

MPSC Case No. U-12320
Exhibit A
December 19, 2002

Report of Independent Accountants

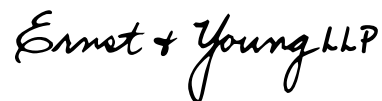
To The Management of
SBC Communications Inc.

We have examined management's assertion, except with respect to Issues Pending Correction identified in Category G., included in the accompanying Report of Management on Changes Implemented Related to the Reporting of Performance Measurements Pursuant to the Michigan Business Rules¹ ("Report of Management") that as of December 19, 2002, Michigan Bell Telephone Company (the "Company"), an indirect wholly owned subsidiary of SBC Communications Inc., has implemented the specified process or system changes and restated certain performance measurements, to the extent listed in the Report of Management. The Company's management is responsible for the assertion. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting management's assertion and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with the Michigan Business Rules.

In our opinion, management's assertion, except with respect to Issues Pending Correction identified in Category G. in the Report of Management, referred to above is fairly stated, in all material respects.

This report is intended solely for the information and use of the Company and the Michigan Public Service Commission and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



December 19, 2002

¹ "Michigan Business Rules" refer to Version 1.8_05_20_02 of the Ameritech Performance Measure User Guide as set forth in the Michigan Public Service Commission Order in Docket No. U-11830, as amended.



Report of Management on Changes Implemented to the Reporting of Performance Measurements Pursuant to the Michigan Business Rules

I. EXECUTIVE SUMMARY

On October 18, 2002, Ernst & Young LLP (“E&Y”) issued a Report of Independent Accountants (“E&Y Report”) on Michigan Bell Telephone Company’s (the “Company”), an indirect wholly owned subsidiary of SBC Communications Inc. (“SBC”), compliance of reported performance measures (“PM”) with the Business Rules¹ for the months of March, April and May 2002.

In Appendix A to this report, the Company has evaluated each issue identified in the E&Y Report and has made assertions regarding the corrective action, where applicable, that the Company has or plans to take to resolve the issue. In addition, the Company has evaluated the impact of the corrective action, where applicable, or pending corrective action on Reported Results.² Table 1 below summarizes as of December 19, 2002 the status of the issues identified in the E&Y Report:

Table 1	Section IIa Restatements	Section IIb Restatements	Section III Prospective Changes	Section IV Other Issues	Total
Total Issues in E&Y Report	<u>22</u>	<u>27</u>	<u>29</u>	<u>52</u>	<u>130</u>
Issues Corrected as of December 19, 2002					
No change to Reported Results. (A., B.1., C.1., C.2.) ³	20	25	24	20	89
Restatement after October 21, 2002 Changed Reported Results. (B.2.)	-	-	-	5	5
Reported Results will be restated, no change expected. (D.1.)	-	-	2	10	12
Restatement not possible. (C.3.)	-	-	1	4	5
Reported Results will be restated; Impact to be determined. (D.2.)	-	-	1	1	2
Issues Pending Correction as of December 19, 2002					
No restatement of Reported Results is expected. (E.)	1	2	1	7	11
Restatement not possible. (F.)	1	-	-	2	3
Impact on Reported Results to be determined. (G.)	-	-	-	3	3

¹ “Business Rules” refer to Version 1. 8_05_20_02 of the Ameritech Performance Measure Guide as set forth in the MPSC Order in Docket No. U-11830, as amended.

² “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.

³ All references in this Table 1 refer to Appendix A, Attachment 1, Table 2.

All references in Appendix A refer to the corresponding numbered issue in the October 18, 2002 E&Y Report.

On October 21, 2002, the Company filed three months of PM results with the Michigan Public Service Commission ("MPSC"). These Reported Results were for the months of June, July and August 2002 and reflected all restatements made by the Company through October 7, 2002.

Additional restatements made by the Company after October 7, 2002, as discussed in Appendix A, Attachment 2, are not reflected in the Reported Results filed with the MPSC on October 21, 2002.

SBC Communications Inc.

Date: 12-19-02

By: M. H. Gilliam