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1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION
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6 TRANSCRIPT OF PROCEEDINGS

7 Prehearing Conference
8 December 16, 2005
9 Jefferson City, Missouri
10 Volume 1

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12 Application of Sprint)
13 Nextel Corporation for)
14 Approval of the Transfer)
15 of Control of Sprint)
16 Missouri, Inc., Sprint) Case No. IO-2006-0086
17 Long Distance, Inc. and)
18 Sprint Payphone Services,)
19 Inc. from Sprint Nextel)
20 Corporation to LTD)
21 Holding Company)

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21 MORRIS M. WOODRUFF, Presiding,
22 SENIOR REGULATORY LAW JUDGE

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1 P R O C E E D I N G S

2 JUDGE WOODRUFF: Good afternoon,
3 everyone, and welcome to the prehearing case
4 conference in Case No. IO-2006-0086, which concerns
5 the application of Sprint Nextel Corporation for
6 Approval of the Transfer of Control of Sprint
7 Missouri, Inc., Sprint Long Distance, Inc. and Sprint
8 Payphone Services, Inc. from Sprint Nextel
9 Corporation to LTD Holding Company.

10 We're going to start out today by taking
11 entries of appearance, beginning with Sprint Nextel.

12 MR. LEOPOLD: Your Honor, Brett Leopold
13 appearing for Sprint Nextel Corporation and the LTD
14 Holding Company. I'm located at 6450 Sprint Parkway,
15 Overland Park, Kansas 66251.

16 JUDGE WOODRUFF: Now, I understood
17 you're representing both Sprint and LTD?

18 MR. LEOPOLD: And LTD Holding Company.

19 JUDGE WOODRUFF: Does LTD Holding
20 Company actually exist at this point, or does it come
21 into existence later?

22 MR. LEOPOLD: It exists as a corporate
23 entity, but it has no assets or really operations.
24 At this point it's the holding company that will be
25 the future holding company for the new local company

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1 and was made a party subject to a staff motion in, I
2 think, October.

3 JUDGE WOODRUFF: Yes. Thank you, Mr.
4 Leopold. For Communication Workers of America.

5 MR. GARCIA: Yes. Thank you. Alberto
6 Garcia for Communication Workers of America, 1330
7 North Alamo Street, San Antonio, Texas 78215.

8 JUDGE WOODRUFF: Thank you, sir. For
9 staff.

10 MR. MEYER: David Meyer on behalf of the
11 staff for the Public Service Commission. Our address
12 is P.O. Box 360, Jefferson City, Missouri 65102.

13 JUDGE WOODRUFF: Thank you. For Public
14 Counsel.

15 MR. DANDINO: Michael Dandino, Office of
16 the Public Counsel, Post Office Box 2230, Jefferson
17 City, Missouri 65102, representing the Office of
18 Public Counsel and the public.

19 JUDGE WOODRUFF: Thank you, Mr. Dandino.
20 I believe that's all the parties. The purpose of
21 this conference, of course, is mainly to give you-all
22 a chance to talk it over and see if you can come up
23 with any sort of agreements. Certainly at the
24 minimum, we're looking for an agreement on how the
25 Commission should proceed, or how you want to

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1 recommend the Commission proceed.

2 Are there any matters that anyone wants
3 to bring up while we're on the record?

4 MR. MEYER: I think just as a
5 preliminary question, I think we're all aware of the
6 Commission's upcoming calendar. Do you have a sense
7 of how open the Commission is right now, having
8 blocked, I guess, five solid weeks for a rate case to
9 the idea of perhaps having two proceedings at the
10 same time over the course of those five weeks?

11 JUDGE WOODRUFF: That's a possibility.
12 The Commissioners tend to not like doing that, but we
13 have done it in the past and under dire
14 circumstances. Let me ask the parties, what kind of
15 time frame are we looking at here?

16 MR. LEOPOLD: We -- counsel met earlier
17 in the week, and we had tentatively agreed on a
18 proposed schedule and thought we might even -- might
19 not even need to go off the record.

20 However, because of some momentum in
21 developments and negotiating a stipulation between
22 the Office of Public Counsel, Sprint and staff,
23 Sprint at least may want a more expedited schedule in
24 light of the potential for a hearing on a stipulation
25 as opposed to a -- an evidentiary proceeding.

1 But at least from Sprint's perspective,
2 we'd like to have the case heard regardless in the
3 month of January.

4 JUDGE WOODRUFF: Okay. And as you're
5 already aware, there is that rate case that's --

6 MR. MEYER: Correct.

7 JUDGE WOODRUFF: -- taking up a lot of
8 space in January and February, which hopefully won't
9 all be needed, but we never know for sure with rate
10 cases, so...

11 MR. MEYER: As I understand it, there's
12 supposed to be a filing, I think, next week with
13 lists of issues as well as dates of those issues
14 being tried, so perhaps that may offer some more
15 clarification.

16 JUDGE WOODRUFF: That may help some,
17 yes. Okay. Well, is Communication Workers of
18 America involved in these negotiations also?

19 MR. GARCIA: Yes. Yes, your Honor. And
20 just to comment on what was just said, I understand
21 that Sprint would like to have a more expedited
22 schedule. I'm more concerned with having the
23 Commission set a hearing date, then work our way back
24 and set some dates prior to that hearing date
25 obviously.

1 January, to me, to sort of get this
2 resolved by January is a little fast. CWA would be
3 willing to attempt to stipulate to some issues, but
4 without knowing what the Commission, what their
5 timeline and calendar is like, then I guess it's hard
6 to agree to anything at this point.

7 JUDGE WOODRUFF: Okay.

8 MR. LEOPOLD: I think if we could have a
9 few minutes to discuss amongst the parties off the
10 record, we may be able to come up with a proposal to
11 discuss with you, your Honor, and go from there.

12 MR. MEYER: And depending upon where our
13 immediate short-term discussion goes on that, we may
14 have some further questions for you if you would be
15 available.

16 JUDGE WOODRUFF: I will be here all
17 afternoon, yes. Well, what we'll do then is go off
18 the record. We'll ask the court reporter to stay and
19 we'll go back on the record when you're ready,
20 assuming we're talking minutes here and not hours.

21 MR. MEYER: I expect it's minutes, not
22 hours.

23 MR. LEOPOLD: Yes.

24 JUDGE WOODRUFF: All right. With that,
25 then, we're off the record.

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1 (DISCUSSION HELD OFF THE RECORD.)

2 JUDGE WOODRUFF: Well, we're back on the
3 record then, and I understand that you've had some
4 discussions while I was upstairs. Who would like to
5 make a report?

6 MR. LEOPOLD: Your Honor, Brett Leopold
7 for Sprint. The parties did have a discussion of a
8 potential schedule, and this is what we're prepared
9 to propose.

10 Thursday, January 5th, would be the
11 deadline for the filing of prefiled -- prefiled
12 evidentiary materials. And the reason I'm vague
13 about that is it would largely be a date for prefiled
14 testimony to be filed in response to the filings on
15 December 6th and 8th in this proceeding, which were
16 responsive to or rebutting the staff recommendation
17 that preceded that.

18 In addition to those responsive filings,
19 OPC filed its original comments of December 8th in
20 the form of comments and may convert that
21 substantively to an affidavit or prefiled testimony
22 format for purposes of fully supplementing the
23 record. But in essence, what will be contemplated on
24 that date is responsive testimony or affidavits to
25 those filings of early December.

1 The next date we had was a issues list
2 to be submitted by Tuesday, January 17th. Statements
3 of position on the issues and a witness list by
4 Monday, January 23rd, and a hearing on Monday,
5 January 30th and Tuesday, January 31st. And we would
6 also propose oral argument in lieu of post-hearing
7 brief at the conclusion of that hearing.

8 MR. MEYER: And I know that those dates
9 at least at this time are blocked off for Acquila, so
10 I would, I guess, note that that would be sort of our
11 proposal in the double-booking alternative and also
12 not knowing how Acquila's structure will be playing
13 out at that stage.

14 JUDGE WOODRUFF: Yeah. And that's, of
15 course, the problem that I'm gonna have on it. To
16 double-book it, I'll need to talk with the
17 Commission, which I can hopefully do at one of the
18 agenda next week.

19 MR. LEOPOLD: I guess based on what we
20 had seen in the schedule, the first dates that we --
21 we were aware of that we knew to be opened were
22 February 16th and 17th --

23 JUDGE WOODRUFF: That's correct.

24 MR. LEOPOLD: -- which would be our
25 alternative fallback date. I would also note that

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1 this is trying to contemplate both a potential
2 contested-case evidentiary hearing, as well as what
3 could possibly be an on-the-record presentation or
4 something else on a stipulation.

5 At least for Sprint's part, if a
6 stipulation were reached, we might well approach the
7 parties and the Commission to seek an earlier hearing
8 date or an alteration in the procedural schedule if
9 it looked like we could address the conclusion of the
10 case by squeezing in a half day or a day during
11 January where some gap might open in the Acquila
12 proceeding. But that would be for -- you know, we
13 would formally approach that at the appropriate time
14 if we thought it was necessary.

15 JUDGE WOODRUFF: Okay. Well, in looking
16 at the calendar here, January 30th is a problem
17 because it's already double-booked.

18 MR. MEYER: I only looked for single
19 booking. I didn't elaborate.

20 JUDGE WOODRUFF: There is an arbitration
21 hearing scheduled for that day also, which doesn't
22 require the presence of the Commissioners is why it
23 was already double-booked.

24 MR. MEYER: But they take place in these
25 rooms?

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1 JUDGE WOODRUFF: They would take place
2 in this room, yes.

3 MR. MEYER: So there's actually no
4 hearing room?

5 JUDGE WOODRUFF: There would be no
6 hearing room, assuming Acquila would actually be
7 going that day. That, however, ends on Monday the
8 30th, so the 31st and the 1st would be available.

9 MR. LEOPOLD: That would be acceptable
10 to Sprint.

11 JUDGE WOODRUFF: Anyone else have a
12 problem with doing that? It would be a Tuesday,
13 Wednesday.

14 MR. DANDINO: I can do that. That's
15 fine.

16 MR. GARCIA: CWA, my client might have
17 an issue with one of those days, but the February 1st
18 date looks open.

19 MR. MEYER: One of our witnesses seems
20 to have left the room, so I don't have a solid okay
21 on that answer.

22 JUDGE WOODRUFF: All right. Well,
23 assuming that's going to be available and before we
24 finalize this, we'll find out. But I was gonna
25 suggest that one of you file a motion on Monday

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1 setting this out so I have something to take to the
2 Commission, and I'll look at getting -- we're gonna
3 have agendas on Monday, Tuesday and Thursday of next
4 week, so there should be opportunities.

5 MR. LEOPOLD: On behalf of Sprint, I
6 would mention that there is great time urgency to the
7 completion of this case for us. It relates to the
8 very public-interest benefits that we set forth as
9 the rationale for the separation of the local
10 division that we included in our original
11 application.

12 And, you know, certainly we would
13 appreciate the Commission's continued effort in
14 expediting the processing of the case.

15 JUDGE WOODRUFF: Do you have a date
16 where you're planning on closing the transaction?

17 MR. LEOPOLD: The hope is that all the
18 regulatory approvals in all the states -- and this
19 has been the goal that we've been pursuing from the
20 outset, is that we have final orders and things
21 buttoned up from the state regulatory perspective no
22 later than April 1st.

23 In reality, because there are a variety
24 of things we have to do in terms of other filings and
25 name changes and transfer of customers, some of which

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1 really can't take place until after the state
2 regulatory approvals are received, some will be done
3 potentially in advance of that. Basically, the
4 sooner the better and the smoother it will be for us
5 in effecting a transparent separation, and it will be
6 a more positive experience both for the company, its
7 customers and the marketplace. And so that's our
8 thinking there.

9 JUDGE WOODRUFF: Okay. Mr. Meyer, who
10 are you waiting on?

11 MR. MEYER: Mr. Burns who seems to have
12 stepped out. We'll commit on his behalf. If for
13 some reason there's a problem, we'll note that on
14 Monday's filing.

15 JUDGE WOODRUFF: Well, probably if he
16 was available on the 31st before we could arrange a
17 schedule so he could testify on that day or
18 something.

19 All right. Is there anything else that
20 we need to do while we're on the record?

21 MR. GARCIA: Your Honor, there was
22 mention of an oral argument and no mention of post-
23 hearing briefs. Do you have comments or a preference
24 or the Commission's preference on that issue?

25 JUDGE WOODRUFF: I'm sorry. I didn't

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1 catch what you said.

2 MR. GARCIA: There was mention of having
3 oral argument in lieu of post-hearing briefs.

4 JUDGE WOODRUFF: Yes.

5 MR. GARCIA: Does this Commission have a
6 comment or do you have a comment on whether it's one
7 or the other?

8 JUDGE WOODRUFF: We have done that
9 before, and if that's the parties' preference, I'm
10 sure the Commission will be okay with it.

11 MR. GARCIA: I prefer closing briefs,
12 for the record, just to have that opportunity to file
13 something after the hearing. It's something that I
14 prefer.

15 JUDGE WOODRUFF: There's also the
16 possibility of prehearing briefs, which the
17 Commission frequently asks for in a lot of other
18 cases so that everybody has an idea of what the
19 testimony is gonna be beforehand, and I may wind up
20 ordering those as well.

21 MR. GARCIA: Okay.

22 JUDGE WOODRUFF: As far as I'm
23 concerned, the question of whether or not we need to
24 have post-hearing briefs is something that can be
25 decided at the end of the hearing.

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1 MR. GARCIA: Okay.

2 JUDGE WOODRUFF: If we do, it would have
3 to be something fairly quick, and we can expedite the
4 transcript as needed. So you-all can discuss that
5 amongst yourselves a little bit before Monday, but
6 I'll leave it at this point, and I'll expect a filing
7 from whoever wants to file it amongst the attorneys
8 here as to a proposed procedural schedule to be filed
9 on Monday.

10 All right. With that, then, we're off
11 the record. Thank you all very much for coming.

12 (WHEREUPON, the proceedings were
13 adjourned.)

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