

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

Application of Sprint Nextel Corporation) Case No. _____
for Approval of the Transfer of Control of)
Sprint Missouri, Inc., Sprint Long)
Distance, Inc. and Sprint Payphone)
Services, Inc. From Sprint Nextel)
Corporation to LTD Holding Company.)

TESTIMONY OF RICHARD D. LAWSON

ON

BEHALF OF

SPRINT NEXTEL CORPORATION

AUGUST 23, 2005

**Missouri State Executive Testimony
Spin Application**

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I. INTRODUCTION

Q. Please state your name and your business address.

A. My name is Richard Lawson. My business address is 319 Madison in Jefferson City, Missouri. The zip code is 65101.

Q. By whom are you employed and what is your position?

A. I am employed by Sprint Nextel Corporation. My title is State Executive for Kansas and Missouri.

Q. Please describe your educational background, work experience and present responsibilities.

A. I hold bachelor and master's degrees from East Tennessee State University. I have been employed by Sprint for more than thirty years. During this time I have held a number of management positions, including Staff Director-Federal Regulatory Matters at Sprint's World Headquarters and Director-Federal Regulatory Relations at Sprint offices in Washington, DC. In those positions, I helped develop and communicated Sprint's positions on a variety of issues before the Federal Communications Commission. In my current position, which I have held for almost twelve years, I manage Sprint's regulatory, legislative and public affairs activities in Kansas and Missouri.

1 **II. PURPOSE OF TESTIMONY**

2 **Q. What transaction is Sprint requesting the Commission to approve in this**
3 **proceeding?**

4 A. Sprint Nextel Corporation (“Sprint”) is separating its wireline local service
5 operations into an independent stand-alone company. To effectuate that
6 transaction, a new holding company, LTD Holding Company, has been created.
7 Sprint is seeking Commission approval for the transfer of control of Sprint
8 Missouri, Inc. and two other Sprint entities, Sprint Long Distance Inc. (hereafter
9 referred to as LTD Long Distance)¹ and Sprint Payphone Service, Inc. (SPSI), to a
10 new corporate parent, LTD Holding Company. The transaction will occur only
11 at the holding company level. The companies this Commission regulates, Sprint
12 Missouri, Inc., LTD Long Distance and SPSI, will continue to operate under their
13 current certificates subject to the same Commission regulatory oversight and
14 control. Other than a change in the company’s name and logo, which will occur
15 with the separation, the transaction will be transparent to customers; they will
16 continue to receive the same high quality service from the people they have dealt
17 with for years. Moreover, as is explained in detail later in my testimony, the
18 increased “local focus” of the company will provide additional opportunities to
19 provide an even better customer experience in the future.

20
21 **Q. What is the purpose of your testimony?**

22 A. The purpose of my testimony is to sponsor the Application. I will describe the
23 separation of Sprint’s local telecommunications business from the rest of Sprint

¹ Sprint Long Distance Inc. (hereinafter referred to as LTD Long Distance) filed its Application for Certificate of Authority and for Competitive Classification in Case No.LA-2006-0075 on August 10, 2005.

1 and how it results in the transfer of control to the LTD Holding Company. My
2 testimony will demonstrate that Sprint Missouri will continue to have the
3 technical and managerial capabilities to provide quality service after the
4 separation. I also will show that the separation will be transparent to (other than
5 the change in the company name and logo), and ultimately beneficial to the local
6 customers of Sprint Missouri.

7
8 **Q. Could you please describe the testimony of Sprint's other witnesses in this**
9 **proceeding?**

10 A. Mark Harper describes the financial capability of Sprint Missouri and the LTD
11 Holding Company and demonstrates that Sprint Missouri is financially capable of
12 continuing to deliver quality service following the separation. Kevin Collins of
13 Houlihan Lokey presents the results of his firm's analysis regarding the enterprise
14 value of the LTD Holding Company and demonstrates that the financial structure
15 and capabilities of the Holding Company and its subsidiaries are consistent with
16 the companies' current and future needs to invest in networks, systems and
17 employees to ensure they can continue to provide high quality service. Although
18 the testimony of all the witnesses, including mine, ultimately supports a finding
19 that the separation is not detrimental to the public interest, John Mayo provides an
20 independent evaluation of the proposed transaction and supports his findings that
21 it is in the public interest and it is natural and expected for corporations to seek to
22 organize themselves in an efficient and strategically focused manner.

23

1 **Q. What companies are you testifying on behalf of in this proceeding?**

2 A. My testimony is provided principally on behalf of the companies in Missouri that
3 will experience a change in control from Sprint to LTD Holding Company
4 effective upon completion of the separation: Sprint Missouri, LTD Long
5 Distance, and SPSI. Sprint Missouri, as you know, provides local exchange
6 services. LTD Long Distance is a company that was recently created to provide
7 long distance services to Sprint's local customers who today are served by Sprint
8 Communications Company L.P. As is explained in detail below, after the
9 separation those customers will be transferred to LTD Long Distance. SPSI
10 provides payphone services in a number of states, including Missouri. I also am
11 testifying on behalf of the LTD Holding Company, which will be the parent
12 company for Sprint Missouri, LTD Long Distance and SPSI after completion of
13 the separation.

14
15 **Q. What standard of review is applicable to the Commission's review and**
16 **approval of the separation of Sprint's incumbent local wireline operations?**

17 A. Section 392.300 RSMo. and 4 CSR 240-3.520 appear to be the source of
18 Commission authority to approve a transfer of control of telecommunications
19 facilities for the purpose of providing service to Missouri customers. In making
20 this determination under Rule 240-3.520, the Commission must determine if the
21 transaction is detrimental to the public interest. The transfer of control of Sprint
22 Missouri, Inc. to LTD Holding Company satisfies all applicable criteria. Sprint
23 Missouri, Inc. will continue to have the technical, managerial, and financial
24 capability to provide quality telecommunications services and is not detrimental

1 to the public interest as demonstrated in the application and testimony of the
2 Sprint witnesses.

3

4 **III. COMPANY OVERVIEW AND DESCRIPTION OF THE SEPARATION**

5 **Q. Please describe the Sprint Missouri's operations in Missouri today.**

6 A. Today, Sprint continues its 87-year tradition of providing quality services to its
7 local customers in Missouri through the operations of its incumbent local
8 exchange carrier – Sprint Missouri, Inc. Sprint Missouri serves approximately
9 234,000 access lines in 80 communities in the state and provides a broad portfolio
10 of communications services to its customers, including local, long distance and
11 video. For most of the customers, the portfolio also includes wireless and high
12 speed data. Sprint Missouri consistently exceeds the Commission's relevant
13 quality of service standards. More than 500 local telephone division employees
14 live and work in Missouri and represent an annual payroll of approximately \$25
15 million. Sprint's local telephone division was responsible for \$5.5 million in
16 property taxes paid to the state last year and made capital investments of about
17 \$24 million in the state.

18

19 **Q. Please describe Sprint's current organizational structure as it relates to the**
20 **companies for which Sprint is seeking transfer of control.**

21 A. Sprint Missouri, LTD Long Distance and SPSI operate as subsidiaries of Sprint
22 and collectively with Sprint's ILEC properties in 17 other states make up the
23 Local Telecommunications Division (LTD) of Sprint. LTD Long Distance was
24 recently formed for the purpose of providing long distance service to customers of

1 Sprint's ILEC operations, including the customers of Sprint Missouri. The
2 ultimate parent company of Sprint Missouri, LTD Long Distance and SPSI is
3 currently Sprint.
4

5 **Q. From an organizational perspective, what impact does the separation have**
6 **on Sprint Missouri, LTD Long Distance and SPSI in Missouri?**

7 A. Little, if any. The operating entities in the state will remain the same. Sprint
8 Missouri, LTD Long Distance and SPSI will continue to exist as separate
9 companies and, as is explained later in my testimony, will continue to serve their
10 local customers in a way that will ensure transparency to those customers.
11

12 From a corporate structure perspective, the only change to these entities will be
13 that the ultimate owner of these companies will be LTD Holding Company rather
14 than Sprint. Exhibit RDL-1 to my testimony shows the corporate structure of
15 Sprint Corporation before its merger with Nextel, the corporate structure of Sprint
16 after the merger of the two companies, and the corporate structure related to the
17 creation of the LTD Holding Company. These charts illustrate that at the
18 completion of the separation Sprint Missouri, LTD Long Distance and SPSI are
19 unchanged and simply are owned by a new parent company, the LTD Holding
20 Company.

1 **Q. Will there be a corporate name change that results from the separation?**

2 A. Yes. A new corporate name and logo are being developed and will be introduced
3 on or near the effective date of the separation. Any state-required registrations,
4 filings or notifications for the name changes will be completed at that time.

5

6 **IV. THE TRANSACTION WILL BE TRANSPARENT TO CUSTOMERS**

7 **Q. How will the transaction affect the customer’s experience?**

8 A. The transaction will result in continuous service, and with the exception of the
9 new company name and logo, the separation will be transparent to customers. On
10 the day after the separation, Sprint Missouri will offer the full range of products
11 and services that it offered the day prior to separation, at the same prices, and
12 subject to the same rules, regulations and applicable tariffs. Sprint Missouri will
13 continue to meet the needs of customers who want a “one stop shop” for voice
14 and data communications needs through bundled service offerings. The
15 separation will have no adverse effect on the quality of service customers enjoy,
16 or on the ability of the company to meet all of its obligations. Equally important,
17 there will be no change in the high quality customer service experience that the
18 company provides. Customers will continue to be able to call existing company
19 numbers to obtain new services, report service problems and address billing or
20 other customer care issues.

1 **Q. Will existing rules, regulations and tariffs continue to apply to Sprint**
2 **Missouri, LTD Long Distance and SPSI?**

3 A. Yes. The certificated entities are unchanged by the separation and will continue
4 to provide local exchange service, long distance service and payphone services
5 subject to existing rules, regulations and applicable tariffs. Sprint Missouri will
6 remain subject to the state's price cap rules, as modified by any future
7 Commission decisions, in exchanges where the company faces limited
8 competition and will continue to seek price deregulation where consumers have
9 choices for local service providers, as permitted by state law. Sprint Missouri will
10 also remain subject to existing service quality obligations, and tariffs, as modified
11 by any future Commission decisions. Future end user rate changes will continue
12 to be governed by the same rules and procedures as today, again, as modified by
13 future Commission decisions. Likewise, the terms and prices for existing
14 wholesale services under Sprint Missouri's access tariffs will be unchanged as a
15 result of this transaction. Moreover, the transaction will have no impact on the
16 terms of any interconnection agreements or Sprint Missouri's obligation under
17 state and federal laws regarding interconnection.

18
19 **V. TECHNICAL AND MANAGERIAL CAPABILITIES OF SPRINT**
20 **MISSOURI AND LTD LONG DISTANCE TO CONTINUE PROVIDING**
21 **QUALITY SERVICE**

22 **Q. Will Sprint Missouri and LTD Long Distance continue to possess the**
23 **technical and managerial ability to provide quality service upon completion**
24 **of the separation?**

25 A. Absolutely. As I previously described, the certificated entities in Missouri that
26 provide service to our customers today will continue to provide the services.

1 Moreover, Sprint Missouri and LTD Long Distance will have the assets,
2 agreements, technical capabilities, managerial expertise, employees and other
3 resources needed to continue to provide quality services to our customers.

4

5 **Q. How will the company ensure that the necessary assets are in place to ensure**
6 **services can be provided as they are today?**

7 A. All equipment, buildings, systems, software licenses and other assets owned by
8 Sprint Missouri will remain assets of Sprint Missouri. There will be no transfers
9 or assignments of assets owned by Sprint Missouri as a result of the separation.
10 Assets owned by other Sprint entities that currently serve the needs of multiple
11 Sprint operations are being reviewed to determine which entity has the
12 predominant use of the shared asset today and will continue to have a need for
13 that asset in the future. Through a structured review process described in greater
14 detail in the testimony of Mark Harper, a determination will be made regarding
15 the future owner of each of the shared assets. For any shared assets that will
16 remain with Sprint, the LTD Holding Company, or its subsidiary, will decide
17 whether to purchase or lease similar assets, or contract for comparable services
18 from a third party, to best meet its future needs. In the interim, Transition
19 Services Agreements between Sprint and LTD Holding Company will provide
20 access to needed assets to ensure the continuity of services as the separation is
21 completed. As a result, LTD Holding Company, together with Sprint Missouri,
22 LTD Long Distance and SPSI, will have all of the necessary network assets, and
23 ordering, provisioning, billing and customer care capabilities required to continue

1 to provide high quality retail and wholesale services seamlessly after the
2 separation.

3

4 **Q. What steps are being taken to ensure that after the separation Sprint**
5 **Missouri will have the capability to provide customers with the same types of**
6 **services (local, long distance, wireless, high-speed internet and video) they**
7 **provide today?**

8 A. Sprint Missouri will continue to provide a complete portfolio of services to its
9 customers in Missouri through a combination of self-provisioning and
10 commercial agreements. Sprint Missouri's provision of local service and high-
11 speed internet services will be unaffected by the separation transaction. Sprint
12 Missouri will continue to offer the same services, and at the same rates, terms and
13 conditions that it does today.

14

15 Sprint Missouri customers who currently have Sprint as their long distance carrier
16 and enjoy the benefits of one-stop shopping will have the ability to continue
17 purchasing bundled services. Through a commercial agreement between LTD
18 Long Distance and Sprint Communications Company L.P., Sprint Missouri will
19 have the capability to seamlessly provide long distance services to these
20 customers under the same rates, terms and conditions that the customers currently
21 enjoy with Sprint. When the separation is complete, the consumer long distance
22 customers of Sprint Communications Company L.P. within the service territory of
23 Sprint Missouri will become customers of LTD Long Distance. Business
24 customers subscribed to Sprint Communications Company L.P. with their
25 headquarters located in the service territory of Sprint Missouri will also become

1 customers of LTD Long Distance. The transfer of the consumer and business
2 customers from Sprint Communications Company L.P. to LTD Long Distance
3 will be completed in accordance with FCC and state rules and after required
4 customer notices, which will include an opportunity for customers to choose
5 another long distance carrier if they do not desire service from LTD Long
6 Distance. The commercial agreement that enables Sprint Missouri's customers to
7 continue to receive long distance services as they do today is described in greater
8 detail in the testimony of Mark Harper.

9
10 LTD Long Distance also will enter into a commercial agreement with Sprint for
11 the provision of wireless services to the customers of Sprint Missouri. This
12 commercial agreement will provide Sprint Missouri the continued ability to offer
13 a wireless component for customers desiring integrated service offerings. The
14 wireless commercial agreement with Sprint is described in greater detail in the
15 testimony of Mark Harper.

16
17 Sprint Missouri currently offers customers the opportunity to purchase satellite
18 video services as a component of an integrated service bundle through a sales
19 agency agreement with EchoStar. The appropriate steps are underway to ensure
20 this arrangement with EchoStar remains in place after the separation to enable
21 customers to continue to purchase video services as part of their bundled service
22 offering from Sprint Missouri.

23

1 Through these long distance, wireless and video arrangements, Sprint Missouri
2 and LTD Long Distance will continue to offer customers the opportunity to
3 subscribe to bundles of local, long distance, wireless, high-speed internet and
4 video services as they do today.

5

6 **Q. How will the management structure and staffing ensure the companies'**
7 **continued ability to provide quality service?**

8 A. At a local level, the customer service, network and operations functions that are
9 critical to the company's success today will continue when the separation is
10 complete and the company will be staffed to ensure that continuity. Customers
11 will continue to interact with the local employees who serve them today in their
12 local communities. In addition, Steve McMahon has been named as the vice-
13 president of service operations for the Western Region that includes the service
14 territory of Sprint Missouri. In this position, Mr. McMahon continues in the same
15 capacity he has filled for more than eight years, and will have responsibility for
16 leading the customer service personnel to install, maintain and repair facilities that
17 allow the company to continue its provision of quality service to customers.

18

19 Sprint Missouri, LTD Long Distance and SPSI will continue to receive certain
20 management services from the corporate level, including human resources
21 services, finance services, tax services, communications services, legal services,
22 planning services, general support services, and information services. Although
23 the services will be the same as those provided today, and staffed by many of the
24 same experienced and knowledgeable people currently providing those services,

1 the entity that provides it will be a new management company subsidiary of LTD
2 Holding Company. Continuing to maintain these centralized functions allows the
3 individual operating companies, including Sprint Missouri, to benefit from the
4 efficiencies of centralized support services.

5
6 At the senior management level, the LTD Holding Company will be managed by
7 capable and experienced executives that will provide continuity and consistency
8 of operations after the separation is completed. Daniel R. Hesse has been named
9 Chief Executive Officer of the LTD Holding Company. Mr. Hesse has extensive
10 experience in the telecommunications industry, including 23 years at AT&T.
11 Michael B. Fuller has been named the Chief Operating Officer of the LTD
12 Holding Company. Mr. Fuller, currently President and Chief Operating Officer of
13 Sprint's Local Telecommunications Division, has had responsibility for leading
14 Sprint's local telephone operations since 1996. Gene Betts, formerly Sprint
15 Corporation's Senior Vice President and Treasurer, has been named Chief
16 Financial Officer of the LTD Holding Company. Tom Gerke, formerly Executive
17 Vice President-General Counsel and External Affairs of Sprint Corporation, has
18 been named General Counsel for the LTD Holding Company. James A. Hansen
19 has been named the senior officer to lead the LTD Holding Company's Network
20 and Customer Service Organization. For Mr. Hansen, it is a continuation of his
21 current responsibilities and focus on the network operations of Sprint's ILEC
22 operations. Exhibit RDL-2 to my testimony shows organizational charts of the
23 LTD Holding Company with the named senior management team identified. The

1 senior management team has an average tenure with Sprint of nearly 18 years,
2 with approximately 170 years of combined Sprint experience.

3

4 **VI. BENEFITS OF THE SEPARATION**

5 **Q. You've outlined the proposed separation and its impacts on the company in**
6 **Missouri. Could you explain why Sprint is pursuing this separation of its**
7 **ILEC operations?**

8 A. Sprint Missouri, LTD Long Distance, and SPSI operate in an industry that has
9 been and continues to be subject to technological advances, evolving consumer
10 preferences, and dynamic change. These factors, combined with recent regulatory
11 developments, result in a market environment where the interests of Sprint's local
12 wireline operations will begin to diverge from Sprint's increasingly wireless-
13 centric focus. Establishing Sprint's wireline local service operations as an
14 independent, stand-alone corporation creates a company whose primary strategic
15 focus is on building upon its local wireline capabilities to provide a full portfolio
16 of quality services to residential and business customers in its local territory. The
17 separation establishes a heightened level of clarity in terms of the company's
18 vision and purpose; a clarity that has the beneficial effect of better aligning the
19 interests of the company with the interests of its local telephone customers.

20

21 **Q. Please explain how the separation will result in clarity of vision and purpose?**

22 A. The separation of Sprint's ILEC operations will allow its local customers to be
23 served by a company with a local focus. At the end of the first quarter 2005,
24 Sprint served nearly three times as many wireless customers as local wireline
25 customers. With the completion of the merger, Sprint now serves five times as

1 many wireless customers as wireline customers. Given the predominance of
2 wireless customers, Sprint will naturally focus on its nationwide business built
3 around wireless services and its nationwide fiber optic and global IP network.
4

5 This separation of Sprint's ILEC operations will allow Sprint Missouri's local
6 customers to be served by a company whose primary strategic interest is the
7 specific local franchised areas it serves in Missouri. The result is a company that
8 seeks to be the preferred hometown communications company with a single-
9 minded focus on its local markets in Missouri.
10

11 **Q. How will customers benefit from the company's enhanced clarity of vision**
12 **and purpose?**

13 A. The company's success will be directly dependent upon its ability to meet the
14 needs of its local customers. Customers are most interested in a company that
15 understands and can provide solutions to the communications needs in their local
16 community. The separation allows the company to focus with clarity on serving
17 the interests of its customers in the local community.
18

19 With a more targeted local focus, Sprint Missouri can enhance its local presence
20 to be more responsive in service delivery, product portfolio and customer
21 interaction. It will be better positioned to listen to its customers' needs, and to
22 service those needs by tailoring products specifically to its local customer base.
23 Although comprehensive plans for specific programs are still in the development

1 stage, examples of areas where this local focus concept would be manifested
2 include:

- 3 • Many of Sprint's wireline and wireless business and residential offerings
4 have concentrated on product offerings that target national urban markets.
5 Since many of Sprint Missouri's local customers live in more rural areas,
6 their needs are often different from the needs of Sprint's nationwide
7 customer base. Sprint Missouri will have the freedom to create product
8 offerings that better reflect the preferences of its current local customers.
9 As an example, the company is considering offering wireless plans with
10 fewer minutes, designed to complement wireline service rather than
11 replace it, as an offering that may be more attractive to its local customers.
- 12 • The company is evaluating opportunities to increase its local presence
13 through the placement of retail stores in selected local communities.
14 Evidence of this commitment can be seen by the company's planned retail
15 store opening in Jefferson City in 2006.
- 16 • Local cross-functional teams with representatives from customer-facing
17 organizations, including operations, consumer and business marketing and
18 public affairs, will be formed and charged with greater accountability for
19 overall performance in specific geographic areas. These local teams will
20 be responsible for understanding customers' needs in specific geographic
21 markets and developing market-specific actions to address those needs.
- 22 • Responsibility for responding to the needs of business customers in the
23 local territory of Sprint Missouri is being shifted from an organization

1 with national focus to an organization that will focus exclusively on the
2 business customers in the Sprint Missouri territory. This local emphasis
3 will be enhanced by physically locating employee resources dedicated to
4 the local business customers in or near the local markets. Business
5 customers will benefit from a business sales and service organization
6 whose focus will be on understanding and meeting their specific
7 communications needs in Sprint Missouri's local territory.

8
9 **Q. You indicated that the separation and resulting local focus allowed for a**
10 **better alignment of the interests of the company with the interests of its**
11 **customers. Can you explain?**

12 A. The separation provides a greater opportunity for Sprint Missouri to compete
13 effectively to retain and grow its customer base with a level of independence the
14 company would not have as part of a larger corporation with a predominantly
15 wireless and national focus. Customers benefit from the increased focus on their
16 needs and the company benefits from retaining and attracting those customers
17 whose needs are satisfied by the company's offerings, service quality, and
18 customer care.

19
20 The separation will allow Sprint to compete more effectively in three important
21 ways. First, separating the ILEC business from Sprint eliminates any potential
22 tensions between Sprint's anticipated national wireless strategy and LTD Holding
23 Company's local wireline strategy. For example, Sprint has announced that it will
24 focus on serving as a wireless alternative to wireline service and to advance
25 competition by, for example, enabling cable companies' voice offerings or using

1 other technologies. Sprint's goal of replacing existing local wireline service is
2 inconsistent with LTD Holding Company's goal of building on its local wireline
3 capabilities. Second, the separation will allow decisions to be made more quickly
4 and will allow flexibility for creating bundles and product portfolios in specific
5 markets. Among other things, LTD Holding Company will be able to offer new
6 products more rapidly, and to respond to new offerings from alternate providers
7 quickly in the local market. Third, as described above, the separation will allow
8 the company to focus on developing products targeted to local customers.

9

10 **Q. How will this enhanced clarity be reflected in the company's operations in**
11 **the local communities it serves?**

12 A. The company will continue to strengthen its local community roots and build on
13 that foundation as it continues to meet the telecommunications needs of
14 customers. The community and its stakeholders will see consistency in its
15 interactions with the company after the separation. Local affairs will continue to
16 be managed by employees with established local connections. Sprint Missouri
17 will continue to be an active participant in local activities and will continue to
18 provide opportunities for employees to do so as well. As individuals and
19 members of community relations teams, Sprint Missouri associates contribute
20 well over \$1 million annually to such local Missouri organizations as United
21 Way, American Cancer Society, Boys and Girls Clubs, the Boy Scouts and Girl
22 Scouts of America, and the American Red Cross and to hospitals, schools and arts
23 programs. In addition, numerous Sprint Missouri associates are leaders in their

1 communities and the industry, serving on city councils, school boards and the
2 boards of professional, civic and charitable organizations.

3

4 **VII. SUMMARY**

5 **Q. Could you please summarize your testimony?**

6 A. The transfer of control of Sprint Missouri and LTD Long Distance Inc. from
7 Sprint to the LTD Holding Company will be transparent to customers. It will not
8 affect the companies' technical and managerial capability to provide quality
9 communications services. The testimony of Mark Harper and Kevin Collins from
10 Houlihan Lokey demonstrate the financial capabilities of Sprint Missouri and
11 LTD Holding Company. The separation results in a company whose primary
12 strategic focus will be to build upon its local wireline capabilities in providing
13 quality services to residential and business customers in its local territory. This
14 separation allows the company to clarify its vision and purpose; this clarity will
15 have the beneficial effect of better aligning the interests of the company with the
16 interests of its customers. Because the separation of the local operations is in the
17 public interest, the Commission should therefore approve the change of control of
18 Sprint Missouri, LTD Long Distance and SPSI to LTD Holding Company.

19

20 **Q. Does this conclude your testimony?**

21 A. Yes.

**BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI**

Application of Sprint Nextel Corporation)	
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Sprint Missouri, Inc., Sprint Long Distance,)	Case No.
Inc. and Sprint Payphone Services, Inc. From)	
Sprint Nextel Corporation to LTD Holding)	
Company.)	

AFFIDAVIT OF RICHARD LAWSON

STATE OF MISSOURI)
) ss:
COUNTY OF COLE

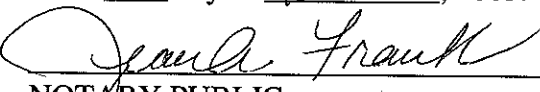
I, Richard Lawson, being of lawful age and duly sworn, dispose and state on my oath the following:

1. I am presently the State Executive for Missouri for Sprint Missouri, Inc.
2. I have participated in the preparation of the attached Testimony in question and answer form to be presented in the above entitled case;
3. The answers in the attached Testimony were given by me; and,
4. I have knowledge of the matters set forth in such answers and that such matters are true and correct to the best of my knowledge and belief.



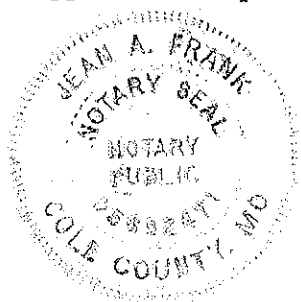
RICHARD LAWSON

Subscribed and sworn to before me on this 17 day of AUGUST, 2005.

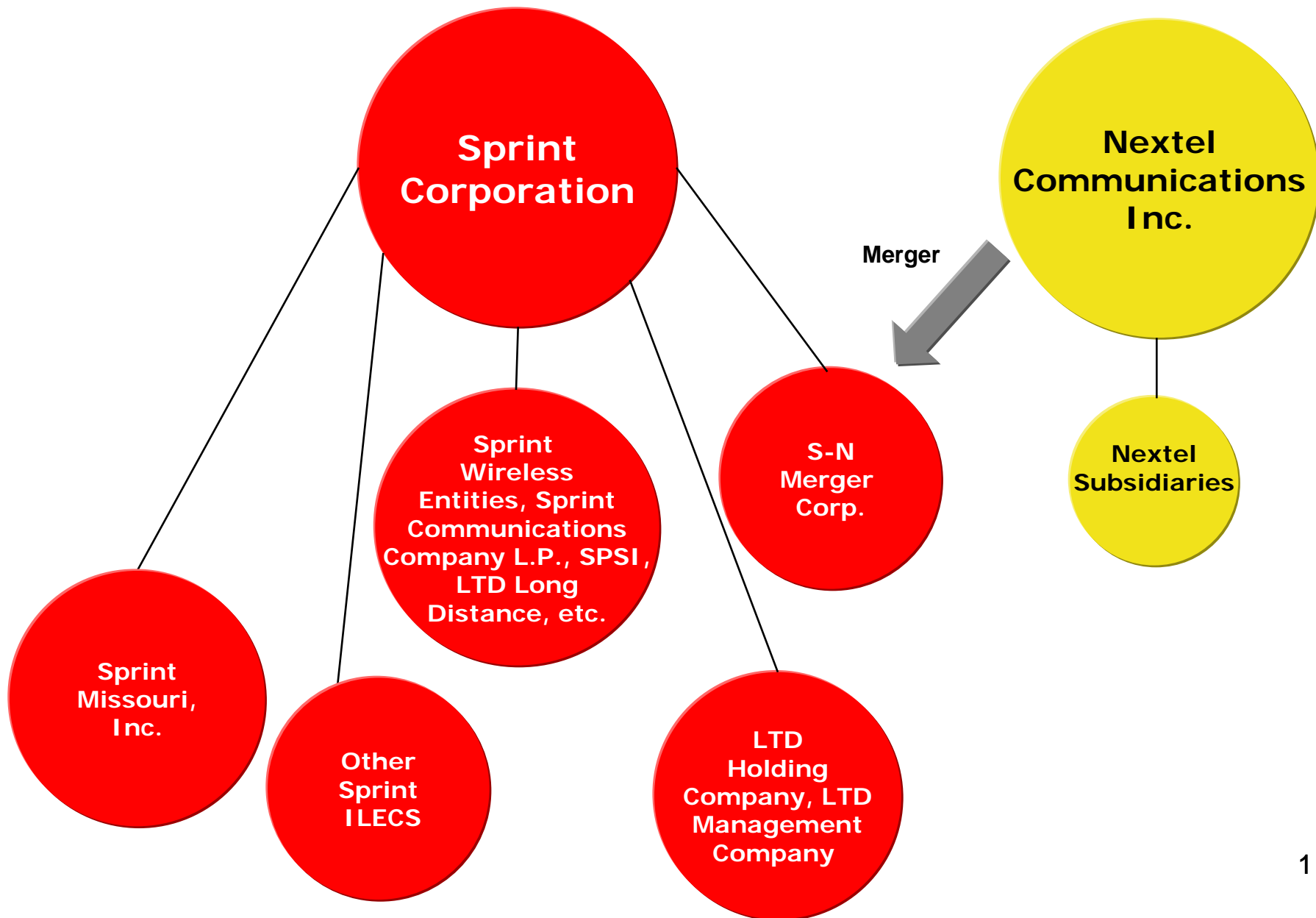


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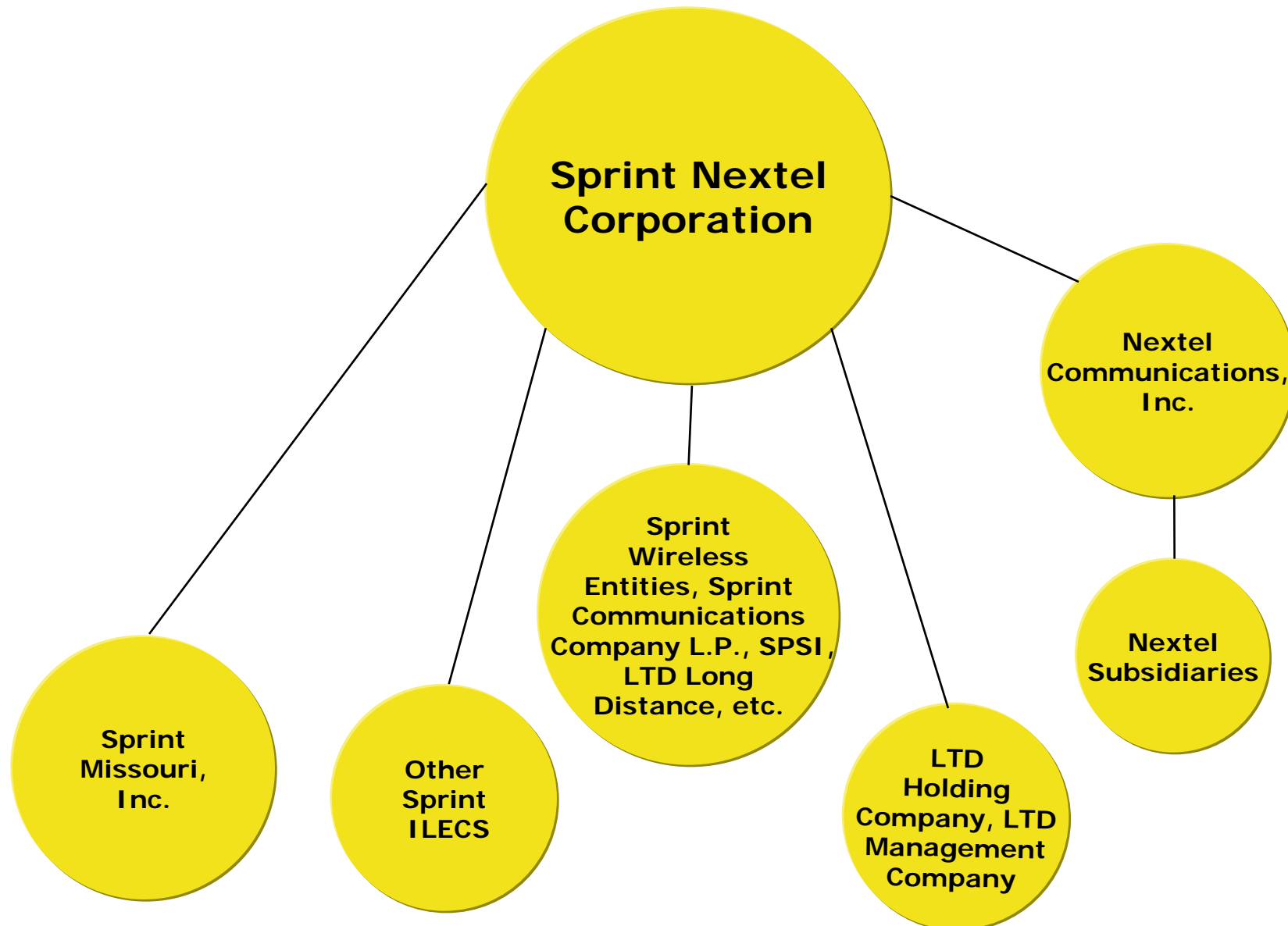
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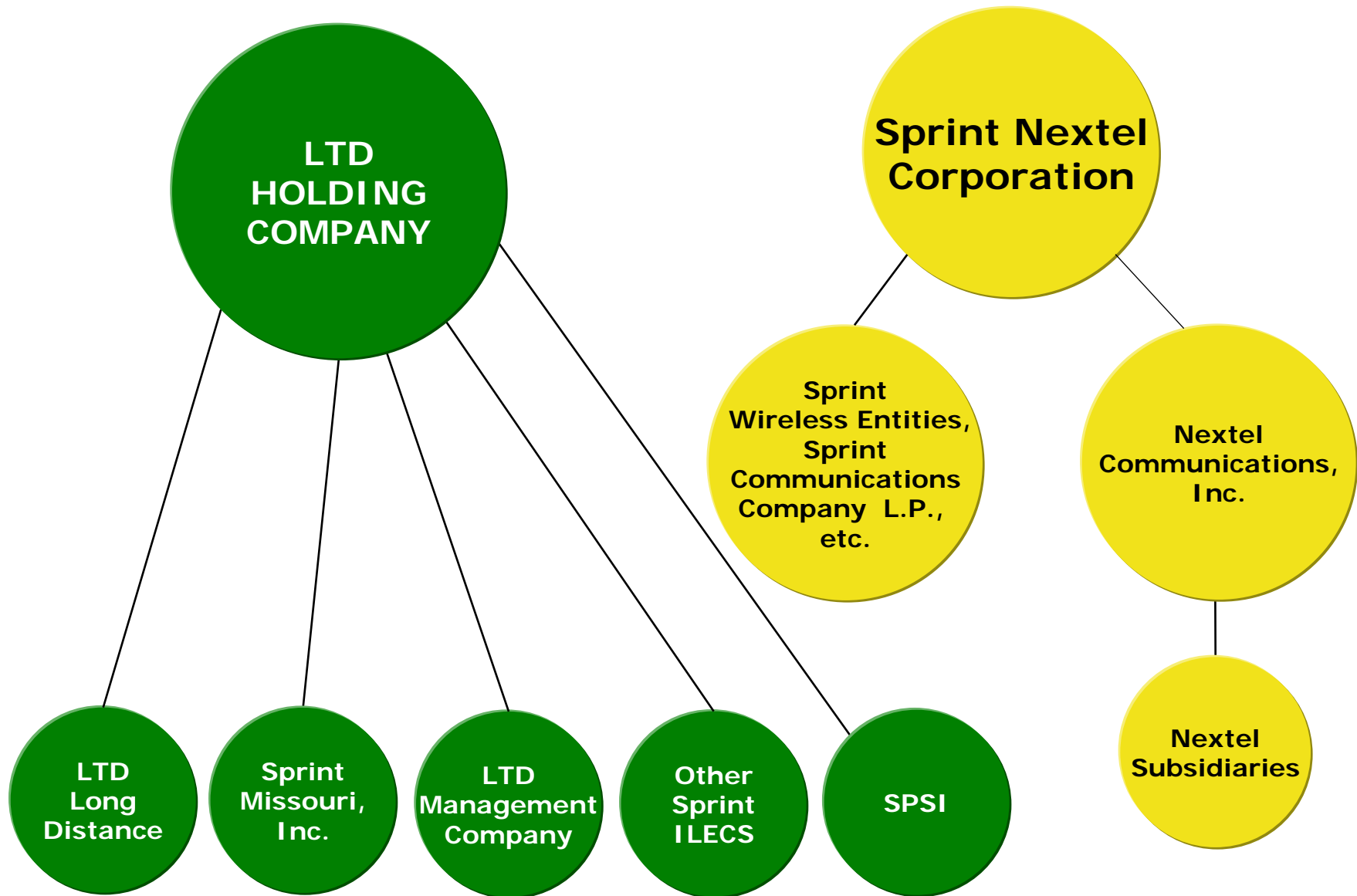
Sprint and Nextel - Pre-Merger



Sprint Nextel – Post Merger



LTD Holding Company Separation from Sprint Nextel



LTD Holding Company Organizational Structure

