

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

In the Matter of an Investigation into the Effects)
Of the Bankruptcy of Telecommunications Carriers) Case No. TW-2003-0063
In the State of Missouri)

**QUARTERLY STATUS REPORT
OF WORLDCOM, INC., AND ITS U.S. SUBSIDIARIES**

WorldCom, Inc., and its United States subsidiaries¹ that are authorized to provide telecommunications service in the state of Missouri (collectively WCom) file their joint quarterly status report as required by the Order Establishing Case of the Missouri Public Service Commission (Commission) in the above styled and numbered docket.

I. Current Status of Bankruptcy Case

Since its June 2003 report to the Commission, MCI has undergone some significant developments that keep it on target to emerge from bankruptcy during September. On July 7, 2003, MCI gained approval from U.S. District Court Judge Jed S. Rakoff for a revised settlement of \$750 million in cash and stock to investors that resolves civil fraud charges by the Securities and Exchange Commission (SEC) against WorldCom, Inc. "The proposed settlement is not only fair and reasonable but as good an outcome as anyone could reasonably expect in these difficult circumstances," wrote Judge Rakoff. Judge Rakoff praised MCI's efforts and progress towards being a model of corporate governance for other companies to

¹ The WCom subsidiaries certificated to provide telecommunications service in Missouri are 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. and Metropolitan Fiber Systems of Kansas City, Missouri, Inc.

follow: "The Court is aware of no large company accused of fraud that has so rapidly and so completely divorced itself from the misdeeds of the immediate past and undertaken such extraordinary steps to prevent such misdeeds in the future." The Judge also said he wasn't swayed by arguments from AT&T and Verizon that it would be "unfair" that MCI may emerge from bankruptcy with less of a debt load than its competitors. "Any suggestion that companies as large and well-positioned as Verizon and AT&T will not be able to compete effectively with the new WorldCom/MCI lacks credence," the judge wrote.

During early July MCI also submitted to the U.S. Bankruptcy Court the Supplement to Disclosure Statement (filed July 3, 2003) and new revised exhibits to the Supplement (filed July 7, 2003). The Supplement, together with the revised exhibits, included a description of the amended settlement with the SEC, a proposed settlement with a group of financial institutions that would resolve pending litigation, and the revised projected financial information supporting the plan of reorganization. MCI cut its 2003-2005 revenue projections primarily in the company's consumer and small business segments, reflecting intense pricing competition fueled by new entries of unlimited bundles, aggressive new DSL offerings and rapid adoption of national Do Not Call legislation. "While we have been meeting our plan, we believe these adjustments better reflect the changing market conditions," said MCI Chief Financial Officer Bob Blakely.

The Supplement, further revised in MCI's August 18, 2003, filing, included MCI's plan to consolidate numerous CLEC subsidiaries in order to reduce expenses and to reduce confusion in its interactions with regulators, municipalities, vendors and customers. It noted that MCImetro Access Transmission Services, LLC,

operating as MCI, and currently certificated in Missouri, will survive the reorganization and will continue providing competitively priced, quality telecommunications service to end users. End users receiving local service from an entity other than MCI will be notified of the migration and will continue to receive service under the same rates, terms, and conditions as they currently enjoy. Tariffs of subsidiaries that will be merged or dissolved pursuant to the Plan of Reorganization will be incorporated into existing or new tariffs of the surviving entities. MCI is committed to ensuring that this process is a seamless transition for customers.

II. Impact on Customers

WorldCom's bankruptcy filing has not affected MCI's provision of quality and competitive telecommunications service. MCI appreciates the opportunity to continue serving Missouri consumers with quality and competitive telecommunications service and assures the Commission that the reorganization resulting from WorldCom's Chapter 11 bankruptcy will not be customer-impacting.

III. Conclusion

MCI is available to respond to any Commission questions or request for information. For the Commission's information, MCI attaches, as Exhibit A, a chart explaining the mergers and/or dissolutions impacting Missouri certificated CLECs that will occur as a result of the reorganization² and also attaches, as Exhibit B, selected bankruptcy filings for the quarter. All filings are available by clicking on the appropriate label at the following website:

<http://www.elawforworldcom.com/Welcome.htm>.

² Telecommunications providers not listed are unaffected by the reorganization.

Respectfully submitted,

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and Teleconnect Long Distance Services & Systems Co.

Certificate of Service

A true and correct copy of the foregoing was served upon the parties identified on the attached service list on this 2nd day of September, 2003, by placing same in the U.S. Mail, postage paid.

/s/ Carl J. Lumley

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EXHIBIT A

Companies Providing Telecommunications Service in Missouri Affected by Reorganization Plan

Company Name	Plan No.	Treatment under Plan	Corporate Transaction
Metropolitan Fiber Systems of Kansas City, Missouri, Inc.	99	Liquidate	All agreements will be assigned, and all executory contracts and unexpired leases (including without limitation, executory contracts and unexpired leases listed on Schedule G, filed in November 2002) will be assumed and assigned to MCImetro Access Transmission services, LLC, and this entity will then be liquidated/ dissolved
Metropolitan Fiber Systems of St. Louis, Inc.	118	Merge/ dissolve	To be merged into MFS Telecom, Inc., which then be merged into MCImetro Access Transmission Services, LLC
Brooks Fiber Communications of Missouri, Inc.	17	Merge/ dissolve	To be merged into Brooks Fiber Properties, Inc., which will then be merged into MCImetro Access Transmission Services, LLC

EXHIBIT B