BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the matter of
Application of SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc., d/b/a Southwestern Bell Long Distance, Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region Originating, InterLATA Services in Oklahoma

AFFIDAVIT OF JOHN GUELDNER ON BEHALF OF PACIFIC BELL

STATE OF ss.
COUNTY OF ss.

I, John Gueldner, being first duly sworn upon oath, do hereby depose and state as follows:

A. AFFIANT'S BACKGROUND AND DUTIES

1. My name is John Gueldner. I am Vice President-Regulatory for Pacific Bell ("PB"), a wholly owned subsidiary of Pacific Telesis Group ("PTG"), which is a wholly owned subsidiary of SBC Communications Inc. ("SBC"). PB is a "Bell operating company" ("BOC"), as defined in Section 3(4) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 ("the 1996 Act"). PB is an incumbent local exchange carrier within its operating area in California. Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance ("SBLD") is an affiliate of PB through which SBC will provide in-region interLATA services in Oklahoma under the 1996 Act.

2. As Vice President-Regulatory, I am responsible for both state and federal regulatory relations on behalf of Pacific Bell. I oversee regulatory policy and strategy, state and federal filings, tariffs, monitoring and compliance, regulatory audits, complaint investigations, and related matters.

1 All References to the Communications Act of 1934, as amended by the Telecommunications Act of 1996, shall be made as "Section __."
administration and resolution, and affiliated interest matters.

3. **Educational Background**

   In 1965, I received a Bachelor of Arts Degree from the University of California, Berkeley. In 1967, I received a Master of Business Administration from the University of California, Los Angeles; and in 1970, I received a Systems Design Certificate from the University of Pennsylvania, Wharton School.

4. **Work Experience**

   I joined Pacific Bell in 1966. Over the next several years, I held positions as a Sales Manager for Account Support (Data and Private Line) and as a Statistician. In 1971, I was promoted to Supervisor and held positions in Management Information Systems, Statistical Research and Budgets, and Marketing Services. In 1980, I took over responsibility for Service Cost, Separations and Settlements. I was responsible for cost support for the rate case filings, as well as the settlements for the National Exchange Carriers Association (“NECA”) pool and the oversight and management of pooling in California. In 1987, I became Vice President, Financial Management, a company officer, where I was responsible for business planning, financial tracking and results. In November 1991, I assumed my current position as Vice President-Regulatory for Pacific Bell.

B. **PURPOSE OF AFFIDAVIT**

   This affidavit demonstrates that PB will comply with the separate affiliate rules of Section 272 of the 1996 Act and with the FCC accounting safeguards as promulgated in the Accounting Safeguards Report and Order, Appendix B, Final Rules, Part 32, Section 32.27, as required by Section 272 of the 1996 Act, and the FCC’s transactional rules in its relationship with SBLD or any other SBC Section 272 affiliate that carries out the authorization requested in this Application.

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C. **PB IS A “SEPARATE AFFILIATE” AND WILL “OPERATE INDEPENDENTLY” FROM SBLD**

1. PB is a Separate Affiliate from SBLD
   a. PB is a completely “separate affiliate” from SBLD. PB is a corporation organized under the laws of the State of California and is a wholly-owned subsidiary of PTG, which is a wholly-owned subsidiary of SBC. PB owns no stock of SBLD; correspondingly, SBLD owns no stock of PB.
   b. PB provides the following telecommunications services in the State of California:
      i. telephone exchange service;
      ii. intraLATA telephone toll service;
      iii. exchange access service;
      iv. resold local exchange services and unbundled network elements;
      v. operator services;
      vi. certain other regulated and non-regulated services related to the provision of telecommunications.

2. PB is Separate Affiliate from PBCOM
   a. PB is a completely “separate affiliate” from PBCOM. PBCOM is a corporation organized under the laws of the State of California and is a wholly-owned subsidiary of PTG, which is a wholly-owned subsidiary of SBC. PB owns no stock of PBCOM; correspondingly, PBCOM owns no stock of PB.
   b. PBCOM does not provide any telecommunications services.

3. PB will "Operate Independently" from SBLD
   a. PB and SBLD do not and, as long as the requirements of Section 272 and the applicable regulations remain in effect, will not jointly own telecommunications transmission and switching facilities or the land and buildings on which such facilities are located.

b. SBLD is not currently providing to PB, and as long as the requirements of Section 272 or any lawful regulations remain applicable, PB will not accept from SBLD, operating, installation, or maintenance services in connection with PB's switching and transmission facilities, although PB may obtain such services from SBLD in the event PB purchases sophisticated equipment from SBLD within the meaning of paragraph 164 of the Non-Accounting Safeguards First Report and Order. PB has no existing plan to purchase such equipment from SBLD or to have SBLD install or maintain such equipment for PB.

c. As long as the requirements of Section 272 or any lawful regulations remain applicable, neither PB nor any PB affiliate, other than a Section 272 affiliate, will perform operating, installation, or maintenance functions associated with the switching or transmission facilities that SBLD owns or leases from a provider other than PB.

d. PB will not provide any services that constitute "operations, installation, or maintenance" functions in connection with the switching or transmission facilities of SBLD.

4. PB Will "Operate Independently" from PBCOM

a. PB and PBCOM do not and, as long as the requirements of Section 272 and the applicable regulations remain in effect, will not jointly own telecommunications transmission and switching facilities or the land and buildings on which such facilities are located.

b. PBCOM is not currently providing to PB, and as long as the requirements of Section 272 or any lawful regulations remain applicable, PB will not accept from PBCOM, operating, installation, or maintenance services in connection with PB's switching and transmission facilities, although PB may obtain such services from PBCOM in the event PB purchases sophisticated equipment from PBCOM within the meaning of paragraph 164 of the Non-Accounting Safeguards First Report jurisdiction.

and Order. PB has no existing plan to purchase such equipment from PBCOM or to have PBCOM install or maintain such equipment for PB.

c. As long as the requirements of Section 272 or any lawful regulations remain applicable, neither PB nor any PB affiliate, other than a Section 272 affiliate, will perform operating, installation, or maintenance functions associated with the switching or transmission facilities that PBCOM owns or leases from a provider other than PB.

5. Services Currently Provided to SBLD

a. To date, PB has not provided any services to SBLD. If SBLD obtains services from PB, such transactions will be recorded on a basis consistent with Parts 32 and 64 in accordance with the Accounting Safeguards Report and Order.

b. To the extent SBLD purchases joint marketing or administrative services from PB, it will be on terms and conditions consistent with Section 272 and any applicable FCC regulations as adopted in the Accounting Safeguards Report and Order.

c. SBLD may negotiate with PB on an arms-length basis to obtain transmission and switching facilities from PB, to arrange for collocation of facilities, or to provide or to obtain services other than those described above or expressly prohibited in the Non-Accounting Safeguards First Report and Order. SBLD and PB will account for any affiliate transaction between SBLD and PB in accordance with the rules adopted by the FCC in the Accounting Safeguards Report and Order.

6. Services Currently Provided to PBCOM

a. Prior to the issuance of the Non-Accounting Safeguards First Report and Order, PBCOM had expressed its intention to purchase services from PB in conformity with the express applicable structural, transactional, and non-discriminatory treatment requirements of Section 272(b)(1), (2), and (5), (c), (e), and (g).

b. In reliance upon the express terms of Section 272, PBCOM contracted with PB to receive, and has received on an as-needed basis, certain services specified in
the PB Cost Allocation Manual or set forth in PB’s tariffs (collectively, the “PB-Provided Services”). PBCOM is actually obtaining the following services from PB:

i. Benefit Plan Services: This service includes general daily administration, interpretation and implementation of the benefit plan services common to all PTG entities, the maintenance and provision of plan texts as required by Federal Law (ERISA), and the written communications to active employees and retirees on matters that affect their interest in the plans and law.

ii. Centralized Distribution Center Services: These services include preparing and addressing materials for mass distribution to company employees and the maintenance of large voice mail box lists.

iii. Computer Security Services: This service includes support for investment and cost processing, which includes firewall development, maintenance and network surveillance, supporting Local Security Administrators (LSAs), maintaining and updating the computer security database, methods and procedures, security consulting and compliance and investigative services.

iv. Consulting Services Information Systems Development: This service includes consulting and related activities to render assistance to PBCOM to create system requirements to support the information systems and to develop systems, manage vendors and long term information systems operations.

v. Consulting Services Marketing Support: This service includes the provision of marketing support and other related activities, including the provision of advice and counsel on distribution channels for joint marketing, the development of requirements for system support for joint marketing, and the development of methods and procedures for joint
marketing of client services.

vi. Data Center Operations, Systems Support and Planning Services: This service includes Data Center Planning, Data Center Operations and Data Center Systems Support.

vii. Disability Assistance Program: This service is designed to assist employees in the recovery from disability caused by illness, off-duty accidents, or anticipated disability.

viii. Information Directory Services: This service is the maintenance and updating of a personnel database that includes the Official Company Directory, Regional Administrative Call Handling - Employee Locator (RACHEL) - (Operator Assisted) and Touch-Tell Directory (Automated Dialing).

ix. Mail and Message Services: This service includes four major functions that are provided or available on a daily basis: motorized, primary, secondary and centralized mail.

x. Project Management Services: This service includes project management services which include customer consultations, opportunity assessments, project decisions analysis and project implementation.

xi. Tariffed telecommunication services.
D. PB and PBCOM COMPLY WITH THE SEPARATE OFFICERS, DIRECTORS, AND EMPLOYEES REQUIREMENTS OF THE ACT

1. PB and SBLD have separate officers, directors and employees.
   a. No officer of PB will be an officer of SBLD, and as long as the applicable requirements of Section 272 remain, no officer of PB will simultaneously serve as an officer of SBLD.
   b. No director of PB will be a director of SBC, and as long as the applicable requirements of Section 272 remain, no director of PB will also simultaneously serve as a director of SBLD.
   c. No PB employee will simultaneously be an employee of SBLD, and as long as the applicable requirements of Section 272 remain, no employee of PB will simultaneously be employed by SBLD.

2. PB and PBCOM have separate officers, directors and employees.
   a. No officer of PB will be an officer of PBCOM, and as long as the applicable requirements of Section 272 remain, no officer of PB will simultaneously serve as an officer of PBCOM.
   b. No director PB will be a director of PBCOM, and as long as the applicable requirements of Section 272 remain, no director of PB will also simultaneously serve as a director of PBCOM.
   c. No PB employee will simultaneously be an employee of PBCOM, and as long as the applicable requirements of Section 272 remain, no employee of PB will simultaneously be employed by PBCOM.
E. PB COMPLIES WITH THE ACCOUNTING REQUIREMENTS AND WILL ACCOUNT FOR AFFILIATE TRANSACTIONS AS REQUIRED

1. PB currently maintains books, records, and accounts that are separate from the books, records, and accounts of SBLD. PB has and will continue to account for all transactions between SBLD and PB in accordance with all applicable requirements of Parts 32 and 64 of the FCC’s accounting rules, as modified by the rules adopted by the FCC in the Accounting Safeguards Report and Order, Appendix B. To date, PB has not provided SBLD any services. If SBLD obtains services from PB, such transactions will be reduced to writing and PB and SBLD will account for any affiliate transaction between SBLD and PB in accordance with the rules adopted by the FCC in the Accounting Safeguards Report and Order, Appendix B. SBLD’s capital and expense accounts are separate from those of PB.

2. PB currently maintains books, records, and accounts that are separate from the books, records, and accounts of PBCOM. PB has and will continue to account for all transactions between PBCOM and PB in accordance with all applicable requirements of Parts 32 and 64 of the FCC’s accounting rules, as modified by the rules adopted by the FCC in the Accounting Safeguards Report and Order, Appendix B. When PBCOM obtains services from PB, such transactions will be reduced to writing and PB and PBCOM will account for any affiliate transaction between PBCOM and PB in accordance with the rules adopted by the FCC in the Accounting Safeguards Report and Order, Appendix B. PBCOM’s capital and expense accounts are separate from those of PB.

F. PB WILL PARTICIPATE IN THE BIENNIAL AUDIT

1. PB will coordinate, obtain, and pay for a joint federal/State audit, together with SBLD and any other affiliated, Section 272 company, every two years. The audit will be conducted by an independent auditor to verify compliance with the requirements of Section 272 and the FCC’s regulations promulgated thereunder, including the separate accounting requirements under Section 272(b). The first such audit will begin at the close of the first full year of operations. The independent auditor will be selected in accordance with the
FCC’s requirements specified in the Accounting Safeguards Report and Order and Sections 53.209 and 53.211 of the Commission's rules. PB will coordinate with the federal/State joint audit team, as described in Section 53.209(d) of the Commission's rules. PB’s letter of engagement with the independent auditor will require that the audit be performed consistent with all applicable regulatory requirements, including the specific requirements described in Section 53.209(b) of the Commission's rules. PB will comply with the procedures described in Sections 53.211 and 53.213 of the Commission's rules.

2. PB will require the independent auditor to submit the results of the audit in accordance with the requirements of Section 53.213 of Commission's rules.

3. PB, together with its affiliates, including SBLD, PBCOM, SBC, SWBT and NB will provide the independent auditor, the FCC, and the Oklahoma Corporation Commission with access to financial records and accounts necessary to verify compliance with Section 272 and the regulations promulgated thereunder.

4. PB will require the independent auditor to provide the FCC and Oklahoma Corporation Commission with access to working papers and supporting materials relating to this audit consistent with Section 53.213(a)(1) of the FCC’s rules and consistent with the proprietary information concerns set forth in the Accounting Safeguards Report and Order.

H. CONCLUSION OF TESTIMONY

The foregoing Affidavit is true and correct to the best of my knowledge, information, and belief. This concludes my Affidavit.

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JOHN GUELDNER
VICE PRESIDENT-REGULATORY
PACIFIC BELL

STATE OF CALIFORNIA )
 ) ss.
COUNTY OF SAN FRANCISCO )
Subscribed and sworn before me, the undersigned authority, on this ______ day of April 1997.

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NOTARY PUBLIC