

1.4. At the time SWBT, Sprint, Verizon and Spectra received a determination by the Commission that they were subject to price cap regulation, please describe the nature and extent of the competition existing at the time of such designation/determination. For example, please indicate the size of the large ILEC, both by number of access lines served and gross intrastate revenues, versus the number of lines served and gross intrastate revenues for the competitor(s). Please indicate the number of Missouri exchanges served by the large ILEC and the number of exchanges in which the competitor was providing basic local telecommunication service as defined by Staff. Please indicate the manner in which the competitor was providing service (i.e. resale, facilities based etc.).

Answer: As previously stated, SWBT based its price cap status on Dial US, Sprint based its price cap status on ExOp, GTE based its price cap status on Mark Twain, as did Spectra. As also previously stated, Staff analyzed Dial US and ExOp, and in the case of Spectra, we also analyzed Mark Twain. No analysis of GTE was conducted. In those instances where an analysis was conducted, no further analysis was conducted of further competition, other than that previously mentioned.

Whatever analysis that was done of Dial US was described in the testimony of Voight in Case No. TO-99-397, and is a matter of public record. To the best of knowledge and belief, the Dial US analysis was centered on the Springfield exchange of SWBT. The analysis of Sprint was centered in the Sprint exchange of Kearney. Additionally, Staff's report of Sprint competition also mentions competition by C-LEC Green Hills in Sprint's Norborne exchange. The analysis of Spectra was centered on the exchanges of Ewing, LaBelle, and Lewistown. The nature of the competition (whether facilities, resale, or UNEs) has been described beginning at page 19, line 1 of Voight direct testimony in the instant case. This was the only analysis of the "nature and extent" of the competition of competitors.

For BPS's research convenience, the size of large I-LECs is available from public documents, such as page 48 of the PSC's 2002 Annual Report, or the Missouri Telecommunications Industry Association's member directory. The staff does not analyze such information in regards to price cap election of large I-LECs and therefore, it is not possessed by the Staff. Likewise, the staff did not investigate annual revenues for the same reason, therefore does not possess such information.

The number of Missouri exchanges served by large I-LECs is likewise available from public documents, such as the MTIA's exchange boundary map, or from relevant local exchange tariffs. Similarly, exchanges served by C-LECs is available from each carrier's relevant tariff which, as with I-LECs, are publicly available documents. As with access lines and revenues of large I-LECs, the Staff considers such information irrelevant to the granting of price cap regulation; consequently, it has never been analyzed in that context.

Exhibit No. 12
Case No(s) TO-2003-0012
Date 2/7/03 Rptr SKM