

C. DUKES SCOTT
EXECUTIVE DIRECTOR



DAN F. ARNETT
CHIEF OF STAFF

P.O. Box 11263
Columbia, S.C. 29211

Phone: (803) 737-0800
Fax: (803) 737-0801

September 6, 2005

VIA HAND DELIVERY

Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

RECEIVED
2005 SEP -6 PM 12:21
COMMUNICATIONS

Re: Sprint Nextel Corporation Allowable Ex Parte Communication Briefing
on September 1, 2005

Dear Mr. Terreni:

Pursuant to the provisions of Section 58-3-260 of the S.C. Code of Laws, I am attaching the certified statement of Mr. Scott's designee, Debbie Hammond, with copies of statements from all persons present at the September 1, 2005 briefing (see sign-in sheet also attached).

Additionally, you will find a copy of the materials distributed by Sprint Nextel Corporation at the meeting as well as a copy of the verbatim transcript of the briefing. It is my understanding that the transcript of the briefing is posted on your website, and this transcript is incorporated by reference in all of the certified statements.

As required by law, please post all of the documents relating to this briefing on your website.

Thank you for your assistance.

Sincerely,

Wendy B. Cartledge

Wendy B. Cartledge

Enclosures



The Public Service Commission State of South Carolina

Charles L.A. Terreni
Chief Clerk/Administrator

COMMISSIONERS
Randy Mitchell, Third District
Chairman
G. O'Neal Hamilton, Fifth District
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John E. "Butch" Howard, First District
David A. Wright, Second District
Elizabeth B. "Lib" Fleming, Fourth District
Mignon L. Clyburn, Sixth District
C. Robert Moseley, At-Large

Phone: (803) 896-5133
Fax: (803) 896-5246
Charles.Terreni@psc.state.sc.us

September 6, 2005

Ms. Wendy Cartledge, Esquire
Office of Regulatory Staff
Post Office Box 11263
Columbia, South Carolina 29211

RECEIVED
2005 SEP -6 PM 12: 21
PUBLIC SERVICE COMMISSION

Dear Ms. Cartledge:

Please find enclosed signed Certified Statements from the participants of the Allowable Ex Parte Communication Briefing held at the Public Service Commission on Thursday, September 1, 2005.

Please let me know if you should require any additional information.

With best wishes, I am,

Sincerely yours,

Charles L.A. Terreni

Enclosures:

Allowable *Ex Parte* Communication Briefing Sprint Nextel Corporation (Sprint)

to discuss Sprint's plans to separate its wireline incumbent local service operations into an independent, stand-alone operation, as embodied in Sprint's Application for approval of the transfer of control of United Telephone Company of the Carolinas, Sprint Long Distance, Inc. and Sprint Payphone Services, Inc. from Sprint to LTD Holding Company
Commission Docket No. 2005-246-C

2005 SEP 01 PM 5:21
 RECEIVED

Public Service Commission of South Carolina Hearing Room
Synergy Business Park
101 Executive Center Drive
Columbia, South Carolina 29210

Thursday, September 1, 2005

(PLEASE PRINT)

NAME	ADDRESS	ORGANIZATION
Wendy B. Cartledge	1441 main Street, ste 300 Columbia, SC 29201	Office of Regulatory Staff
DEBRA D. HAMMOND	"	"
ANNE DEBEQUEZ	4528 Fernhill Rd Columbia, SC 29205	J. LEVINE CONSULTING
SCOTT GILBERT	721 BZING ST 29205	ATTORNEY FIVE SPRINT
MARTY BOGACK	1122 LADY ST SUITE 1050 COLUMBIA SC 29201	SPRINT
Steve Parrott	14111 Capital Blvd. Wake Forest, NC 27587	Sprint
Jim McDaniel	1441 Main Street Columbia, SC 29201	Office Regulatory Staff
Bill Atkinson	9065 Cumberland Cary, Ath	Sprint
David Wright	PO Drawer 11644 101a 29211	PSC
Tom Moore	"	PSC
Drew Sood	1441 Main St Columbia SC	OAS
Jim Boy	1301 Gervais B25 Columbia 29201	PSC
Charles Terrell	PSC 101 Executive Center	PSC
Randy Marshall	PSC	PSC

**ALLOWABLE EX PARTE COMMUNICATION BRIEFING
CERTIFIED STATEMENT
 (Attendee)**

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 SOUTH CAROLINA
 COMMISSION

THIS CERTIFICATION IS TO:

- BE SIGNED BY **EACH** BRIEFING ATTENDEE **EXCEPT** COMMISSIONERS, AND PUBLIC SERVICE COMMISSION EMPLOYEES, AND
- BE FILED WITH THE OFFICE OF REGULATORY STAFF [1441 MAIN STREET, COLUMBIA, SOUTH CAROLINA 29201] **WITHIN FORTY-EIGHT HOURS** OF THIS BRIEFING.

Name: <i>Wendy B. Cartledge</i>	Date of Meeting: <i>September 19, 2001</i>
Occupation: <i>Attorney</i>	Matter: <i>Sprint nextel Corp. - Transfer of Control</i>
Attending on behalf of/for: <i>Office of Regulatory Staff</i>	Docket No.: <i>2005 - 246 - C</i>

Pursuant to August 23, 2005 Notice of Scott Elliott, Attorney for Sprint nextel Corporation

By signing this Certification, I certify that:

1. No commitment, predetermination, or prediction of any Commissioner's action as to any ultimate or penultimate issue or any Commission employee's opinion or recommendation as to any ultimate or penultimate issue in any proceeding was requested by any person or party nor any commitment, predetermination, or prediction was given by any Commissioner or Commission employee as to any Commission action or Commission employee opinion or recommendation on any ultimate or penultimate issue. [§58-3-260(C)(6)(a)(iii)]
2. I have accurately summarized the discussions occurring during the briefing in full either in the space below or on an attached sheet. If a sheet is attached, it is noted as being attached on the lines below. [§58-3-260(C)(6)(a)(ii)]

<i>See attached transcript.</i>

3. I have attached copies of any written materials utilized, referenced, or distributed during the briefing. [§58-3-260(C)(6)(a)(ii)]

This concludes my Certified Statement.

Wendy B. Castledge
Signature of Briefing Attendee

Date: September 2, 2005

**ALLOWABLE EX PARTE COMMUNICATION BRIEFING
CERTIFIED STATEMENT
 (ORS Executive Director or Designee)**

RECEIVED
 2005 SEP -6 PM 12:30
 COMMUNICATIONS
 DIVISION

THIS CERTIFICATION IS TO:

- BE SIGNED BY EXECUTIVE DIRECTOR OR HIS DESIGNEE, AND
- BE FILED WITH THE CHIEF CLERK OF THE PUBLIC SERVICE COMMISSION **WITHIN SEVENTY-TWO HOURS** OF THIS BRIEFING.

Name: Debbie Hammond	Date of Meeting: September 1, 2005
ORS Position Title: Executive Assistant	Matter: Sprint Nextel Corporation Allowable Ex Parte Briefing
	Docket No.: 2005-246-C Pursuant to August 23, 2005 Notice of Scott Elliott, Attorney for Sprint Nextel Corporation

By signing this Certification, I certify that:

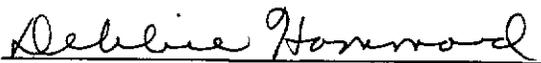
1. The briefing was conducted in compliance with the provisions of S.C. Code Ann. §58-3-260(C)(6).
2. EACH PERSON present at the briefing complied with the reporting and certification requirements of (ii), (iii), and (iv) within 48 hours after the briefing.
 - a. The subsection (ii) and (iii) requirements are that EACH ATTENDEE INCLUDING EACH COMMISSIONER AND EACH COMMISSION EMPLOYEE is to file a certification with ORS:
 - i. That accurately summarizes the discussions occurring during the briefing. [S.C. Code Ann. §58-3-260(C)(6)(a)(ii)]
 - ii. With copies attached of any written materials utilized, referenced, or distributed during the briefing. [S.C. Code Ann. §58-3-260(C)(6)(a)(ii)]
 - iii. That no commitment, predetermination, or prediction of any Commissioner's action as to any ultimate or penultimate issue or any Commission employee's opinion or recommendation as to any ultimate or penultimate issue in any proceeding was requested by any person or

party nor any commitment, predetermination, or prediction was given by any Commissioner or Commission employee as to any Commission action or Commission employee opinion or recommendation on any ultimate or penultimate issue. [S.C. Code Ann. §58-3-260(C)(6)(a)(iii)]

b. The subsection (iv) requirement is that EACH COMMISSIONER AND EACH COMMISSION EMPLOYEE present at the briefing file a certification that they will comply with State law requiring them to grant to every other party or person requesting an allowable ex parte communication briefing on the same or similar matter that is or can reasonably be expected to become an issue in a proceeding, similar access and a reasonable opportunity to communicate, directly or indirectly, regarding any fact, law, or other matter that is or can reasonably be expected to become an issue in a proceeding under the provisions of subsection S.C. Code Ann. §58-3-260(C)(6). [S.C. Code Ann. §58-3-260(C)(6)(a)(iv)]

3. Copies of all certified statements and all other matters filed with ORS by briefing attendees pursuant to(C)(6)(a)(ii), (iii), and (iv) are attached to this certification.
4. Persons and matters not in compliance with S.C. Code Ann. §58-3-260(C)(6) are listed in the lines below or on an attached sheet. If a sheet is attached, it is noted as being attached on the lines below. I further certify that if the lines are blank that all attendees or matters for this briefing are in compliance.

This concludes my Certified Statement.



Signature of Office of Regulatory Staff
Executive Director or Designee

Date: September 6, 2005

**ALLOWABLE EX PARTE COMMUNICATION BRIEFING
CERTIFIED STATEMENT
 (Attendee)**

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 2005 SEP - 6 12:21
 SOUTH CAROLINA
 COMMISSION
 OF REGULATION

THIS CERTIFICATION IS TO:

- BE SIGNED BY **EACH** BRIEFING ATTENDEE **EXCEPT** COMMISSIONERS AND PUBLIC SERVICE COMMISSION EMPLOYEES, AND
- BE FILED WITH THE OFFICE OF REGULATORY STAFF [1441 MAIN STREET, COLUMBIA, SOUTH CAROLINA 29201] **WITHIN FORTY-EIGHT HOURS** OF THIS BRIEFING.

Name: Debbie Hammond	Date of Meeting: September 1, 2005
Occupation: Executive Assistant	Matter: Sprint Nextel Corporation Allowable Ex Parte Briefing
Attending on behalf of/for: ORS	Docket No.: <i>2005-246-C</i> Pursuant to August 23, 2005 Notice of Scott Elliott, Attorney for Sprint Nextel Corporation

By signing this Certification, I certify that:

1. No commitment, predetermination, or prediction of any Commissioner's action as to any ultimate or penultimate issue or any Commission employee's opinion or recommendation as to any ultimate or penultimate issue in any proceeding was requested by any person or party nor any commitment, predetermination, or prediction was given by any Commissioner or Commission employee as to any Commission *action or Commission employee opinion or recommendation* on any ultimate or penultimate issue. [§58-3-260(C)(6)(a)(iii)]
2. I have accurately summarized the discussions occurring during the briefing in full either in the space below or on an attached sheet. If a sheet is attached, it is noted as being attached on the lines below. [§58-3-260(C)(6)(a)(ii)]

The transcript of this proceeding accurately reflects the briefing.

3. I have attached copies of any written materials utilized, referenced, or distributed during the briefing. [§58-3-260(C)(6)(a)(ii)]

This concludes my Certified Statement.

Debbie Hammond

Signature of Briefing Attendee

Date: 9-6-05

**ALLOWABLE EX PARTE COMMUNICATION BRIEFING
CERTIFIED STATEMENT
 (Attendee)**

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 OFFICE OF
 COMMISSIONERS

THIS CERTIFICATION IS TO:

- BE SIGNED BY **EACH** BRIEFING ATTENDEE **EXCEPT** COMMISSIONERS AND PUBLIC SERVICE COMMISSION EMPLOYEES, AND
- BE FILED WITH THE OFFICE OF REGULATORY STAFF [1441 MAIN STREET, COLUMBIA, SOUTH CAROLINA 29201] **WITHIN FORTY-EIGHT HOURS** OF THIS BRIEFING.

Name: <i>Scott Elliott</i>	Date of Meeting: <i>9/1/05</i>
Occupation: <i>Court Reporter</i>	Matter:
Attending on behalf of/for: <i>Scott Elliott</i>	Docket No.:

By signing this Certification, I certify that:

1. No commitment, predetermination, or prediction of any Commissioner's action as to any ultimate or penultimate issue or any Commission employee's opinion or recommendation as to any ultimate or penultimate issue in any proceeding was requested by any person or party nor any commitment, predetermination, or prediction was given by any Commissioner or Commission employee as to any Commission action or Commission employee opinion or recommendation on any ultimate or penultimate issue. [§58-3-260(C)(6)(a)(iii)]
2. I have accurately summarized the discussions occurring during the briefing in full either in the space below or on an attached sheet. If a sheet is attached, it is noted as being attached on the lines below. [§58-3-260(C)(6)(a)(ii)]

3. I have attached copies of any written materials utilized, referenced, or distributed during the briefing. [§58-3-260(C)(6)(a)(ii)]

This concludes my Certified Statement.

[Handwritten Signature]
Signature of Briefing Attendee

Date: 4/1/05

**ALLOWABLE EX PARTE COMMUNICATION BRIEFING
CERTIFIED STATEMENT
 (Attendee)**

RECORDED
 2005 SEP -6 PM 11:22
 OFFICE OF
 REGULATORY
 STAFF

THIS CERTIFICATION IS TO:

- BE SIGNED BY **EACH** BRIEFING ATTENDEE **EXCEPT** COMMISSIONERS AND PUBLIC SERVICE COMMISSION EMPLOYEES, AND
- BE FILED WITH THE OFFICE OF REGULATORY STAFF [1441 MAIN STREET, COLUMBIA, SOUTH CAROLINA 29201] **WITHIN FORTY-EIGHT HOURS** OF THIS BRIEFING.

Name: <i>Scott Elliott</i>	Date of Meeting: <i>9-1-05</i>
Occupation: <i>ATTORNEY</i>	Matter: <i>APPLICATION OF SPENT MONEY</i>
Attending on behalf of/for: <i>Spent</i>	Docket No.: <i>2005-246-C</i>

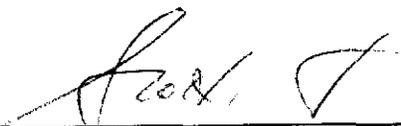
By signing this Certification, I certify that:

1. No commitment, predetermination, or prediction of any Commissioner's action as to any ultimate or penultimate issue or any Commission employee's opinion or recommendation as to any ultimate or penultimate issue in any proceeding was requested by any person or party nor any commitment, predetermination, or prediction was given by any Commissioner or Commission employee as to any Commission action or Commission employee opinion or recommendation on any ultimate or penultimate issue. [§58-3-260(C)(6)(a)(iii)]
2. I have accurately summarized the discussions occurring during the briefing in full either in the space below or on an attached sheet. If a sheet is attached, it is noted as being attached on the lines below. [§58-3-260(C)(6)(a)(ii)]

<i>See Attached Sheet</i>

3. I have attached copies of any written materials utilized, referenced, or distributed during the briefing. [§58-3-260(C)(6)(a)(ii)]

This concludes my Certified Statement.



Signature of Briefing Attendee

Date: 9-1-05

**ALLOWABLE EX PARTE COMMUNICATION BRIEFING
CERTIFIED STATEMENT
 (Attendee)**

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 COMMUNICATIONS

THIS CERTIFICATION IS TO:

- BE SIGNED BY **EACH** BRIEFING ATTENDEE **EXCEPT** COMMISSIONERS AND PUBLIC SERVICE COMMISSION EMPLOYEES, AND
- BE FILED WITH THE OFFICE OF REGULATORY STAFF [1441 MAIN STREET, COLUMBIA, SOUTH CAROLINA 29201] **WITHIN FORTY-EIGHT HOURS** OF THIS BRIEFING.

Name: <i>Martin H. Bocock Jr</i>		Date of Meeting: <i>9/1/05</i>
Occupation: <i>DIR. EXTERNAL AFFAIRS</i>		Matter: <i>SPRINT NEXTEL ALLOWABLE EX PARTE BRIEFING</i>
Attending on behalf of/for: <i>SPRINT</i>		Docket No.: <i>2005-246-C</i>

By signing this Certification, I certify that:

1. No commitment, predetermination, or prediction of any Commissioner's action as to any ultimate or penultimate issue or any Commission employee's opinion or recommendation as to any ultimate or penultimate issue in any proceeding was requested by any person or party nor any commitment, predetermination, or prediction was given by any Commissioner or Commission employee as to any Commission action or Commission employee opinion or recommendation on any ultimate or penultimate issue. [§58-3-260(C)(6)(a)(iii)]
2. I have accurately summarized the discussions occurring during the briefing in full either in the space below or on an attached sheet. If a sheet is attached, it is noted as being attached on the lines below. [§58-3-260(C)(6)(a)(ii)]

<i>See Attached Transcript</i>

3. I have attached copies of any written materials utilized, referenced, or distributed during the briefing. [§58-3-260(C)(6)(a)(ii)]

This concludes my Certified Statement.


Signature of Briefing Attendee

Date: 9/1/05

**ALLOWABLE EX PARTE COMMUNICATION BRIEFING
CERTIFIED STATEMENT
 (Attendee)**

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 OFFICE OF REGULATORY STAFF

THIS CERTIFICATION IS TO:

- BE SIGNED BY **EACH** BRIEFING ATTENDEE **EXCEPT** COMMISSIONERS AND PUBLIC SERVICE COMMISSION EMPLOYEES, AND
- BE FILED WITH THE OFFICE OF REGULATORY STAFF [1441 MAIN STREET, COLUMBIA, SOUTH CAROLINA 29201] **WITHIN FORTY-EIGHT HOURS** OF THIS BRIEFING.

Name: C. Steve Perrott	Date of Meeting: 9/1/05
Occupation: State Executive	Matter: Sprint Nextel Allowable Ex Parte
Attending on behalf of/for: Sprint	Docket No.: 2005-246-C

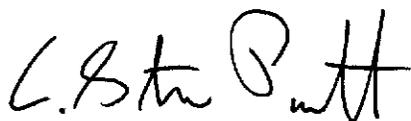
By signing this Certification, I certify that:

1. No commitment, predetermination, or prediction of any Commissioner's action as to any ultimate or penultimate issue or any Commission employee's opinion or recommendation as to any ultimate or penultimate issue in any proceeding was requested by any person or party nor any commitment, predetermination, or prediction was given by any Commissioner or Commission employee as to any Commission action or Commission employee opinion or recommendation on any ultimate or penultimate issue. [§58-3-260(C)(6)(a)(iii)]
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See attached transcript
~

3. I have attached copies of any written materials utilized, referenced, or distributed during the briefing. [§58-3-260(C)(6)(a)(ii)]

This concludes my Certified Statement.



Signature of Briefing Attendee

Date: 9/1/05

**ALLOWABLE EX PARTE COMMUNICATION BRIEFING
CERTIFIED STATEMENT
 (Attendee)**

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 COMMUNICATIONS
 COMMISSION

THIS CERTIFICATION IS TO:

- BE SIGNED BY **EACH** BRIEFING ATTENDEE **EXCEPT** COMMISSIONERS AND PUBLIC SERVICE COMMISSION EMPLOYEES, AND
- BE FILED WITH THE OFFICE OF REGULATORY STAFF [1441 MAIN STREET, COLUMBIA, SOUTH CAROLINA 29201] **WITHIN FORTY-EIGHT HOURS** OF THIS BRIEFING.

Name: <i>Jim McDaniel</i>	Date of Meeting: <i>9-1-2005</i>
Occupation: <i>Program Manager - Telecommunications</i>	Matter: <i>Sprint - Separation Local Telephone Operations</i>
Attending on behalf of/for: <i>Office of Regulatory Staff</i>	Docket No.: <i>2005-246-C</i>

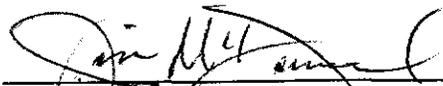
By signing this Certification, I certify that:

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2. I have accurately summarized the discussions occurring during the briefing in full either in the space below or on an attached sheet. If a sheet is attached, it is noted as being attached on the lines below. [§58-3-260(C)(6)(a)(ii)]

<i>Not Attached (Transcript)</i>

3. I have attached copies of any written materials utilized, referenced, or distributed during the briefing. [§58-3-260(C)(6)(a)(ii)]

This concludes my Certified Statement.



Signature of Briefing Attendee

Date: 9-1-2005

**ALLOWABLE EX PARTE COMMUNICATION BRIEFING
CERTIFIED STATEMENT
 (Attendee)**

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 SOUTH CAROLINA
 COMMISSION

THIS CERTIFICATION IS TO:

- BE SIGNED BY **EACH** BRIEFING ATTENDEE **EXCEPT** COMMISSIONERS AND PUBLIC SERVICE COMMISSION EMPLOYEES, AND
- BE FILED WITH THE OFFICE OF REGULATORY STAFF [1441 MAIN STREET, COLUMBIA, SOUTH CAROLINA 29201] **WITHIN FORTY-EIGHT HOURS** OF THIS BRIEFING.

Name: <i>William R Atkinson</i>	Date of Meeting: <i>9/1/05</i>
Occupation: <i>Attorney</i>	Matter: <i>Application of Sprint Nextel</i>
Attending on behalf of/for: <i>Sprint Nextel</i>	Docket No.: <i>2005-246-C</i>

By signing this Certification, I certify that:

1. No commitment, predetermination, or prediction of any Commissioner's action as to any ultimate or penultimate issue or any Commission employee's opinion or recommendation as to any ultimate or penultimate issue in any proceeding was requested by any person or party nor any commitment, predetermination, or prediction was given by any Commissioner or Commission employee as to any Commission action or Commission employee opinion or recommendation on any ultimate or penultimate issue. [§58-3-260(C)(6)(a)(iii)]
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<i>= See attached transcript</i>

3. I have attached copies of any written materials utilized, referenced, or distributed during the briefing. [§58-3-260(C)(6)(a)(ii)]

This concludes my Certified Statement.

William R. Atkinson

Signature of Briefing Attendee

Date: 9/1/05

**ALLOWABLE EX PARTE COMMUNICATION BRIEFING
CERTIFIED STATEMENT
 (Commissioner/Commission Employee)**

RECORDED
 2005 SEP -6 PM 2: 22
 601 PSC
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THIS CERTIFICATION IS TO:

- BE SIGNED AND COMPLETED BY **EACH** COMMISSIONER AND PUBLIC SERVICE COMMISSION EMPLOYEES ATTENDING THE BRIEFING, AND
- BE FILED WITH THE OFFICE OF REGULATORY STAFF [1441 MAIN STREET, COLUMBIA, SOUTH CAROLINA 29201] **WITHIN FORTY-EIGHT HOURS** OF THIS BRIEFING.

Name: <i>David Wright</i>	Date of Meeting: <i>9/1/05</i>
PSC Position Title: <i>Commissioner</i>	Matter: <i>2005-246-C Sprint Nextel Merge</i>
	Docket No.: <i>2005-246-C</i>

By signing this Certification, I certify that:

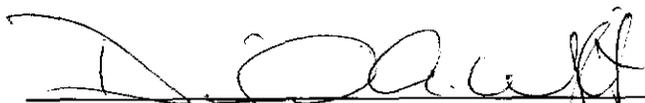
1. No commitment, predetermination, or prediction of any commissioner's action as to any ultimate or penultimate issue or any commission employee's opinion or recommendation as to any ultimate or penultimate issue in any proceeding was requested by any person or party nor any commitment, predetermination, or prediction was given by any commissioner or commission employee as to any commission action or commission employee opinion or recommendation on any ultimate or penultimate issue. [S.C. Code Ann. §58-3-260(C)(6)(a)(iii)]
2. I have accurately summarized the discussions occurring during the briefing in full either in the space below or on an attached sheet. If a sheet is attached, it is noted as being attached on the lines below. [S.C. Code Ann. §58-3-260(C)(6)(a)(ii)]

<i>See attached</i>	

3. I have attached copies of any written materials utilized, referenced, or distributed during the briefing. [S.C. Code Ann. §58-3-260(C)(6)(a)(ii)]
4. I will comply with State law requiring me to grant to every other party or person requesting an allowable ex parte communication briefing on the same or similar matter

that is or can reasonably be expected to become an issue in a proceeding, similar access and a reasonable opportunity to communicate, directly or indirectly, regarding any fact, law, or other matter that is or can reasonably be expected to become an issue in a proceeding under the provisions of subsection S.C. Code Ann. §58-3-260(C)(6). [S.C. Code Ann. §58-3-260(C)(6)(a)(iv)]

This concludes my Certified Statement.

A handwritten signature in black ink, appearing to read "D. O. Wolf", written over a horizontal line.

Signature of South Carolina Public Service
Commissioner or Commission Employee

Date: 9/1/05

**ALLOWABLE EX PARTE COMMUNICATION BRIEFING
CERTIFIED STATEMENT
 (Commissioner/Commission Employee)**

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 SOUTH CAROLINA
 COMMISSION ON
 GOVERNMENT

THIS CERTIFICATION IS TO:

- BE SIGNED AND COMPLETED BY **EACH** COMMISSIONER AND PUBLIC SERVICE COMMISSION EMPLOYEES ATTENDING THE BRIEFING, AND
- BE FILED WITH THE OFFICE OF REGULATORY STAFF [1441 MAIN STREET, COLUMBIA, SOUTH CAROLINA 29201] **WITHIN FORTY-EIGHT HOURS** OF THIS BRIEFING.

Name: <i>Ilse DeLoach</i>	Date of Meeting: <i>9/6/05</i>
PSC Position Title: <i>Illness</i>	Matter: <i>Food</i>
	Docket No.: <i>2005-2466</i>

By signing this Certification, I certify that:

1. No commitment, predetermination, or prediction of any commissioner's action as to any ultimate or penultimate issue or any commission employee's opinion or recommendation as to any ultimate or penultimate issue in any proceeding was requested by any person or party nor any commitment, predetermination, or prediction was given by any commissioner or commission employee as to any commission action or commission employee opinion or recommendation on any ultimate or penultimate issue. [S.C. Code Ann. §58-3-260(C)(6)(a)(iii)]
2. I have accurately summarized the discussions occurring during the briefing in full either in the space below or on an attached sheet. If a sheet is attached, it is noted as being attached on the lines below. [S.C. Code Ann. §58-3-260(C)(6)(a)(ii)]

<i>Accuracy of pertinent matter</i>

3. I have attached copies of any written materials utilized, referenced, or distributed during the briefing. [S.C. Code Ann. §58-3-260(C)(6)(a)(ii)]
4. I will comply with State law requiring me to grant to every other party or person requesting an allowable ex parte communication briefing on the same or similar matter

that is or can reasonably be expected to become an issue in a proceeding, similar access and a reasonable opportunity to communicate, directly or indirectly, regarding any fact, law, or other matter that is or can reasonably be expected to become an issue in a proceeding under the provisions of subsection S.C. Code Ann. §58-3-260(C)(6). [S.C. Code Ann. §58-3-260(C)(6)(a)(iv)]

This concludes my Certified Statement.



Signature of South Carolina Public Service
Commissioner or Commission Employee

Date: 9/25

**ALLOWABLE EX PARTE COMMUNICATION BRIEFING
CERTIFIED STATEMENT
 (Attendee)**

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 COMMISSION

THIS CERTIFICATION IS TO:

- BE SIGNED BY **EACH** BRIEFING ATTENDEE **EXCEPT** COMMISSIONERS AND PUBLIC SERVICE COMMISSION EMPLOYEES, AND
- BE FILED WITH THE OFFICE OF REGULATORY STAFF [1441 MAIN STREET, COLUMBIA, SOUTH CAROLINA 29201] **WITHIN FORTY-EIGHT HOURS** OF THIS BRIEFING.

Name: <i>C. Duke Scott</i>	Date of Meeting: <i>9-1-05</i>
Occupation: <i>ORS</i>	Matter: <i>Sprint</i>
Attending on behalf of/for: <i>ORS</i>	Docket No.:

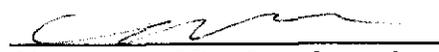
By signing this Certification, I certify that:

1. No commitment, predetermination, or prediction of any Commissioner's action as to any ultimate or penultimate issue or any Commission employee's opinion or recommendation as to any ultimate or penultimate issue in any proceeding was requested by any person or party nor any commitment, predetermination, or prediction was given by any Commissioner or Commission employee as to any Commission action or Commission employee opinion or recommendation on any ultimate or penultimate issue. [§58-3-260(C)(6)(a)(iii)]
2. I have accurately summarized the discussions occurring during the briefing in full either in the space below or on an attached sheet. If a sheet is attached, it is noted as being attached on the lines below. [§58-3-260(C)(6)(a)(ii)]

<i>See attached</i>

3. I have attached copies of any written materials utilized, referenced, or distributed during the briefing. [§58-3-260(C)(6)(a)(ii)]

This concludes my Certified Statement.



Signature of Briefing Attendee

Date: 9-1-05

**ALLOWABLE EX PARTE COMMUNICATION BRIEFING
CERTIFIED STATEMENT
 (Commissioner/Commission Employee)**

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 2005 SEP -6 PM 12: 22
 OFFICE OF REGULATORY STAFF
 COLUMBIA, SOUTH CAROLINA

THIS CERTIFICATION IS TO:

- BE SIGNED AND COMPLETED BY **EACH** COMMISSIONER AND PUBLIC SERVICE COMMISSION EMPLOYEES ATTENDING THE BRIEFING, AND
- BE FILED WITH THE OFFICE OF REGULATORY STAFF [1441 MAIN STREET, COLUMBIA, SOUTH CAROLINA 29201] **WITHIN FORTY-EIGHT HOURS** OF THIS BRIEFING.

Name: CHARLIE TERRENI	Date of Meeting: September 01, 2005
PSC Position Title: Chief Administrator & Chief Clerk	Matter: 2005-246-C Sprint Merger App.
	Docket No.: None

By signing this Certification, I certify that:

1. No commitment, predetermination, or prediction of any commissioner's action as to any ultimate or penultimate issue or any commission employee's opinion or recommendation as to any ultimate or penultimate issue in any proceeding was requested by any person or party nor any commitment, predetermination, or prediction was given by any commissioner or commission employee as to any commission action or commission employee opinion or recommendation on any ultimate or penultimate issue. [S.C. Code Ann. §58-3-260(C)(6)(a)(iii)]
2. I have accurately summarized the discussions occurring during the briefing in full either in the space below or on an attached sheet. If a sheet is attached, it is noted as being attached on the lines below. [S.C. Code Ann. §58-3-260(C)(6)(a)(ii)]

Transcript and handout attached.

3. I have attached copies of any written materials utilized, referenced, or distributed during the briefing. [S.C. Code Ann. §58-3-260(C)(6)(a)(ii)]
4. I will comply with State law requiring me to grant to every other party or person requesting an allowable ex parte communication briefing on the same or similar matter

that is or can reasonably be expected to become an issue in a proceeding, similar access and a reasonable opportunity to communicate, directly or indirectly, regarding any fact, law, or other matter that is or can reasonably be expected to become an issue in a proceeding under the provisions of subsection S.C. Code Ann. §58-3-260(C)(6). [S.C. Code Ann. §58-3-260(C)(6)(a)(iv)]

This concludes my Certified Statement.

A handwritten signature in black ink, appearing to be "C. [unclear]", written over a horizontal line.

Signature of South Carolina Public Service
Commissioner or Commission Employee

Date: 9/6/05

**ALLOWABLE EX PARTE COMMUNICATION BRIEFING
CERTIFIED STATEMENT
 (Commissioner/Commission Employee)**

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 COMMUNICATIONS SECTION

THIS CERTIFICATION IS TO:

- BE SIGNED AND COMPLETED BY **EACH** COMMISSIONER AND PUBLIC SERVICE COMMISSION EMPLOYEES ATTENDING THE BRIEFING, AND
- BE FILED WITH THE OFFICE OF REGULATORY STAFF [1441 MAIN STREET, COLUMBIA, SOUTH CAROLINA 29201] **WITHIN FORTY-EIGHT HOURS** OF THIS BRIEFING.

Name: <i>Randy Mitchell</i>	Date of Meeting: <i>9-1-05</i>
PSC Position Title: <i>Commissioner</i>	Matter: <i>205-246-C</i>
	Docket No.: <i>2005-246-C</i>

By signing this Certification, I certify that:

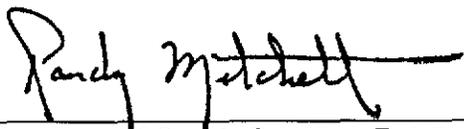
1. No commitment, predetermination, or prediction of any commissioner's action as to any ultimate or penultimate issue or any commission employee's opinion or recommendation as to any ultimate or penultimate issue in any proceeding was requested by any person or party nor any commitment, predetermination, or prediction was given by any commissioner or commission employee as to any commission action or commission employee opinion or recommendation on any ultimate or penultimate issue. [S.C. Code Ann. §58-3-260(C)(6)(a)(iii)]
2. I have accurately summarized the discussions occurring during the briefing in full either in the space below or on an attached sheet. If a sheet is attached, it is noted as being attached on the lines below. [S.C. Code Ann. §58-3-260(C)(6)(a)(ii)]

<i>see attached transcript and</i>
<i>handout</i>

3. I have attached copies of any written materials utilized, referenced, or distributed during the briefing. [S.C. Code Ann. §58-3-260(C)(6)(a)(ii)]
4. I will comply with State law requiring me to grant to every other party or person requesting an allowable ex parte communication briefing on the same or similar matter

that is or can reasonably be expected to become an issue in a proceeding, similar access and a reasonable opportunity to communicate, directly or indirectly, regarding any fact, law, or other matter that is or can reasonably be expected to become an issue in a proceeding under the provisions of subsection S.C. Code Ann. §58-3-260(C)(6). [S.C. Code Ann. §58-3-260(C)(6)(a)(iv)]

This concludes my Certified Statement.

A handwritten signature in black ink that reads "Randy Mitchell". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Signature of South Carolina Public Service
Commissioner or Commission Employee

Date: 9-1-05

**ALLOWABLE EX PARTE COMMUNICATION BRIEFING
CERTIFIED STATEMENT
 (Commissioner/Commission Employee)**

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 2005 SEP -6 PM 12: 22
 90 PERMITS DIVISION
 COMMUNICATIONS

THIS CERTIFICATION IS TO:

- BE SIGNED AND COMPLETED BY **EACH** COMMISSIONER AND PUBLIC SERVICE COMMISSION EMPLOYEES ATTENDING THE BRIEFING, AND
- BE FILED WITH THE OFFICE OF REGULATORY STAFF [1441 MAIN STREET, COLUMBIA, SOUTH CAROLINA 29201] **WITHIN FORTY-EIGHT HOURS** OF THIS BRIEFING.

Name: <i>Jocelyn Boyd</i>	Date of Meeting: <i>September 1, 2005</i>
PSC Position Title: <i>Deputy Clerk</i>	Matter: <i>Separation of Sprint's Local Telephone Operations</i>
	Docket No.: <i>2005-246-C</i>

By signing this Certification, I certify that:

1. No commitment, predetermination, or prediction of any Commissioner's action as to any ultimate or penultimate issue or any Commission employee's opinion or recommendation as to any ultimate or penultimate issue in any proceeding was requested by any person or party nor any commitment, predetermination, or prediction was given by any Commissioner or Commission employee as to any Commission action or Commission employee opinion or recommendation on any ultimate or penultimate issue. [S.C. Code Ann. §58-3-260(C)(6)(a)(iii)]
2. I have accurately summarized the discussions occurring during the briefing in full either in the space below or on an attached sheet. If a sheet is attached, it is noted as being attached on the lines below. [S.C. Code Ann. §58-3-260(C)(6)(a)(ii)]

<i>See attached transcript and</i>
<i>handout.</i>

3. I have attached copies of any written materials utilized, referenced, or distributed during the briefing. [S.C. Code Ann. §58-3-260(C)(6)(a)(ii)]

4. I will comply with State law requiring me to grant to every other party or person requesting an allowable ex parte communication briefing on the same or similar matter that is or can reasonably be expected to become an issue in a proceeding, similar access and a reasonable opportunity to communicate, directly or indirectly, regarding any fact, law, or other matter that is or can reasonably be expected to become an issue in a proceeding under the provisions of subsection S.C. Code Ann. §58-3-260(C)(6). [S.C. Code Ann. §58-3-260(C)(6)(a)(iv)]

This concludes my Certified Statement.



Signature of South Carolina Public Service
Commissioner or Commission Employee

Date: 9/2/05

**Separation of Sprint's Local Telephone
Operators**

Ex Parte Briefing

**Public Service Commission of South Carolina and
Office of Regulatory Staff**

September 1, 2005

**By: C. Steve Parrott, Bill Atkinson, Marty Boccock and Scott Elliott
Sprint Nextel Corporation**

2005 SEP 01 09:45 AM



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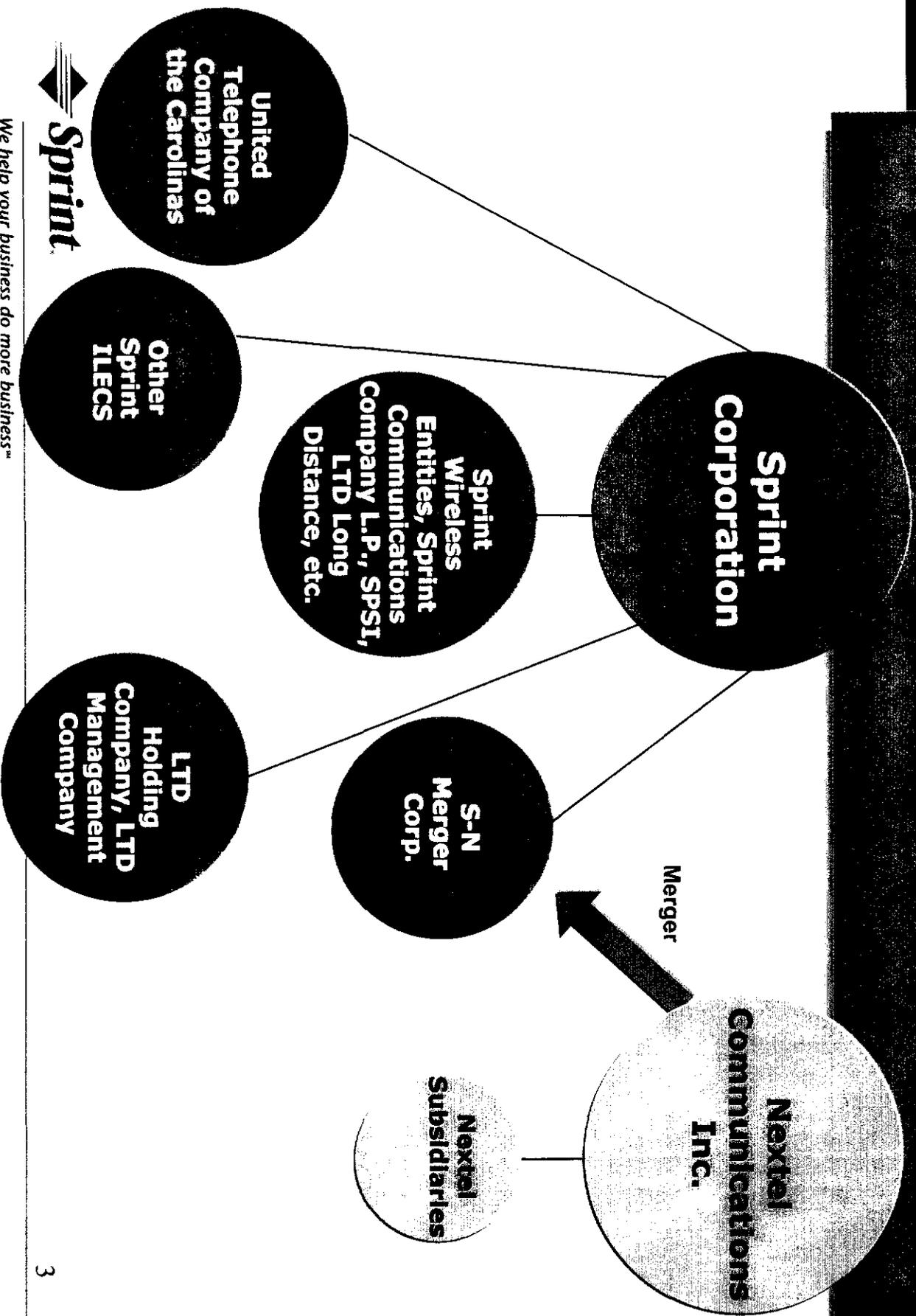
Separation of Local Telephone Operators

Sprint Nextel post merger plans for LTD

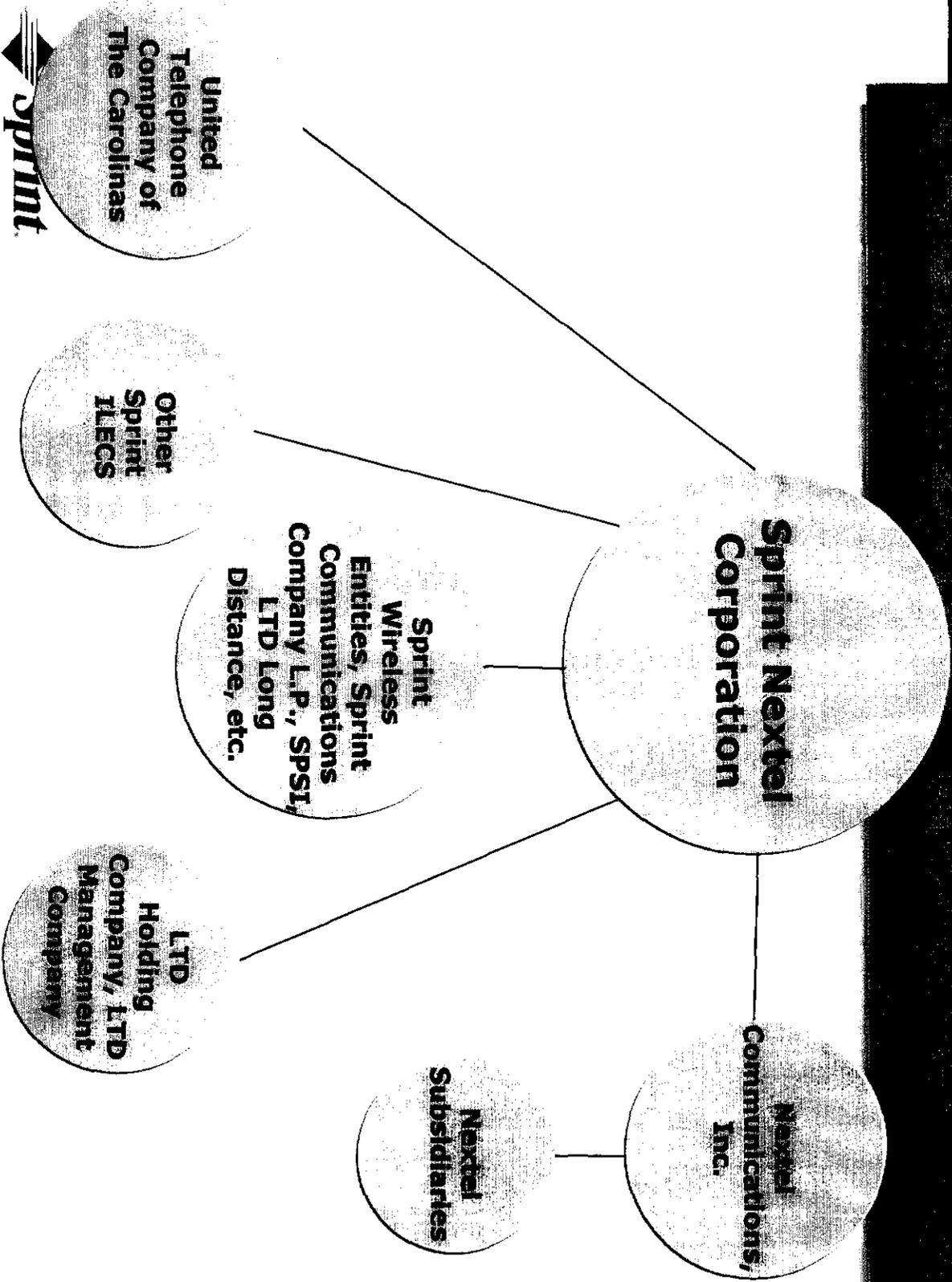
- Sprint Nextel intends to spin off Sprint's local telecom business (consumer, business and wholesale) into a separate parent company owned by Sprint Nextel shareholders.
- New LTD will have new name, own management team and board of directors.
- 7.7 million local access lines in 18 states.
- Largest independent local telco in United States.
- Headquarters in Kansas City.



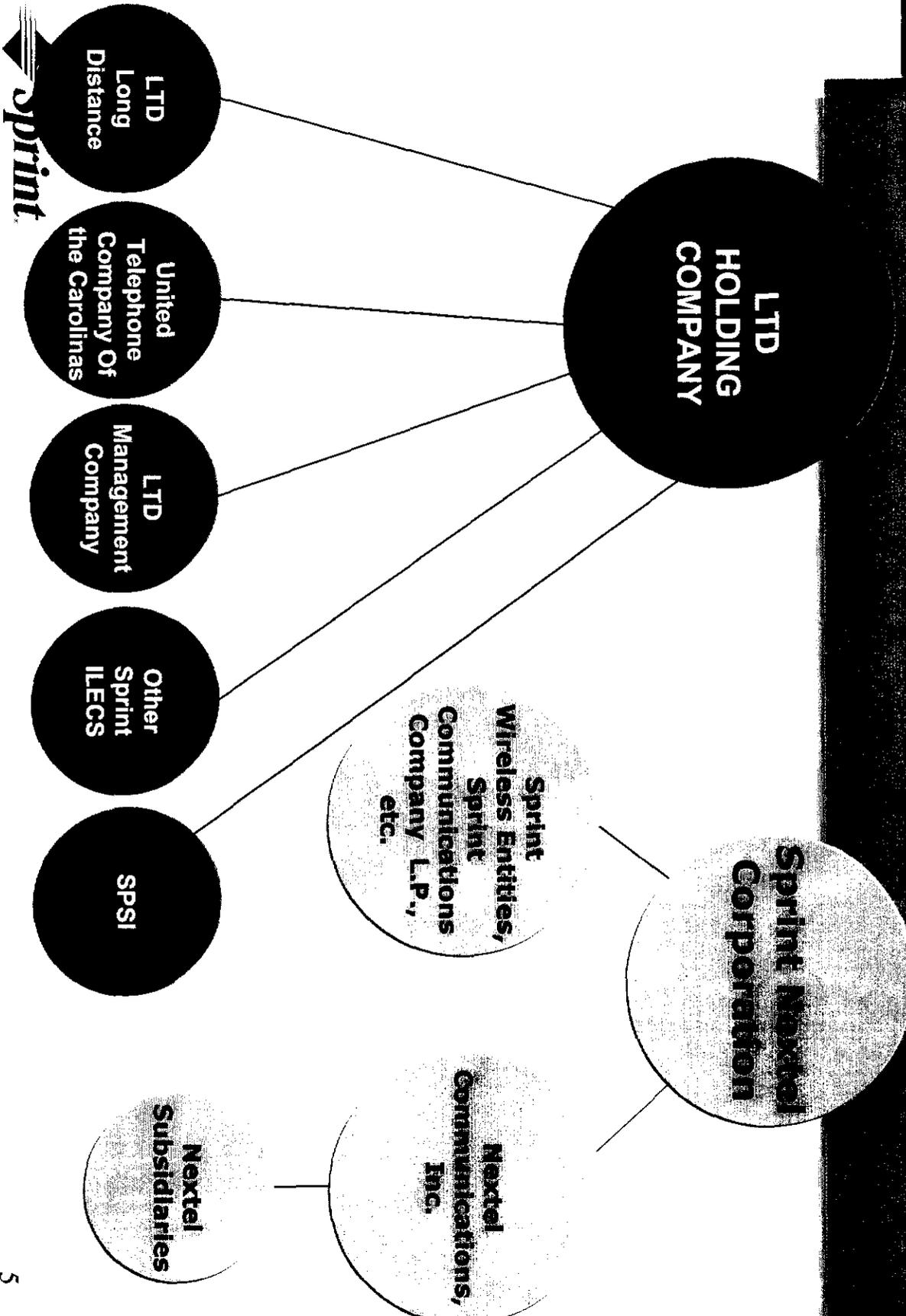
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Why separation is critical

- Separation will serve best interests of South Carolina customers, employees, communities and shareholders
- The vast majority of Sprint Nextel customers are wireless, and its focus is on the national market
 - Sprint Nextel has about five times the number of wireless customers compared to local telephone customers
- Elimination of any emerging tension between wireless and wireline strategies is reason for separation
 - Sprint's local telephone operations wants local customers to continue to rely on wireline and to grow revenue with new products and services
 - Sprint Nextel wants customers to "cut the cord" and to pursue strategies such as partnering with cable companies to compete with the RBOCs



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Separation transparent to the customer

- What customers can expect
 - A new name, but no surprises
 - No change in how customers do business with us
 - Same contact numbers, same people
 - Same rates, terms and conditions
 - Same form of regulation
 - Availability of a full range of quality communications products and services
 - We will contract with Sprint Nextel for long distance and wireless services and market these services under the New LTD brand
 - We will arrange to maintain the sales agency arrangement with EchoStar to provide video in our bundles



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Continuity in technical capabilities

- After separation, the local telephone operations will retain their existing assets
 - Equipment, buildings, systems, software licenses
- Shared assets will be fairly and logically allocated between the local telephone operations and the merged company
 - For example, the local telephone operations will assume ownership of the SS7 platform
- After separation, the local telephone operations will have all of the technical capabilities and access to the necessary assets for service ordering, provisioning, billing and customer care functions.



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Understanding Management Team and Workforce

- After separation, the local company will:
 - Be led by recently named Daniel Hesse, Chief Executive Officer, and Mike Fuller, Chief Operating Officer
 - Be guided by a team of senior executives with 170 combined years of Sprint experience
 - Maintain an experienced and skilled workforce to meet the business needs and expectations of our local customers
 - Maintain comprehensive and competitive compensation and benefit programs to attract and retain employees



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Financially sound

- Separation will have minimal effect on the South Carolina local telephone operating subsidiary's finances
- The LTD Holding Company will be a Fortune 500 company
 - \$6 billion annual revenues (based on 2004 revenue)
 - Comparable in size to Southwest Airlines
 - Proven record of financial performance
- The LTD Holding Company will have a debt and equity mix consistent with an investment grade bond rating
- Cash flow will be sufficient to cover expenses, make capital additions, service debt and pay dividends



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Highly shared level of clarity

The separated local telephone operations will have:

- Clarity of Vision: Single-minded focus on its local markets
- Clarity of Purpose: Delivering a full portfolio of services that meet the needs of local customers
- Clear Alignment of Interests: Our success is inextricably linked to the satisfaction of our local customers



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CONCLUSION

- Our application demonstrates that an independent local telephone operation makes sense and is being pursued in a disciplined, reasonable manner



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BEFORE THE PUBLIC SERVICE COMMISSION of SOUTH CAROLINA
COLUMBIA, SOUTH CAROLINA

DOCKET NO. 2005-246-C SEPTEMBER 1, 2005 **1:30 p.m.**

SPRINT NEXTEL CORPORATION - Allowable Ex Parte
Communication Briefing to Discuss Application of Sprint Nextel Corporation for Approval of the Transfer of Control of United Telephone Company of the Carolinas, Sprint Long Distance, Incorporated and Sprint Payphone Services, Incorporated, from Sprint Nextel Corporation to LTD Holding Company.

BRIEFING BEFORE: Randy Mitchell, Chairman,
Commissioners C. Robert Moseley, David A. Wright.

STAFF: Charles L.A. Terreni, Chief Clerk; Jocelyn G. Boyd, Deputy Clerk; James McDaniel.

APPEARANCES: C. Dukes Scott, Wendy B. Cartledge and Debbie Hammond, Office of Regulatory Staff; Scott Elliott, William R. Atkinson, Sprint Nextel Corporation; Steve Parrott, Presenter, and Marty Bocock.

COURT REPORTER: Janet L. LeVeque, RPR

TRANSCRIPT OF PROCEEDINGS

VOLUME 1 of 1

J. LeVeque Court Reporting
Columbia, S.C.
803-787-5825/803-787-6525 (fax)
LeVequeReporting@aol.com

1 CHAIRMAN MITCHELL: On behalf of the
2 Commission, we certainly welcome everybody
3 here. We certainly want to have many,
4 many of these; and as we go along, we hope
5 we can make it a lot easier for everyone,
6 and we just look forward to find out as
7 much as information as we can in the
8 future, and doing it legal. And we're
9 certainly glad to have you so I won't take
10 any further time. Just proceed, Steve.
11 Glad to have you all.

12 PRESENTATION BY MR. STEVE PARROTT:

13 Mr. Chairman, thank you. I think I've met everyone.
14 Some I've known for quite a number of years. I've worked in
15 the regulatory environment in South Carolina now for quite a
16 number of years and have always enjoyed coming here and
17 meeting and appearing before the Commission.

18 Just by way of introduction, I'm Steve Parrott. I
19 serve as the State Executive for Sprint Nextel in North
20 Carolina and South Carolina. I have responsibility for
21 regulatory affairs, legislative affairs, public affairs, and
22 corporate communications for all of the Sprint affiliates in
23 those two states.

24 And with me today, I've got Marty Bocock, who
25 certainly is no stranger to the Commission or to the Office of

1 Regulatory Staff. Marty is our Director of External Affairs
2 in our office here in Columbia.

3 I also have with me today Bill Atkinson, who I think
4 everyone has met. Bill is an attorney with our company and
5 represents us, along with Scott Elliott, who is also here.
6 Scott is our South Carolina counsel, and I know he and Bill
7 both have appeared before you previously.

8 This afternoon we want to talk to you a little bit
9 about the application that we filed on August the 17th. That
10 application was for approval of change of control that is
11 going to involve our local telephone operations. We have a
12 presentation, which I think everybody has here. This is going
13 to be very informal, so the fact that I'm standing behind a
14 podium, don't let that fool you and make you believe that it's
15 more formal than it actually is.

16 The reason we asked for this ex parte meeting with
17 the Commission and the ORS was we filed a very detailed
18 application on the 17th, outlining how the separation was
19 going to occur and why we believe it to be in the public
20 interest and some of the other particulars.

21 That's a somewhat lengthy document, and what we have
22 found in working with other regulators, as well as the folks
23 here in South Carolina, sometimes it's easier to take a very
24 detailed document and pare that down to what are the most
25 significant aspects of the transaction. And so we put this

1 document together today, that you have in front of you, that
2 we think provides you, from that application, the more
3 pertinent details and a clear view, possibly, of exactly
4 what's going to occur and again why we believe this is going
5 to be in the public interest here in South Carolina for our
6 ratepayers.

7 If you look at Slide 2, it says Sprint Nextel
8 post-merger plans for the LTD. The LTD is the local
9 telecommunications division of Sprint Nextel Corporation.
10 We've had the local telecommunications division for well over
11 100 years again, serving our franchised areas in 18 states
12 across the country, South Carolina being one of those 18
13 states.

14 Sprint Nextel, when it announced its merger plans
15 back in September 2004, also indicated at that time that
16 post-merger they had plans to spin off -- I know that term was
17 used -- or to separate its wireline local telephone operations
18 from the Sprint Nextel parent, and to create a new holding
19 company, a new parent company, if you will, that would oversee
20 and be responsible for the new local telecommunications
21 division. So we are now following through on what we had
22 announced back in December of '04.

23 The important thing to remember here is that a new
24 local company, if you will, parent company, is being created
25 that will not be affiliated with Sprint Nextel Corporation,

1 other than some transactional agreements that we will talk
2 about in just a few moments. So this is a new company. It
3 will have a new name. Today our certificated name for our
4 local operations in South Carolina is United Telephone Company
5 of the Carolinas. We also have a payphone, a subsidiary that
6 does business here; and we have recently filed -- I believe it
7 was on August the 12th -- an application for a certificate for
8 Sprint Long Distance, Inc., which will be a long-distance
9 reseller certificated to do business in the state.

10 They will, under this new separated company, now be
11 wholly owned by this new LTD holding company, so we will no
12 longer be branding our services under the Sprint name. So one
13 change that you will see, our customers will see, will be a
14 new brand; that brand has not yet been determined. As you can
15 imagine, a lot of work is going into deciding the branding
16 that we will be using in these 18 states for our services.

17 They will have their own management team. Many of
18 those people in the senior leadership positions have already
19 been named. I'm going to talk about that in just a moment.
20 It will also have its own board of directors.

21 Now, when some heard about the spin-off of local
22 wireline operations by Sprint Nextel back in December of last
23 year, some said, Well, you know, how is a stand-alone local
24 wireline company going to make it? I'm pleased to say that
25 this new company, this new holding company in the 18 states

1 that it will be doing business in, will be the fifth largest
2 local wireline company in the country; it will be the largest
3 independent non-Bell company in the country, will be providing
4 service to 7.7 million access lines in those 18 states. And
5 as I say here, it is the largest independent local telephone
6 company in the United States. Our headquarters will continue
7 to be in Kansas City, as it is today.

8 Now, again in the application we filed, we'll get
9 into some detail about what the company looks like today
10 pre-spin, what it looks like after the separation of the LTD,
11 and we think these visual charts will do a better job of
12 explaining to you, visually, how all of this is going to
13 occur, and will also show why we believe that the creation of
14 this new holding company will not impact our subsidiary
15 companies that do business in South Carolina today.

16 You see on Slide 3, this is what Sprint and Nextel
17 look like pre-merger. You have Sprint Corporation, and under
18 Sprint Corporation you can see to the far left in that bubble
19 United Telephone Company of the Carolinas. You can see in the
20 next bubble all the other Sprint ILECs that will be in the
21 other 17 states in addition to South Carolina. You'll see,
22 also under Sprint Corporation, the Sprint wireless entities,
23 Sprint Communications Company, LP, which is the Sprint
24 long-distance entity, and also it has today a competitive LEC
25 certificate in the State of South Carolina. SPSI is our

1 payphone provider, and then LTD Long Distance is the
 2 application that currently is pending before the Commission.
 3 But again, all of those, as well as the LTD Holding Company
 4 and the LTD Management Company today, are solely owned by the
 5 Sprint Corporation. To the right you see Nextel
 6 Communications and its Nextel subsidiaries. This again is a
 7 pre-merger slide.

8 So let's look at Sprint Nextel in the next slide,
 9 and this is post-merger. The Sprint Nextel merger received
 10 final approvals and was closed on August the 12th, so this is
 11 how we look today. You'll notice that it is now called Sprint
 12 Nextel Corporation, but again you'll see in the bubbles below
 13 that United Telephone Company of the Carolinas continues to be
 14 certificated in South Carolina today. You have the other
 15 Sprint ILECs, you have these other entities that we mentioned
 16 before. Again nothing has changed, nothing has affected these
 17 subsidiaries as a result of the Sprint Nextel merger. All
 18 that's happened is there is a transaction that occurred that
 19 affected the parent company. Then you see Nextel
 20 Communications and its subsidiaries now folded into Sprint
 21 Nextel Corporation.

22 The next slide shows the creation of new LTD Holding
 23 Company separate from Sprint Nextel. And again the important
 24 thing to note here is you'll see the new LTD Holding Company,
 25 and you'll see that it wholly owns, underneath that, the LTD

1 long-distance subsidiary. Again that's the application that's
2 pending before you today. You have United Telephone Company
3 of the Carolinas. Again no change to that name or its
4 certificate here in South Carolina. You have LTD Management
5 Company, and all that is is an entity much like we had today
6 in the Sprint environment that provides management services to
7 the subsidiary companies. That includes everything from human
8 resources to taxation to financial services, legal
9 representation, et cetera, those normal corporate center type
10 services. You see the other Sprint ILECs and then you see the
11 payphone subsidiary.

12 So when we create this new holding company and
13 separate it from the Sprint Nextel, you can see that there is
14 not an impact on the subsidiaries. All it is is a transfer of
15 control from Sprint Nextel to the new holding company.

16 Okay, moving on to the next slide, you may ask,
17 Well, why a separation is critical? Why didn't you move
18 forward with Sprint Nextel Corporation, your subsidiaries and
19 involvement in local wireline as well as wireless and some
20 other areas? And we believe that the separation actually will
21 serve the best interests of South Carolina customers, our
22 employees, our communities, and our shareholders. And that's
23 true not just in South Carolina, but that's true in the other
24 17 states, again where we will be doing the same thing with
25 the separation.

1 The vast majority of Sprint Nextel customers are
2 wireless customers. If you look today, there are five times
3 more wireless customers served by Sprint Nextel, the new
4 merged entity, than there are local wireline customers.
5 Before the merger with Nextel, that relationship was three
6 times more wireless customers than local wireline.

7 There's been phenomenal growth in the wireless
8 industry, as you well know. And I can still remember back
9 years ago when we wondered, Well, I wonder if the wireless
10 subsidiaries, Sprint will ever have as many wireline customers
11 as we have, and you can see that they have far surpassed that.
12 So their focus as the number three wireless company in the
13 country is going to be on larger metropolitan markets and
14 larger customers; that will be pretty much their strategic
15 focus.

16 If you look at our local wireline companies, what I
17 call kind of the bread and butter of our operations for,
18 again, the last hundred years, has been serving the small
19 rural to intermediate size market. If you look at our local
20 wireline markets in South Carolina, and you say, Well, what
21 are some of the urban, large urban areas you serve? Urban to
22 us, on the wireline side in South Carolina, would be Beaufort
23 and Greenwood. That gives you some perspective on where our
24 history has been in the state. So we view the separation,
25 frankly, as kind of getting back to our roots and serving

1 those markets. That will be the niche of these spun-off local
2 wireline entities.

3 I indicate here that the Sprint Nextel strategy will
4 be to have customers cut the cord, and that is that you don't
5 need wireline connectivity. We want to provide you everything
6 on a wireless basis. Well, if you have a very large segment
7 of your corporation -- as I mentioned, five times the
8 customers base -- and your strategy is to cut the cord, it's
9 kind of difficult to meld that with the strategy of a smaller
10 local wireline subsidiary whose strategy is keep them
11 connected but still provide a full complement of services.
12 You have some conflicting interests there that you can imagine
13 creates some interesting times in the boardroom and in the
14 policy centers of the corporation.

15 The next slide talks about why we believe the
16 separation will be transparent to our customers, and the
17 question obviously when you see an approach such as this is
18 what can our customers expect. I'm pleased to say that they
19 will see a new brand name for marketing purposes, but they
20 won't experience any surprises.

21 What do I mean by that? There won't be any change
22 in how our customers do business with us. Today if they have
23 any questions, we have some retail stores in the state. We
24 also have toll-free numbers where they can access our call
25 centers. Whether it's a business office kind of function or

1 whether it's a repair transaction, they will still call into
2 those same numbers, they'll still go into those same centers.
3 Nothing has changed related to that. The people on the ground
4 who are doing installation, repair and construction today, all
5 of those functional aspects of our business today will remain
6 unchanged.

7 I indicate here same contact numbers, same people,
8 same rates, terms and conditions. This separation does not
9 cause us to have to come in and file tariff changes with the
10 Commission. It doesn't cause us to seek a different form of
11 regulation. We're price regulated in South Carolina today,
12 and after the separation we'll continue to operate under that
13 same price regulation plan.

14 This is important. We will continue to make
15 available to our customers the availability of full, the full
16 range of quality communications, products and services. Those
17 people that said, Well, how are you going to survive as a
18 local wireline business, we don't view ourselves as a local
19 wireline business. We view ourselves as a large company
20 serving primarily small rural, intermediate size markets.
21 That's going to be our niche. But we're going to provide our
22 customers with a full complement of services, from your basic
23 voice services to ISP data to video, all those types of
24 components, feature rich services as we do today. As you
25 know, we provide bundled services to our customers today. We

1 will continue to do that after the separation.

2 Now, even though we will not own any wireless or
3 long-distance assets, we have worked on contracts with Sprint
4 Nextel to continue providing us wireless and long-distance
5 service and infrastructure access. And I'm pleased to say
6 that these agreements are commercial type agreements. If you
7 look at long-distance, the agreement that we will have between
8 our long-distance resale company and Sprint Nextel and their
9 long-distance provider, that actually owns and maintains the
10 network, is a commercially available agreement. It's no
11 different than any other long-distance reseller that would go
12 to Sprint Nextel and ask to do a similar type transaction with
13 them.

14 The same is true on the wireless side. Again today
15 that wireless network is supported by Sprint Nextel. After
16 separation it will be supported by Sprint Nextel. But the
17 important thing is that it will be branded under our new local
18 division or LTD brand name. So even though we will be a
19 reseller of someone else's services, which many competitors do
20 today, we will be branding this under the new brand, because
21 we want our customers, under the new brand, to get a single
22 bill with a full bundle and complement of services.

23 Today we contract with EchoStar for the video
24 component, the dish network, if you will, for the video
25 component of our bundle. We will continue that sales agency

1 agreement with EchoStar, but I'm pleased to say also that we
2 are looking forward to doing a trial, to offer a competing
3 video package, competing cable video package to our customers.
4 That's in the works and we're moving forward to field trial
5 that and have that available in addition to those that may
6 want to access to the dish network alternative.

7 After separation -- going to the next slide --
8 you'll have continuity and technical capabilities. The local
9 telephone operations will retain their existing assets. So
10 basically any buildings we own today or any other assets, all
11 the local wireline air exchange network today that's owned by
12 the local telephone division subsidiary of Sprint Nextel,
13 after separation, those assets will be retained by the
14 separated company.

15 We do have some shared assets, and we're going
16 through a very diligent process of looking at those shared
17 assets and determining who the predominant user is. Is it
18 going to be Sprint Nextel or is it going to be this new LTD
19 holding company? I use the example here of the Signaling
20 System 7 network. It was determined that it will be used
21 primarily by the separated company, and the decision has
22 already been made that the local telephone operations will own
23 that entity. And that's just an example of how we are
24 approaching each one of these shared assets.

25 We'll have all the technical capabilities and access

1 to the necessary assets for, as I mentioned before, service
2 ordering, provisioning, billing, and customer care functions.
3 It's business as usual for our customers, and they will not
4 see a change in that as a result of the separation.

5 Looking at the next slide, I mentioned before that
6 many if not most of the senior leaders have already been
7 determined for this new local company, this new holding
8 company. It's going to be led by Daniel Hesse, who is the
9 chief executive officer. He brings a wealth of wireless
10 experience to our company. And Mike Fuller, who has served
11 for a number of years as the president of the local telephone
12 division of Sprint, will be serving as the chief operating
13 officer. So between Mr. Hesse and Mr. Fuller, we have a
14 wealth of industry experience both in the wireless and
15 wireline arena.

16 It will be guided by a team of senior executives
17 with 170 combined years of Sprint experience. In the
18 application we talk about who some of those individuals are
19 and the experience that they bring to our team.

20 We plan to continue maintaining an experienced and
21 skilled workforce to meet the business needs and expectations
22 of our local customers. In total, the new LTD will have over
23 20,000 employees, so we are not looking for significant
24 workforce changes in the field. Again this should be a
25 transparent transaction for our customers, and basically

1 should involve only the creation of a new holding company and
2 the determination of those people who today are in Kansas City
3 providing (coughing) functions. We will have to make sure
4 that we have the same corporate center functions available to
5 the new company, and we're well on our way to making that
6 happen.

7 We're going to maintain comprehensive and
8 competitive compensation and benefit programs to attract and
9 retain employees. The first questions you get from employees
10 when we announced the spin-off back in December of last year:
11 What happens to my pension plan, what happens to my 401K, what
12 happens to all the other things I have today? And we're
13 pleased to step up to tell our employees you will not be
14 experiencing changes in your compensation and benefits, we
15 intend to move forward to a very competitive salary and
16 benefit structure as well as providing comprehensive health
17 care and all the other things that we provide today.

18 CHAIRMAN MITCHELL: Could I ask you a
19 question?

20 MR. PARROTT: Yes.

21 CHAIRMAN MITCHELL: What about the
22 number of the employees? Is that going to
23 shift at all?

24 MR. PARROTT: As far as the employees
25 that we have on the ground today in South

1 Carolina, we're not anticipating any
2 change.

3 CHAIRMAN MITCHELL: It will be the
4 same number?

5 MR. PARROTT: Uh-huh. Uh-huh.

6 CHAIRMAN MITCHELL: Okay.

7 MR. PARROTT: The next slide -- another question
8 that you might have would be, Well, how financially secure
9 will this new entity be? We believe it will be financially
10 capable as it is today of providing quality services to our
11 customers here in South Carolina. Whether again it's in that
12 long-distance area, wireless area, the payphone subsidiary,
13 whether it's United Telephone Company of the Carolinas, there
14 will be a very minimal effect, if any, on South Carolina local
15 telephone operating subsidiary's finances.

16 I mentioned before that this holding company is
17 going to be a large company. It's going to be a Fortune 500
18 company. Based on 2004 revenues, the annual revenues of that
19 new company will be \$6 billion. If you try to get a reference
20 point for it, it's comparable in size to Southwest Airlines.
21 It has a proven record of financial performance, and we want
22 to keep it that way.

23 It will have a debt and equity mix consistent with
24 an investment grade bond rating. That's extremely important.
25 We have an investment grade bond rating today, and it's

1 important that after the separation that we have access to
2 competitively priced debt, and we can do that as an investment
3 grade company.

4 Our cash flow will be sufficient to not only cover
5 our operating expense, as we do today, and make capital
6 additions, but we will be able to service our debt and also to
7 be able to continue paying dividends to our shareholders,
8 which is very important.

9 Looking at the next slide, the heightened level of
10 clarity. I mentioned before why we believe the separation is
11 critical, why it's in the public interest. But this, really,
12 I think, gets to the heart of the matter. I described before
13 what I view as kind of the bread and butter, if you will, of
14 United Telephone Company of the Carolinas, where we've been in
15 our long history in the state, and this is going to allow us,
16 we believe, to get back to a clearer vision for serving these
17 local communities. We will have a single-minded focus on our
18 local markets. Again we won't be distracted by discussion
19 about, Well, we've got this wireless subsidiary, we've got
20 this long-distance, we've got this wireline subsidiary. Our
21 focus is going to be on those traditional local markets, the
22 intermediate and small markets that we've served historically.

23 And we're going to have a renewed focus. We believe
24 we have a focus on those communities today. In Mr. Bocoock's
25 organization, we have public affairs managers in Greenwood and

1 Beaufort that serve their surrounding communities. We invest
2 today in those communities. We are involved with charities,
3 with charitable contributions, with sponsorships. We work
4 with local economic developers. We do all that today, but we
5 believe after the separation we will be able to do that in a
6 more single-minded focused way since that is going to be our
7 primary market. The clarity of purpose, we're going to
8 deliver a full portfolio of services that meet the needs of
9 local customers in these unique markets.

10 I heard it described recently, by Mike Fuller, that
11 when you have a very large corporation, sometimes in your
12 offering of services to customers you kind of take the
13 spreading-of-the-peanut-butter approach: Everything is
14 standardized, one size fits all, and so you have customized
15 packages, but your bundles tend to look the same in every
16 state. The beauty of the separated company operating in 18
17 states with a single-minded focus on these local markets is we
18 can now customize to the market.

19 For example, in the wireless area, where maybe the
20 wireless companies are focusing on much larger urban type
21 markets, we have a number of customers who would like to come
22 to us and subscribe to a wireless phone for purposes of just
23 emergency access, for example. Or, they are a very low user
24 of minutes of use, and they look at the packages available
25 today they say, Well, that would be great if I was using lots

1 of minutes and I could just subscribe to one of those plans.
2 What we will now be able to do, and we can do this through our
3 contract with Sprint Nextel, is we can offer customized
4 wireless services to customers in these very rural, remote
5 exchanges who may not be your larger high-end users today. So
6 we think that's going to certainly be of benefit.

7 And clear alignment of interest: Our success is
8 linked to the satisfaction of our local customers, pure and
9 simple. And the way we intend to compete and succeed in these
10 markets is that in essence we want to out-local the
11 competition.

12 If you look at it over time, the services that are
13 offered by carriers, the quality of service offered by
14 carriers, the price of those services tend to be pretty much
15 the same across the board, so you look for ways to
16 differentiate yourself. And the way that we intend to
17 differentiate ourselves, which we believe we're doing today as
18 well but especially in this new environment, is we want to
19 out-local the competition. We're going to have people in our
20 communities involved. We're going to be having employee
21 volunteers working in our communities, and we're going to have
22 a focus on communities that we don't think our competitors can
23 match, and that's where our success is going to come from.
24 We've proven that over time. If you look at some of the work
25 that we've done previously in the state, we want to continue

1 doing that same type of thing.

2 In conclusion, we believe our application
3 demonstrates that an independent local telephone operation
4 makes sense and is being pursued in a disciplined, reasonable
5 manner. In a competitive market, it would not be advantageous
6 to us to create a lot of upheaval or negative impact for our
7 customers. We don't want to do that. And as I said, we'll
8 bring a brand name and, hopefully, a renewed focus on being
9 more local. Other than those two things, our customers should
10 not see any changes as a result of this separation.

11 So with that, that completes the prepared remarks
12 that I have. I'll be glad to address any questions that you
13 might have about materials or anything else.

14 CHAIRMAN MITCHELL: Is this more or
15 less giving the customer an advantage just
16 to be able to come out and, like you said,
17 pay one bill and get it all?

18 MR. PARROTT: It's advantageous to
19 have a single bill, but I think it's going
20 to also be advantageous that you will see
21 us, and we're already beginning to move in
22 that direction, of opening new retail
23 stores and having more of a local presence
24 as far as the way that our customers
25 transact their business.

1 It's amazing in (coughing) the time
2 in the industry tends to go in a circle,
3 and, you know, things that may have been
4 done 40, 50 years ago, and it made sense
5 then and then companies got away from it.
6 It's interesting now to see so many
7 companies getting back to having that
8 retail presence and having a closer
9 relationship between the people that are
10 in our sales organization and our
11 customers.

12 I think that contact arrangement and
13 focus on local communities is going to be
14 the major thing you see from this.

15 CHAIRMAN MITCHELL: Any kind of
16 population guidelines as to where those
17 different stores might be located, or have
18 you gotten that far on the drawing board?

19 MR. PARROTT: I don't know that we've
20 gotten that far, but it will be driven in
21 part, obviously, by population, but it
22 also is being driven by competition. And
23 there are a number of our markets where
24 competitors have come in and in some cases
25 they've established a retail store

1 presence which we did not have. And I'm
2 pleased to say today we have that,
3 certainly down in the Low Country area,
4 but we're also looking in the upstate part
5 of the state as well to do the same thing.

6 But we're pleased about that and
7 we're pleased about our ability to offer
8 the full complement of services. That's
9 probably the most important sound bite I
10 could leave with you, and would leave with
11 our customers if we were talking to them
12 today, is don't get hung up on this local
13 wireline description because it makes it
14 sound like we're going to be deficient in
15 some aspect of the services we provide.
16 And I'm here to tell you we've got a
17 commitment to the video market, to the DSL
18 high-speed data market. That's where our
19 growth is going to come from.

20 We're doing okay in the voice
21 business, but, as you know, we're losing
22 access lines to areas, things whether it's
23 wireless substitution or competition or
24 some other form; but we believe our
25 customers want to get their services from

1 a single provider. We would hope that
2 they would want to get those from people
3 who they view as kind of their local
4 telephone company. And that's what we
5 want to get back to, is having a company
6 that is portrayed and perceived that way
7 in their community, that it really is back
8 to the days of it being their local
9 telephone company and they can get all
10 their services, including video, from that
11 company.

12 COMMISSIONER MOSELEY: On the bottom
13 of 6, you might have just answered part of
14 that.

15 MR. PARROTT: The bottom of 6?

16 COMMISSIONER MOSELEY: Sprint Nextel
17 wants customers to cut the cord and
18 pursue?

19 MR. PARROTT: Such as partnering with
20 cable companies.

21 Yeah, some have asked, Well, Sprint
22 Nextel, you say they are going to just be
23 totally wireless. Well, that's partially
24 true, and they are going to try to get
25 customers to cut the cord.

1 The interesting thing here is we will
2 be competing. The separated company will
3 be competing head to head with Sprint
4 Nextel Corporation within its serving
5 territory. But again, we believe there
6 are going to be advantages that position
7 the separated company to succeed in that
8 competitive arrangement.

9 But the Sprint Nextel Corporation has
10 already in place some contracts with cable
11 companies, Time Warner, for example, to
12 provide back office support for their
13 digital phone services and some of the
14 things they are offering today, and I
15 think what you'll see is Sprint Nextel
16 goes forward, there will be agreements
17 with cable companies whereby Sprint Nextel
18 is providing them wireless services to put
19 in their bundle. And that just happens to
20 be the strategy for a company that's going
21 to be serving about 35 million, I believe,
22 it is today, 35 million wireless
23 customers.

24 If you look at a company that's that
25 large in that particular segment, that

1 strategy makes sense for them. But then
2 over here you have a 7.7 million access
3 line local segment, and we believe our
4 strategy towards the, if you will, the
5 lower end, the smaller markets, the
6 intermediate size markets is what's going
7 to uniquely position us. And we think
8 both companies, frankly, both companies
9 are going to be successful, but they just
10 have different strategies.

11 CHAIRMAN MITCHELL: You're saying
12 improvement as far as the consumer calling
13 more local people for complaints, or is
14 that going to be affected whatsoever? As
15 far as a consumer with a problem, would
16 they be able to talk more to an area
17 located facility or will that still be
18 basically the same?

19 MR. PARROTT: With this we'll
20 continue to have shared call centers, so
21 whether it's a repair issue or whether
22 it's some type of service ordering
23 installation, billing issue, we'll still
24 use the shared call center approach.

25 The reason we do that primarily is we

1 have areas that are prone to everything
2 from hurricanes, flooding, ice storms, et
3 cetera, and it has helped us having shared
4 call centers where we can offload the
5 traffic.

6 But back to your question: We'll
7 continue to have our community focus we
8 have today. We'll continue to have public
9 affairs managers active in our
10 communities. But we'll also have a focus
11 through what we're looking at as
12 management council, in other words, where
13 you will bring together somebody out of
14 your network services area, somebody out
15 of your marketing and sales area, your
16 public affairs manager, et cetera. And
17 what you will tell them, if they happen to
18 be in the Low Country, this group of
19 people own the Low Country. So there are
20 issues about service, deployment of
21 services, complaint issue, whatever it
22 might be, that council of people,
23 physically located in the Low Country or
24 this group of people we may have in our
25 exchanges around the Greenwood area, will

1 be able to focus and own their market,
2 which we think is going to be a
3 competitive strength for us.

4 But as far as the technical lines of
5 communication, I think we will continue to
6 have what we have today.

7 COMMISSIONER WRIGHT: That doesn't
8 alter your E911 stuff or anything?

9 MR. PARROTT: No, it does not. It
10 does not.

11 Again, for UTTC, the certificated
12 company today, we're not even changing the
13 name of that company, the certificate.
14 We're not asking for any changes for the
15 certificate, the network assets.
16 Everything remains the same. All you've
17 got is basically a new holding company,
18 day one, rather than Sprint Nextel.

19 I'll also say this, just so you
20 understand from an ownership perspective,
21 the reason we believe that this is being
22 handled in a very careful, very diligent
23 manner is that today Sprint Nextel is
24 owned by Sprint Nextel shareholders. This
25 separated entity, day one, will be owned

1 by that same group of shareholders. So if
2 you're a shareholder and you own ten
3 shares in Sprint Nextel, when this new
4 company is created you'll own ten shares
5 in the new company.

6 Now, over time both those companies
7 will be publicly traded so that mix will
8 change and you'll have new investors; but
9 because you have that same ownership base
10 as far as shareholders, those Sprint
11 Nextel shareholders have the same
12 expectations for the success of the
13 separated company that they have for
14 Sprint Nextel Corporation, and what they
15 want to see is basically both companies
16 succeed. So we think that's important as
17 we structured the agreements as we move
18 forward.

19 CHAIRMAN MITCHELL: What do you see
20 in the future of fiber optic lines? Is
21 that going to be decreased as you have
22 more contracts with cable, or what do you
23 see on that?

24 MR. PARROTT: Well, as far as the
25 separated entity, if you're looking at the

1 local wireline business, we are now moving
2 towards deploying fiber actually to the
3 premise, especially in new developments.
4 There may be some instances where we would
5 actually go in and do an over-build.

6 But the video services that I talked
7 about, the competing video services that
8 will compete with cable and high-speed
9 data, the bandwidth requirements, the data
10 speed requirements of those new services
11 require us to deploy fiber much, much
12 further out in our network.

13 You can use, for your DSL today you
14 can still use some of that copper network
15 that you have today, but that's only going
16 to get you to a certain data speed. And
17 the thing we want to make sure is, we want
18 to make sure the cable companies, as well
19 as the wireless companies, don't pass us
20 by in terms of their data, high-speed data
21 access and also their video services. So
22 we're actually looking at moving fiber
23 closer to the premise and in many cases to
24 the premise.

25 CHAIRMAN MITCHELL: Do you have any

1 numbers as far as what percentage DSL
2 services are provided for your area, for
3 the Sprint area, what percentage of people
4 can obtain DSL services? I know you might
5 not have it with you.

6 MR. PARROTT: I don't have the exact
7 number for South Carolina. I'll say
8 across our 18 states, and those are
9 comparable markets, by the end of the year
10 we're probably going to be somewhere in
11 the 70, 75 percent range in terms of
12 capability.

13 And the reason the number is not 100
14 percent is when you have market areas like
15 ours, that are those very small remote,
16 the intermediate size, DSL technology,
17 even though we have made strides as far as
18 the distance limitation, you're still
19 going to have some customers that that
20 technology is not going to cover.

21 And I'm pleased to say that we are
22 currently concluding some trials using
23 fixed wireless, and also an alternative
24 approach to add to DSL to get it out to
25 some of these remote areas. But I don't

1 have that number. I'll say it's somewhere
2 in the 70 to 75 percent range.

3 I am pleased to say that, you know,
4 we first entered into DSL, we thought the
5 greatest penetration subscribership for
6 DSL would be in our larger markets, so you
7 tended to go there first. I'm pleased to
8 say what we're finding -- and that may not
9 surprise you, but if you look across not
10 only South Carolina but the other
11 states -- I mentioned I have
12 responsibility for North Carolina as
13 well -- the largest subscribership,
14 percentage-wise, is in probably the most
15 rural, most economically distressed
16 exchange that you could find. And you can
17 imagine why that would be the case.
18 That's why we are taking kind of a
19 lesson-learned approach and have been
20 exploring some new technologies to get
21 high-speed data out to those markets,
22 because we know those people will buy the
23 service if we can get to it to them.

24 If there's nothing else, again I
25 thank you so much for the time today and

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appreciate the opportunity to the present
this to you.

CHAIRMAN MITCHELL: Well, we
certainly once again thank you all and
thank Dukes and his staff office, the
Office of Regulatory Staff for being
present. And I appreciate you all coming
and look forward to many, many more of
these things in the future.

MR. PARROTT: Thank you.

(The ex parte briefing was concluded
at 2:15 p.m..)

1 CERTIFICATE OF REPORTER
2

3 I, Janet L. LeVeque, Registered Professional
4 Reporter and Notary Public for the State of South Carolina at
5 Large, do hereby certify that the foregoing transcript is a
6 true, accurate, and complete record.

7 I further certify that I am neither related to nor
8 counsel for any party to the cause pending or interested in
9 the events thereof.

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12
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14 September 1, 2005
15
16
17

18 _____
19 Janet L. LeVeque
20 Notary Public,
21 State of South Carolina at Large.
22 My Commission expires
23 July 3, 2006.
24
25