

**Appendix A, Table 2**  
**Summary of SBC Assertions in Response to Ernst & Young Issues**

	Section IIa Restatements	Section IIb Restatements	Section III Prospective Changes	Section IV Other Issues	Total
<b>Total Issues in E&amp;Y Report<sup>1</sup></b>	<u>22</u>	<u>27</u>	<u>29</u>	<u>52</u>	<u>130</u>
<b>Issues Corrected as of December 19, 2002<sup>2</sup></b>					
<b>A. Corrective action is reflected in Reported Results.<sup>3</sup></b>	1a, 1b, 1c, 1d, 1e, 2a, 2b, 2c, 2d, 2e, 2fi, 2gi, 2h, 2i, 3, 4, 5	1a, 1b, 1c, 1d, 1e, 1f, 2, 3ai, 3aii, 3b, 3c, 3d, 3e, 3f, 4, 5, 6, 7, 9, 10, 11i, 12, 13i	1i, 1ii, 3i, 4, 6i, 7, 9i, 10i, 10iii, 11, 14, 15i, 15ii, 16i, 17	7iv, 10, 17ii, 19i, 19ii, 20i, 21ii, 23ii, 26ii, 27, 29	66
<b>B. Corrective action implemented and Reported Results Restated as of December 19, 2002</b>					
<b>B.1. Restatement Did Not Change Reported Results.<sup>4</sup></b>	2fiii	-	9ii, 18	-	3
<b>B.2. Restatement Changed Reported Results.<sup>5</sup></b>	-	-	-	13, 16i, 17i, 18, 26i	5
<b>C. Corrective action implemented and no restatement of Reported Results is planned.</b>					
<b>C.1. Diagnostic Measurement<sup>6</sup></b>	-	11ii	2i, 2ii, 12i, 12ii	26iii	6
<b>C.2. Restatement not required.<sup>7</sup></b>	2gii, 2giii	13ii	3ii, 8, 13	2, 4, 16ii, 20ii, 21i, 24, 25, 32	14
<b>C.3. Restatement not possible.<sup>8</sup></b>	-	-	6ii	8, 9i, 9iii, 23i	5
<b>D. Corrective action implemented and Reported Results will be restated.</b>					
<b>D.1. Restatement not expected to change Reported Results.<sup>9</sup></b>	-	-	5i, 5ii	5i, 5ii, 7i, 7ii, 7iii, 7v, 7vi, 14i, 14iii, 19iii	12
<b>D.2. Impact of corrective actions on Reported Results to be determined.</b>	-	-	16ii	21iii	2

<sup>1</sup> There were 90 numbered issues listed in the October 18, 2002 E&Y Report, some of which contained more than one issue. Three new issues (Section IIa, issue 1f; Section III, issue 16ii; and Section IV, issue 14iii) were identified after October 18, 2002.

<sup>2</sup> Issues for which corrective action has been implemented.

<sup>3</sup> "Reported Results" refers to June, July and August 2002 Performance Measurement (PM) results as filed by SBC on October 21, 2002 in Case No. U-12320.

<sup>4</sup> Restatement did not change results if none of the Reported Results would have changed from a "Make" to a "Miss," or if a "Miss" in Reported Results did not degrade by more than 5% of the original Reported Results.

<sup>5</sup> Restatement changed results if any of the Reported Results would have changed from a "Make" to a "Miss," or if a "Miss" degraded by more than 5% of the original Reported Results.

<sup>6</sup> Diagnostic PM does not contain a Business Rule benchmark; therefore it cannot change parity or benchmark attainment/failure.

<sup>7</sup> Restatement is not required because the Company determined that a Restatement would not change Reported Results from a "Make" to a "Miss," or if a "Miss" in Reported Results would not degrade by more than 5% of the original Reported Results.

<sup>8</sup> Data is not available or corrective action involved a process change, therefore restatement is not possible.

<sup>9</sup> The Company does not expect the planned restatement to change Reported Results from a "Make" to "Miss," or if "Miss" would not degrade by more than 5% of the original Reported Results.

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	Section IIa Restatements	Section IIb Restatements	Section III Prospective Changes	Section IV Other Issues	Total
<b>Issues Pending Correction as of December 19, 2002</b>					
<b>E.</b> No restatement of Reported Results is expected. <sup>10</sup>	1f	8i, 8ii	10ii	3, 6, 12, 15, 22, 28, 30	11
<b>F.</b> Restatement not possible. <sup>11</sup>	2fii	-	-	1, 9ii	3
<b>G.</b> Impact of corrective actions on Reported Results to be determined.	-	-	-	11, 14ii, 31	3

<sup>10</sup> Restatement not expected to be performed because any corrective action is not expected to change Reported Results from a “Make” to a “Miss,” or a “Miss” in Reported Results would not degrade by more than 5% of the original Reported Results, or the PM is a diagnostic measurement with no benchmark.

<sup>11</sup> Data is not available or corrective action involved a process change, therefore restatement is not possible.