

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

In the matter of)
)
Application of Ameritech)
Michigan Pursuant to Section) CC Docket No. _____
271 of the Telecommunications)
Act of 1996 to Provide In-Region)
InterLATA Services in Michigan)

**AFFIDAVIT OF PAUL V. LA SCHIAZZA
ON BEHALF OF AMERITECH MICHIGAN**

STATE OF MICHIGAN)
) ss.
COUNTY OF INGHAM)

I, Paul V. La Schiazza, being first duly sworn upon oath, do hereby depose and state as follows:

1. My name is Paul V. La Schiazza. I am Vice President Regulatory - Ameritech Michigan.
2. As Vice President Regulatory, I am responsible for regulatory matters conducted on behalf of Ameritech Michigan. My responsibilities include regulatory compliance and planning, tariff filing and advocacy on behalf of Ameritech's regulated Business Units, complaint administration and resolution, service quality tracking and compliance, financial compliance and reporting, affiliated interest matters and audits, and Lifeline Program Administration, etc. Since assuming my current position in October of 1996, I have been personally involved with the development and filing of various materials associated with Ameritech Michigan's interconnection agreements with MFS, Brooks Fiber,

TCG, AT&T and MCI, pricing for Ameritech Michigan's unbundled loops, number portability, and local traffic termination (MPSC Case Nos. U11155 and U11156), and Ameritech Michigan's checklist and dialing parity compliance filings (MPSC Case No. U11104).

EDUCATION AND PROFESSIONAL EXPERIENCE

3. In 1979, I received a Bachelor of Science Degree from Purdue University, where I majored in Industrial Management with a minor in Industrial Engineering.

4. Upon graduation from Purdue in 1979, I began working for Indiana Bell Telephone Company as an Outside Plant Engineer. In 1982 I was promoted to Manager - Installation and Maintenance. During the period 1982 - 1987, I held various line and staff positions supervising the repair, installation, dispatch, and assignment of telephone personnel and facilities. Mid-year 1987, I became Group Business Manager - Indiana Bell Marketing, responsible for business plan development, strategy, and delivery for private line services and packet switching. In 1988, I was promoted to District Manager Implementation planning, where I was responsible for Interoffice facilities planning, Plug-in inventory control, and transmission engineering. In 1990, I became District Manager-Central Office Maintenance with responsibility for central office maintenance and installation for all of Indiana Bell's outstate switching locations.

5. In 1992, I became District Manager Tariffs and Costs with Ameritech Indiana. In this capacity, I supervised the planning, development and filing of all Ameritech Indiana Exchange and Access Tariffs, and served as the primary liaison between Ameritech Business Units and the Indiana Utility Regulatory Commission ("IURC") on all tariff, cost and

consumer complaint related matters. In addition, I testified before the IURC in cases involving Ameritech Indiana's depreciation represcription, payphone matters, and Ameritech Indiana's Alternative Regulation Case -- Opportunity Indiana. In 1994, I was promoted to Business Unit Advocate - Ameritech - Consumer and Small Business Regulatory. I was responsible for the coordination of regulatory activities in the Ameritech region associated with Ameritech's Consumer and Small Business Units. In March of 1996, concurrent with the formation of Ameritech's Product Management Business Unit, I was promoted to Director - Product Management - Product Advocacy where I was responsible for the coordination of regulatory activities in the Ameritech region associated with Ameritech's Product Management and Retail Business Units. In this position, I developed tariff and cost filings and supervised the implementation of regulatory strategies necessary to support new product introductions, promotions, waivers, and pricing initiatives.

6. I assumed my current position as Vice President Regulatory - Ameritech Michigan, October 1, 1996.

PURPOSE OF AFFIDAVIT

7. The purpose of my affidavit is to affirm the Ameritech Operating Companies' ("AOCs"), and in particular Ameritech Michigan's, compliance with Section 272(c), (d) and (e) of the Telecommunications Act of 1996 ("Act"), and the rules promulgated by the FCC relating thereto. I will also provide confirmation of Ameritech Michigan's compliance with certain other portions of Section 272 that are discussed in greater detail in the affidavit of Ryan Julian. Finally, I will describe Ameritech Michigan's proposed compliance training for

their employees to explain to them their obligations under Section 272 of the Act and under relevant FCC requirements.

8. Ameritech Michigan, as used herein, refers to Michigan Bell Telephone Company (d/b/a Ameritech Michigan). The AOCs, as used herein, refers to herein are Illinois Bell Telephone Company (d/b/a Ameritech Illinois), Indiana Bell Telephone Company (d/b/a Ameritech Indiana), Michigan Bell Telephone Company (d/b/a Ameritech Michigan), Ohio Bell Telephone Company (d/b/a Ameritech Ohio) and Wisconsin Telephone Company (d/b/a Ameritech Wisconsin). Each is a "Bell operating company," as defined in Section 3(4) of the Act.

9. My affidavit is divided into four subject matter areas, three of which correspond to provisions of the Act. These areas are: Nondiscrimination Safeguards; Biennial Audit; Fulfillment of Certain Requests; and Compliance Training.

NONDISCRIMINATION SAFEGUARDS — SECTION 272(c)

Nondiscriminatory provision and procurement — Section 272(c)(1)

10. Ameritech Michigan does not and will not discriminate in favor of ACI in the provision or procurement of goods, services, facilities, and information or in the establishment of standards. Except as specifically permitted by the Act (e.g., section 272(g)(3)) and relevant FCC requirements Ameritech Michigan will make available to unaffiliated entities the same goods, services, facilities and information that Ameritech Michigan provide to ACI. Such goods, services, facilities, and information will be made available to unaffiliated entities at the same rates, terms, and conditions as are offered to ACI. Where services or facilities are offered by the Ameritech Michigan on a tariffed basis,

they will be provided to ACI at the same prices, and on the same terms and conditions, as are available to nonaffiliated entities under the applicable tariffs.

11. The AOCs, including Ameritech Michigan, will provide ACI with the same exchange access, interconnection, collocation, unbundled network elements, and resold services that are provided to unaffiliated carriers. The AOCs will provide telecommunications services and network elements to ACI using then existing network facilities, systems, and databases, and, where applicable, the same service parameters, interfaces, intervals, standards, procedures, and practices used to serve other carriers and retail customers. The operational details of this provisioning process are more fully described in the Affidavits of John Mayer, Joseph Rogers and Warren Mickens. The AOCs' facilities, switches, and systems were specifically designed to provide nondiscriminatory service automatically, and altering them to perform functions in a discriminatory fashion would require substantial work, the involvement of non-affiliated switching equipment manufacturers and/or the concerted effort of hundreds of AOC technicians. These technical barriers to discrimination are described in greater detail in the Affidavit of Daniel Kocher.

12. As described below in connection with the AOCs', including Ameritech Michigan's, implementation of Section 272(e), ACI will receive the same access and information as unaffiliated telecommunications carriers to Ameritech's Operations Support Systems (OSS) functions. These are business functions supported by Ameritech's databases and information that ensure that pre-ordering, ordering, provisioning, maintenance and repair, and billing for unbundled elements and resold services are performed accurately and

efficiently. The AOCs will provide ACI and unaffiliated carriers with access to these functions via the same electronic or manual interfaces.

13. Administrative services, including billing and collection services and software support in connection therewith, provided by Ameritech Michigan to ACI, will be provided on the same terms and conditions to unaffiliated entities.

14. To the extent Ameritech Michigan develops new services for or with ACI, it will also cooperate with other entities on a nondiscriminatory basis to develop new services.

15. The AOCs, including Ameritech Michigan, will continue to participate in public standards-setting bodies and will also continue to negotiate interconnection arrangements on a nondiscriminatory basis with any requesting telecommunications carrier. The AOCs will not discriminate in favor of ACI in the establishment of any standards, including but not limited to industry wide standards that affect the interconnection or interoperability of two or more public network operations. The standards process is described in greater detail in the Affidavits of Daniel Kocher and Warren Mickens.

16. New local exchange or exchange access services and new interfaces that affect interconnection or interoperability, including any carrier-specific interfaces introduced by Ameritech Michigan, will be made available to all carriers at the same time, and on the same terms and conditions.

17. Ameritech Michigan does not and will not discriminate between ACI and other entities with regard to the dissemination of technical information and interconnection standards related to telephone exchange and exchange access services.

18. The AOCs, including Ameritech Michigan, will continue to provide public notice regarding any network change that will affect a competing telecommunications carrier's performance or ability to provide service; or will affect the AOCs' interoperability with other telecommunications carriers. Distribution will be made to all entities requesting notice, all interconnecting carriers, and all entities on Ameritech's distribution lists for technical information and interconnection standards. Until public notice has been given in accordance with Sections 51.325-51.335 of the FCC's rules, the AOCs will not disclose to ACI, or to any other affiliated or unaffiliated telecommunications carrier, information about planned network changes that are subject to the FCC's network disclosure requirements.

19. Ameritech Michigan does not and will not disclose to ACI, without the consent of the carrier involved, any unaffiliated carrier's proprietary information, including, but not limited to, its network configuration or interconnection arrangements, exchange access usage, customer preferred interexchange carrier selections, and purchases of telephone exchange services or network elements from Ameritech Michigan. Also, Ameritech Michigan will not disclose to ACI, without the consent of the carrier involved, any unaffiliated carrier's proprietary information that has come into Ameritech Michigan's possession as a result of its provision of billing services to that carrier.

20. Ameritech Michigan will not disclose any individually identifiable Customer Proprietary Network Information ("CPNI") to ACI except to the extent such disclosure is consistent with Section 222 of the Act and Commission rules. Ameritech Michigan will honor affirmative written requests from customers to disclose CPNI to an unaffiliated carrier.

Such requests will be honored in the same manner and in the same interval as requests for disclosure to affiliated companies.

21. The AOCs, including Ameritech Michigan, do not, and will not discriminate between ACI and unaffiliated interexchange carriers in the processing of presubscribed interexchange carrier ("PIC") change orders. The AOCs have implemented a specialized automated interface for handling PIC changes which provides for the electronic exchange of order information. Through this interface, the AOCs are able to process PIC change orders and update switches and billing and repair records automatically, without human intervention. The AOCs use this interface for PIC changes for both ACI and unaffiliated interexchange carriers. This process is described in the Affidavit of Mr. Kocher.

Accounting for Affiliate Transactions — Section 272(c)(2)

22. Ameritech Michigan will continue to account for all transactions between ACI and Ameritech Michigan in accordance with all applicable requirements of Part 64 and 32.27 of the FCC's accounting rules, as modified by the rules adopted by the FCC in Docket 96-150.

BIENNIAL AUDIT — SECTION 272(d)

General Requirements — Section 272 (d)(1)

23. Ameritech Michigan will obtain and pay for a joint Federal/State audit every two years 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 CC Docket 96-150 and Section 53.211 of the Commissions rules. In particular, Ameritech Michigan will coordinate with the Federal/State joint audit team, as described in Section 53.209(d) of the Commissions rules, and comply with the procedures described in Section 53.211 of the Commissions rules. Ameritech Michigan'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 Commissions rules.

Submission of Audit Results to Regulators — Section 272(d)(2)

24. Ameritech Michigan will require the independent auditor to submit the results of the audit to the FCC and the M.P.S.C. in accordance with the requirements of Section 53.213 of Commissions rules.

Access to Documents — Section 272 (d)(3)

25. Ameritech and its affiliates, including ACI and Ameritech Michigan, will provide the independent auditor, the FCC, and the M.P.S.C. with access to financial records and accounts necessary to verify compliance with Section 272 and the regulations promulgated thereunder, including the separate accounting requirements under Section 272(b).

26. Ameritech Michigan will require the independent auditor to provide the FCC and M.P.S.C with access to working papers and supporting materials relating to this audit.

FULFILLMENT OF CERTAIN REQUESTS — SECTION 272(e)

Nondiscriminatory Installation & Maintenance of Telephone Exchange and Exchange Access Service — Section 272(e)(1)

27. The AOCs, including Ameritech Michigan, will fulfill equivalent service requests received from their retail customers, from ACI and from nonaffiliated entities within equivalent time intervals. By "equivalent," I mean that the two service requests being compared are of a certain size, level of complexity and specific geographic location. Service requests received from nonaffiliated entities will be fulfilled within a period of time no longer than the period in which Ameritech Michigan responds to an equivalent request from ACI or Ameritech Michigan itself. The affidavits of Mr. Mayer, Mr. Kocher, Mr. Rogers and Mr. Mickens, which I summarize below, describe in detail the operating and reporting procedures that are and will be used by the AOCs, including Ameritech Michigan, to provide nondiscriminatory installation and maintenance of telephone exchange and exchange access service.

28. **Exchange Access Installation:** The AOCs, including Ameritech Michigan, do not and will not discriminate in favor of ACI or against any unaffiliated carrier in the installation of exchange access services. ACI will be required to order exchange access services in accordance with the same procedures and on the same terms and conditions as unaffiliated telecommunications carriers, using the industry standard Access Service Request ("ASR") format. Due date intervals are assigned on a non-discriminatory basis in accordance with published standards, except for orders that exceed specified quantities, in which case the AOCs negotiate interval parameters on a nondiscriminatory basis. ACI will be treated by the AOCs the same as other interexchange carriers in such negotiations. As discussed in the

Affidavit of Mr. Mayer, provisioning activities are due-date driven and are unaffected by the identity of the customer.

29. **Exchange Access Repair:** The AOCs, including Ameritech Michigan, do not and will not discriminate in the repair of exchange access services based on the identity of the interexchange carrier involved. The AOCs use the same procedures, systems, and personnel to maintain and repair comparable services, regardless of which carrier or customer -- including ACI -- is receiving the service.

30. All interexchange carriers, including ACI, use or will use the same centralized repair centers for reporting trouble to the AOCs. In establishing repair commitments, the AOCs' accord priority, in accordance with the National Security Emergency Preparedness guidelines, to trouble reports for known critical services, such as hospitals and police and fire departments. Trouble tickets that do not fall into these categories are handled on a first-in, first-out basis, with priority given to total outages. Dispatch of technicians is driven by commitment intervals and not by the identity of the carrier.

31. **Interim Exchange Access Installation and Repair Parity Reports:** The AOCs, including Ameritech Michigan, will make available to unaffiliated entities information regarding the service intervals in which they provide exchange access services to ACI. Specifically, until the FCC adopts specific reporting requirements in Docket 96-149, beginning with the quarter following the quarter in which Ameritech receives interLATA authority for an in-region state, the AOC providing service in that state will file quarterly installation and repair parity reports with the FCC. Such reports will compare the relative

installation and provisioning intervals and repair incidence and intervals for exchange access services provided by the AOC to ACI and to unaffiliated telecommunications carriers.

Reports will show completed orders, due dates missed, failure rates, trouble tickets generated and speed of restoration information intervals for each service category.

32. **Telephone Exchange Services Installation:** The AOCs, including Ameritech Michigan, do not and will not discriminate in favor of ACI or against any unaffiliated carrier in the installation of telephone exchange services. As described in detail in the Affidavits of Mr. Mickens and Mr. Rogers, the AOCs offer unbundled, nondiscriminatory access to Ameritech's Operations Support Systems (OSS) functions via electronic and manual interfaces. Through such access, unaffiliated carriers are able to manage and monitor the installation and maintenance of telephone exchange services they purchase from the AOCs, to the same extent as ACI is able to do so.

33. By using access to the AOCs' OSS functions, unaffiliated telecommunications carriers are able to transfer and receive, on an equivalent basis to Ameritech Michigan and ACI, information necessary for the pre-ordering, ordering, and provisioning of telephone exchange services. Unaffiliated carriers are able to select and reserve telephone numbers, determine the features and services available at any central office (or based on telephone number prefix), verify the validity of the address given by the customer, select an installation due date and appointment, and transmit orders for initial service, as well as any subsequent changes to such orders. In addition, they are able to enter, and to verify the status of, installation orders. ACI will access AOC OSS functions through the same interfaces and on the same basis as unaffiliated telecommunications carriers. Thus, ACI will receive access to

the pre-ordering, ordering, and billing functions on the same terms and through the same processes as unaffiliated carriers.

34. **Telephone Exchange Service Repair:** The AOCs, including Ameritech Michigan, do not and will not discriminate in favor of ACI or against any unaffiliated carrier in the repair of telephone exchange services. Unaffiliated telecommunications carriers are able to use access to the AOC's OSS functions to transfer and receive, on an equivalent basis to Ameritech Michigan and ACI, the data necessary to perform maintenance and repair functions. Through an electronic or manual interface, ACI and all other requesting telecommunications carriers may transmit to an AOC a trouble report and receive an initial status and an appointment commitment. Repair dates are established for all carriers on a nondiscriminatory basis. The AOCs provide to ACI and all other requesting telecommunications carriers an update, including a completion report to the trouble report status, each time the status is updated by AOC personnel. Again, ACI obtains access to these functions through the same interfaces, and on the same basis, as unaffiliated carriers.

35. **Interim Telephone Exchange Service Installation & Repair Parity Reports:** The AOCs, including Ameritech Michigan, will make available to unaffiliated entities information regarding the service intervals in which they provide exchange services to themselves or ACI. Specifically, until the FCC adopts specific parity reporting requirements in Docket 96-149, the AOCs will generate reports that will demonstrate that unaffiliated telecommunications carriers are not being discriminated against in the installation and repair of telephone exchange services. As discussed in more detail in the affidavit of Mr. Mickens, such reports will compare installation and maintenance service provided by the AOC to its

own retail customers with that provided to each of its wholesale customers, including ACI. These reports will thus permit unaffiliated carriers to compare the installation and maintenance service they receive from an AOC, not only with that provided by the AOC to ACI, but also with that provided by the AOC to its own retail customers.

Provision of Facilities, Information or Services — Sec 272(e)(2)

36. The AOCs, including Ameritech Michigan, will not provide any facilities, services, or information concerning their provision of exchange access to ACI unless such facilities, services, or information are made available to other providers of interLATA services in that area on the same terms and conditions. Access to information concerning exchange access services will be provided to ACI only under the terms and conditions discussed in paragraphs 16 - 19 above.

37. To the extent that ACI purchases exchange access services from Ameritech Michigan, ACI will purchase such services at tariffed rates, terms, and conditions. If such services are detariffed at the state or federal level, they will be made available to ACI on rates, terms and conditions available to other providers of interLATA services, and in a manner consistent with all applicable state and federal regulatory requirements.

Charging the Affiliate or Imputing to Itself — Section 272(e)(3)

38. Ameritech Michigan will charge ACI or impute to itself (if using the access for its provision of its own services) rates for telephone exchange service and exchange access that are no less than the amount that would be charged to any unaffiliated interexchange carrier for such service.

39. If ACI purchases telecommunications services from Ameritech Michigan, ACI will purchase such services at the same rates, terms, and conditions (including volume and term discounts) as those available to nonaffiliated providers of interLATA telecommunications services.

Nondiscriminatory provision of interLATA or intraLATA facilities or services — Section 272(e)(4)

40. Ameritech Michigan will provide interLATA or intraLATA facilities or services to ACI only if such services or facilities are made available to all carriers at the same rates and on the same terms and conditions.

41. ACI may elect to purchase telephone exchange and exchange access services and network elements from Ameritech Michigan. The sale to ACI of any such purchases will be made in the manner prescribed by the FCC in Docket 96-150. In all such cases, the rates, terms, and conditions available to ACI will be available to all other telecommunications carriers.

Joint Marketing of local exchange and interLATA services - Section 272(g)(2)

42. Upon receiving authorization under Section 272(g)(2) to provide in-region interLATA services, Ameritech Michigan may market or sell ACI's interLATA services. Until existing obligations imposed by Section 251(g) are superseded, if Ameritech Michigan markets or sells ACI's interLATA service, Ameritech Michigan will inform any customer who orders new local exchange services on an inbound call of the names, and, if requested, the telephone numbers of carriers offering interexchange services in its service area. The names of such carriers will be provided in random order. A customer orders "new local

exchange service" when the customer either receives service from Ameritech Michigan for the first time or moves to another location within Ameritech Michigan's in-region territory.

COMPLIANCE TRAINING

43. Ameritech Michigan will provide training to its employees regarding Ameritech's obligations under Section 272 of the Act, applicable FCC regulations, and this Application for Section 271 authority.

44. Prior to ACI's commencing in-region interLATA operations in any state, Ameritech Michigan will distribute to its management employees copies of Sections 272 of the Act and applicable FCC requirements. Employees will also be informed of future applicable modifications to the Act or FCC requirements. In addition, such employees will be provided a user-friendly summary of each of the relevant requirements, along with illustrative, explanatory questions and answers. This summary will also inform employees of the availability of the "Integrity Line" discussed below.

45. Each employee receiving these materials will be required to sign and return to their supervisor a certificate stating that they have read them and that they understand the provisions applicable to their job duties, and that they understand, further, that violations will be punishable with appropriate disciplinary action, up to and including dismissal.

46. The above materials will be provided to new management employees of Ameritech Michigan and to those who transfer into such positions at the time they assume their new responsibilities.

47. Ameritech Michigan will provide additional training, coordinated by the Ameritech Legal Department, to officers and managers with substantial responsibility for

implementing the requirements of the Act, and applicable federal and state regulatory requirements, regarding their obligations under this Application.

48. To further underscore the importance of compliance with these requirements, a video will be prepared, explaining in detail the relevant requirements of the Act and the FCC. Within 30 days after Ameritech receives Section 271 authority in a state, this video will be shown to all of the above-mentioned employees.

49. Ameritech has established an "Integrity Line" (a toll free "hot line") that permits employees to report anonymously suspected violations of Section 272, relevant FCC requirements, and this Application. Ameritech will encourage employees to use this Integrity Line to report such violations, and will assure employees that there will be no reprisals for reporting such suspected violations.

50. Under the direction of the Ameritech Law Department, Ameritech will establish an Auditing Group that will investigate and evaluate suspected violations, including those reported to the Integrity Line. Absent extraordinary circumstances, all alleged violations will be investigated and evaluated within 45 days of when they are reported or discovered. If an investigation results in a finding that corrective action is required, a plan for corrective action will be formulated within 10 days and implemented immediately thereafter.

51. This concludes my affidavit.

