

1 APPEARANCES:

2 MS. MICHAEL LANNON
3 MS. MARY STEPHENSON
4 160 North LaSalle Street, Suite C-800
5 Chicago, Illinois 60601

6 (Appearing on behalf of Staff of the
7 Illinois Commerce Commission via
8 teleconference)

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I N D E X

WITNESSES

DIRECT CROSS REDIRECT RECROSS

None.

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EXHIBITS

MARKED

ADMITTED

None.

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P R O C E E D I N G S

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2 JUDGE SHOWTIS: Pursuant to the authority
3 vested in me by the Commission I now call for
4 hearing Docket 01-0203 which concerns a petition of
5 Williams Local Network, Inc., and Williams
6 Communications, Inc., for transfer of certificates
7 of interexchange service authority to limited
8 liability company affiliates.

9 Will the parties please enter their
10 appearances for the record.

11 MR. FLYNN: Christopher W. Flynn, Jones, Day,
12 Reavis and Pogue, 77 West Wacker, Suite 3500,
13 Chicago, Illinois 60601, on behalf of Petitioner.

14 MS. STEPHENSON: Mary Stephenson and Mike
15 Lannon on behalf of Staff of the Illinois Commerce
16 Commission, 160 North LaSalle, Suite C-800, 60601.

17 JUDGE SHOWTIS: Mr. Flynn, could you just
18 briefly bring me up-to-date as to what's transpired
19 since the last status hearing in this matter? I did
20 receive a copy of an order confirming Second Amended
21 Joint Plan Of Reorganization of Williams
22 Communications Group, Inc., and CG Austria, Inc.,

1 along with an attachment that's entitled
2 Modifications to the Second Amended Joint Chapter 11
3 Plan of Reorganization of Williams Communications
4 Group, Inc., and CG Austria, Inc.

5 MR. FLYNN: With us today on the line are some
6 people from Williams in Oklahoma and perhaps one of
7 them would like to update the ALJ on what has
8 transpired over the last month.

9 MR. HELLWEGE: Okay. This is Don Hellwege,
10 Assistant General Counsel for Williams
11 Communications. And as you will --

12 JUDGE SHOWTIS: Don, could we ask you to spell
13 your last name for the reporter?

14 MR. HELLWEGE: Yes, H-E-L-L-W-E-G-E.

15 JUDGE SHOWTIS: Okay. That's fine. Go ahead.

16 MR. HELLWEGE: The order confirming the plan
17 was approved by our -- entered by the bankruptcy
18 judge on September 30. So that is the one document
19 that you have. It contained a few modifications or
20 approved a few modifications to the plan which I
21 believe was sent around earlier, and so that is the
22 other document that you have. It's just showing

1 basically the final modifications to the Second
2 Amended Plan of Reorganization which was what was
3 voted on by the creditors. And that plan was then
4 consummated on October 15. And that's basically
5 what has transpired.

6 So the parent company, Williams
7 Communications Group, basically has officially come
8 out of bankruptcy as of October 15 through the terms
9 of the plan. A new holding company has been
10 established pursuant to that plan by the name of
11 Will Telecommunications Group, Inc., which is a
12 Nevada corporation.

13 JUDGE SHOWTIS: So is there anything that
14 remains to be done before the bankruptcy court?

15 MR. HELLWEGE: Only clarifying certain of the
16 claims that are how much stock basically some of the
17 claimants have. The company itself is really exited
18 from bankruptcy so it is just a matter of figuring
19 out how much any challenge is to claims made by
20 certain creditors. And that will be a process that
21 will be ongoing for another couple of months but
22 nothing that really impacts the business whatsoever.

1 JUDGE SHOWTIS: I have a question directed
2 towards Staff counsel. What is Staff's position at
3 this point as to whether there is sufficient
4 information that we can proceed with going forward
5 in this docket?

6 MS. STEPHENSON: Judge, at this time we just
7 received this information this morning and we have
8 not had a chance to meet with Staff's witness, Karen
9 Chang, to discuss it. Additionally, on June 6 of
10 2002, Staff has sent out a data request that had six
11 different requests in it and at that time there were
12 three requests that needed to be -- the responses
13 needed to be answered after the bankruptcy
14 proceeding. So we do need to receive three of those
15 responses still from the company before we can make
16 a final determination.

17 At this point, if it is possible, we would
18 like to see if we could have approximately two weeks
19 to try and get the additional information that we
20 had requested and then review it and then give you
21 our final -- or where we stand at that point.

22 JUDGE SHOWTIS: Is that time frame acceptable

1 to the Williams?

2 MR. FLYNN: Yes.

3 JUDGE SHOWTIS: Let's go off the record.

4 (Whereupon there was

5 then had an

6 off-the-record

7 discussion.)

8 JUDGE SHOWTIS: Let's go back on the record.

9 Counsel for Petitioners and Staff have agreed to the
10 next status hearing which should be scheduled on
11 November 13, 2002, at 9:00 o'clock a.m. Hopefully,
12 by that date the company will submit the requested
13 information to Staff and Staff would have an
14 opportunity to review it. Obviously, if that
15 information hasn't been provided yet or if Staff
16 hasn't had a chance to review it, we may have to
17 have an additional status hearing after November 13.

18 Is there anything else that needs to be
19 discussed on the record today? Okay. Then the
20 hearing is continued to November 13, 2002, at 9:00
21 o'clock a.m.

22 (Whereupon the hearing

1 in this matter was
2 continued until November
3 13, 2002, at 9:00 a.m.
4 in Springfield,
5 Illinois.)

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