

EXHIBIT

Exhibit No.:

Issue(s)

Status of Competition for Basic Local
and Associated Services

Witness/Type of Exhibit: Meisenheimer/Surrebuttal

Sponsoring Party:

Public Counsel

Case No.:

IO-2003-0281

FILED

AUG 06 2003

SURREBUTTAL TESTIMONY

Missouri Public
Service Commission

OF

BARBARA A. MEISENHEIMER

Submitted on Behalf of the Office of the Public Counsel

SPRINT MISSOURI, INC.

Case No. IO-2003-0281

July 7, 2003

Exhibit No. 10
Case No(s) IO-2003-0281
Date 7-14-03 Rptr TL

**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) Case No. IO-2003-0281
Sprint Missouri, Inc.)

AFFIDAVIT OF BARBARA A. MEISENHEIMER

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Barbara A. Meisenheimer, of lawful age and being first duly sworn, deposes and states:


1. My name is Barbara A. Meisenheimer. I am Chief Utility Economist for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony consisting of pages 1 and 2.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.



Barbara A. Meisenheimer

Subscribed and sworn to me this 7th day of July, 2003.

KATHLEEN HARRISON
Notary Public - State of Missouri
County of Cole
My Commission Expires Jan. 31, 2006



Kathleen Harrison
Notary Public

My Commission expires January 31, 2006.

SURREBUTTAL TESTIMONY
OF
BARABARA A. MEISENHEIMER

SPRINT MISSOURI, INC.

CASE NO. IO-2003-0281

1 **Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.**

2 A. Barbara A. Meisenheimer, Public Utility Economist, Office of the Public Counsel, P. O. Box 7800,
3 Jefferson City, Missouri 65102. I am also employed as an adjunct Economics Instructor for
4 William Woods University.

5 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?**

6 A. Yes. I filed rebuttal testimony on June 10, 2003.

7 **Q. ON PAGE 3 OF HIS REBUTTAL TESTIMONY, STAFF WITNESS ADAM**
8 **MCKINNIE PROVIDES A LIST OF CRITERIA TO JUDGE IF SERVICES ARE**
9 **SUBSTITUTIBLE. HE THEN USES THIS LIST TO CONCLUDE THAT EXOP**
10 **OFFERS A SUBSTITUTE FOR SPRINT'S BASIC LOCAL SERVICE IN THE**
11 **KEARNEY EXCHANGE, GREEN HILLS OFFERS A SUBSTITUTE IN THE**
12 **NORBORNE EXCHANGE AND FIDELITY OFFERS A SUBSTITUTE IN THE**
13 **ROLLA EXCHANGE. DOES THE EXISTENCE OF A SUBSTITUTE ENSURE**
14 **EFFECTIVE COMPETITION?**

15 A. No. Simply because one or more substitutes exist for a product or service does not mean that the
16 market characteristics are sufficient to ensure the market will be effectively competitive. Mr.
17 McKinnie's analysis is incomplete and inconclusive. He seems to focus more on the minimal
18 criteria for meeting the requirements for price cap regulation as opposed to evaluating criteria
19 sufficient to demonstrate effective competition that is the requirement for a competitive

1 classification under Section 392.245, RSMo. The analysis completely ignores commonly used
2 economic tools available for evaluating market concentration as well as the likelihood that barriers
3 to effective competition exist, all as I discussed in my rebuttal testimony.

4 **Q. STAFF SUPPORTS A COMPETITIVE CLASSIFICATION FOR TOLL SERVICE.**

5 **DO YOU AGREE WITH STAFF'S POSITION?**

6 A. OPC does not oppose a competitive classification for toll services that are sold on a per minute
7 basis. However, we oppose a competitive classification of any flat rate, unlimited use calling plans.

8 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

9 A. Yes, it does.