

NEW APPLICATION
MILLER ISAR INC.
REGULATORY CONSULTANTS



ANDREW O. ISAR

7901 SKANSIE AVENUE,
SUITE 240
GIG HARBOR, WA 98335
TELEPHONE: 253.851.6700
FACSIMILE: 253.851.6474
HTTP://WWW.MILLERISAR.COM

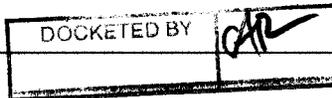
Arizona Corporation Commission

DOCKETED

Via Overnight Delivery

June 2, 2004

JUN - 3 2004



AZ CORP COMMISSION
DOCUMENT CONTROL

2004 JUN - 3 P 2:17

RECEIVED

Docket Control Center
Arizona Corporation Commission
1200 W. Washington
Phoenix, Arizona 85007-2996

T-03346A-04-0413

Re: Southwestern Bell Communications Services Inc. d/b/a SBC Long Distance ("SBC Long Distance") Application for Expanded Facilities-Based Interexchange Authority

Dear Sir/Madam:

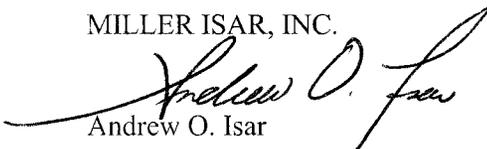
Enclosed please find an original and thirteen (13) copies of SBC Long Distance's *Application for Expanded Facilities-Based Interexchange Authority* in Arizona.

Please acknowledge receipt of this filing by date-stamping and returning the additional copy of this transmittal letter in the self-addressed, postage paid envelope provided for this purpose.

Questions regarding this filing may be directed to me at the telephone and facsimile numbers above.

Sincerely,

MILLER ISAR, INC.


Andrew O. Isar

cc: Norman W. Descoteaux, Southwestern Bell Communications Services Inc.

If the Applicant wants to provide any type of Non-Customer Owned Pay Telephone ("COPT") telecommunications services in Arizona, provide the Arizona Corporation Commission ("Commission") with information being requested.

Remember that information submitted for a Certificate of Convenience and Necessity ("CC&N") will be made part of the public record (including financial statements). Any information designated as confidential will not be accepted by Docket Control. Mail your original CC&N application plus thirteen (13) copies to Arizona Corporation Commission, Docket Control, 1200 W. Washington Street, Phoenix, AZ 85007-2927.

Make sure you use the Application form dated April 14, 2004. Also, make sure you answer each numbered item and part of the item in each section of the Application form. If you do not use the correct Application form and/or do not completely answer the numbered item(s), Staff will request the Applicant to re-submit the Application form and/or complete any of the numbered item(s) and part of the item in a data request. In order for Staff to review your Application, complete the following form. Thank you.

ARIZONA CORPORATION COMMISSION

Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services

Mail original plus 13 copies of completed application to: _____ For Docket Control Only:
(Please Stamp Here)

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

Please indicate if you have current applications pending
in Arizona as an Interexchange reseller, AOS provider,
or as the provider of other telecommunication services.

Type of Service: Applicant has no pending applications before the Arizona Corporation Commission

Docket No.: _____ Date: _____ Date Docketed: _____

Type of Service: _____

Docket No.: _____ Date: _____ Date Docketed: _____

A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and answer the appropriate numbered items:

- Resold Long Distance Telecommunications Services (Answer Sections A, B).
- Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
- Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
- Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E)
- Alternative Operator Services Telecommunications Services (Answer Sections A, B)
- Other _____ (Please attach complete description)

Applicant seeks expanded authority to provide facilities-based interLATA, interexchange telecommunications service authority in Arizona, in addition to the interexchange resale authority granted to Applicant by the Arizona Corporation Commission under Decision No. 61227 in Docket T-03346A-97-0152. 1

1 Applicant was granted facilities-based and resold competitive local exchange carrier authority on April 6, 2004 in Docket No. T-03346A-03-0844.

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

Southwestern Bell Communications Services Inc.

5850 W. Las Positas Blvd.

Pleasanton, CA 94588

Tel. No.: (925) 468-6209

Fax. No.: (707) 435-6640

e-mail address: nd1639@camail.sbc.com

Web site: www.sbc.com

(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

d/b/a SBC Long Distance

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

Norman W. Descoteaux, Associate Director – Regulatory

Southwestern Bell Communications Services Inc.

5850 W. Las Positas Blvd., NE137

Pleasanton, CA 94588

Tel. No.: (925) 468- 6209

Fax. No.: (707) 435-6640

e-mail address: nd1639@camail.sbc.com

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

Andrew O. Isar

Miller Isar, Inc.

7901 Skansie Avenue, Suite 240

Gig Harbor, WA 98335

Tel. No.: (253) 851-6700

Fax. No.: (253) 851-6474

e-mail address: aisar@millerisar.com

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), E-mail address of the Applicant's Complaint Contact Person:

Ann Kwong

Southwestern Bell Communications Services Inc.

5850 W. Las Positas Blvd.

Pleasanton, CA 94588

Tel. No.: (800) 704-1465

Fax. No.: (707) 427-7772

e-mail address: regucomplaints@camail.sbc.com

<p>(A-7) What type of legal entity is the Applicant?</p> <p><input type="checkbox"/> Sole proprietorship</p> <p><input type="checkbox"/> Partnership: _____ Limited, _____ General, _____ Arizona, _____ Foreign</p> <p><input type="checkbox"/> Limited Liability Company: _____ Arizona, _____ Foreign</p> <p><input checked="" type="checkbox"/> Corporation: _____ "S", <u> X </u> "C", _____ Non-profit</p> <p><input type="checkbox"/> Other, specify: _____</p>
<p>(A-8) Please include "Attachment A":</p> <p>Attachment "A" must include the following information:</p> <ol style="list-style-type: none"> 1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in the State of Arizona. 2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify). 3. Indicate percentages of ownership of each person listed in A-8.2. <p>Please refer to Attachment A.</p>
<p>(A-9) Include your Tariff as "Attachment B".</p> <p>Your Tariff must include the following information:</p> <ol style="list-style-type: none"> 1. Proposed Rates and Charges for each service offered (reference by Tariff page number). 2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number). 3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number). 4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number). 5. The proposed fee that will be charged for returned checks (reference by Tariff page number). <p>Please refer to Attachment B. Applicant will rely on its existing Arizona interexchange tariff, A.C.C. Tariff No. 5, which remains unchanged and is on file with the Commission. In light of the size of the tariff, and with Staff's concurrence, Applicant submits only the first page of A.C.C. Tariff No. 5 and a Commission date-stamped copy of Applicant's most recent advice letter filing as evidence that the tariff is on file with the Commission</p>
<p>(A-10) Indicate the geographic market to be served:</p> <p><input checked="" type="checkbox"/> Statewide. (Applicant adopts statewide map of Arizona provided with this application).</p> <p><input type="checkbox"/> Other. Describe and provide a detailed map depicting the area.</p>
<p>(A-11) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency.</p>

Describe in detail any such involvement. Please make sure you provide the following information:

1. States in which the Applicant has been or is involved in proceedings.
2. Detailed explanations of the Substance of the Complaints.
3. Commission Orders that resolved any and all Complaints.
4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

Please refer to Attachment E.

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

Describe in detail any such judgments or convictions. Please make sure you provide the following information:

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

Neither the Applicant or any of its officers, directors, partners, or managers have been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

Yes

No

(A-14) Is applicant willing to post a Performance Bond? Please check appropriate box(s).

For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

Yes

No

If "No", continue to question (A-15).

For Local Exchange Resellers, a \$25,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than one type of service.

(A-15) If No to any of the above, provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the applicant's superior financial position limits any risk to Arizona consumers.

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. ~~Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division.~~

See draft publication Notice, at Attachment C.

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in the State of Arizona:

Yes

No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

Applicant seeks facilities-based authority for purposes of enabling Applicant to collocate network equipment with Applicant's underlying carrier. Applicant will continue to resell interexchange services of WilTel.

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona:

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

Applicant is currently approved to provide interexchange telecommunications services that the Applicant currently provides in Arizona in the other 49 states.

(A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona.

Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry.

Applicant currently provides interexchange telecommunications services that the Applicant currently provides in Arizona in the other 49 states.

(A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.

Please refer to Attachment G.

B. FINANCIAL INFORMATION

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.

Yes

No

If "No," explain why and give the date on which the Applicant began operations.

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

As a wholly-owned subsidiary of SBC Communications Inc., Applicant does not prepare audited, stand-alone financial statements. The financial information of Applicant's parent company, SBC Communications Inc. for the past 2 years is attached hereto at Attachment D. Additional SBC Communications Inc., financial information is available at http://www.sbc.com/investor_relations/

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

Applicant will not rely on the financial resources of its Parent Company.

(B-4) The Applicant must provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.

Applicant projects total revenue generated by the provision of telecommunications services generated from Arizona for the first twelve months following certification to be \$1,500,000.00.

2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.

Applicant projects operating expenses to be incurred during the first twelve months of providing telecommunications to be a minimum of \$1,470,000.00.

3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.

Applicant will deploy network equipment to be collocated with Applicant's underlying carrier switching equipment in Arizona. The projected value of this equipment is \$600,000.00.

4. If the projected value of all assets is zero, please specifically state this in your response.

Please refer to response 3, *supra*.

5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

Not applicable.

C. RESOLD AND/OR FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(C-1) Indicate if the Applicant has a resale agreement in operation,

Yes

No

If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.

D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(D-1) Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in the State of Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:

Yes

No

If "Yes," provide the following information:

1. The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services for the State of Arizona.
2. Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in the State of Arizona.

If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in the State of Arizona:

Applicant was granted competitive intra and interLATA, interexchange telecommunications service authority by the Arizona Corporation Commission under Decision No. 61227, in Docket T-03346A-97-0152. Applicant's current retail services will remain unaffected by this Application for facilities-based authority. Applicant will continue to provide its existing interexchange services without change, accordingly. Applicant seeks facilities-based authority to collocate network equipment with its underlying carrier for purposes of cost reduction and network performance and administrative capability enhancement. Such network equipment will be deployed upon a grant of the instant Application. Applicant may in the future deploy transmission facilities, although none are currently planned.

(D-2) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

- Decision # 64178 Resold Long Distance
- Decision # 64178 Resold LEC
- Decision # 64178 Facilities Based Long Distance
- Decision # 64178 Facilities Based LEC

E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59421:

- Yes No

(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

- Yes No

(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):

- Yes No

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

(Signature of Authorized Representative)

June 1, 2004

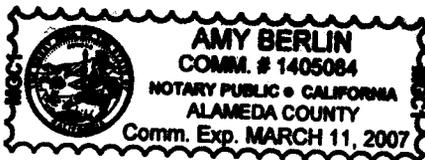
(Date)

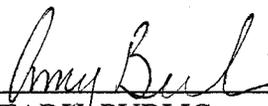

Joe Carrisalez

Executive Director - Regulatory

(Title)

SUBSCRIBED AND SWORN to before me this 1st day of June, 2004.





NOTARY PUBLIC

My Commission Expires 3/11/2007

ARIZONA CORPORATION COMMISSION

**Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services
Of
Southwestern Bell Communications Services Inc.**

ATTACHMENT A

A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in the State of Arizona.

A copy of Applicant's Certificate of Good Standing as a Foreign Corporation is attached hereto.

A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).

The names and titles of Applicant's officers and directors are:

PRESENT DIRECTORS

Yno Gonzalez	Chairman of the Board
Bill McCracken	Director

PRESENT OFFICERS

Yno Gonzalez	President
Larry Ruzicka	Vice President - Taxes
John di Bene	Vice President, General Counsel and Secretary
Janet M. Duncan	Treasurer
Thomas S. Clemens	Assistant Treasurer
Bill McCracken	Comptroller

Percentages of ownership of each corporate officer

The Applicant is a wholly-owned subsidiary of SBC Communications Inc.

STATE OF ARIZONA



Office of the CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeill, Executive Secretary of the Arizona Corporation Commission, do hereby certify that

*****SOUTHWESTERN BELL COMMUNICATIONS SERVICES, INC.*****
a foreign corporation organized under the laws of Delaware did obtain authority to transact business in the State of Arizona on the 9th day of October 1996.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation has not had its authority revoked for failure to comply with the provisions of the Arizona Business Corporation Act; that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed an Application for Withdrawal as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 10th Day of November, 2003, A. D.



Brian C. McNeill
Executive Secretary

By *[Signature]*

ARIZONA CORPORATION COMMISSION

**Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services
Of
Southwestern Bell Communications Services Inc.**

ATTACHMENT B

Applicant will rely on its existing Arizona interexchange tariff, A.C.C. Tariff No. 5, which remains unchanged and is on file with the Commission. In light of the size of the tariff, and with Staff's concurrence, Applicant submits only the first page of A.C.C. Tariff No. 5 and the most recent Commission date-stamped tariff Advice Letter, Advice Letter 142, as evidence that the tariff is on file with the Commission.

Southwestern Bell Communications Services, Inc.
d/b/a SBC Long Distance

A.C.C. Tariff No. 5
Page 1, Original

Issued: January 21, 2004

Effective: February 27, 2004

Interexchange Service Tariff

SOUTHWESTERN BELL COMMUNICATIONS SERVICES, INC.

d/b/a SOUTHWESTERN BELL LONG DISTANCE

d/b/a NEVADA BELL LONG DISTANCE

d/b/a PACIFIC BELL LONG DISTANCE

d/b/a SBC LONG DISTANCE

THIS TARIFF CONTAINS THE

REGULATIONS AND RATES APPLICABLE TO THE PROVISION

OF COMPETITIVE INTEREXCHANGE TELECOMMUNICATION SERVICES

WITHIN THE STATE OF ARIZONA

A.C.C. Tariff No. 5 replaces in its entirety
A.C.C. Tariff No. 5 currently on file with the Commission



NEW APPLICATION

SBC Long Distance
Regulatory Department
5850 W. Las Positas Blvd.
Pleasanton, CA 94588

RECEIVED

2004 MAY 10 A 11:37

AZ CORP COMMISSION
DOCUMENT CONTROL

May 7, 2004

Docket Control Center
ARIZONA CORPORATION COMMISSION
1200 W. Washington Street
Phoenix, Arizona 85007

Re: Advice Letter 142
Southwestern Bell Communications Services, Inc.
d/b/a SBC Long Distance

T-03346A-04-0354

Dear Sir:

Enclosed are an original and thirteen (13) copies of A.C.C. Price List No. 5 of Southwestern Bell Communications Services, Inc. d/b/a SBC Long Distance ("SBCS, Inc."). The price list pages have an issue date of May 7, 2004. SBCS, Inc. requests an effective date of June 8, 2004. The purpose of this price list filing is to add an MRC to the Value Plus Flat Rate and Consumer LD Winback plans. Customers have been notified via a bill message.

The following price list pages have been revised:

- 2nd Revised Page 15 - 2nd Revised Page 38

So that our records will be complete, please date stamp the extra copy of this letter and return in the envelope enclosed. Any questions regarding this filing should be referred to Janet Vader, SBC Long Distance, 5850 W. Las Positas Blvd., Pleasanton, CA, 94588 who may be reached via telephone at (925) 468-52926, via fax at (707) 435-6499, or via email at jv1827@camail.sbc.com.

Thank you for your assistance in this matter.

Yours truly,

Dennell Callaghan
Project Administrator

Enclosures

ARIZONA CORPORATION COMMISSION

**Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services**

Of

Southwestern Bell Communications Services Inc.

ATTACHMENT C

**Draft Publication Notice
(Attached)**

**NOTICE OF APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE COMPETITIVE INTEREXCHANGE
TELECOMMUNICATIONS SERVICES AND COMPETITIVE LOCAL EXCHANGE
SERVICES BY SOUTHWESTERN BELL COMMUNICATIONS SERVICES INC.
d/b/a SBC LONG DISTANCE**

Southwestern Bell Communications Services Inc. d/b/a SBC Long Distance ("Applicant") has filed with the Arizona Corporation Commission ("Commission") an application for a Certificate of Convenience and Necessity ("Certificate") to provide facilities-based interexchange telecommunications services in the State of Arizona. Applicant will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission.

A.R.S. § 40-282 provides that the Commission may act on an application for a Certificate to provide telecommunications services without a hearing, or with a hearing, if one is requested by any party. Applicant or any other party must request a hearing within twenty (20) days of the date of this notice, or the Commission will rule on the application without a hearing.

The application, report of the Commission's Utilities Division Staff, and any written exceptions to the Staff report prepared by the applicant are available for inspection during regular business hours at the offices of the Commission located at 1200 West Washington Street, Phoenix, Arizona, 85007, and at the offices of Applicant's Regulatory Consultants, Miller Isar, Inc., 7901 Skansie Avenue, Suite 240, Gig Harbor, Washington 98335.

Under appropriate circumstances, interested parties may intervene in the proceedings, and participate as a party. Intervention shall be in accordance with the A.A.C. R 14-3-105, except that all motions to intervene must be filed on or within twenty (20) days of the date of this notice. You may have the right to intervene in the proceedings, or you may make a statement for the record. If you have any comments, mail them to:

The Arizona Corporation Commission
Attention Docket Control
Re: Fox Communications Corporation
Docket No. T-04177A-03-0199
1200 West Washington Street
Phoenix, Arizona 85007

All Comments should be received within twenty (20) days of the date of this notice.

ARIZONA CORPORATION COMMISSION

**Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services
Of
Southwestern Bell Communications Services Inc.**

ATTACHMENT D

Applicant's Parent Company's financial information for the two (2) most recent years.

Applicant's Parent Company's financial information includes:

Retained cash balance is \$4, 940.000.

Financial Summary

SBC Communications Inc.

Dollars in Millions Except Per Share Amounts

	2001	2002
Operating Revenues	\$ 45,908	\$ 43,138
Operating Expenses	\$ 35,400	\$ 34,515
Income Before Extraordinary Loss and Cumulative Effect of Accounting Change	\$ 7,026	\$ 7,473

Wireline Operations	2001	2002
Operating Revenues	\$ 40,690	\$ 38,392
Operating Expenses	\$ 32,469	\$ 32,421
Segment Income	\$ 8,221	\$ 5,971

Wireless Operations	2001	2002
Operating Revenues	\$ 14,108	\$ 14,727
Operating Expenses	\$ 11,567	\$ 12,206
Segment Income	\$ 1,020	\$ 750

Directory	2001	2002
Operating Revenues	\$ 4,468	\$ 4,451
Operating Expenses	\$ 1,937	\$ 1,961
Segment Income	\$ 2,531	\$ 2,490

International	2001	2002
Operating Revenues	\$ 185	\$ 35
Operating Expenses	\$ 239	\$ 85
Segment Income	\$ 500	\$ 1,102

Note: Differences due to rounding.

10/03

Consolidated Statements of Income

SBC Communications Inc.

Dollars in Millions/Percent Change
from Prior-Year Quarter

Three Months Ending

	12/31/01	3/31/02	6/30/02	9/30/02	12/31/02	3/31/03	6/30/03	9/30/03
Voice	\$ 6,539	\$ 6,353	\$ 6,283	\$ 6,169	\$ 5,948	\$ 5,766	\$ 5,604	\$ 5,487
Percent Change		-5.0%	-7.6%	-7.5%	-9.0%	-9.2%	-10.8%	-11.1%
Long-Distance Voice	593	591	588	594	551	578	612	668
Percent Change		-10.7%	-6.4%	-8.2%	-7.1%	-2.2%	4.1%	12.5%
Data	2,467	2,391	2,425	2,441	2,382	2,479	2,491	2,576
Percent Change		1.8%	0.2%	1.9%	-3.4%	3.7%	2.7%	5.5%
Wireless Subscriber	1	-	-	-	-	-	-	-
Percent Change		n/m						
Directory Advertising	1,769	705	1,067	868	1,864	1,076	1,080	1,077
Percent Change		-15.1%	12.7%	-10.7%	5.4%	52.6%	1.2%	24.1%
Other	534	482	480	484	472	434	417	431
Percent Change		-21.0%	-22.8%	-21.4%	-11.6%	-10.0%	-13.1%	-11.0%
Total Operating Revenues	11,903	10,522	10,843	10,556	11,217	10,333	10,204	10,239
Percent Change		-6.0%	-5.5%	-6.9%	-5.8%	-1.8%	-5.9%	-3.0%
Operating Expenses								
Cost of Sales	4,696	3,912	4,094	4,136	4,220	4,041	4,035	4,244
Percent Change		-4.0%	1.6%	-0.1%	-10.1%	3.3%	-1.4%	2.6%
Selling	1,974	1,572	1,750	1,555	1,731	1,717	1,765	1,745
Percent Change		9.5%	12.0%	2.7%	-12.3%	9.2%	0.9%	10.3%
General and Administrative	744	720	679	688	881	681	678	716
Percent Change		9.8%	-6.6%	-10.4%	18.4%	-5.4%	-0.1%	4.4%
Operations and Support	7,414	6,204	6,523	6,379	6,832	6,439	6,478	6,577
Percent Change		0.6%	3.2%	-0.7%	-7.9%	3.8%	-0.7%	4.7%
Depreciation and Amortization	2,255	2,136	2,156	2,148	2,138	1,996	1,977	1,952
Total Operating Expenses	9,669	8,340	8,679	8,527	8,970	8,435	8,455	8,629
Operating Income	2,234	2,182	2,164	2,029	2,247	1,898	1,749	1,610
Interest Expense	338	350	340	356	336	317	375	280
Equity in Net Income of Affiliates	144	437	450	729	305	365	471	337
Other Income (Expense) - Net	(83)	158	357	139	641	1,717	227	148
Income Before Income Taxes, Extraordinary Loss and Cumulative Effect of Accounting Change	1,957	2,427	2,631	2,541	2,857	3,663	2,072	1,815
Income Taxes	771	800	849	832	503	1,208	684	599
Income Before Extraordinary Loss and Cumulative Effect of Accounting Change	1,186	1,627	1,782	1,709	2,354	2,455	1,388	1,216
Percent Change		-10.1%	-11.9%	-14.8%	98.5%	50.9%	-22.1%	-28.8%
Extraordinary Loss, Net of Tax	-	-	-	-	-	-	-	-
Cumulative Effect of Accounting Change, Net of Tax	-	(1,820)	-	-	-	2,548	-	-
Net Income (Loss)	\$ 1,186	\$ (193)	\$ 1,782	\$ 1,709	\$ 2,354	\$ 5,003	\$ 1,388	\$ 1,216
Percent Change		-110.7%	-11.6%	-14.8%	98.5%	n/m	-22.1%	-28.8%

Note: Differences due to rounding.

10/03

Financial and Operating Statistics Summary

SBC Communications Inc.

Dollars in Millions, Except Per Share Amounts

Three Months Ending

	12/31/01	3/31/02	6/30/02	9/30/02	12/31/02	3/31/03	6/30/02	9/30/03
Capital Expenditures	\$ 3,093	\$ 1,765	\$ 1,731	\$ 1,502	\$ 1,810	\$ 897	\$ 1,072	\$ 1,266
Dividends Declared Per Share	\$ 0.26	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.33	\$ 0.38	\$ 0.38
Dividend Growth	1.0%	5.4%	5.4%	5.4%	5.4%	23.1%	41.7%	41.7%
End of Period Common Shares Outstanding (000,000)	3,354	3,340	3,325	3,320	3,318	3,322	3,323	3,312
Pretax Interest Coverage ¹	6.4	7.9	8.6	8.2	9.6	12.5	6.6	7.5
Net Cash Flow to Average Total Debt ²	17.5%	12.3%	12.0%	11.5%	19.9%	8.6%	8.3%	10.3%
Funds From Operations Interest Coverage ³	15.5	13.1	12.7	11.7	17.4	9.8	8.4	12.5
Debt Ratio	44.3%	46.8%	44.5%	42.3%	39.9%	35.0%	32.7%	32.5%

Cingular Wireless⁴

Wireless Voice Customers (000)	21,596	21,830	22,183	22,076	21,925	22,114	22,640	23,385
Net Adds (000)	317	234	353	(107)	(151)	189	526	745
Licensed POPs (000,000)	219	219	219	219	219	235	236	236

SBC International⁵

Total Customers of SBC International's Affiliates								
Access Lines (000)	26,878	27,071	27,300	27,517	27,759	27,926	28,021	28,265
Wireless Subscribers (000)	27,422	29,501	30,479	31,614	32,393	33,866	35,002	36,315
Net Adds	2,112	2,079	978	1,134	779	1,473	2,609	1,313
Total Revenues	\$ 7,109	\$ 6,996	\$ 7,211	\$ 7,395	\$ 7,515	\$ 7,601	\$ 8,794	\$ 8,659

SBC's Proportionate Interest of SBC International's Affiliates⁵

Access Lines (000)	4,376	4,400	4,320	4,377	4,352	4,353	4,335	4,350
Wireless Subscribers (000)	3,084	3,258	3,225	3,402	3,426	3,576	3,727	3,895
Net Adds	176	170	58	109	73	150	301	168
Total Revenues	\$ 1,232	\$ 1,163	\$ 1,212	\$ 1,261	\$ 1,291	\$ 1,320	\$ 1,456	\$ 1,462

1. Pretax income and interest on debt divided by interest on debt.

2. Net cash flow equals funds from operations (cash flow from operations before working capital changes) less dividends paid.

3. The sum of funds from operations and cash paid for interest on debt divided by interest incurred on debt.

4. Amounts represent 100% results of Cingular Wireless.

5. Amounts for all periods include only activity for our investments still held at September 30, 2003.

Note: Differences due to rounding.

10/03

Condensed Balance Sheets

SBC Communications Inc.

Dollars in Millions

9/30/03

12/31/02

Assets

Current Assets

Cash and Cash Equivalents	\$ 4,940	\$ 3,567
Accounts Receivable - Net of Allowances for Uncollectibles of \$1,192 and \$1,427	6,140	8,540
Prepaid Expenses	1,002	687
Deferred Income Taxes	1,511	704
Other Current Assets	1,297	591
Total Current Assets	14,890	14,089
Property, Plant and Equipment - at Cost	132,637	131,755
Less: Accumulated Depreciation and Amortization	80,654	83,265
Property, Plant and Equipment - Net	51,983	48,490
Goodwill - Net	1,622	1,643
Investments in Equity Affiliates	11,800	10,470
Notes Receivable From Cingular Wireless	5,885	5,922
Other Assets	15,128	14,443
Total Assets	\$ 101,308	\$ 95,057

Liabilities and Shareowners' Equity

Current Liabilities

Debt Maturing Within One Year	\$ 1,900	\$ 3,505
Accounts Payable and Accrued Liabilities	9,339	9,413
Accrued Taxes	3,213	870
Dividends Payable	1,267	895
Total Current Liabilities	15,719	14,683

Long-Term Debt

16,357 18,536

Deferred Credits and Other Noncurrent Liabilities

Deferred Income Taxes	13,186	10,726
Post-employment Benefit Obligation	14,340	14,094
Unamortized Investment Tax Credits	216	244
Other Noncurrent Liabilities	3,598	3,575
Total Deferred Credits and Other Noncurrent Liabilities	31,340	28,639

Shareowners' Equity

Common Shares Issued (\$1 Par Value)	3,433	3,433
Capital in Excess of Par Value	13,015	12,999
Retained Earnings	27,769	23,802
Treasury Shares (at Cost)	(4,596)	(4,584)
Additional Minimum Pension Liability	(1,473)	(1,473)
Accumulated Other Comprehensive Income	(256)	(978)
Total Shareowners' Equity	37,892	33,199
Total Liabilities and Shareowners' Equity	\$ 101,308	\$ 95,057

10/03

Condensed Statements of Cash Flows (Reported)

SBC Communications Inc.

Dollars in Millions, Increase (Decrease) in Cash and Cash Equivalents

Nine Months Ending

9/30/03 9/30/02

	9/30/03	9/30/02
Operating Activities		
Net Income	7,607	3,298
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	5,925	6,440
Undistributed Earnings From Investments in Equity Affiliates	(913)	(1,400)
Provision for Uncollectible Accounts	718	1,071
Amortization of Investment Tax Credits	(28)	(26)
Deferred Income Tax Expense	1,110	829
Gain on Sale of Investments	(1,678)	(316)
Cumulative Effect of Accounting Change, Net of Tax	(2,548)	1,820
Retirement Benefit Funding	(945)	-
Changes in Operating Assets and Liabilities		
Accounts Receivable	35	(43)
Other Current Assets	(290)	250
Accounts Payable and Accrued Liabilities	1,723	(1,474)
Other - Net	(633)	293
Total Adjustments	2,476	7,444
Net Cash Provided by Operating Activities	10,083	10,742
Investing Activities		
Construction and Capital Expenditures	(3,235)	(4,998)
Investments in Affiliates	-	(138)
Purchase of Marketable Securities	(578)	-
Maturities of Marketable Securities	164	-
Purchase of Other Investments	(436)	-
Dispositions	2,855	1,166
Acquisitions	-	(571)
Net Cash Provided by Investing Activities	(1,230)	(4,541)
Financing Activities		
Net Change in Short-term Borrowings With Original Maturities of Three Months or Less	(77)	(415)
Issuance of Other Short-term Borrowings	-	4,565
Repayment of Other Short-term Borrowings	(1,070)	(7,357)
Issuance of Long-term Debt	-	1,966
Repayment of Long-term Debt	(2,826)	(865)
Purchase of Treasury Shares	(299)	(1,398)
Issuance of Treasury Shares	63	126
Dividends Paid	(3,271)	(2,660)
Other	-	7
Net Cash Used in Financing Activities	(7,480)	(6,031)
Net Increase in Cash and Cash Equivalents	1,373	170
Cash and Cash Equivalents Beginning of Year	3,567	703
Cash and Cash Equivalents End of Period	4,940	873

Items That Affect 2003 Comparisons

Dollars in Millions

Third Quarter 2003

- No items were identified that affected comparisons.

Second Quarter 2003	A	B
Operating Revenues		
Operating Expenses		
Operating Income	-	-
Interest Expense		68
Equity Net Income of Affiliates		
Other Income (Expense) - Net	73	
Income Before Income Taxes	73	(68)
Income Taxes	24	22
Net Income	49	(46)

First Quarter 2003	C
Operating Revenues	
Operating Expenses	
Operating Income	-
Interest Expense	
Equity Net Income of Affiliates	
Other Income (Expense) - Net	1,574
Income Before Income Taxes	1,574
Income Taxes	519
Net Income	1,055

A - Gain on the sale of Yahoo! and BCE shares.

B - Cost incurred through early extinguishment of debt.

C - Gain on the sale of Cegetel.

**Consolidated Segment Income and Impact of
the 60% Proportional Consolidation of**

Dollars in Millions

	A	B	C	D	Cingular Impact
Fourth Quarter 2002					2,079
Operating Revenues				(123)	1,819
Operating Expenses	(459)				
Operating Income	459	-	-	123	260
Interest Expense					73
Equity Net Income of Affiliates					(102)
Other Income (Expense) - Net		(455)			(83)
Income Before Income Taxes	459	(455)	-	123	2
Income Taxes	183	(30)	280	47	2
Net Income	276	(425)	(280)	76	-

	E	F	Cingular Impact
Third Quarter 2002			2,225
Operating Revenues			1,890
Operating Expenses	(204)		
Operating Income	-	204	335
Interest Expense			71
Equity Net Income of Affiliates	(326)		(181)
Other Income (Expense) - Net			(81)
Income Before Income Taxes	(326)	204	2
Income Taxes	(114)	79	2
Net Income	(212)	125	-

	G	H	I	J	Cingular Impact
Second Quarter 2002					2,207
Operating Revenues				(125)	1,810
Operating Expenses			(228)		
Operating Income	-	-	228	125	397
Interest Expense					68
Equity Net Income of Affiliates	101	(148)			(242)
Other Income (Expense) - Net					(87)
Income Before Income Taxes	101	(148)	228	125	-
Income Taxes	33	(30)	76	41	-
Net Income	68	(118)	152	84	-

	Cingular Impact
First Quarter 2002	2,106
Operating Revenues	1,729
Operating Expenses	
Operating Income	377
Interest Expense	70
Equity Net Income of Affiliates	(234)
Other Income (Expense) - Net	(71)
Income Before Income Taxes	2
Income Taxes	2
Net Income	-

See next page for descriptions of the items previously

**Consolidated Segment Income and Impact of
the 60% Proportional Consolidation of**

Dollars in Millions

Fourth Quarter 2001	K	L	M	N	O	Cingular Impact
Operating Revenues						2,144
Operating Expenses			135	(197)	(619)	1,834
Operating Income	-	-	(135)	197	619	310
Interest Expense						59
Equity Net Income of Affiliates	49	197				(190)
Other Income (Expense) - Net	341					(59)
Income Before Income Taxes	390	197	(135)	197	619	2
Income Taxes	128		(39)	69	194	2
Net Income	262	197	(96)	128	425	-

Third Quarter 2001	P	Cingular Impact
Operating Revenues		2,186
Operating Expenses	123	1,748
Operating Income	(123)	438
Interest Expense		54
Equity Net Income of Affiliates		(321)
Other Income (Expense) - Net		(62)
Income Before Income Taxes	(123)	1
Income Taxes	(50)	2
Net Income	(73)	(1)

Second Quarter 2001	Q	R	S	Cingular Impact
Operating Revenues				2,109
Operating Expenses	315			1,655
Operating Income	(315)	-	-	454
Interest Expense				22
Equity Net Income of Affiliates				(314)
Other Income (Expense) - Net		401	(120)	(117)
Income Before Income Taxes	(315)	401	(120)	1
Income Taxes	(126)	140	(42)	1
Net Income	(189)	261	(78)	-

First Quarter 2001	T	U	Cingular Impact
Operating Revenues			1,954
Operating Expenses	526	(316)	1,647
Operating Income	(526)	316	307
Interest Expense			24
Equity Net Income of Affiliates			(213)
Other Income (Expense) - Net			(69)
Income Before Income Taxes	(526)	316	1
Income Taxes	(196)	111	2
Net Income	(330)	205	(1)

Details of the Items Previously Excluded From Segment Income

2002

- 4Q A - Combined charges of \$276 for enhanced pension benefits, pension settlements, severance costs and real estate costs related to force reduction programs.
B - Gain of (\$425) on the redemption of our interest in Bell Canada.
C - Tax benefit of (\$280) resulting from a restructuring of our ownership of Sterling Commerce Inc.
D - Charges of \$76 for our proportionate share of impairments, severance and restructuring costs at Cingular.
- 3Q E - Equity income of (\$212) for proportionate share of the gains at TDC and Belgacom related to the disposition of their Netherlands wireless operations, net of valuation and restructuring adjustments at TDC affiliates.
F - Combined charges of \$125 for enhanced pension benefits and severance costs related to a force-reduction program.
- 2Q G - Charges of \$68 representing our proportionate share of restructuring costs at Belgacom. These costs were primarily related to a force reduction program.
H - Gain of (\$118) on the sale of a portion of our Bell Canada Holdings, Inc.
I - Combined charges of \$152 for enhanced pension benefits and severance costs related to a force reduction program.
J - Additional reserves of \$84 required by the WorldCom bankruptcy.
- 1Q There were no normalizing items.

2001

- 4Q K - A charge of \$262 indicated by a transaction pending as of December 31, 2001 to reduce the direct and indirect book value of our investment in Telecom Americas.
L - A charge of \$197 for costs related to TDC's decision to discontinue non-wireless operations of its Talkline subsidiary and our impairment of the goodwill we allocated to that subsidiary.
M - Pension settlement gains of (\$96) related to management employees, primarily resulting from a fourth quarter 2000 voluntary retirement program net of costs associated with that program.
N - A Charge of \$128 representing a settlement agreement with the Illinois Commerce Commission related to a provision of the Ameritech merger.
O - Combined charges of \$425 associated with our comprehensive review of operations, which resulted in decisions to reduce workforce, terminate leases and shut down certain operations.
- 3Q P - Pension settlement gains of (\$73) related to management employees, primarily resulting from a fourth quarter 2000 voluntary retirement program net of costs associated with that program.
- 2Q Q - Pension settlement gains of (\$189) related to management employees, primarily resulting from a fourth quarter 2000 voluntary retirement program net of costs associated with that program.
R - Combined charges of \$261 in the second quarter related to valuation adjustments of Williams Communications Group and certain other cost investments accounted for under Financial Accounting Standards Board Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities."
S - Adjustment of (\$78) to the estimate of an allowance for a note receivable related to the sale of Ameritech's SecurityLink business.
- 1Q T - Pension settlement gains of (\$330) related to management employees, primarily resulting from a voluntary retirement program net of costs associated with that program.
U - Combined charges of \$205 related to impairment of our cable business.

ARIZONA CORPORATION COMMISSION

**Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services**

Of

Southwestern Bell Communications Services Inc.

ATTACHMENT E

Formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency.

The following is a summary of complaint proceedings involving Applicant that have been the subject of state commission review. The following complaints, with the exception of a ~~complaint pertaining to unauthorized account transfers ("slamming") in Oklahoma, represent *ad hoc*~~ issues that have been raised outside of Applicant's immediate control, and cannot be readily "prevented from occurring." With respect to the Oklahoma complaint, this incident was entirely inadvertent. Applicant maintains a zero slamming tolerance policy. Applicant has instituted strict guidelines and procedures, consistent with federal and state law and regulation, designed to eliminate incidents of slamming altogether.

Texas AT&T Proceeding – Pending

AT&T filed a complaint against both Southwestern Bell Telephone Company ("SWBT") and Southwestern Bell Communications Services Inc. ("SBCS") with the Texas Public Utility Commission ("TPUC") in September, 2000. AT&T alleged that SBCS was engaged in predatory pricing and had created a "price squeeze" so that AT&T could not effectively compete. AT&T did not seek any affirmative relief from SBCS. Instead, it requested that the TPUC reduce SWBT's access rates. In December, 2001, AT&T amended its complaint and withdrew the predatory pricing claims against SBCS.

In May, 2001, SWBT filed a suit with the Travis County District Court against the TPUC, requesting a declaratory judgment that the TPUC did not have jurisdiction over the issues asserted by AT&T. Following various proceedings and each party's filing of summary judgment motions, a final judgment in the matter was issued on June 21, 2002. The Court granted SBCS's motion for summary judgment and issued a declaratory judgment that the TPUC lacked statutory authority under the Public Utility Regulatory Act of Texas ("PURA") to authorize or direct any hearing or investigation regarding SBCS in the TPUC complaint hearing initiated by AT&T.

On September 17, 2002, the TPUC filed a Notice of Appeal in the above case, but noted their intent to hold the underlying administrative proceeding in abeyance pending its appeal to the Court of Appeals for the Third District of Texas. On July 11, 2003, the Court of Appeals for the Third District of Texas affirmed the judgment of the Travis County District Court.

Texas Unlimited Proceeding – Resolved December 14, 2001

Beginning December 1, 2001, customers on SBCS's Texas Unlimited plan were changed over to the Texas Statewide Calling Plan. High usage customers were notified of the changes in the Texas Unlimited plan [i.e., new name and minutes of use ("mou") limit] in November 2001 via letter. All customers, including those who received direct letters in November, were notified of the changes by bill messages appearing on the December bills.

The TPUC received several complaints from customers regarding the discontinuance of the service. On December 7, 2001, SBCS's Regulatory department received notification from the TPUC that the TPUC found SBCS "at fault" with respect to one of these customer complaints. After discussions with staff, SBCS agreed to extend the benefits of the original plan through March 31, 2002.

Kansas AT&T Proceeding – Resolved October 1, 2001

On March 6, 2001, AT&T filed an Emergency Motion for Suspension of Specific Tariff Provisions of SBCS just prior to the effective date for those tariffs. In that motion, AT&T alleged that the pricing practices of SBCS were predatory and anti-competitive in nature. (KCC Consolidated Docket Nos. 01-SBLC-693-TAR, 01-SBLC-323-TAR, 01-SBLC-594-TAR (“Consolidated Dockets”).

In a separate docket, (KCC Docket No. 01-GIMT-082-GIT), the Kansas Corporation Commission (“KCC”) initiated an Investigation into the Reformation of Intrastate Access Charges. ~~This investigation addressed the impact of access charge reductions, the resulting effect on access~~ rates and revenues, and the Kansas Universal Service Fund. As a means of settling the issues in this investigation, several parties entered into a Stipulation. Among other provisions, the Stipulation required AT&T to dismiss or withdraw its complaint against SBCS in the Consolidated Dockets.

The Commission approved the Stipulation in its September 25th Order. Southwestern Bell Telephone Company subsequently filed a Petition for Clarification or Reconsideration of Paragraph 32 of the September 25th Order for the sole purpose of clarifying that the Commission was merely reciting the allegations of AT&T in the Consolidated Dockets and not making any findings or conclusions related to those allegations. The Commission then issued its November 8th Order granting the petition for clarification and stating that although AT&T’s allegations were serious, it was not making any findings or conclusions at this time.

Pursuant to the Stipulation, AT&T filed its Withdrawal in the Consolidated Dockets on October 1, 2001.

Oklahoma Slamming Proceeding – Resolved January 23, 2003

On June 11, 2002, SBCS was served with a “Complaint, Information, Summons and Notice of Citation for Contempt” alleging seven counts of “slamming” against SBCS. The complaint was dated June 6, 2002 and was filed by the Director of the Consumer Services Division of the Oklahoma Corporation Commission (“OCC”). Similar complaints were filed against six other long distance carriers on the same date. The alleged unauthorized changes of carrier (“slams”) took place between August 1, 2001 and January 14, 2002. On June 21, 2002, SBCS filed its response to the OCC complaint.

~~On August 19, 2002, the OCC served an amended complaint on SBCS alleging four (4)~~ additional counts of “slamming.” SBCS has since settled this matter with the Consumer Services Division of the OCC. The settlement order was accepted by the Administrative Law Judge on January 16, 2003. The OCC signed the final settlement order on January 23, 2003.

Texas Complaint Proceeding – PENDING

On December 13, 2002, SBCS was served with a “Notice of Violation and Intent (NOV) to Assess an Administrative Penalty by the Legal and Enforcement Division (LED) against Southwestern Bell Communications Service, Inc. for Violation(s) of P.U.C. Substantive Rule 26.130; Pursuant to P.U.C. Procedural Rule 22.246, Administrative Penalties.” Notices of Violation were served on several other carriers at the same time.

The NOV alleges that SBCS violated P.U.C. Substantive Rule 26.130 in that it failed to file a response to nine (9) customer complaints within 21 days after the P.U.C. forwarded the complaints to SBCS. A second NOV was received on December 17, 2002, alleging an additional eight (8) violations.

SBCS has previously responded to all seventeen (17) customer complaints and is in the process of investigating the allegations on non-compliance made by the TPUC. SBCS is working with the TPUC to resolve this matter. To date, the TPUC has withdrawn five (5) of its allegations.

FCC Letter of Inquiry RE. 271 Investigation - RESOLVED

On March 10, 2003, the Enforcement Bureau of the FCC launched an investigation into whether SBC Communications, Inc. violated Section 271 of the Telecommunications Act by providing, marketing, or selling interLATA services in non-authorized states. SBCS participated in this investigation. SBC Communications, Inc. filed a response to the LOI and entered into discussions with the Enforcement Bureau of the FCC. SBC Communications, Inc. and the Bureau negotiated a consent decree for the purpose of terminating this informal Bureau investigation wherein SBC Communications has made no admissions of violations or non-compliance, has made a voluntary payment to the United States Treasury of \$1.35 million and has agreed to continue with all corrective measures set forth in its response.

ARIZONA CORPORATION COMMISSION

**Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services**

Of

Southwestern Bell Communications Services Inc.

ATTACHMENT F

Listing of Key Personnel Employed by Applicant

Executive Profiles

Applicant's executive officers have been recruited from the parent company and its affiliates and are among its key managers. Together, Applicant's executive officers have several decades of experience in the telecommunication industry, including operations, interconnection, network, marketing, sales, finance, regulatory and legal issues. The executive officers, consequently, have the managerial ability to operate the company and provide the services that Applicant proposes to provide within Georgia. The following paragraphs briefly describe the backgrounds of Applicant's executive officers.

A. YNO GONZALEZ, PRESIDENT

Yno Gonzalez is president of Southwestern Bell Communications Services, Inc. ("SBCS"). In this position, he is responsible for network operations for SBC Long Distance and manages the network operations partnership with WilTel Communications. He was appointed to this position on January 16, 2003.

Mr. Gonzalez, who began his career with Pacific Bell in 1980, has held various leadership positions in human resources, network engineering, network operations, and core process reengineering.

He previously held the title of VP-Network Operations over SBC Long Distance, SWB video services and SBC messaging. He became vice president-core network operations in Pacific Bell's Network Services Group in 1997. In this position, he was responsible for managing the Network Operations Centers in Sacramento and San Diego, the Statewide and Electronic Systems Assistance Center (ESAC), and Radio Operations for Pacific Bell, as well as managing a team of 200 Technical Support Personnel. Mr. Gonzalez also was responsible for site management for 700 Pacific Bell Central Offices and Radio Sites.

Mr. Gonzalez is a member of the HACEMOS organization and the Mathematics, Engineering, Science Achievement (MESA) program of the University of California. Gonzalez graduated from the University of Southern California with a degree in electrical engineering. Mr. Gonzalez completed the Advanced Technology Innovation program for executives at Carnegie Mellon University.

B. WILLIAM H. MCCRACKEN, COMPTROLLER

Mr. McCracken is the Vice President – Chief Financial Office of SBCS. Mr. McCracken has 16 years of experience in the telecommunication industry. Specifically, Mr. McCracken has experience relating to finance, accounting, and marketing. Before joining SBCS, Mr. McCracken held positions within SBC's corporate financial planning, investor relations, regulatory accounting, and billing operations. Mr. McCracken earned a Bachelors degree in Marketing and a Master of Science degree in Business Computer Science from Texas A&M University. Mr. McCracken is licensed by the State of Texas as a certified public accountant.

C. JOHN DI BENE, VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY

Mr. di Bene has more than thirteen years' experience in telecommunications law. As Vice President and General Counsel of SBCS, his responsibilities include oversight of all state and federal regulatory filings, issuance of all authorized notices for meetings of the stockholders of the Board, and maintenance of corporate records. Before joining the company, Mr. di Bene spent three years as Senior Counsel in SBC's antitrust and regulatory legal group, assisting with SBC's applications before the Federal Communications Commission (FCC) to provide long distance services. Mr. di Bene also has represented SBC and Pacific Bell in numerous proceedings before the FCC and state commissions. Prior to representing Pacific Bell, he practiced with Blumenfeld & Cohen and Jenner & Block. Mr. di Bene received a Juris Doctor cum laude from Georgetown

University Law Center in 1988, and a Bachelor of Arts cum laude from the University of Alaska, Fairbanks in 1985. He is a member of the California and District of Columbia Bar Associations.

D. JANET M. DUNCAN, TREASURER

Ms. Duncan serves as Treasurer of SBCS. She has held a variety of positions in finance within SBC. She is currently Executive Director of Corporate Finance (Capital Markets) for SBC Communications, Inc at the corporate headquarters in San Antonio, Texas. Her prior job with the company was as the Director of Finance for SBC's branch in Mexico City. Prior to joining SBC, Ms. Duncan worked in financial planning for Pacific Bell. Ms. Duncan received a B.A. from the University of Dallas in 1983 and an MBA from Wharton (University of Pennsylvania) in 1996.

E. LARRY RUZICKA, VICE PRESIDENT – TAXES

Mr. Ruzicka is the Vice President – Taxes for SBCS. He is responsible for the direction and coordination of tax policy, research and planning, compliance, accounting and audits for all tax matters at SBC and its subsidiaries. Mr. Ruzicka joined the SBC tax department in 1988 and has been extensively involved with merger and acquisition activity as well as other research and planning projects. Prior to joining SBC, Mr. Ruzicka was with Touche Ross & Co. in St. Louis.

F. THOMAS S. CLEMENS, ASSISTANT TREASURER

Mr. Clemens is Assistant Treasurer of SBCS. After nine years experience in banking and the construction industry, Mr. Clemens joined SBC Communications Inc. as a Specialist - Cash Management in 1997. Since then, Mr. Clemens has progressed through positions of increasing responsibilities in cash management and benefit plan investment administration. Mr. Clemens was recently appointed Director - Corporate Finance for SBC Communications, Inc. Mr. Clemens has a BBA, Finance from the University of Texas, Austin.

ARIZONA CORPORATION COMMISSION

**Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services
Of
Southwestern Bell Communications Services Inc.**

ATTACHMENT G

Names and addresses of alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.

The names and address of an alternative provider of the service that is also an affiliate of Applicant, as defined in R14-2-801, is

SBC Telecom Inc.
300 Convent St., 13-M-5
San Antonio, TX 78205