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Missouri Public
Service Commission

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November 4, 2002

Secretary of the Commission
Missouri Public Service Commission
200 Madison Street, Suite 100
Jefferson City, MO 65101

Via Federal Express
835733397627

Re: Case No. TT-2003-0043

Dear Secretary of the Commission:

Enclosed please find for filing with your office an original and nine (9) copies of Rebuttal Testimony of MCI WorldCom Communications, Inc. witness Don Price. Upon your receipt, please file stamp the extra copy received and return to the undersigned, in the enclosed, self-addressed, stamped envelope. If you have any questions, please contact us.

Very truly yours,


Carl J. Lumley

CJL:dn

Enclosures

cc. Parties of Record (W/Enclosures)

Exhibit No.:
Issues: Spectra Tariffs
Witness: Don Price
Sponsoring Party: MCIWorldCom
Type of Exhibit: Rebuttal Testimony
Case Nos.: TT-2003-0043

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Missouri Public
Service Commission

MCIWORLDCOM
REBUTTAL TESTIMONY
OF
DON PRICE
CASE NO. TT-2003-0043

November 5, 2002

STATE OF Texas)
)
COUNTY OF Travis) SS.

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

In the Matter of the Tariff of Spectra)
Communications Group, LLC, PSC MO.) Case No. TT-2003-0043
No. 2, Facilities for Intrastate Access) Tariff No. 200300034
Telecommunications Service Tariff.)

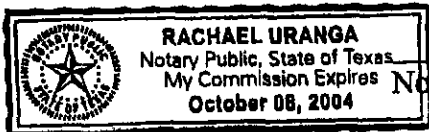
AFFIDAVIT OF DON PRICE

COMES NOW Don Price, of lawful age, sound of mind and being first duly sworn, deposes and states:

1. My name is Don Price. I am Senior Manager – Competition Policy in the Public Policy Group for WorldCom, Inc.
2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony in the above-referenced case.
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.

Don Price
Don Price

SUBSCRIBED AND SWORN TO before me, a Notary Public, this 4TH day of
November, 2002.



Rachael Uranga
Notary Public

My Commission Expires: 10-08-04

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

2 A. My name is Don Price and my business address is 701 Brazos, Suite 600, Austin,
3 Texas 78701.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by MCI WorldCom ("MCIWC") as Senior Manager –
6 Competition Policy in the Public Policy Group. I have more than 20 years
7 experience in telecommunications, most of which is in the area of public policy. I
8 have been in various public policy positions with MCIWC for the past 15 years.
9 Prior to that, I was on the Staff of the Public Utility Commission of Texas for
10 three years during the period immediately following divestiture. I began my
11 career in telephony in 1979 with the GTE operating company in Texas—General
12 Telephone Company of the Southwest—after receiving my Master of Arts degree
13 from the University of Texas – Arlington. During my five years with GTE, I
14 worked in various positions of increasing responsibility in the group whose
15 function was the planning of central office and outside plant facilities. In my
16 present position, I have broad responsibilities in developing and coordinating
17 MCIWC's regulatory and public policy initiatives, requiring that I work closely
18 with many different organizations in the company, including regulatory
19 organizations, organizations responsible for the company's network, and those
20 who sell services to customers across all market segments.

21 I was involved with negotiations of the initial Texas interconnection agreement
22 between MCIWC and Southwestern Bell Telephone Company. Further, I have
23 been involved in arbitration proceedings in numerous states across the Bell South

1 and Southwestern Bell regions. My detailed qualifications, including all of the
2 proceedings in which I have filed testimony, are included in Schedule 1 to my
3 testimony.

4 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

5 A. The purpose of my testimony is to rebut the direct testimony of Spectra witness
6 Martinez and to demonstrate that Spectra's unlawful and unreasonable proposed
7 tariffs should be rejected and that its current tariffs are sufficient to provide
8 adequate assurance of payment by interexchange carriers.

9 **Q. SPECTRA WITNESS MARTINEZ STATES THAT "IT IS CONTRARY**
10 **TO THE PUBLIC INTEREST TO DISADVANTAGE THOSE**
11 **CUSTOMERS WHO PAY IN A TIMELY MANNER, ONLY TO**
12 **ADVANTAGE THOSE CUSTOMERS, INCLUDING LONG DISTANCE**
13 **INTEREXCHANGE CARRIERS, THAT ARE CHRONICALLY LATE IN**
14 **PAYING OR HAVE DEFAULTED ON THEIR OBLIGATIONS."**
15 **[MARTINEZ DIRECT, PAGE 3] DO SPECTRA'S CURRENT TARIFFS**
16 **ADDRESS THESE CONCERNS?**

17 A. Yes, they do. The two concerns expressed by Spectra witness Martinez are: (1)
18 IXC's that pay late and (2) IXC's that have defaulted on their payments. Spectra's
19 current intrastate access tariff provides that Spectra may require a customer
20 "which has a proven history of late payments to [Spectra] or does not have
21 established credit, to make a deposit prior to or at any time after the provision of
22 the FIA [facilities for intrastate access] to the customer to be held by [Spectra] as
23 a guarantee of the payment of rates and charges. No such deposit will be required

1 of a customer which is a successor of a company which has established credit and
2 has no history of late payments to [Spectra].” (Spectra Communications Group,
3 LLC, Missouri Intrastate Access Tariff, PSC Mo. No. 2, Original Sheet 16,
4 Paragraph 2.4.1(A)) Spectra’s current tariff even goes beyond the two points
5 enunciated by witness Martinez by also requiring deposits in those cases where
6 the IXC has not established credit with Spectra. MCIWC expresses no opinion
7 whether it is appropriate for Spectra to impose a deposit requirement in those
8 cases where an IXC has not previously established credit with Spectra.

9 **Q. WHAT IS THE FUNDAMENTAL DIFFERENCE BETWEEN SPECTRA’S**
10 **CURRENT TARIFF AND WHAT IT IS PROPOSING IN THIS CASE?**

11 A. The key difference is that under Spectra’s current tariff, the determination
12 whether to require a deposit is based on either an *actual* default or *actual* lack of
13 credit history. In other words, if an IXC is, in fact, either late in paying its access
14 bill, in default on such payments or has no established credit history with Spectra,
15 the deposit requirements currently available to Spectra under its tariffs apply.
16 Conversely, Spectra’s proposed new tariff language would require a deposit if a
17 carrier’s credit rating falls below “BBB,” as set by various credit rating
18 companies, such as Standard & Poor’s. Spectra would not have to show that the
19 IXC was ever late in making, or actually defaulted on its payments in order to
20 impose a deposit requirement. Mere speculation that an IXC might someday fail
21 to pay would be sufficient. Spectra’s current tariff strikes the proper balance, by
22 imposing a deposit requirement only on customers without a credit history and
23 those with a history of late payments.

1 **Q. SPECTRA PROPOSES A “BBB” RATING BY CREDIT RATING**
2 **AGENCIES, SUCH AS STANDARD & POOR’S, AS THE BREAKPOINT**
3 **FOR IMPOSING A DEPOSIT REQUIREMENT ON AN IXC THAT IS**
4 **CURRENT ON ITS PAYMENTS. [MARTINEZ DIRECT, PAGE 6]**
5 **WHAT PROBLEMS DO YOU HAVE WITH THIS APPROACH?**

6 A. I have many problems with this approach. First, there is no direct correlation
7 between such ratings and the ongoing payment of bills by a company. A
8 company rated lower than BBB could go on making its access payments without
9 delay or interruption. Second, the proposed language is ambiguous, allowing
10 Spectra to use unnamed “nationally recognized” rating agencies and ratings
11 “equivalent” to BBB, all presumably determined unilaterally by it from time to
12 time. Third, because of its ambiguities, Spectra could apply its tariff in a
13 discriminatory manner, including to the advantage of affiliated companies, by
14 using different agencies and ratings for different customers. Fourth, rating
15 agencies such as Standard & Poor’s do not track or follow all IXCs providing
16 service in Missouri. According to its website, as of October 29, 2002 Standard &
17 Poor’s tracks 161 U.S.-based telecommunications services companies. A copy of
18 this list is attached as Schedule 2 to my testimony. As is evident from that list,
19 many of the companies do not even provide long distance service. More
20 significantly, the vast majority of certificated IXCs in Missouri are not even
21 tracked by Standard & Poor’s. The net result of Spectra’s proposed deposit
22 scheme is that Spectra would be creating two classes of IXC customers. One
23 class is the IXCs tracked by Standard & Poor’s, which would be subject to

1 Spectra's proposed tariff changes and attendant deposit requirement. The other
2 class of IXC's, which are not tracked by Standard & Poor's, would not be subject
3 to Spectra's proposed tariff changes because members of that group of IXC's
4 would not have any debt rating assigned to them that could trigger the proposed
5 deposit requirement. Fifth, only 27.1% of the companies tracked by Standard &
6 Poor's are rated "BBB" or higher, meaning that 72.9% of the tracked companies
7 would be subject to Spectra's proposed deposit requirement, whether or not they
8 have been late or defaulted on any access charge payments.

9 **Q. WOULD YOU PLEASE EXPLAIN HOW YOU CALCULATED THESE**
10 **FIGURES?**

11 A. The first thing I did was to combine related entities and treat them as one. For
12 example, the GTE companies and the Verizon companies were combined and
13 treated as one. The SBC companies (Pac Tel, SBC, Illinois Bell, Indiana Bell,
14 etc.) were combined. I have noted the companies that were combined on
15 Schedule 3. After this combining, there are 92 companies. I then examined the
16 ratings assigned to these companies and sorted them into two groups: those rated
17 BBB or higher and those rated less than BBB. Twenty-five (25) companies were
18 rated BBB or higher and sixty-seven (67) were rated less than BBB. I should note
19 that three companies are rated BBB- by Standard & Poor's. It is not clear from
20 Spectra's proposal whether a rating of BBB- would be treated as being below
21 BBB or if BBB- is merely a gradation of BBB. In any case, assuming that BBB-
22 would not trigger a deposit requirement, the percentages are 30.4% (twenty-eight
23 (28) companies) being rated BBB or higher and 69.6% (sixty-four (64)

1 companies) being rated below BBB. There are twenty-six companies covered by
2 Standard & Poor's that are certificated to do business in Missouri. Of these, only
3 eight have a rating of BBB or higher (Bell South, Citizens Communications,
4 Frontier, GTE (as part of Verizon), SBC, Sprint, TDS, Verizon, and
5 VoiceStream). More importantly, there are approximately 648 companies
6 certificated as IXC's in Missouri, which means that Standard & Poor's is covering
7 only 4% of the companies certificated as IXC's in Missouri. Stated the other way,
8 96% of IXC's in Missouri would not be subject to Spectra's proposed deposit
9 requirement.

10 **Q. WHAT EFFECT WOULD SPECTRA'S DEPOSIT REQUIREMENT HAVE**
11 **ON THE INDUSTRY?**

12 A. The effect would be multifarious. First, there would be a wholesale transfer of
13 money to Spectra from various IXC's, regardless of whether those IXC's are
14 delinquent in paying their bills. Instead of being able to invest such monies in
15 network improvements or business expansion, such IXC's would have to change
16 their business plans and tie up essential working capital. And of course, there is
17 every reason to believe that other ILECs would view this case as a test case, such
18 that they would all try to institute such deposit requirements and thereby
19 exponentially increase the amount of IXC working capital that must sit
20 unproductively in ILEC coffers. Such measures could likewise spill over into
21 interconnection agreements between ILECs and CLECs, all to the detriment of
22 achieving the goal of improving competitive conditions in the state (as codified in
23 Section 392.185 RSMo). The Commission recognized the possible negative

1 impact of onerous deposit requirements when it would not allow them in
2 Southwestern Bell's Missouri 271 Agreement. See Interim Order, Case No. TO-
3 99-227 (February 13, 2001): "The deposit language is found in Section 3.0 of the
4 General Terms and Conditions of the M2A. Some of the competitive local
5 exchange carriers objected to the inclusion of this language, arguing that it was a
6 barrier to entry into the market by new CLECs. This language was not included
7 in the interconnection agreements that have been approved by the FCC for the
8 states of Texas and Oklahoma. A slightly different deposit provision was
9 included in the Kansas agreement. SWBT has not sufficiently demonstrated why
10 this language would not be a barrier to entry for new CLECs, and therefore, the
11 Commission determines that the language regarding deposits should be removed
12 from the M2A." Yet, despite this prior expression of concern by the Commission,
13 counsel for SWBT recently predicted lockstep deposit proposals from ILECs in
14 proceedings on the record before this Commission on October 9, 2002 in Case
15 No. TW-2003-63. (Tr. Page 44) I understand the Commission can take official
16 notice of such information from other cases. The amount of IXC and CLEC
17 resources that could be wastefully tied up by such ILEC deposit requirements
18 would be astronomical. Secondly, as discussed above, Spectra's deposit scheme
19 would create a group of "haves" and "have nots." In other words, IXCs that are
20 covered by Standard & Poor's, etc. could be subject to the proposed deposit
21 requirement while those IXCs that are not covered would presumably operate
22 only under Spectra's current deposit procedures. Third, there is no assurance that
23 Spectra would escrow the deposits of the IXCs. It is the IXC's money—not

1 Spectra's—that Spectra would be holding. Spectra's capital structure indicates
2 that it is relatively highly leveraged, with about 60% debt versus 40% equity.
3 Spectra would have a Standard & Poor's rating below BBB if, in fact, its debt
4 ratio is about 60%. I have attached a copy of the Corporate Ratings Criteria as
5 Schedule 4. I should note for the record that Standard & Poor's has assigned a
6 rating of BBB+ to CenturyTel, one of the participants in the Spectra joint venture.
7 Further, according to CenturyTel's Second Quarter 2002 Form 10-Q filing with
8 the Securities and Exchange Commission, CenturyTel states "During the first
9 quarter of 2001, the Company paid \$47.1 million cash to acquire an additional
10 18.6% interest in Spectra Communication Group, LLC, the entity organized in
11 2000 to acquire and operate former Verizon properties in Missouri." Finally,
12 CenturyTel secured approval from this Commission in April 2000 to loan Spectra
13 \$250,000,000 as part of the acquisition of the GTE properties in Missouri. There
14 would be nothing to protect IXC's from losing their access deposits if Spectra
15 and/or CenturyTel were to fail, and yet the IXC's would be handing over the
16 deposits to companies that do not meet, or barely meet the proposed access
17 deposit criteria themselves.

18 **Q. SPECTRA WITNESS MARTINEZ STATES THAT LOSSES FROM**
19 **BANKRUPT CARRIERS "AMOUNT TO MORE THAN 18 PERCENT OF**
20 **SPECTRA'S 2002 CAPITAL BUDGET." [MARTINEZ DIRECT, PAGE 8]**
21 **WOULD YOU PLEASE RESPOND TO THIS STATEMENT?**

22 **A.** Certainly. First, the notion that these amounts are "losses" implies that Spectra
23 will collect nothing from the IXC's that have filed bankruptcy. I cannot speak to

1 other carriers; however, with respect to WorldCom, the amount of pre-petition
2 debt that creditors, such as Spectra, will ultimately recover is yet to be
3 determined. WorldCom expects to file its Plan of Reorganization with the
4 bankruptcy court next spring. Secondly, expressing the dollar amount of pre-
5 petition debt as a percentage of capital expenditures is no more relevant than
6 expressing it as a percentage of revenues or earnings. Using CenturyTel's 2001
7 full-year numbers as a reasonable proxy, this pre-petition amount is only 0.2% of
8 revenues and 1.3% of earnings. Finally, Spectra may seek rate relief from the
9 Commission. One of the elements of setting rates is the bad debt expense, which
10 Spectra may certainly raise in a rate proceeding. It would certainly be less
11 detrimental to the overall market to allow slight across-the-board increases
12 (assuming all other factors to be equal), than to shift large amounts of unearned
13 dollars from a group of IXC's to Spectra. Accelerated payment requirements
14 would be another option to consider in lieu of deposits.

15 **Q. MR. MARTINEZ SUGGESTS THAT THE PROPOSED TARIFFS**
16 **WOULD NOT APPLY TO WORLDCOM. DO YOU AGREE?**

17 A. No. We have every intention of coming out of the bankruptcy and continuing to
18 do business in Missouri and around the globe. However, such efforts could
19 clearly be impaired if WorldCom or any other company in reorganization would
20 have to come up with huge deposits as they exit the bankruptcy process.
21 Currently, Spectra and all other carriers that do business with WorldCom have
22 been provided adequate assurance of ongoing payments in the ordinary course of
23 business by express order of the bankruptcy court. Under such a regime,

1 WorldCom would not have a history of late payments when it exits the
2 bankruptcy process. But it might still have a rating under BBB and be unduly
3 burdened by unnecessary deposits under Spectra's proposed tariffs.

4 **Q. MR. MARTINEZ INDICATES THAT THERE ARE SEVERAL SECTIONS**
5 **OF THE PROPOSED TARIFF THAT REQUIRE INTERPRETATIONS**
6 **WHICH SPECTRA HAS NOT YET INCLUDED IN THE TARIFF,**
7 **ALTHOUGH HE STATES HIS COMPANY IS WILLING TO INCLUDE**
8 **THEM. HOW DO YOU RESPOND?**

9 A. Such clarifications would not eliminate our objections to the proposed tariffs.
10 However, these clarifications would improve the existing tariff. Other ways of
11 improving the existing tariff would be to require language that makes it clear that
12 withholding disputed amounts does not constitute being late in making payments,
13 that market interest rates should apply to any deposits, and that deposits should be
14 returned after six months of prompt payments rather than waiting a full year.

15 **Q. IS THE FCC CONSIDERING SIMILAR ISSUES REGARDING ACCESS**
16 **DEPOSITS?**

17 A. Yes. It seems to me that the industry would be well served to wait and see how
18 the FCC reacts to proposals such as the one made herein by Spectra, given that
19 interstate access charges involve larger amounts of monies. A uniform approach
20 would be beneficial.

21 **Q. MR. MARTINEZ SUGGESTS THAT THE PROPOSED TARIFFS ARE**
22 **JUSTIFIED IN LIGHT OF THE CURRENT FINANCIAL STATUS OF**

1 **THE TELECOMMUNICATIONS INDUSTRY. HOW DO YOU**
2 **RESPOND?**

3 A. The specter of the “domino” effect predicted by Mr. Martinez is belied by
4 Moody’s Investors Service July Default Report, which indicates a decline in the
5 speculative grade default rate. A copy of this report is included as Schedule 5.
6 But in any event, access deposit requirements such a those proposed herein by
7 Spectra would actually worsen the financial condition of the telecommunications
8 industry by requiring companies who are paying their bills on time, but
9 experiencing other forms of financial difficulties, to reduce critical cash working
10 capital by tying up funds in unnecessary and unproductive deposits.

11 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

12 A. The Commission should not approve Spectra’s tariffs. The deposit scheme
13 proposed by Spectra would create two groups of IXC’s, one group covered by
14 Standard & Poor’s, etc. and one group that is not. The fallout of this dichotomy
15 would be Spectra’s ability to discriminate by imposing a deposit requirement on
16 some or all members of a subset of similarly situated access ratepayers but not the
17 rest. Overall, such access deposit requirements will harm IXC’s and competition
18 as a whole, without providing any necessary additional protection to ILEC’s like
19 Spectra. The existing deposit requirements in Spectra’s access tariff are more than
20 adequate to protect it, by requiring those companies that exhibit an actual inability
21 to make timely payments to post deposits.

Don Price Rebuttal Testimony

Schedule 1

**DON PRICE
ACADEMIC AND PROFESSIONAL QUALIFICATIONS, AND
TESTIMONY PRESENTED BEFORE
REGULATORY AGENCIES**

Academic Background:

My academic background is in the social sciences. I received my Bachelor of Arts degree in Sociology from the University of Texas at Arlington May of 1977 and was awarded a Master of Arts degree in Sociology by the University of Texas at Arlington in December, 1978.

Professional Qualifications:

From January, 1979 until October, 1983, I was employed by the Southwest telephone operating company of GTE where I held several positions of increasing responsibility in Economic Planning. In those positions I became quite familiar with such local exchange telephone company functions as the workings and design of the local exchange network (including both switching and outside plant), the network planning process, the operation of a business office, and the design and operation of large billing systems.

From November 1983 until October 1986, I was employed by the Public Utility Commission of Texas. I provided analysis and expert testimony on a variety of policy and rate setting issues. In 1986 I was promoted to Manager of Rates and Tariffs, and was directly responsible for staff analyses of rate design and tariff policy issues in all telecommunications proceedings before the PUC.

I have been with WorldCom (MCI Telecommunications Corporation, prior to the merger with WorldCom) for nearly sixteen years. This part of my career has focused entirely on public policy issues relating to competition in telecommunications markets. Beginning with MCI's acquisition of Western Union Access Transmission Services in 1993, the focus of my activities has been in areas relating to local competition. I have been involved with contract negotiations both before and subsequent to passage of the 1996 Telecommunications Act, and have presented testimony on the company's policy positions

in numerous state arbitrations. In my present position as Senior Regional Manager, Competition Policy, I have broad responsibilities in developing and coordinating WorldCom's regulatory and public policy initiatives for the western portion of the company's domestic operations. My responsibilities require that I work closely with WorldCom's regulatory teams in both the state and federal arenas, as well as with the Company's sales forces, network planning and operations groups, and others involved in the Company's day-to-day operations.

I have been invited to appear as a panelist before various professional and trade associations and public seminars during my professional career, including the Texas Society of CPAs, the University of Texas Department of Electrical and Computer Engineering Telecommunications Conference, the Alabama Telephone Association, the Arkansas Telephone Association, and the National Association of Regulatory Utility Attorneys.

I have testified before a number of commissions, including the Federal Communications Commission, the Arizona Corporation Commission, the Public Service Commission of Arkansas, the California Public Utilities Commission, the Public Service Commission of Florida, the Georgia Public Service Commission, the Kansas Corporation Commission, the Public Service Commission of Kentucky, the Louisiana Public Service Commission, the Minnesota Public Utilities Commission, the Missouri Public Service Commission, the Public Utilities Commission of Nevada, the North Carolina Utilities Commission, the Public Utilities Commission of Ohio, the Corporation Commission of the State of Oklahoma, the Public Utility Commission of Oregon, the Public Service Commission of South Carolina, the Tennessee Regulatory Authority, the Public Utility Commission of Texas, and the Washington Utilities and Transportation Commission. A list of those proceedings in which I have furnished testimony is provided below.

Testimony Presented:

FCC

CC Docket No. 00-4: In the Matter of Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-Region, InterLATA Services in Texas

Arkansas

Docket No. 91-051-U: IN RE IMPLEMENTATION OF TITLE IV OF THE AMERICANS WITH DISABILITIES ACT OF 1990

Docket No. 92-079-R: IN THE MATTER OF A PROCEEDING FOR THE DEVELOPMENT OF RULES AND POLICIES CONCERNING OPERATOR SERVICE PROVIDERS

Arizona

Docket No. T-00000A-97-238: IN THE MATTER OF U S WEST COMMUNICATIONS, INC.'S COMPLIANCE WITH SECTION 271 OF THE TELECOMMUNICATIONS ACT OF 1996

Docket No. T-00000D-00-0672: IN THE MATTER OF INVESTIGATION OF THE COST OF TELECOMMUNICATIONS ACCESS

California

APPLICATION 01-01-010: APPLICATION BY PACIFIC BELL TELEPHONE COMPANY (U 1001 C) FOR ARBITRATION OF AN INTERCONNECTION AGREEMENT WITH MCIMETRO ACCESS TRANSMISSION SERVICES, L.L.C. (U 5253 C) PURSUANT TO SECTION 252(B) OF THE TELECOMMUNICATIONS ACT OF 1996

RULEMAKING R.93-04-003, INVESTIGATION I.93-04-002: ON THE COMMISSION'S OWN MOTION TO GOVERN OPEN ACCESS TO BOTTLENECK SERVICES AND ESTABLISH A FRAMEWORK FOR NETWORK ARCHITECTURE DEVELOPMENT OF DOMINANT CARRIER NETWORKS; INVESTIGATION ON THE COMMISSION'S OWN MOTION INTO OPEN ACCESS AND NETWORK ARCHITECTURE DEVELOPMENT OF DOMINANT CARRIER NETWORKS

Florida

Docket No. 941272-TL: IN RE: SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY'S PETITION FOR APPROVAL OF NUMBERING PLAN AREA RELIEF FOR 305 AREA CODE

Docket No.950696-TP: IN RE: DETERMINATION OF FUNDING FOR UNIVERSAL SERVICE AND CARRIER OF LAST RESORT RESPONSIBILITIES.

Docket No. 950737-TP: IN RE: INVESTIGATION INTO TEMPORARY LOCAL TELEPHONE NUMBER PORTABILITY SOLUTION TO IMPLEMENT COMPETITION IN LOCAL EXCHANGE TELEPHONE MARKETS.

Docket No. 950984-TP: IN RE: RESOLUTION OF PETITION(S) TO ESTABLISH NON-DISCRIMINATORY RATES, TERMS, AND CONDITIONS FOR RESALE INVOLVING LOCAL EXCHANGE COMPANIES AND ALTERNATIVE LOCAL EXCHANGE COMPANIES PURSUANT TO SECTION 364.162, FLORIDA STATUTES.

Docket No. 950985-TP: IN RE: RESOLUTION OF PETITION(S) TO ESTABLISH NON-DISCRIMINATORY RATES, TERMS, AND CONDITIONS FOR INTERCONNECTION INVOLVING LOCAL EXCHANGE COMPANIES AND ALTERNATIVE LOCAL EXCHANGE COMPANIES PURSUANT TO SECTION 364.162, FLORIDA STATUTES.

Docket No. 000649-TP: IN RE: PETITION OF MCIMETRO ACCESS TRANSMISSION SERVICES, LLC AND MCI WORLDCOM COMMUNICATIONS, INC. FOR ARBITRATION OF CERTAIN TERMS AND CONDITIONS OF PROPOSED AGREEMENT WITH BELL SOUTH TELECOMMUNICATIONS, INC. CONCERNING INTERCONNECTION AND RESALE UNDER THE TELECOMMUNICATIONS ACT OF 1996.

Georgia

Docket No. 5548-U: IN RE: INVESTIGATION INTO THE FUNDING OF UNIVERSAL SERVICE.

Docket No. 6537-U: IN THE MATTER OF: MCIMETRO PETITION TO ESTABLISH NONDISCRIMINATORY RATES, TERMS AND CONDITIONS FOR UNBUNDLING AND RESALE OF LOCAL LOOPS.

Georgia (continued)

Docket No. 11901-U: IN RE: PETITION OF MCIMETRO ACCESS TRANSMISSION SERVICES, LLC AND MCI WORLDCOM COMMUNICATIONS, INC. FOR ARBITRATION OF CERTAIN TERMS AND CONDITIONS OF PROPOSED AGREEMENT WITH BELLSOUTH TELECOMMUNICATIONS, INC. CONCERNING INTERCONNECTION AND RESALE UNDER THE TELECOMMUNICATIONS ACT OF 1996.

Kansas

Docket No. 190,492-U: IN THE MATTER OF A GENERAL INVESTIGATION INTO COMPETITION WITHIN THE TELECOMMUNICATIONS INDUSTRY IN THE STATE OF KANSAS

Louisiana

Docket No. U-17957: IN RE: INVESTIGATION OF OPERATING PRACTICES OF ALTERNATIVE OPERATOR SERVICES PROVIDERS TO INCLUDE RATES AND CHARGES.

Docket No. U-19806: IN RE: PETITION OF AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, INC., FOR REDUCED REGULATION OF INTRASTATE OPERATIONS.

Docket No. U-20237: IN RE: OBJECTIONS TO THE FILING OF REDUCED WATS SAVER SERVICE RATES, INTRALATA, STATE OF LOUISIANA.

Docket No. U-20710: IN RE: GENERIC HEARING TO CLARIFY THE PRICING/IMPUTATION STANDARD SET FORTH IN COMMISSION ORDER NO. U- 17949-N ON A PROSPECTIVE BASIS ONLY, AS THE STANDARD RELATES TO LEC COMPETITIVE TOLL OFFERINGS.

Docket No. U-20883: IN RE: THE DEVELOPMENT OF RULES AND REGULATIONS APPLICABLE TO THE ENTRY AND OPERATIONS OF, AND THE PROVIDING OF SERVICES BY, COMPETITIVE AND ALTERNATE ACCESS PROVIDERS IN THE LOCAL, INTRASTATE AND/OR INTEREXCHANGE TELECOMMUNICATIONS MARKET IN LOUISIANA. SUBDOCKET A: UNIVERSAL SERVICE.

Louisiana (continued)

Docket No. U-25350: IN RE: PETITION OF MCIMETRO ACCESS TRANSMISSION SERVICES, LLC FOR ARBITRATION OF CERTAIN TERMS AND CONDITIONS OF PROPOSED AGREEMENT WITH BELL SOUTH TELECOMMUNICATIONS, INC. CONCERNING INTERCONNECTION AND RESALE UNDER THE TELECOMMUNICATIONS ACT OF 1996.

Minnesota

Docket No. P-421/CI-01-1371: IN THE MATTER OF A COMMISSION INVESTIGATION INTO QWEST'S COMPLIANCE WITH SECTION 271(c)(2)(B) OF THE TELECOMMUNICATIONS ACT OF 1996; CHECKLIST ITEMS 1, 2, 4, 5, 6, 11, 13, AND 14

Missouri

Case No. TO-87-42: IN THE MATTER OF SOUTHWESTERN BELL TELEPHONE COMPANY FILING ACCESS SERVICES TARIFF REVISIONS AND WIDE AREA TELECOMMUNICATIONS SERVICE (WATS) TARIFF, INDEX, 6th REVISED SHEET, ORIGINAL SHEET 16.01.

Case No. TO-95-289, ET AL: IN THE MATTER OF AN INVESTIGATION INTO THE EXHAUSTION OF TELEPHONE NUMBERS IN THE 314 NUMBERING PLAN AREA.

CASE NO. TC-2000-225, ET AL.: MCI WORLD COM COMMUNICATIONS, INC., BROOKS FIBER COMMUNICATIONS OF MISSOURI, INC., BROADSPAN COMMUNICATIONS, INC., D/B/A PRIMARY NETWORK COMMUNICATIONS, INC., COMPLAINANTS, VS. SOUTHWESTERN BELL TELEPHONE COMPANY, RESPONDENT.

CASE NO. TO-2001-467: IN THE MATTER OF THE INVESTIGATION OF THE STATE OF COMPETITION IN THE EXCHANGES OF SOUTHWESTERN BELL TELEPHONE COMPANY.

CASE No. TO-2002-222: PETITION OF MCI metro ACCESS TRANSMISSION SERVICES LLC, BROOKS FIBER COMMUNICATIONS OF MISSOURI, INC. AND MCI WORLD COM COMMUNICATIONS, INC. FOR ARBITRATION OF AN INTERCONNECTION AGREEMENT WITH SOUTHWESTERN BELL TELEPHONE COMPANY UNDER THE TELECOMMUNICATIONS ACT OF 1996

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Docket No. P-474, SUB 10: IN RE: PETITION OF MCIMETRO ACCESS TRANSMISSION SERVICES, LLC FOR ARBITRATION OF CERTAIN TERMS AND CONDITIONS OF PROPOSED AGREEMENT WITH BELLSOUTH TELECOMMUNICATIONS, INC. CONCERNING INTERCONNECTION AND RESALE UNDER THE TELECOMMUNICATIONS ACT OF 1996.

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Docket No.93-07799: IN RE: SHOW CAUSE PROCEEDING AGAINST CERTIFIED IXCS AND LECS TO PROVIDE TOLL FREE, COUNTY-WIDE CALLING.

Docket No.93-08793: IN RE: APPLICATION OF MCI METRO ACCESS TRANSMISSION SERVICES, INC. FOR AUTHORITY TO OFFER LOCAL EXCHANGE SERVICES WITHIN TENNESSEE.

Docket No.94-00184: INQUIRY FOR TELECOMMUNICATIONS RULEMAKING REGARDING COMPETITION IN THE LOCAL EXCHANGE.

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Docket 5113: PETITION OF PUBLIC UTILITY COMMISSION FOR AN INQUIRY CONCERNING THE EFFECTS OF THE MODIFIED FINAL JUDGMENT AND THE ACCESS CHARGE ORDER UPON SW BELL AND THE INDEPENDENT TELEPHONE COMPANIES OF TEXAS (Phase II).

Docket 5610: APPLICATION OF GENERAL TELEPHONE COMPANY OF THE SOUTHWEST FOR A RATE INCREASE.

Docket 5800: APPLICATION OF AT&T COMMUNICATIONS FOR AUTHORITY TO IMPLEMENT "REACH OUT TEXAS."

Docket 5898; APPLICATION OF SAN ANGELO FOR REMOVAL OF THE EXTENDED AREA SERVICE CHARGE FROM GENERAL TELEPHONE COMPANY OF THE SOUTHWEST'S RATES IN SAN ANGELO, TEXAS.

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Docket 5954: INQUIRY OF THE PUBLIC UTILITY COMMISSION OF TEXAS INTO OFFERING EXTENDED AREA SERVICE IN THE CITY OF ROCKWALL.

Docket 6095: APPLICATION OF AT&T COMMUNICATION FOR A RATE INCREASE.

Docket 6200: PETITION OF SOUTHWESTERN BELL TELEPHONE COMPANY FOR AUTHORITY TO CHANGE RATES.

Docket 6264: PETITION OF THE GENERAL COUNSEL FOR INITIATION OF AN EVIDENTIARY PROCEEDING TO ESTABLISH TELECOMMUNICATIONS SUBMARKETS.

Docket 6501: APPLICATION OF VALLEY VIEW TELEPHONE COMPANY FOR AN AMENDMENT TO CERTIFICATE OF CONVENIENCE AND NECESSITY.

Docket 6635: APPLICATION OF MUSTANG TELEPHONE COMPANY FOR AUTHORITY TO CHANGE RATES.

Docket 6740: APPLICATION OF SOUTHWEST TEXAS TELEPHONE COMPANY FOR RATE INCREASE.

Docket 6935: APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY TO INTRODUCE MICROLINK II- PACKET SWITCHING DIGITAL SERVICE.

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Docket 14447: PETITION OF MCI TELECOMMUNICATIONS CORPORATION FOR AN INVESTIGATION OF THE PRACTICES OF SOUTHWESTERN BELL TELEPHONE COMPANY REGARDING THE EXHAUSTION OF TELEPHONE NUMBERS IN THE 214 NUMBERING PLAN AREA AND REQUEST FOR A CEASE AND DESIST ORDER AGAINST SOUTHWESTERN BELL TELEPHONE COMPANY.

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Docket 16251: INVESTIGATION OF SOUTHWESTERN BELL TELEPHONE COMPANY'S ENTRY INTO THE INTERLATA TELECOMMUNICATIONS MARKET.

Docket 16285: PETITION OF MCI TELECOMMUNICATIONS CORPORATION AND ITS AFFILIATE MCIMETRO ACCESS TRANSMISSION SERVICES, INC. FOR ARBITRATION AND REQUEST FOR MEDIATION UNDER THE FEDERAL TELECOMMUNICATIONS ACT OF 1996.

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Docket 18117: COMPLAINT OF MCI TELECOMMUNICATIONS CORPORATION AND MCIMETRO ACCESS TRANSMISSION SERVICE, INC. AGAINST SWBT FOR VIOLATION OF COMMISSION ORDER IN DOCKET NOS. 16285 AND 17587 REGARDING PROVISIONING OF UNBUNDLED DEDICATED TRANSPORT.

Docket 19075: PETITION OF MCI TELECOMMUNICATIONS CORPORATION FOR ARBITRATION OF DIRECTORY ASSISTANCE LISTINGS ISSUES UNDER FEDERAL TELECOMMUNICATIONS ACT OF 1996.

Docket 21706: COMPLAINT OF MFS COMMUNICATIONS COMPANY, INC. AGAINST GTE SOUTHWEST, INCORPORATED REGARDING GTE'S NONPAYMENT OF RECIPROCAL COMPENSATION

Docket 21791: PETITION OF SOUTHWESTERN BELL TELEPHONE COMPANY FOR ARBITRATION WITH MCI WORLDCOM COMMUNICATIONS, INC. PURSUANT TO SECTION 252(B)(1) OF THE FEDERAL TELECOMMUNICATIONS ACT OF 1996.

Docket 21982: PROCEEDING TO EXAMINE RECIPROCAL COMPENSATION PURSUANT TO SECTION 252 OF THE FEDERAL TELECOMMUNICATIONS ACT OF 1996.

Dockets 22168/22469: PETITION OF IP COMMUNICATIONS CORPORATION TO ESTABLISH EXPEDITED PUBLIC UTILITY COMMISSION OF TEXAS OVERSIGHT CONCERNING LINE SHARING ISSUES; COMPLAINT OF COVAD COMMUNICATIONS COMPANY AND RHYTHMS LINKS, INC. AGAINST SOUTHWESTERN BELL TELEPHONE COMPANY AND GTE SOUTHWEST INC. FOR POST-INTERCONNECTION AGREEMENT DISPUTE RESOLUTION AND ARBITRATION UNDER THE TELECOMMUNICATIONS ACT OF 1996 REGARDING RATES, TERMS, CONDITIONS AND RELATED ARRANGEMENTS FOR LINE SHARING

Docket 24542: PETITION OF MCIMETRO ACCESS TRANSMISSION SERVICES LLC FOR ARBITRATION OF AN INTERCONNECTION AGREEMENT WITH SOUTHWESTERN BELL TELEPHONE COMPANY UNDER THE TELECOMMUNICATIONS ACT OF 1996

Washington

Docket No. UT-003022: IN THE MATTER OF THE INVESTIGATION INTO U S WEST COMMUNICATIONS, INC.'S COMPLIANCE WITH SECTION 271 OF THE TELECOMMUNICATIONS ACT OF 1996

DOCKET NO. UT-003013, Part D: IN THE MATTER OF THE CONTINUED COSTING AND PRICING OF UNBUNDLED NETWORK ELEMENTS, TRANSPORT, AND TERMINATION

Don Price Rebuttal Testimony

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Entity	Local Currency	Foreign Currency	National Scale	Type ¹
360 Communications Co.	A/Negative/-	A/Negative/-		ICR
AirGate PCS	CCC+/Negative/-	CCC+/Negative/-		ICR
Akamai Technologies Inc.	CCC+/Negative/-	CCC+/Negative/-		ICR
Alamosa Delaware Inc.	B-/Watch Neg/-	B-/Watch Neg/-		ICR
Alamosa Holdings Inc.	B-/Watch Neg/-	B-/Watch Neg/-		ICR
Alamosa Holdings LLC	B-/Watch Neg/-	B-/Watch Neg/-		ICR
Alaska Communications Systems Group Inc.	BB/Watch Neg/-	BB/Watch Neg/-		ICR
Alaska Communications Systems Holdings Inc.	BB/Watch Neg/-	BB/Watch Neg/-		ICR
Alaska United L.P.	BB/Negative/-	BB/Negative/-		ICR
Aliant Communications Inc.	A/Negative/-	A/Negative/-		ICR
Allegiance Telecom Inc.	CCC/Watch Neg/-	CCC/Watch Neg/-		ICR
ALLTEL Corp.	A/Negative/A-1	A/Negative/A-1		ICR
ALLTEL Georgia Communications Corp.	A/Negative/-	A/Negative/-		ICR
America Online Inc.	BBB+/Watch Neg/-	BBB+/Watch Neg/-		ICR
American Cellular Corp.	CCC-/Watch Neg/-	CCC-/Watch Neg/-		ICR
American Tower Corp.	B+/Watch Neg/-	B+/Watch Neg/-		ICR
Ameritech Corp.	AA-/Stable/NR	AA-/Stable/NR		ICR
Arch Wireless Communications Inc.	DI/-/-	DI/-/-		ICR
Arch Wireless Holdings Inc.	DI/-/-	DI/-/-		ICR
Arch Wireless Inc.	DI/-/-	DI/-/-		ICR

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Entity	Local Currency	Foreign Currency	National Scale	Type ¹
AT&T Corp.	BBB+/Watch Neg/A-2	BBB+/Watch Neg/A-2		ICR
AT&T Wireless Services Inc.	BBB/Stable/A-2	BBB/Stable/A-2		ICR
BellSouth Capital Funding Corp.	A+/Stable/A-1	A+/Stable/A-1		ICR
BellSouth Corp.	A+/Stable/A-1	A+/Stable/A-1		ICR
BellSouth Telecommunications 1994-A Pass Through Trust	A+/Stable/-	A+/Stable/-		ICR
BellSouth Telecommunications Inc.	A+/Stable/A-1	A+/Stable/A-1		ICR
Broadwing Communications Inc.	BB/Watch Neg/-	BB/Watch Neg/-		ICR
Broadwing Inc.	BB/Watch Neg/B	BB/Watch Neg/B		ICR
Carolina Telephone & Telegraph Co.	BBB-/Stable/NR	BBB-/Stable/NR		ICR
Calico Partnership (d/b/a Verizon Wireless)	A+/Negative/A-1	A+/Negative/A-1		ICR
Centel Corp.	BBB-/Stable/-	BBB-/Stable/-		ICR
Centennial Cellular Operating Co. LLC	B+/Watch Neg/-	B+/Watch Neg/-		ICR
Centennial Communications Corp.	B+/Watch Neg/-	B+/Watch Neg/-		ICR
Central Telephone Co.	BBB-/Stable/NR	BBB-/Stable/NR		ICR
CenturyTel, Inc.	BBB+/Stable/A-2	BBB+/Stable/A-2		ICR
Choice One Communications Inc.	CCC-/Negative/-	CCC-/Negative/-		ICR
Cincinnati Bell Telephone Co.	BB/Watch Neg/-	BB/Watch Neg/-		ICR
Cingular Wireless LLC	A+/Stable/A-1	A+/Stable/A-1		ICR
Citizens Communications Co.	BBB/Negative/A-2	BBB/Negative/A-2		ICR
COMSAT Corp.	BBB/Stable/NR	BBB/Stable/NR		ICR

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Cook Inlet/VoiceStream Operating Co. LLC	BBB+/Stable/-	BBB+/Stable/-		ICR
Cook Inlet/VoiceStream PCS LLC	BBB+/Stable/-	BBB+/Stable/-		ICR
Crown Castle International Corp.	B+/Watch Neg/-	B+/Watch Neg/-		ICR
D&E Communications Inc.	B+/Positive/-	B+/Positive/-		ICR
Dobson Communications Corp.	B+/Stable/-	B+/Stable/-		ICR
Dobson Operating Co. LLC	B+/Stable/-	B+/Stable/-		ICR
Earthlink Inc.	B+/Stable/-	B+/Stable/-		ICR
EchoStar Broadband Corp.	B+/Watch Pos/-	B+/Watch Pos/-		ICR
EchoStar Communications Corp.	B+/Watch Pos/-	B+/Watch Pos/-		ICR
EchoStar DBS Corp.	B+/Watch Pos/-	B+/Watch Pos/-		ICR
Evercom, Inc.	DI/-	DI/-		ICR
FairPoint Communications Inc.	B+/Negative/-	B+/Negative/-		ICR
FLAG Ltd.	DI/-	DI/-		ICR
FLAG Telecom Holdings Ltd.	DI/-	DI/-		ICR
Focal Communications Corp.	CCC/Developing/-	CCC/Developing/-		ICR
Frontier Telephone of Rochester Inc.	BBB/Negative/NR	BBB/Negative/NR		ICR
GCI Holdings, Inc.	BB/Negative/-	BB/Negative/-		ICR
GCI Inc.	BB/Negative/-	BB/Negative/-		ICR
Genuity Inc.	CC/Watch Neg/-	CC/Watch Neg/-		ICR
GTE Corp.	A+/Negative/A-1	A+/Negative/A-1		ICR

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GTE Delaware, L.P.	A+/Negative/-	A+/Negative/-		ICR
GTE Finance Corp.	A+/Negative/NR	A+/Negative/NR		ICR
GTE Midwest Inc.	A+/Negative/NR	A+/Negative/NR		ICR
GTE Southwest Inc.	A+/Negative/NR	A+/Negative/NR		ICR
Horizon PCS Inc.	B-/Watch Neg/-	B-/Watch Neg/-		ICR
Hughes Electronics Corp.	BB-/Watch Neg/NR	BB-/Watch Neg/NR		ICR
Illinois Bell Telephone Co.	AA-/Stable/-	AA-/Stable/-		ICR
Independent Wireless One Corp.	B-/Watch Neg/-	B-/Watch Neg/-		ICR
Indiana Bell Telephone Co.	AA-/Stable/-	AA-/Stable/-		ICR
Infonet Services Corp.	BB-/Stable/-	BB-/Stable/-		ICR
Intelsat Ltd.	A-/Watch Neg/A-1	A-/Watch Neg/A-1		ICR
Intermedia Communications, Inc.	D/-/-	D/-/-		ICR
IPCS Inc.	CCC-/Watch Neg/-	CCC-/Watch Neg/-		ICR
IPCS Wireless Inc.	CCC-/Watch Neg/-	CCC-/Watch Neg/-		ICR
Iridium Operating LLC/Iridium Capital Corp.	D/-/-	D-/Watch Neg/-		ICR
ITC DeltaCom, Inc.	D/-/-	D/-/-		ICR
IWO Holdings Inc.	B-/Watch Neg/-	B-/Watch Neg/-		ICR
LCI International Inc.	B-/Developing/-	B-/Developing/-		ICR
Leap Wireless International Inc.	CC-/Watch Neg/-	CC-/Watch Neg/-		ICR
Level 3 Communications, Inc.	CCC-/Negative/-	CCC-/Negative/-		ICR

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Loral Space&Communications Ltd.	CC-/Watch Neg/-	CC-/Watch Neg/-		ICR
Madison River Capital LLC	B-/Stable/-	B-/Stable/-		ICR
Madison River Finance Corp.	B-/Stable/-	B-/Stable/-		ICR
Madison River Telephone Company LLC	B-/Stable/-	B-/Stable/-		ICR
MCI Communications Corp.	D/-/NR	D/-/NR		ICR
Metricom Inc.	D/-/-	D/-/-		ICR
Metrocall, Inc.	D/-/-	D/-/-		ICR
Metromedia Fiber Network Inc.	D/-/-	D/-/-		ICR
Michigan Bell Telephone Co.	AA-/Stable/-	AA-/Stable/-		ICR
MPower Communications Inc.	D/-/-	D/-/-		ICR
Nextel Communications Inc.	B+/Negative/-	B+/Negative/-		ICR
Nextel Partners, Inc.	B-/Stable/-	B-/Stable/-		ICR
NII Holdings Inc.	D/-/-	D/-/-		ICR
NTELOS Inc.	B-/Negative/-	B-/Negative/-		ICR
NYNEX Corp.	A+/Negative/NR	A+/Negative/NR		ICR
Ohio Bell Telephone Co.	AA-/Stable/-	AA-/Stable/-		ICR
Omnipoint Corp.	BBB+/Stable/-	BBB+/Stable/-		ICR
Pac-West Telecomm, Inc.	CCC-/Watch Neg/-	CCC-/Watch Neg/-		ICR
Pacific Bell	AA-/Stable/NR	AA-/Stable/NR		ICR
Pacific Northwest Bell Telephone Co.	AA-/Stable/-	AA-/Stable/-		ICR

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Entity	Local Currency	Foreign Currency	National Scale	Type ¹
Pacific Telesis Group	AA-/Stable/NR	AA-/Stable/NR		ICR
PanAmSat Corp.	BB-/Watch Neg/NR	BB-/Watch Neg/NR		ICR
Pegasus Communications Corp.	B-/Watch Neg/-	B-/Watch Neg/-		ICR
Pegasus Media & Communications Inc.	B-/Watch Neg/-	B-/Watch Neg/-		ICR
Pegasus Satellite Communications Inc.	B-/Watch Neg/-	B-/Watch Neg/-		ICR
Pinnacle Holdings Inc.	D/-/-	D/-/-		ICR
PowerTel Inc.	BBB+/Stable/-	BBB+/Stable/-		ICR
Price Communications Corp.	B+/Watch Pos/-	B+/Watch Pos/-		ICR
Price Communications Wireless Inc.	B+/Watch Pos/-	B+/Watch Pos/-		ICR
Primus Telecommunications Group Inc.	CCC+/Negative/-	CCC+/Negative/-		ICR
Qwest Communications International Inc.	B-/Developing/NR	B-/Developing/NR		ICR
Qwest Corp.	B-/Developing/NR	B-/Developing/NR		ICR
RCN Corp.	CCC+/Negative/-	CCC+/Negative/-		ICR
Rhythms NetConnections Inc.	D/-/-	D/-/-		ICR
Rural Cellular Corp.	B+/Stable/-	B+/Stable/-		ICR
SBA Communications Corp.	B-/Watch Neg/-	B-/Watch Neg/-		ICR
SBC Communications Capital Corp.	AA-/Stable/NR	AA-/Stable/NR		ICR
SBC Communications Inc.	AA-/Stable/A-1+	AA-/Stable/A-1+		ICR
Southern New England Telecommunications Corp.	AA-/Stable/NR	AA-/Stable/NR		ICR
Southern New England Telephone Co.	AA-/Stable/-	AA-/Stable/-		ICR

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Entity	Local Currency	Foreign Currency	National Scale	Type ¹
Southwestern Bell Telephone Co.	AA-/Stable/NR	AA-/Stable/NR		ICR
SpectraSite Holdings Inc.	SD/-/-	SD/-/-		ICR
Sprint - Florida, Inc.	BBB-/Stable/NR	BBB-/Stable/NR		ICR
Sprint Capital Corp.	BBB-/Stable/NR	BBB-/Stable/NR		ICR
Sprint Corp.	BBB-/Stable/A-3	BBB-/Stable/A-3		ICR
Talk America Holdings Inc.	D/-/-	D/-/-		ICR
Telecomunicaciones de Puerto Rico Inc.	BBB/Stable/A-2	BBB/Stable/A-2		ICR
Telephone&Data Systems Inc.	A-/Negative/-	A-/Negative/-		ICR
Time Warner Telecom Inc.	B/Watch Neg/-	B/Watch Neg/-		ICR
Triton PCS Inc.	B+/Stable/-	B+/Stable/-		ICR
UbiquiTel Inc.	CCC+/Watch Neg/-	CCC+/Watch Neg/-		ICR
UbiquiTel Operating Co.	CCC+/Watch Neg/-	CCC+/Watch Neg/-		ICR
United States Cellular Corp.	A-/Negative/-	A-/Negative/-		ICR
United Telephone Co. of Ohio	BBB-/Stable/-	BBB-/Stable/-		ICR
US Unwired Inc.	B/Watch Neg/-	B/Watch Neg/-		ICR
Valor Telecommunications Enterprises LLC	B+/Stable/-	B+/Stable/-		ICR
Valor Telecommunications LLC	B+/Stable/-	B+/Stable/-		ICR
Verizon California Inc.	A+/Negative/NR	A+/Negative/NR		ICR
Verizon Communications Inc.	A+/Negative/-	A+/Negative/-		ICR
Verizon Delaware Inc.	A+/Negative/-	A+/Negative/-		ICR

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Entity	Local Currency	Foreign Currency	National Scale	Type ¹
Verizon Florida Inc.	A+/Negative/NR	A+/Negative/NR		ICR
Verizon Global Funding Corp.	A+/Negative/A-1	A+/Negative/A-1		ICR
Verizon Hawaii Inc.	A+/Negative/NR	A+/Negative/NR		ICR
Verizon Maryland Inc.	A+/Negative/-	A+/Negative/-		ICR
Verizon Network Funding Co.	-/-A-1+	-/-A-1+		ICR
Verizon New England Inc.	A+/Negative/-	A+/Negative/-		ICR
Verizon New Jersey Inc.	A+/Negative/-	A+/Negative/-		ICR
Verizon New York Inc.	A+/Negative/-	A+/Negative/-		ICR
Verizon North Inc.	A+/Negative/NR	A+/Negative/NR		ICR
Verizon Northwest Inc.	A+/Negative/NR	A+/Negative/NR		ICR
Verizon Pennsylvania Inc.	A+/Negative/-	A+/Negative/-		ICR
Verizon South Inc.	A+/Negative/NR	A+/Negative/NR		ICR
Verizon Virginia Inc.	A+/Negative/-	A+/Negative/-		ICR
Verizon Washington, DC Inc.	A+/Negative/-	A+/Negative/-		ICR
Verizon West Virginia Inc.	A+/Negative/-	A+/Negative/-		ICR
Vodafone Americas Asia Inc.	A/Stable/NR	A/Stable/NR		ICR
VoiceStream Wireless Corp.	BBB+/Stable/-	BBB+/Stable/-		ICR
Western Wireless Corp.	B/Watch Neg/-	B/Watch Neg/-		ICR
Williams Communications Group Inc.	D/-/-	D/-/-		ICR
Wisconsin Bell Inc.	AA-/Stable/-	AA-/Stable/-		ICR

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▲ Entity

Local Currency

Foreign Currency

National Scale

Type¹

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Don Price Rebuttal Testimony

Schedule 3

Schedule 3

NOTE: Those companies with an asterisk are certificated as an IXC in Missouri.

360 Communications Co. – Wireless carrier; acquired by ALLTEL

AirGate PCS – PCS marketer. Markets Sprint products in seven states.

Akamai Technologies Inc. – Web hosting company.

Alamosa (Holdings Inc.; LLC; Delaware) – Wireless marketer. Markets Sprint products in eleven states.

Alaska Communications Systems (Group Inc.; Holdings Inc.) – Provider of local, data, long distance in Alaska.

Aliant Communications Inc. – Formerly Lincoln Telephone & Telegraph, a local exchange carrier in Nebraska; now owned by ALLTEL.

*Allegiance Telecom Inc. – CLEC which offers business voice, data, and internet services.

ALLTEL – Local exchange carrier.

America Online Inc. – Internet service provider.

*American Cellular Corp. – Rural cellular carrier (CellularOne); acquired by AT&T Wireless.

American Tower Corp. – Owns and operated cellular towers.

Ameritech Corp – SBC subsidiary. Local exchange carrier.

Arch Wireless Inc. (Communications Inc., Holdings Inc.) – Wireless provider.

AT&T Corp – Long distance provider

AT&T Wireless Services – Cellular provider.

*Bell South Corp (and related entities) – Local exchange carrier.

*Broadwing Inc. (Communications Inc.) – Data, internet, local provider (Cincinnati Bell).

Carolina Telephone & Telegraph – Local service provider in North Carolina.

Cellco Partnership – Part of Verizon Wireless

Centel Corp – Local exchange provider; acquired by Sprint.

Centennial Cellular Operating Co. – Wireless provider.

Central Telephone Co. – Part of Centel, now owned by Sprint.

CenturyTel, Inc – Local exchange company.

Choice One Communications Inc. – CLEC, long distance provider.

*Cincinnati Bell – Part of Broadwing. Local exchange carrier.

Cingular Wireless LLC – Joint venture between Bell South and SBC.

*Citizens Communications Co. – Local exchange provider.

COMSAT Corp. – Satellite communications; owned by Lockheed Martin.

Cook Inlet/Voice Stream Operating Co. LLC – Wireless provider.

Crown Castle International Corp. – Wireless infrastructure provider.

D & E Communications Inc. – Local exchange carrier based in Pennsylvania.

Dobson Communications Corp. – Wireless provider.

Earthlink Inc. – Internet provider.

EchoStar Communications Corp. – Satellite TV provider (Dish Network).

Evercom, Inc. – Prison payphone provider.

FairPoint Communications Inc. – Rural local exchange provider.

FLAG Telecom Holdings Ltd. – Global fiber network provider.

*Focal Communications Corp. – CLEC, long distance, internet services.

*Frontier Telephone of Rochester Inc. – Rochester ILEC; part of Citizens Communications.

GCI Inc. (GCI Holdings, Inc.) – Long distance provider in Alaska.

Genuity Inc. – Internet; network services provider.

*GTE Corp. – Part of Verizon. Local exchange carrier.

Horizon PCS Inc. – Wireless provider; markets Sprint services.

Hughes Electronics Corp. – Satellite TV (Direct TV); owned by General Motors.

Illinois Bell – Part of SBC. Local exchange carrier.

Independent Wireless One Corp. – Wireless provider; markets Sprint products.

Indiana Bell – Part of SBC. Local exchange carrier.

*Infonet Services Corp. – Internet; web hosting company.

Intelsat Ltd. – Satellite services company.

*Intermedia Communications, Inc. – Part of WorldCom.

iPCS Inc. – Wireless provider; markets Sprint PCS services.

Iridium Operating LLC – Satellite communications company.

*ITC DeltaCom, Inc. – CLEC, long distance, internet, data provider.

IWO Holdings Inc. – Wireless provider; markets Sprint PSC products.

LCI International Inc. – Long distance provider; owned by Qwest.

Leap Wireless International Inc. – Wireless provider.

Level 3 Communications, Inc. – Long haul fiber network provider.

Loral Space & Communications Ltd. – Satellite communications provider and manufacturer.

Madison River Telephone Company – CLEC providing voice, long distance, data.

*MCI Communications Corp. – Part of WorldCom. Long distance, local, data, internet.

Metricom Inc. – Wireless data provider.

Metrocall, Inc. – Wireless data and messaging.

Metromedia Fiber Network Inc. – Local fiber network provider.

Michigan Bell – Owned by SBC. Local exchange carrier.

MPower Communications Inc. – CLEC offering voice, data, web hosting, and internet access.

*Nextel Communications Inc. – Wireless provider.

NII Holdings Inc. – Wireless provider (formerly Nextel International)

NTELOS Inc. – Internet, PCS, and CLEC provider. (formerly CFW Communications, a rural telephone provider).

NYNEX Corp. – Owned by Verizon. Local exchange carrier.

Ohio Bell – Owned by SBC. Local exchange carrier.

Omnipoint Corp. – Wireless equipment manufacturer, now owned by VoiceStream.

Pac-West Telecomm, Inc. – CLEC.

Pacific Bell – Owned by SBC. Local exchange carrier.

Pacific Northwest Bell – Owned by Qwest. Local exchange carrier.

Pacific Telesis Group – Owned by SBC. Local exchange carrier holding company.

PanAmSat Corp. – Satellite services operator.

Pegasus Communications Corp. – Satellite services operator.

Pinnacle Holdings Inc. – Wireless tower operator.

Powertel Inc. – Wireless provider.

Price Communications Corp. – Wireless provider (operates under the CellularOne brand).

*Primus Telecommunications Group Inc. – CLEC and fiber optic cable provider.

*Qwest Corp. – Local exchange provider; long haul fiber carrier; long distance.

*RCN Corp. – Cable, phone, and internet provider.

Rhythms NetConnections Inc. – Owned by WorldCom.

Rural Cellular Corp. – Wireless provider.

*SBA Communications Corp. – Wireless tower operator.

*SBC Communications Inc. – Local exchange provider.

Southern New England Telephone Co. – Owned by SBC. Local exchange carrier.

Southwestern Bell – Owned by SBC. Local exchange carrier.

SpectraSite Holdings Inc. -- Wireless tower operator.

*Sprint – Local exchange carrier, long distance, data, and internet provider

*Talk America Holdings Inc. – Long distance and CLEC provider.

Telecomunicaciones de Puerto Rico Inc. – Incumbent local exchange carrier in Puerto Rico. Verizon owns majority interest in this company, which offers local, long distance, wireless, and paging.

*Telephone & Data Systems Inc. – Rural LEC, wireless, and CLEC provider.

*Time Warner Telecom Inc. – CLEC.

Triton PCS Inc. – Wireless provider.

UbiquiTel Inc. – Wireless provider; markets Sprint services.

United States Cellular Corp. – Cellular service provider.

United Telephone of Ohio – Local exchange provider, owned by Sprint.

US Unwired Inc. – Wireless provider; markets Sprint services.

Valor Telecommunications LLC – Local exchange provider; formed to acquire various GTE properties in the southwest.

*Verizon – Local exchange provider.

Vodafone Americas Asia Inc. – Wireless provider.

*VoiceStream Wireless Corp. – Wireless provider, now operating under the T-Mobile brand. Owned by Deutsche Telecom AG.

*Western Wireless Corp. – Wireless provider.

Williams Communications Group Inc. – Long haul fiber network operator, also provides web hosting.

Wisconsin Bell – Owned by SBC. Local exchange carrier.

There are 26 companies covered by Standard & Poor's that are certificated to provide long distance service in Missouri.

There are approximately 648 companies certificated as IXC's to do business in Missouri.

Standard & Poor's covers approximately 4% of the IXC's certificated to do business in Missouri. Conversely, 96% of IXC's in Missouri would not fall under Spectra's deposit scheme.

Don Price Rebuttal Testimony

Schedule 4

ADJUSTED KEY INDUSTRIAL FINANCIAL RATIOS

U.S. Industrial long term debt

Three-year (1998 to 2000) medians

	AAA	AA	A	BBB	BB	B	CCC
EBIT int. cov. (x)	21.4	10.1	6.1	3.7	2.1	0.8	0.1
EBITDA int. cov. (x)	26.5	12.9	9.1	5.8	3.4	1.8	1.3
Free oper. cash flow/total debt (%)	84.2	25.2	15.0	8.5	2.6	(3.2)	(12.9)
FFO/total debt (%)	128.8	55.4	43.2	30.8	18.8	7.8	1.6
Return on capital (%)	34.9	21.7	19.4	13.6	11.6	6.6	1.0
Operating income/sales (%)	27.0	22.1	18.6	15.4	15.9	11.9	11.9
Long-term debt/capital (%)	13.3	29.2	33.9	42.5	57.2	69.7	68.8
Total debt/capital (incl. STD) (%)	22.9	37.7	42.5	48.2	62.6	74.8	87.7
Companies	8	29	136	218	273	281	22

Data for earlier years and in greater detail are available by subscribing to Standard & Poor's CreditStats.

KEY UTILITY FINANCIAL RATIOS

U.S. Electric Utility long-term debt

For 12 months ended Sept. 2001

	AA	A	BBB	BB
EBIT interest coverage (x)	4.2	3.4	2.8	1.9
Preferred dividend coverage (x)	4.1	3.3	2.7	1.8
Return on equity (%)	12.3	12.5	10.9	11.4
Common dividend payout (%)	92.3	81.7	81.6	33.9
Short term debt/capital (%)	8.2	10.4	11.2	6.2
Total debt/capital (%)	51.7	55.92	58.78	73.3
Preferred stock/capital (%)	2.3	3.0	2.7	4.5
Common stock/capital (%)	50.9	43.2	39.6	26.1
Funds from operations interest coverage	5.1	4.0	3.5	2.4
Funds from operations/total debt (%)	35.5	23.76	20.42	12.47
Net cash flow/capital expenditures (%)	97.5	74.8	80.6	65.2

EBIT—Earnings before interest and taxes.

EBITDA—Earnings before interest, taxes, depreciation, and amortization.

Don Price Rebuttal Testimony

Schedule 5



Moody's Investors Service

Contact :

defaultreport@moody.com

July Default Report

19 August 2002

Exhibit 1 Trailing 12-Month Speculative-Grade Default Rates

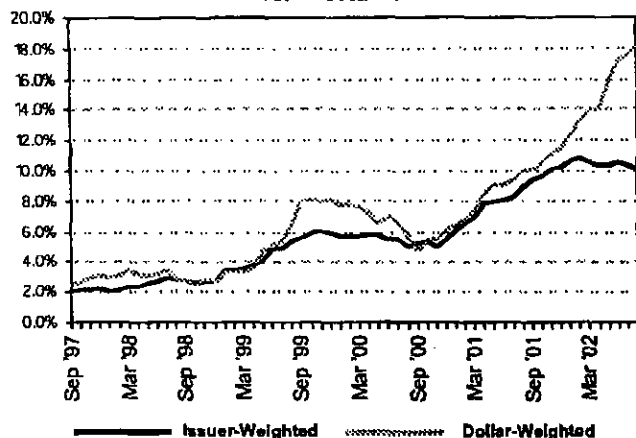


Exhibit 2 Speculative Grade Default Rate Forecast

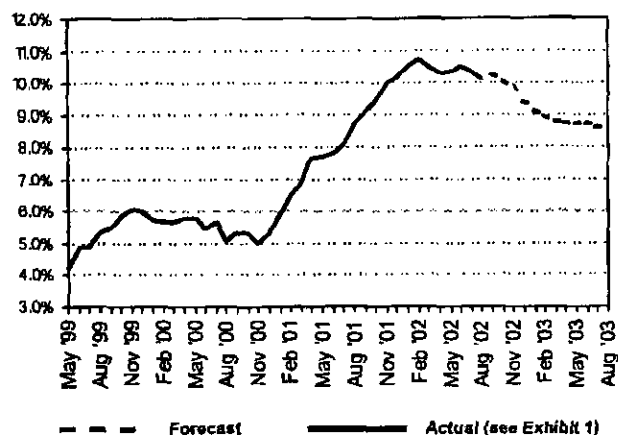


Exhibit 3 Default Activity Summary

	Spec-Grade Default Rates		Issuer Count	Issue Count	Dollar Total (Millions US\$)
	Issuer	Dollar			
May 2002	10.5% ^a	17.3% ^a	18	61	\$18,228.8
June 2002	10.3% ^a	17.6% ^a	14	33	\$7,213.0
July 2002	10.1% ^a	18.3% ^a	16	55	\$33,443.5
5-yr Average	5.8% ^a	7.1% ^a	17.1	42.6	\$8,234.5
5-yr Standard Deviation	2.8% ^a	4.1% ^a	6.6	26.2	\$6,598.8

NB: July's dollar-weighted default rate excludes WorldCom and other fallen angel defaults.

Exhibit 4 Model-Generated Speculative Grade Default Rate 12-Month Forecast

August 2002	September	October	November	December	January 2003
10.3% ^a	10.1% ^a	9.8% ^a	9.5% ^a	9.2% ^a	9.0% ^a
February	March	April	May	June	July
8.7% ^a	8.8% ^a	8.7% ^a	8.7% ^a	8.6% ^a	8.6% ^a

Exhibit 5 Defaulted Bond Totals (Millions \$US)

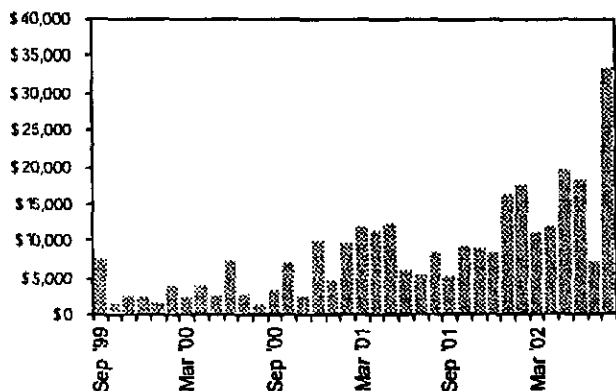


Exhibit 6 Defaulted Bond Issuer and Issue Counts

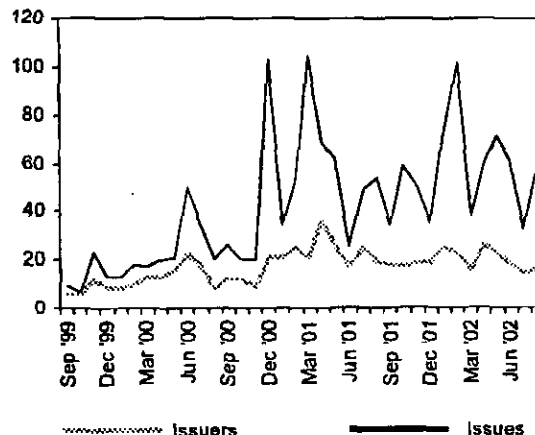


Exhibit 9 Moody's Bankrupt Bond Index
(Dec. 1980 = 100)

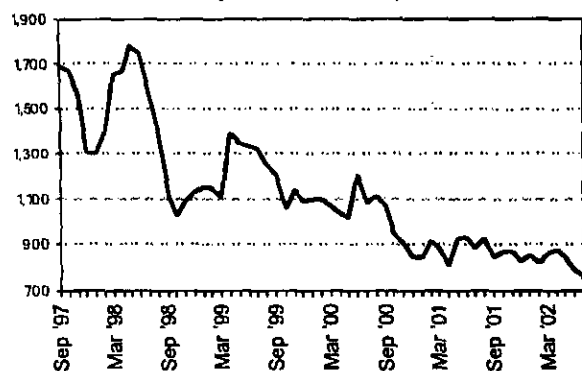
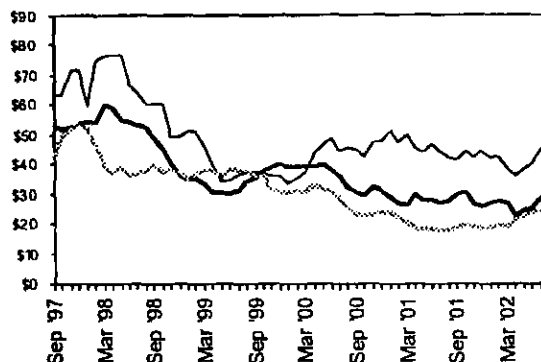


Exhibit 10 Trailing 12-Month Defaulted Bond Prices* (Per US\$100 Par)



— Sr. Secured — Sr. Unsecured Subordinated

* Bond prices taken one month after default.

Exhibit 11 Moody's Bankrupt Bond Index Summary

	Level	Change				Year-to-Date	
		1-Month	3-Month	6-Month	12-Month	2001	2000
Index	752	-4.3%"	-14.2%"	-11.8%"	-15.2%"	-9.5%"	5.5%"
Issuers	171	5.6%"	11.0%"	17.9%"	44.9%"	17.1%"	81.8%"
Issues	326	7.6%"	12.0%"	23.0%"	35.8%"	33.1%"	38.8%"
Total Par *	\$85.4	12.4%"	21.1%"	43.3%"	63.3%"	52.8%"	91.1%"

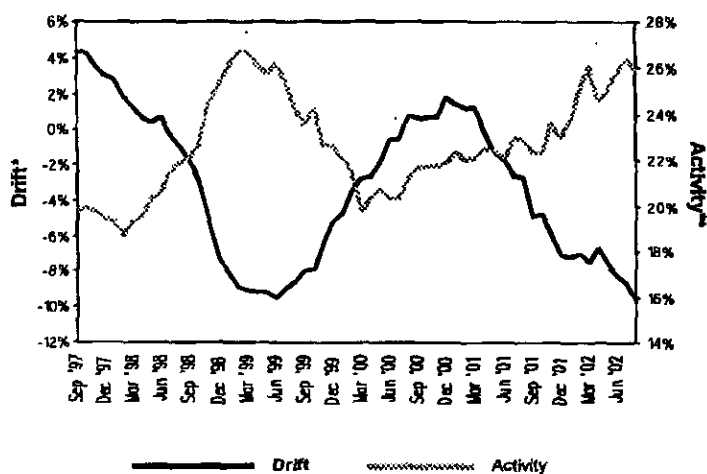
* US\$ Billions

Exhibit 12 Trailing 12-Month Defaulted Bond Price Average*

	Sr. Secured	Sr. Unsecured	Subordinated
Price	\$47.33	\$28.93	\$25.56
Count	82	248	74
5-yr Average	\$48.52	\$36.62	\$30.74
5-yr Standard Deviation	\$11.95	\$10.37	\$9.75

* Bond prices taken one month after default.

Exhibit 13 Rating Activity & Rating Drift



* Rating Drift = (Issuer Upgrades - Issuer Downgrades) / Rated Issuers

** Rating Activity = Issuer Rating Changes / Rated Issuers

Rating activity and drift are calculated on a trailing 12-month basis