

MAY 7 3 08 PM '01

ARKANSAS PUBLIC SERVICE COMMISSION

FILED

IN THE MATTER OF THE APPLICATION OF THE)
SOUTHWESTERN BELL TELEPHONE COMPANY)
FOR AUTHORIZATION TO PROVIDE IN-REGION)
INTERLATA SERVICES PURSUANT TO SECTION)
271 OF THE TELECOMMUNICATIONS ACT OF)
1996 AND FOR THE APPROVAL OF THE)
ARKANSAS INTERCONNECTION AGREEMENT)

DOCKET NO. 00-211-U
ORDER NO. 16

ORDER

An article entitled "SBC faces probe after disclosure to agency" (attached hereto as Exhibit 1) appeared in the Saturday, May 5, 2001 issue of the *Arkansas Democrat Gazette* in the *Business & Farm* Section D at page 1.

The article states that "[t]he parent company of Southwestern Bell Telephone Co. is under investigation on accusations of supplying inaccurate information to get government approval for long-distance service in Oklahoma and Kansas." The article further reports that "[t]he Federal Communications Commission is examining affidavits filed in October by three executives for SBC...." The article also reports that "[t]he company notified the FCC in an April 13 letter that the three employees had given inaccurate information about the availability of high-speed Internet access to particular SBC customers."

This Commission conducted an evidentiary hearing in the above-styled proceeding on April 20, 2001 based on written testimony and comments filed by the Company on March 23, 2001, by the General Staff of the Commission and Intervenors on April 12, 2001, and again by the Company on April 16, 2001. In light of the attached article this Commission finds that the Company should

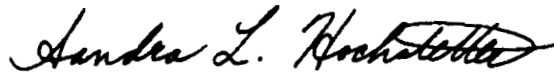
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clarify the record in this proceeding on this particular issue.

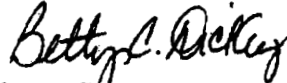
Accordingly, the Company is hereby directed to file in this docket a detailed accounting and explanation regarding the "inaccurate information" submitted by SBC in the Oklahoma, Kansas and associated FCC proceedings. Further, if the same "inaccurate information" is contained in the various comments and exhibits filed in the instant proceeding said information shall be specifically identified. In addition the Company shall attach to its "accounting and explanation" all documents in its or SBC's possession, custody and control which relate to the matters reported in the attached article. Said "accounting and explanation" shall be filed in this docket and served on all parties thereto as expeditiously as possible.

BY ORDER OF THE COMMISSION.

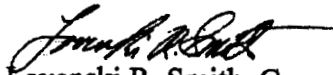
This 7th day of May, 2001.



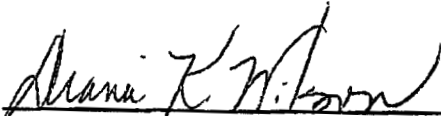
Sandra L. Hochstetter, Chairman



Betty C. Dickey, Commissioner

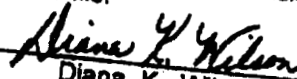


Lavenski R. Smith, Commissioner



Diana K. Wilson
Secretary of the Commission

I hereby certify that the following order issued by the Arkansas Public Service Commission has been served on all parties of record this date by U.S. mail with postage prepaid, using the address of each party as indicated in the official docket file.



Diana K. Wilson

Secretary of the Commission

Date

5/7/01



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The Dow Jones
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Business & F

Saturday, May 5, 2001 • •

Arkansas Democrat  Gazette

SBC faces probe after disclosure to agency

THE ASSOCIATED PRESS

TULSA — The parent company of Southwestern Bell Telephone Co. is under investigation on accusations of supplying inaccurate information to get government approval for long-distance service in Oklahoma and Kansas.

SBC Communications' long-distance authority could be withdrawn or it could face fines if regulators find the company intentionally misled them and its competitors.

The Federal Communications Commission is examining affidavits filed in October by three executives for SBC, company spokesman Saralee Boteler said Friday.

The company notified the FCC in an April 13 letter that the three employees had given inaccurate information about the availability of high-speed Internet access to particular SBC customers. Such a disclosure automatically leads to an FCC investigation.

The inaccuracies were unintentional, Boteler said.

"We found the discrepancy, we reported it as soon as we found it. We put a fix in place," Boteler said.

The erroneous information prevented a competitor, Dallas-based IP Communications, from selling high-speed Internet service to some SBC customers, according to the *Los Angeles Times*.

But Boteler said there was no adverse impact because of the errors, which have been corrected. SBC's own high-speed Internet access subsidiary, ASI, relied on the same information, she said.

The false information also may have helped SBC gain approval for long-distance service in Oklahoma after two failed bids, according to published reports.

Three of its competitors — Sprint, AT&T and WorldCom —

SBC

• Continued from Page 1D
have appealed an FCC decision in January granting SBC long-distance authority.

The three long-distance companies say SBC failed to meet a competitive checklist of the Telecommunications Act of 1996

and did not offer competitor cost-based rates for use of its networks and switches.

SBC and other regional phone companies formed after the breakup of AT&T in 1984. The 1996 act requires that the regional companies prove they have opened their local markets to competitors before they can sell long-distance service.