  
Attorneys for AT&T Missouri  
One AT&T Center, Room 3520  
St. Louis, Missouri 63101

8. AT&T Missouri does not have any pending actions or final unsatisfied judgments or judgments against it from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of this Application.<sup>5</sup>

9. AT&T Missouri does not have any annual report or assessment fees that are overdue in Missouri.<sup>6</sup>

10. No franchises, permits, operating rights or certificates of convenience or necessity are involved in the proposed transfer. AT&T Missouri is not seeking authority to transfer any assets or equipment (including switches, cables, etc.) it currently uses to directly provide telecommunications services in Missouri.

11. This Application is verified by Cynthia J. Brinkley, President-AT&T Missouri.

12. AT&T Missouri's proposed transfer of the assets described herein and referenced in the sale contract attached hereto as Appendix 1<sup>7</sup> will not be detrimental to the public interest.<sup>8</sup>

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<sup>5</sup> See, 4 CSR 240-2.060(1)(K).

<sup>6</sup> See, 4 CSR 240-2.060(1)(L).

<sup>7</sup> See, 4 CSR 240-3.520(2)(A), (B).

<sup>8</sup> See 4 CSR 240-3.520(2)(D). See also, State of Missouri ex rel. Fee Fee Trunk Sewer, Inc. v. Litz, 596 S.W. 2d 466, 468 (Mo. App. W.D. 1980) ("The Commission may not withhold its approval of the disposition of assets unless it can be shown that such disposition is detrimental to the public interest.").

As described above, only a small number of employees working in the Facilities are actually employees of AT&T Missouri. In addition, an affiliate of AT&T Missouri will retain all aspects of day-to-day control over the operation and maintenance of the assets used to provision and/or support the provisioning and maintenance of these regulated services under the terms of the lease agreement with Purchaser. Any work performed at the building in support of regulated intrastate telecommunications services in Missouri will continue to be performed after closing of the Purchase and Sale Agreement.

13. The transfer of assets which is the subject of this Application will have no impact on any retail rates charged by AT&T Missouri and will be transparent to AT&T Missouri retail customers in Missouri. AT&T Missouri's intrastate regulated telecommunications services have been declared competitive in exchanges serving the vast majority of AT&T Missouri's business and residential customers in Missouri. In exchanges not yet declared competitive, AT&T Missouri is subject to price cap regulation pursuant to 392.245 RSMo 2000. In all exchanges, the completion of the Purchase and Sale Agreement will have no impact on prices charged for Missouri intrastate regulated telecommunications services. In the event that AT&T Missouri becomes subject to rate of return regulation in the future, AT&T Missouri agrees that approval of the asset transfer would not constitute a binding determination of the Commission on any cost of service issue.

14. Purchaser is not subject to the jurisdiction of the Commission under Chapter 392, and will not be subject to Commission jurisdiction after the transfer of assets described herein is completed.<sup>9</sup>

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<sup>9</sup> See, 4 CSR 240-3.520(2)(E).

15. This transfer will not have a material negative impact on the tax revenues of any political subdivision of Missouri.<sup>10</sup>

### **III. REQUEST FOR EXPEDITED TREATMENT.**

16. As noted above, AT&T Missouri respectfully requests issuance of the Commission's Order by not later than December 15, 2006.<sup>11</sup> The price received for the sale of the Facilities is subject to interest rate fluctuations, and could potentially decrease if interest rates were to rise in 2007. The purchaser has advised AT&T Missouri that its financing has been secured through the end of 2006 and that additional financing charges could be incurred if the transaction is not closed by the end of the year. AT&T Missouri has made the sale of the Facilities contingent upon the negotiation of a beneficial leaseback of the Facilities by an affiliate of AT&T Missouri, so that this pleading could be filed as soon as possible. Negotiations for the lease will be concurrent with the Commission's review of this application.

WHEREFORE, AT&T Missouri respectfully requests that the Commission issue an expedited Order granting the Application.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE, L.P.,  
D/B/A AT&T MISSOURI

BY: 

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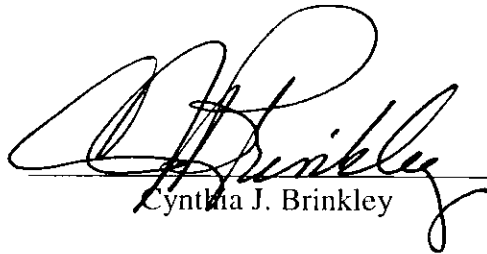
<sup>10</sup> See, 4 CSR 240-3.520(2)(F).

<sup>11</sup> See, 4 CSR 240-2.080(16).

**SWORN AFFIDAVIT AND VERIFICATION  
OF CYNTHIA J. BRINKLEY**

I, Cynthia J. Brinkley, being first duly sworn upon my oath, hereby state, pursuant to 4 CSR 240.2.060(1)(M) and 4 CSR 240.3.520(2)(C), that I am authorized to submit this verification on behalf of Southwestern Bell Telephone, L.P., that Southwestern Bell Telephone, L.P. is authorized to enter into the transaction which is the subject of this Application, and that, based upon my knowledge, information and belief, the statements made in the Application are true and correct.

Further affiant sayeth not.

  
Cynthia J. Brinkley

STATE OF MISSOURI     )  
                                  )     SS  
CITY OF ST. LOUIS     )

I, Maryann Purcell, a Notary Public do hereby certify that on this 6th day of November, 2006, personally appeared before me Cynthia J. Brinkley who declared that all of the information contained herein above is true, to the best of her knowledge and belief.

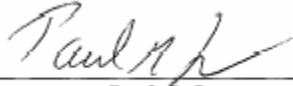
  
Notary Public

My Commission Expires: January 5, 2008

**MARYANN PURCELL  
Notary Public - Notary Seal  
STATE OF MISSOURI  
City of St. Louis  
My Commission Expires: Jan. 5, 2008**

**CERTIFICATE OF SERVICE**

Copies of this document were served on the following parties by email on November 8, 2006.



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Paul G. Lane

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