Original

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the matter of	)	
	)	
Application by SBC Communications, Inc.	)	
for Authorization Under Section 271 of the	)	CC Docket
Communications Act to Provide In-Region	)	No. 97-121
InterLATA Services in the State of Oklahoma	)	
	)	

COMMENTS OF AT&T IN OPPOSITION TO SBC'S SECTION 271 APPLICATION FOR OKLAHOMA

APPENDIX - VOLUME I

APPENDIX TO COMMENTS OF AT&T IN OPPOSITION TO SBC'S SECTION 271 APPLICATION FOR OKLAHOMA

TAB	AFFIDAVIT	SUBJECT(S) COVERED
A	Steven R. Allen and Dean A. Gropper	SWBT's Ability to Discriminate Against IXCs and CLECs
B	William J. Baumol	Public Interest
C	Denise Crombie	Separate Subsidiary Requirements
D	Nancy Dalton	Interfaces for Operations Support Systems
E	Robert V. Falcone and Steven E. Turner	Unbundled Network Elements and Interconnection
F	Phillip L. Gaddy	Resale
G	R. Glenn Hubbard and William H. Lehr	Public Interest
H	Daniel C. Keating	Poles, Ducts, Conduits and Rights-of-way
I	Mark Lancaster	Number Portability and IntraLATA Toll Dialing Parity
J	Thomas C. Pelto	License Requirements
K	C. Michael Pfau	Nondiscriminatory Access to Operations Support Systems
L	Daniel P. Rhinehart	SBC's Proposed Rates
M	Steven E. Turner	Local Competition in Oklahoma
N	Rian J. Wren	SWBT Resistance to AT&T Local Competition Entry Efforts

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Application by SBC Communications, Inc.,	)	
For Authorization Under Section 271 of the	)	CC Docket
Communications Act to Provide In-Region,	)	No. 97-121
InterLATA Services in Oklahoma	)	
	)	

AFFIDAVIT

OF

STEPHEN R. ALLEN AND DEAN A. GROPPER

ON BEHALF OF

AT&T CORP.

AT&T EXHIBIT A

TABLE OF CONTENTS

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Application by SBC Communications, Inc.,	)	
For Authorization Under Section 271 of the	)	CC Docket
Communications Act to Provide In-Region,	)	No. 97-121
InterLATA Services in Oklahoma	)	
	)	

AFFIDAVIT OF STEPHEN R. ALLEN
AND DEAN A. GROPPER
ON BEHALF OF
AT&T CORP.

I. INTRODUCTION AND QUALIFICATIONS

A. Stephen R. Allen

1. My name is Stephen R. Allen. My business address is 1 Oak Way, Berkeley Heights, N.J. 07922.

2. My current position at AT&T is Division Manager, Access Strategy Planning, in the Network and Computing Services Division of AT&T. I have held this position since March, 1995. In this position I am responsible for developing strategies to reduce access expense, particularly as they relate to infrastructure. Prior to taking my current position as Division Manager, I worked for AT&T Network Systems (now Lucent Technologies) and was responsible for the product management and software development of operations systems for telephone company operations sold to RBOCs and other PTT's worldwide.

3. I received my Bachelor of Science degree in Chemistry from Iowa State University in 1966 and an M.B.A. from the Wharton School, the University of Pennsylvania in 1972.

B. Dean A. Gropper

4. My name is Dean A. Gropper, and my business address is 1 Oak Way, Berkeley Heights, N.J. 07922.

5. I am a Division Manager in the AT&T Network and Computing Services Division. In that position, among other duties, I am responsible for leading the Vendor Management Process for Access Suppliers including their compliance to AT&T's price and performance requirements.

6. I received a Bachelor of Science degree from Boston University in 1969 in Information Systems Engineering, a Master of Science degree from Purdue University in 1974 in Computer Science/Industrial Engineering, and a Master's in Advanced Management degree from Pace University in 1983.

7. Prior to assuming my current responsibilities, I have held various positions within AT&T, including working with the AT&T Business and Consumer Business Units to educate them on how RBOC Access pricing and performance affect AT&T products. I also have been responsible for the design, implementation, and operation of numerous large scale data processing systems in support of the AT&T sales force and other major operations functions.

II. SCOPE OF STATEMENT AND SUMMARY

8. The purpose of this affidavit is to respond to claims made by Southwestern Bell Telephone Company (SWBT) that it will be unable, almost by technical necessity, to discriminate against interexchange carriers (IXCs) and competing local exchange carriers (CLECs), and in favor of its interexchange affiliate. Specifically, William C. Deere asserts that SWBT could not

misuse its current monopoly bottleneck control of the local exchange to favor an affiliate that would provide interLATA service to end users. Mr. Deere claims that it is not technically practical for SWBT to discriminate against other carriers in the provision of exchange access services, facilities interconnecting networks, or unbundled network elements, or to provide preferential service to itself or its affiliates.[1]

9. In this affidavit we demonstrate that such opportunities for discrimination against IXCs and CLECs do exist, particularly in the provisioning and maintenance of facilities and access services. We discuss, specifically, how SWBT's decision to maintain all unbundled network elements circuits in the Work Force Administration system, rather than maintaining them in its Local Maintenance Operation System (which SWBT uses for its own POTS customers) completely undermines any claim that SWBT will be unable to discriminate against CLECs.

10. We describe how the RBOCs, in providing interexchange service that may be authorized by the Commission, could, so long as they retain market power in the provision of local exchange and exchange access services, improperly favor an interexchange affiliate, and continue to discriminate in both the development of new access arrangements and the provisioning and pricing of access facilities. We also explain how the RBOCs would be able to cross-subsidize their competitive interexchange activities by shifting costs across the broad array of activities common to both the local exchange and interexchange businesses. The affidavit then addresses the possibility that, once permitted to offer interexchange service, the RBOCs could

---

[1] Affidavit of William C. Deere On Behalf Of Southwestern Bell Telephone Company ¶¶ 119-165 (hereinafter "Deere Affidavit").

misuse billing and customer proprietary network information. Finally, we discuss how AT&T and other IXCs are and will continue to be dependent on the RBOCs for access and for network elements associated with the local exchange.

11. With IXCs now seeking to enter the local exchange market, the opportunities for RBOC discrimination increase significantly. The IXCs must interconnect with the RBOC local exchange networks to provide local exchange service, and the RBOC has the incentive and the ability to discriminate against IXCs that are seeking to offer local service. There is already evidence that SWBT is discriminating against new entrants seeking to offer local exchange service, and SWBT and the other RBOCs have a variety of means by which they can injure the competitive offerings of rival local exchange providers. Such discrimination against IXCs seeking to offer local exchange service would be particularly effective in undercutting efforts by IXCs to offer packaged local and interexchange service.

12. The incentives of the RBOC to discriminate that exist today will only increase in the future as the RBOCs enter the interexchange market. Currently, access discrimination has a cost to the RBOC in terms of reduced revenues -- as a general matter, an RBOC benefits from new access arrangements in increased traffic and revenue. The incentives change markedly, however, if the RBOC has an interexchange affiliate. Once an RBOC has entered the interexchange market, its interexchange affiliate will be in a position to benefit directly from the discrimination as it can offer the service instead of the IXC. Thus, as RBOCs are permitted to provide interexchange services, the types of RBOC discriminatory conduct set forth in this affidavit can be expected to increase substantially.

III. IXC ENTRY INTO THE LOCAL MARKET HEIGHTENS THE RISK OF RBOC MISCONDUCT

13. The RBOCs have always had a substantial opportunity to discriminate against IXCs, and thus were excluded from the interLATA market. Ironically, these opportunities to discriminate have increased substantially as IXCs begin to enter local exchange markets. IXCs seeking to offer local exchange service must interconnect with the RBOC network to provide local service and will be dependent on the RBOC for unbundled network elements (UNEs) or for resale. This dependence on the RBOC for interconnection arrangements offers the RBOC significant new ways to discriminate against IXCs, this time in the provisioning and maintenance of local service and UNEs. In fact, the RBOC's incentive to discriminate against an IXC's local service offering is two-fold: such discrimination undercuts the IXC in its attempt to compete with the RBOC for local exchange service customers, and, to the extent that customers prefer one-stop shopping for local and long distance service, any shortcoming in the IXC's local service resulting from discrimination will adversely affect that IXC's combined service offering and make the RBOC's combined offering more attractive.

14. There are countless opportunities for discrimination and anticompetitive conduct by the RBOC in connection with the IXC's entry into local service. In this process, the RBOC is a supplier of service to the IXC, but it is also a competitor, and as a result, has incentives to degrade the IXC's service. Included in this affidavit are examples of discrimination that CLECs have encountered in seeking to offer local exchange competition to RBOCs.

15. SWBT cites to the various network systems, many of which are automated, and claims that such systems ensure that opportunities for discrimination could not succeed.[2] The unbundling requirements of the Act, however, are totally untested, and without considerable experience with these requirements, there can be no claim that the safeguards included as part of the unbundling requirements are sufficient to prevent discrimination. Parties have no experience with which to judge RBOC performance in the provision of unbundled elements, the quality of service provided to new entrants, the adequacy of the operational interfaces, and the many other details that are associated with unbundling the local exchange monopoly bottleneck. In light of the incentives RBOCs have to discriminate, and the evidence of RBOC discrimination against CLECs that already exists, it is imprudent to conclude that RBOCs will not discriminate against new entrants in the local exchange, or that regulation could be effective in stopping the many and subtle means of discrimination available to the RBOCs.

IV. DISCRIMINATION CONCERNING NEW ARRANGEMENTS

16. The telecommunications industry is constantly changing. The needs of its users, and its capabilities and features, evolve rapidly and often in unforeseen directions, driven by market demand and technological evolution. As a result, the competitive interexchange market drives IXCs to innovate constantly. IXCs, however, remain dependent on the incumbent LECs to provide the new or improved access arrangements needed to support new and better

[2] See, e.g., Deere Affidavit ¶ 121, 149-150.

interexchange offerings. Over the past several years, for example, AT&T has requested dozens of new service options or capabilities.

17. New capabilities make it possible for AT&T to bring new, better, or cheaper services to our customers. In addition to new network capabilities, AT&T's requests for new service options can be "back office" in nature, enhancing the ability of AT&T and the supplier-LEC to provision, maintain, and restore the access service. Examples of such service options include requests for service segmentation, mechanized provisioning procedures to provide diverse facility arrangements, mechanized exchange of operational data, administration, maintenance, and provisioning information, and self-healing and alternate route capabilities. In addition, AT&T has requested service guarantees addressing pricing and warranting of existing access services, such as service assurance warranties that would provide credit allowances when an access supplier fails to meet service commitments.

18. RBOCs can discriminate against IXCs in responding to requests for new access arrangements. Regardless of the type of new access arrangement, such arrangements are dependent on the incumbent LECs. Because of the lack of meaningful competitive alternatives for local exchange services, the incumbent LECs control the design and deployment of new access arrangements. Indeed, the incumbent LECs dictate when and where such new access arrangements are to be made available. As an initial matter, the LECs must agree to develop a desired offering, and then they must deploy it. This process can be fraught with difficulty if the LEC has some interest inconsistent with that of AT&T.

19. For instance, it has taken AT&T over 5 years to obtain RBOC commitments to tariff local exchange ISDN BRI (Integrated Services Digital Network Basic Rate Interface) connections for both business and residential customers on a uniform and widely available basis. This delay has severely impacted AT&T's ability to meet customer ISDN needs and our ability to offer end-to-end ISDN service offerings in the marketplace.

20. Specifically, ISDN BRI service is a digital subscriber line between the customer and an LEC central office that provides two communications paths and one signaling channel (2B+D) on a digital local loop. The ability to provide this service holds the promise for business and residential customers of new capabilities in video conferencing, distance learning, telecommuting, Internet access, and multiline services. At the same time, the provision of ISDN BRI has the potential to reduce demand for multiple LEC-provided residential or business lines to use with fax machines, modems, and similar CPE and thus could reduce LEC revenues and be unattractive to them.

21. Because AT&T and other IXCs cannot provide ISDN 64 Clear Channel connections across LATAs without LEC-provided local exchange (residential or business) ISDN BRI service tariffed for end user customers as a local exchange service, AT&T has repeatedly asked the BOCs to provide this service. Yet it has taken AT&T from 1991 until the end of 1996 to get all the RBOCs to file both business and residential ISDN BRI tariffs. The filing of these tariffs has been a prolonged and disjointed effort with each RBOC, and AT&T has had to wait for each RBOC to file the tariff before it could file an interLATA ISDN offering, called AT&T

Digital Long Distance Service, in that company's territory. AT&T has been completely dependent on the RBOC's tariff availability.

22. An RBOC's incentive to delay or deny access services to IXCs increases considerably with prospects for interLATA relief. For example, an RBOC could delay offering arrangements needed by an IXC for a particular service until the RBOC's own affiliate was able to use those capabilities to offer a rival service. The Georgia Public Services Commission ("PSC") found that BellSouth had done precisely that in order improperly to advantage its affiliate over competing providers. Specifically, the Georgia PSC determined that BellSouth had, among other things, manipulated development of the local network and the timing of unbundling of network features in order to maximize its competitive advantage in offering voice messaging services.[3]

23. Another way an RBOC could abuse its bottleneck is to make available access offerings that an affiliate can utilize before releasing variants of the offering that interexchange competitors might need. Bell Atlantic's introduction of ISDN BRI for business customers illustrates this problem. Bell Atlantic made ISDN BRI capabilities generally available to its own Centrex end users (business BRI) substantially sooner (15 months) than it made comparable ISDN PRI (Primary Rate Interface) capabilities generally available to users of competing PBX

[3] In the Matter of the Commission's Investigation Into Southern Bell Telephone and Telegraph Company's Provision of MemoryCall[sm] Service, Order of the Georgia Public Service Commission, Docket No. 4000-U, decided May 21, 1991, p. 2.

systems.[4] In this way, control of the local exchange bottleneck can be used to give an RBOC's affiliated operations unjustifiable advantages.

24. An RBOC could also simply refuse to develop new access arrangements. A recent example of such RBOC conduct involves the new 555-XXXX services. This exchange has traditionally been associated with directory assistance, but was authorized by the Commission in 1994 for use in providing different types of public information services. AT&T has been interested in providing such service and sent requests to RBOCs in early 1996 seeking a service ready date and proposed architecture to deliver calls via a 555-XXXX dialing pattern to the AT&T network. Although the necessary industry forums have already approved the technical specifications for the service, and over 1500 555-XXXX lines have been assigned by the North American Numbering Plan Administrator, the RBOCs have indicated that they would have to evaluate the business opportunity before making any commitment whether to provide this service. Some of the RBOCs have stated that they will not provide this service, and others have indicated that they are willing to consider only a limited market trial at this time. As a result, AT&T and its customers are unable to offer and take advantage of a new service.

25. To compound these injuries, an RBOC can also use requests for new access arrangements as market information that can be used to give a competitive advantage to its

---

[4] Compare The Chesapeake and Potomac Telephone Co. of Maryland, General Services Tariff, P.S.C. - Md. - No. 203, filed eff. date February 5, 1992, Sec. 13N (Centrex Intellilinq BRI), with id., filed eff. date May 12, 1993, Sec. 14 (Intellilinq PRI [for PBXs]); New Jersey Bell Telephone Co., Tariff B.P.U. - N.J. - No. 2. Exchange and Network Services, filed eff. date July 29, 1992, Sec. 9.1.4.I (Centrex Intellilinq BRI), with id., filed eff. date May 3, 1993, Sec. 5.3.6.G (Intellilinq PRI [for PBXs]).

interexchange affiliates. Typically, to obtain new access arrangements, IXCs must give the RBOCs significant information concerning new interexchange service offerings, specific customer demographics, demand estimates, and network needs. This information is competitively sensitive and is the kind of information that in a regular commercial setting would never be disclosed to competitors. Disclosure of this information to interexchange competitors can severely harm the carrier seeking new arrangements. This information could easily be shared with, and for the benefit of, interexchange affiliates, particularly if the same RBOC employees are engaged in the design, development, and engineering of access and interexchange facilities and offerings. Moreover, knowledge of a new access offering could be imparted to the affiliate in advance and its release timed so as to allow the affiliate to move to take advantage of the offering while other carriers studied it for possible use.

26. The RBOCs also have the ability to discriminate against CLECs in the development of new local services and capabilities. Clearly, the types of discrimination described above in the context of access arrangements would apply equally in the local service context, and the RBOC has significant control over the introduction of new services. Generally, to the extent that new facilities are required, the RBOC will be in a position to delay or block entirely any new service sought by a CLEC. Even where the RBOC adds facilities, it would still have enormous leeway in determining what services will be offered. To the extent that a new service may involve software changes or AIN, then the RBOC is in a position to use the certification and testing process to delay or hinder the offering of a new service. As noted above, a ready form of discrimination would be to delay the introduction of a CLEC's new service until the RBOC has

developed a rival product or implemented some price incentive or service option that makes the CLEC's new service less competitive. In the case of a new service, there also will be no operating experience with that service that would permit a CLEC (or regulators) to determine whether the RBOC has acted in an appropriate manner.

27. To the extent that the new service involves the provisioning or conditioning of UNEs, an RBOC conceivably could establish the connections on older plant that will provide inferior quality service. For example, an IXC/CLEC that requires properly conditioned loops to permit the provision of higher quality data services might find the RBOC has chosen to condition inferior loop plant, resulting in higher conditioning costs to the IXC/CLEC, inferior service, or both. In any case of failure or outage of a new service offered by a CLEC, moreover, it would be the CLEC, and not the RBOC, that would in all likelihood receive the blame from customers and the unfavorable publicity.

V. DISCRIMINATION IN PROVISIONING

28. Contrary to the claims of SWBT,[5] there are many opportunities for abuse in connection with the provisioning and maintenance of existing access services, whether special or switched. It is not necessary for the RBOC to degrade connections or engage in discrimination that would be obvious to even a casual observer. Certainly, those obvious means exist. However, there are also many opportunities for an RBOC to discriminate against IXCs and CLECs, and in

[5] See Deere Affidavit ¶ 119.

favor an affiliated long distance entity, in subtle ways in both the provisioning and maintenance of facilities.

29. The provisioning and maintenance processes for long distance connections may be manipulated by an RBOC with an incentive to do so. In the case of special access, the provisioning process begins with the IXC issuing an Access Service Request or "ASR" to an RBOC, which responds with a Firm Order Confirmation Date giving a due date by which the requested facility or circuit should be provided. This information allows the IXC to calculate when service can be established. Subsequently, the RBOC provides a circuit Design Layout Record, where required, that assigns facilities to the requested service and commits to a service date.

30. The RBOC controls this process and the timing and handling of any request. As a practical matter, provisioning dates are negotiated by each IXC with the RBOC that will provide the desired access, and there is little remedy available to an IXC if an RBOC fails to process a request for access service within a particular time or to offer the access service by a negotiated provisioning date. As an example, US WEST recently refused to install entrance facilities requested by AT&T, and US WEST engineers would not provide AT&T with a Firm Order Confirmation Date, unless AT&T ordered three-to-five year terms for the facilities. US WEST finally agreed to install the facilities on the terms sought by AT&T, but only after weeks of negotiation between US WEST and AT&T, the expenditure of considerable time and effort, and disruption to AT&T's customer. This example demonstrates the ability of an RBOC to disadvantage competing IXCs simply by procrastinating in providing the Firm Order Confirmation

Date, the Design Layout Record, and other data needed by the IXC, and offering seemingly non-discriminatory excuses for the delay.

31. Access capacity limitations, reductions in workforce availability, capital limitations, and other local problems are often cited by RBOCs as the reason why prompt access provisioning is not possible in a particular instance. In such situations, there is little that an IXC can do, but such action can result in substantial competitive injury -- as can occur if the RBOC or its interexchange affiliate tells the customer that it can provide service more quickly than can AT&T, without mentioning that the RBOC's access capacity limitations are the reason that AT&T cannot provide its service more quickly. In a competitive environment where RBOCs are competing directly with IXCs, the incentive to engage in such actions grows dramatically.

32. These opportunities also exist in the provision of local exchange facilities. For instance, SWBT maintains that its loop assignment system is highly automated,[6] but fails to discuss how bulk (i.e. multi-circuit) assignment orders of interoffice facilities, and any exception orders, are typically handled. These orders typically are handled manually, or, if fully automated, provide the opportunity for manual override. Thus, circuits for CLECs can be assigned to older copper transmission facilities, for example, instead of optical fiber transmission facilities. Discriminatory treatment of CLECs in this regard may be a result of explicit verbal internal RBOC directives, or simply a result of individual employee actions. Either way, this behavior would be very difficult to detect.

---

[6] See Deere Affidavit ¶¶ 149-151.

33. Similarly, the RBOCs have significant opportunities to discriminate against CLECs in the provision of local exchange service. For example, the provision of unbundled loops offers the RBOCs a number of opportunities for discrimination against CLECs:

a) slower provisioning intervals, faulty installations, and disconnections during service cutover;

b) providing poor repair service and lengthy intervals;

c) providing low-quality copper feeder lines;

d) misaligning loops so that the CLEC's customers have poor sound quality on their lines; and

e) failing to provide preventative maintenance.

The RBOC would be likely to have ready explanations for most of this conduct. In particular, transferring loops to CLECs is a manual process that is somewhat complicated and time-consuming. The RBOCs thus could attribute discriminatory acts to lack of manpower and inexperience with handling a large volume of loop transfers, and a CLEC would have little recourse.

34. Loop discrimination is likely to be especially effective for the RBOC because it is easy to accomplish, difficult to prove that misconduct is purposeful, and likely to have great impact on the customers' perceptions of the CLEC. Customers will inevitably blame the CLEC for interference, temporary loss of service, etc., regardless of whether the RBOC is really to blame.

35. In addition, some loops are harder to unbundle than others. The most technologically advanced loops ("integrated digital loop carrier," or "IDLC") carry digital signals from the customer's premise to the switch. To the extent an RBOC chooses to unbundle such loops by "rolling" a CLEC's customer to older plant that happens to be available out in the field, the opportunities for misconduct are myriad. For instance, an RBOC could refuse to provide a CLEC with their design layout records for loop plant, leaving the CLEC totally blind to the particular loop the RBOC may provision to the CLEC's local end users. Will the RBOC technician provide the CLEC the best quality copper available in the field, or the plant that the RBOC has long since abandoned? No one but the RBOC will know for sure.

VI. DISCRIMINATION IN MAINTENANCE

36. The potential for abuse is equally present in the maintenance of special and switched access facilities. As a threshold matter, IXCs are essentially helpless beyond the access tandem; they have no ability independently to examine or test the LEC-provided access facilities unless an LEC invests in special monitoring equipment to provide information for the IXCs. Consequently, IXCs are dependent on the incumbent LEC either to provide that special equipment or to identify and report troubles on access facilities in a timely manner. Absent these LEC actions, the IXC may be unaware of problems blocking access for its customers until a customer initiates some inquiry (having in the meantime experienced inadequate interexchange service). Of course, the IXCs remain totally dependent on the LECs to fix any reported problems

37. By contrast, the interexchange affiliate could rely on its local affiliate to provide it prompt trouble reports. Discrimination in the provision of trouble reports and restoration services would be particularly easy to pursue, and difficult to detect.

38. Moreover, after becoming aware of an access-related problem, the IXC is confined to seeking LEC resolution of the problem and awaiting service restoration. An RBOC faced with competing maintenance situations from its IXC affiliate and a competitor could respond to internal concerns and favor its affiliate in restoring or maintaining service. Indeed, significant opportunity exists for discrimination in the repair process. RBOC operations systems that dispatch technicians on repair calls have various parameters for ranking calls in the dispatch queue. This enables an RBOC to give an out-of-service trouble ticket higher priority than a "noise on the line" trouble, for example. These parameters and their relative weightings can be set internally by an RBOC, without involvement of the OSS vendor. The RBOC could thus set dispatch parameters based on customer record data fields to advantage its local exchange or interexchange customers. In addition, the interexchange affiliates' troubles could be afforded priority rather than treated in order of receipt, and the RBOC interexchange affiliate also could be alerted to impending problems not otherwise disclosed, or even preferred in emergency situations. These forms of subtle discrimination would be difficult or impossible for a CLEC to detect.

39. These opportunities for abuse of the provisioning and maintenance process exist for both special and switched access services. Moreover, an RBOC could provide an advantage to an interexchange affiliate by abusing the end office connection. In fact, through the ability to implement traffic control programs that are designed to protect networks against overloads, such

as network management cancel controls (which terminate calls destined for particular trunk groups), an RBOC could selectively impose such controls on trunk groups serving a competing carrier. An IXC's traffic could be blocked in whole or in part, without its knowledge, and if discovered, could be justified under the guise of a traffic problem or overload.

40. A number of opportunities exist for an RBOC to discriminate against CLECs with respect to maintenance and repair. The CLECs, like the IXCs in the access context, are dependent on the RBOCs to maintain the network and conduct necessary repairs in the case of a local service problem, and the various forms of discrimination against IXCs relating to maintenance described above can also be practiced by RBOCs against CLECs in the local exchange market. The CLECs have little leverage or control over the RBOC's maintenance and repair function.

41. Indeed, the unbundling of the local exchange gives the RBOC additional opportunities to discriminate against the CLECs. With a potentially growing number of CLECs interconnecting with the network as a result of unbundling, and different CLECs obtaining different types of interconnection arrangements -- some CLECs purchasing only individual network elements, other CLECs purchasing the unbundled network element "platform,"[7] and others engaging in total service resale -- there will be an increase in the complexity of monitoring and maintenance of the network by the RBOCs. This increased complexity, and, added

[7] The unbundled platform is a combination of UNEs that permits a new local service provider to offer local exchange and exchange access service, without the need to introduce any of its own facilities, and consists of the unbundled loop, local switching, common transport, tandem switching, signaling and call-related data bases, and operator services and directory assistance.

monitoring and maintenance responsibilities, will give the RBOCs additional opportunities to discriminate in the maintenance and repair of the network. Moreover, the RBOC has a direct incentive to maintain and repair facilities affecting its customers prior to undertaking maintenance and repairs relating to other customers. Combine that direct incentive with the RBOC's detailed knowledge of its network, its own operations, and those of the CLEC, and it is not difficult for the RBOC to engage in discrimination that will be difficult to detect and subject to plausible explanations whenever an issue is raised. The rules implementing the unbundling requirements require nondiscrimination, but they are new and untested, and they will be of little assistance in anything other than the most blatant case of discrimination.

42. SWBT itself has provided a stark example of how an incumbent LEC can discriminate in this area. In SWBT's negotiations with AT&T, and in its existing Oklahoma interconnection agreements, SWBT has made clear that it intends to treat all UNE orders, including orders for the entire UNE platform, as orders for "design service" requiring a disconnect and then reconnect of a customers service.[8] SWBT has advised AT&T that it will transfer all such circuits from the Local Maintenance Operation System (LMOS) to the Work Force Administration system (WFA), which has ordinarily been used in the past for special designed circuits, such as PBX trunks.[9] SWBT's own POTS customers, however, will remain in the LMOS system.

---

[8] See Affidavit of Robert V. Falcone and Stephen Turner On Behalf Of AT&T Corporation ¶ 22 (Exhibit F) (hereinafter Falcone/Turner Affidavit).

[9] Falcone/Turner Affidavit ¶ 25.

43. First, SWBT's decision to move UNE circuits to the WFA system will result in inferior service for the customers of CLECs. LMOS enables SWBT to conduct proactive, automated testing of customer loops, which enables SWBT to identify problems with its circuits before its customers recognize any problem. Once POTS circuits are transferred to WFA, however, the CLEC's UNE-based customers will lose the preventive benefits of automated testing. WFA does not provide automated testing. It is a reactive system, meaning that problems are identified and addressed only after the customer identifies a problem. Moreover, the SWBT technicians working in the WFA system will likely be unfamiliar with POTS service and will inevitably give priority to the high capacity circuits traditionally maintained in the WFA system.

44. Second, SWBT's planned changeover of a CLEC's UNE-based customers to the WFA system will create many opportunities for ongoing discrimination against CLEC customers. Because SWBT plans to keep its POTS customers in the LMOS system, the only POTS customers in the WFA system will be customers of CLECs. These WFA POTS customers will thus be readily identified by SWBT employees as customers of their competitors, and will be subject to all the subtle (and not so subtle) forms of discrimination discussed above, see supra ¶¶ 16-29.

45. In sum, SWBT's planned treatment of a CLEC's purchase of UNEs will create two separate systems -- one for SWBT's POTS customers and one for CLEC POTS customers being served through UNE combinations. The planned placement of CLEC UNE-based