KANSAS

Indicator	Benchmark	Threshold	Action
Average Customer Repair Intervals ... *Ave. repair service time. See A-3*	An average of 30 Hours, or less, for repair service.	Failing Benchmark for 2 consecutive months = a 'jeopardy' condition.	Company to submit a correcting action plan with monthly report.
		Failing Benchmark for 4 out of 6 rolling months = a 'noncompliance' condition.	Staff recommendation to the Commission for imposition of a penalty fine, in accordance with Sec.3, (l) of Ks. Telecom. legislation (HB 2728).
% Appointments met .... *The % of customer service appointments which are met on time. A-4.*	90%, or greater, of Appointments met on time.	Failing Benchmark for 2 consecutive months = a 'jeopardy' condition.	Company to submit a correcting action plan with monthly report.
		Benchmark for 4 out of 6 rolling months = a 'noncompliance' condition.	Staff recommendation to the Commission for imposition of a penalty fine, in accordance with Sec.3, (l) of Ks. Telecom. legislation (HB 2728).

840.0208 - PUC Substantive Rules

UTILITY Southwestern Bell Telephone Company

TEXAS

TELEPHONE SERVICE REPORT

		OBJECTIVE
SERVICE ORDERS		
1.	% Regular orders completed in 5 working days	90%
2.	% Primary orders completed in 5 working days	95%
3.	% Installation commitments met	90%
4.	Number of held primary service orders at month end (over 30 days old)	Not specified
5.	Number of held regrade orders at month end	LESS THAN 1% OF THE ACCESS LINES
ANSWER TIME		
6.	Toll & assistance ("O") answer time	
	Average answer time	85% answered within 10 sec. or average of 3.3 seconds
7.	Directory assistance answer time	
	Average answer time	85% answered within 10 sec. or average of 5.9 seconds
8.	Business Office	
	% within 20 seconds	90% answered within 20 sec.
9.	Repair service	
	% within 20 seconds	90% answered within 20 sec.
TROUBLE REPORTS		
10.	Customer trouble reports per 100 access lines	no more than 6
11.	% of out of service reports cleared in 8 working hours	90%

QUALITY OF SERVICE REPORT

Attachment A

TELEPHONE COMPANY:
Southwestern Bell
Missouri

DATE: February 14, 1997
QUARTER END: 12/31/96

DESCRIPTION					
INSTALLATION					
Regular Service Orders					
A. Orders Complete Within 5 Working Days	90%	85%			
B. % Commitments Kept - Due Date	90%	88%			
Regrade Service Orders					
A. Orders Complete Within 30 Days	90%	85%			
HELD APPLICATIONS					
New Installations					
A. Over 30 Days	*******	*******			
B. Orders Complete Exceeding 30 Days	*******	*******			
Regrade Orders					
A. Over 30 Days	*******	*******			
B. Orders Complete Exceeding 30 Days	*******	*******			
SERVICE					
A. Dial Tone Within 3 Seconds	97%	95%			
B. Local Call Completion	97%	94%			
C. DDD Calls Completed Outgoing Trunks	97%	95%			
D. Calls Complete Interoffice Trunks	96%	95%			
TRANSLATION					
A. Operator Handled Calls (10 seconds)	89%	83%			
B. Automated Operator Calls (2.8 seconds)	2.8	4.0			
C. Calls to Repair Service (20 seconds)	90%	85%			
D. Calls to Business Office (20 seconds)	90%	85%			
MAINTENANCE					
A. Trouble Reports Per 100 Access Lines	8.5	10			
B. Trouble Reports Cleared Within 24 Hours	85%	80%			
C. % Trouble Commitments Kept	90%	85%			

Questions ?? Edie Honaker 331-2529

ARKANSAS

APSC SERVICE PERFORMANCE REPORT SR-T 3.01 4.01 4.06

222
MC GEHEE
AXE
10R5.2

[redacted]

ACCESS LINES

TOTAL TROUBLE RPTS

NON-REGULATED

EXCLUDED

MEASURABLE RPTS

TROUBLE INDEX

TOTAL OOS REPORTS

NON-REGULATED

EXCLUDED

MEASURABLE RPTS

RESTORED 24 HOURS

PERCENT

TOTAL APPLICATIONS

W/I 5 DAYS

PERCENT

TOTAL APPLICATIONS

W/I 30 DAYS

PERCENT

KANSAS

Quality of Service Plan

Indicator	Benchmark	Threshold	Action
Customer Trouble Reports (CTRs) .. *Number of trouble conditions reported to the Service Provider's trouble reporting center. See A-1*	6 CTRs/100 Access Lines, or less, for LECs serving more than 10,000 Access Lines.	Failing Benchmark for 2 consecutive months = a 'Jeopardy' condition.	Company to submit a correcting action plan with monthly report.
	8 CTRs/100 Access Lines, or less, for LECs serving between 1,000 and 10,000 Access Lines.	Failing Benchmark for 4 out of 6 rolling months = a 'noncompliance' condition.	Staff recommendation to the Commission for imposition of a penalty fine, in accordance with Sec.3, (l) of Ks. Telecom. legislation (HB 2728).
	10 CTRs/100 Access Lines, or less, for LECs serving less than 1,000 Access Lines.		
% Repeat Trouble Reports (RTRs). .. *Repeat reports of trouble on an access line during the previous 10 days, as a % of monthly total CTRs. See A-2*	20%, or less, of repeat reports.	Failing Benchmark for 2 consecutive months = a 'Jeopardy' condition.	Company to submit a correcting action plan with monthly report.
		Failing Benchmark for 4 out of 6 rolling months = a 'noncompliance' condition.	Staff recommendation to the Commission for imposition of a penalty fine, in accordance with Sec.3, (l) of Ks. Telecom. legislation (HB 2728).

KANSAS

Indicator	Benchmark	Threshold	Action
Average Customer Repair Intervals ... *Ave. repair service time. See A-3*	An average of 30 Hours, or less, for repair service.	Failing Benchmark for 2 consecutive months = a 'jeopardy' condition.	Company to submit a correcting action plan with monthly report.
		Failing Benchmark for 4 out of 6 rolling months = a 'noncompliance' condition.	Staff recommendation to the Commission for imposition of a penalty fine, in accordance with Sec.3, (l) of Ks. Telecom. legislation (HB 2728).
% Appointments met .... *The % of customer service appointments which are met on time. A-4.*	90%, or greater, of Appointments met on time.	Failing Benchmark for 2 consecutive months = a 'jeopardy' condition.	Company to submit a correcting action plan with monthly report.
		Benchmark for 4 out of 6 rolling months = a 'noncompliance' condition.	Staff recommendation to the Commission for imposition of a penalty fine, in accordance with Sec.3, (l) of Ks. Telecom. legislation (HB 2728).

840.0208 - PUC Substantive Rules

UTILITY Southwestern Bell Telephone Company

TEXAS

TELEPHONE SERVICE REPORT

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Southwestern Bell
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DATE: February 14, 1997
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B. % Commitments Kept - Due Date	90%	88%			
Regrade Service Orders					
A. Orders Complete Within 30 Days	90%	85%			
HELD ORDER [illegible]					
New Installations					
A. Over 30 Days	*******	*******			
B. Orders Complete Exceeding 30 Days	*******	*******			
Regrade Orders					
A. Over 30 Days	*******	*******			
B. Orders Complete Exceeding 30 Days	*******	*******			
SERVICE [illegible]					
A. Dial Tone Within 3 Seconds	97%	95%			
B. Local Call Completion	97%	94%			
C. DDD Calls Completed Outgoing Trunks	97%	95%			
D. Calls Complete Interoffice Trunks	96%	95%			
[illegible]					
A. Operator Handled Calls (10 seconds)	89%	83%			
B. Automated Operator Calls (2.8 seconds)	2.8	4.0			
C. Calls to Repair Service (20 seconds)	90%	85%			
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MAINTENANCE					
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B. Trouble Reports Cleared Within 24 Hours	85%	80%			
C. % Trouble Commitments Kept	90%	85%			

Questions ?? Edie Honaker 331-2529

6

US OFFICE PRODUCTS

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

In The Matter of Application of SBC Communications Inc., Southwestern Bell Telephone Company, and southwestern Bell Communications Services, Inc., d/b/a Southwestern Bell Long Distance, for Provision of In-Region, InterLATA Services in Oklahoma	CC Docket No. 97-121

REPLY AFFIDAVIT OF JAN FALKINBURG
ON BEHALF OF SOUTHWESTERN BELL TELEPHONE CO.

STATE OF MISSOURI §
§
CITY OF ST. LOUIS §

I, Jan Falkinburg, being of lawful age and duly sworn upon my oath, do hereby depose and state as follows:

1. My name is Jan Falkinburg. My business address is One Bell Center, Room 7-F-7, St. Louis, MO 63101. On April 16, 1997, I was appointed General Manager - Carrier Marketing for Southwestern Bell Telephone Company (hereinafter "SWBT"). This position was previously held by Mr. Kaeshoefer who provided an affidavit as part of SBC's joint application (hereinafter "the application") in this proceeding. In my capacity as the General Manager - Carrier Marketing, I am providing this affidavit in response to the comments by various parties in opposition to SBC's joint application. I am responsible for supervising all aspects of marketing for Switched and Special

Access, Billing and Collection products, as well as, local interconnection, resale and unbundled network element products.

Professional Experience

2. I began my career with SWBT in 1975. From that time until 1989, I served in numerous line and staff positions dealing with various aspects of finance and accounting. From 1989 to 1992, I held several positions with responsibilities for docket case development before the Missouri Public Service Commission and support for Technical Issues before the FCC. From 1992 to 1995, I held three marketing and sales positions. In those capacities, I was responsible for supporting the Missouri Customer Services residence and business sales channels, product revenue forecasting and analysis, and sales operation support. In October of 1995, I was appointed to wholesale marketing and sales where I was responsible for all local wholesale marketing, pricing and policy issues. I accepted my current position in April 1997. I hold a Bachelor of Business Administration degree from Texas Tech University and have completed two specialized management training programs at Duke University and the University of Southern California.

Purpose of Affidavit

3. The purpose of my affidavit is to further illustrate that SWBT has complied with the requirements of section 271 and to reply to comments filed with the commission which suggest otherwise. Specifically, my affidavit addresses SWBT's compliance with the following 271 areas: (1) interconnection--specifically collocation; (2) the

availability and pricing of unbundled elements; (3) resale; and (4) miscellaneous other issues.

CHECKLIST COMPLIANCE

INTERCONNECTION - COLLOCATION

4. Various commenters assert that SWBT has failed to comply with checklist requirements in the area of collocation, not only in Oklahoma but in other in-region states, because, according to the commenters, SWBT's prices are unreasonable, its terms and conditions are discriminatory and SWBT has caused excessive delays in making collocation facilities operational (see AT&T, MCI, Brooks, Dobson, Cox, WorldCom, DOJ). As shown below, these claims are without merit.

Collocation Prices

5. With respect to the issue of collocation in general, SWBT has continually emphasized that the collocation process cannot be standardized. Every potential collocator has its own unique specifications and equipment needs. SWBT has developed its collocation procedures such that it can be flexible enough in each wire center to address collocators' special concerns regarding construction, power needs and space requirements for every requesting CLEC. SWBT and the requesting CLEC are dependent on each other to successfully accomplish any collocation project. Both parties must comply with operational commitments in order to achieve mutual commitment dates. Delays can result when either party changes specification requirements.

6. SWBT offers physical collocation on a non-discriminatory and reasonable basis. Consistent with the FCC's pricing rules, SWBT prices collocation in a way that allows it to "recover costs in a manner in which they are incurred" (47 C.F.R. §51.507(a)). As found by the Oklahoma Corporation Commission (OCC) in the AT&T arbitration, there was no dispute that costs vary by location and that physical collocation pricing should recover SWBT's costs (pg. 13). SWBT prices physical collocation on an Individual Case Basis (ICB) to take into consideration the unique specifications requested by those seeking collocation and the unique environment for the SWBT location requested. The fact that SWBT has priced all requests in this manner makes SWBT's pricing non-discriminatory and reasonable.

Collocation Provisioning

7. To ensure that SWBT provides collocation in a non-discriminatory manner, SWBT provides a copy of its "standard" collocation agreement which specifies such details as insurance requirements, equipment standards, billing details and liability issues to every requesting CLEC even if it is just for review purposes rather than a specific application. SWBT has created a group of account managers who act as the single point of interface for CLECs and CAPs (Competitive Access Providers) requesting collocation. SWBT has also created a product team responsible for the development of SWBT's collocation offerings to ensure that collocation is available in a nondiscriminatory manner and in full compliance with the Act and Commission rules.

8. Additionally, SWBT provides its Southwestern Bell Interconnector's Technical Publication for Physical Collocation to all collocators to communicate the intervals

for the various activities throughout the application process and other information necessary to complete the construction of a collocation arrangement. In an ongoing attempt to improve and clarify its collocation process for requesting CLECs, SWBT has issued revisions to the "standard" collocation agreement and the Technical Publication that reflect changes made by SWBT to accommodate CLECs' concerns raised during negotiations and the collocation arrangement process.

Collocation Due Dates

9. Brooks has claimed that SWBT has not met collocation due dates (see Brooks, ¶¶21-22) SWBT and the requesting CLEC are dependent on each other to successfully accomplish any collocation project. Both parties must comply with operational commitments in order to achieve mutual commitment dates. Delays can result when either party changes specification requirements. In fact, the delays mentioned in the comments of Brooks Fiber were a result of modifications made by Brooks Fiber to its original request and its failure to meet its commitment dates (see affidavit of Ms. Sheffield).

10. SWBT has established intervals, not only based on its knowledge of the time it takes to provision physical collocation, but also based on stipulations and arbitration awards from state commissions, for every step in the physical collocation process. The following is the step-by-step process that SWBT uses in provisioning a collocation arrangement. This process requires a commitment on the part of the CLEC as well as SWBT.

11. First, based on the information provided by the CLEC, SWBT provides an estimated quotation of charges within 35 business days of when it receives a completed application for physical collocation unless there are unusual circumstances For instance, the submission of a large number of requests in a single city is viewed as an unusual circumstance. (For example, AT&T's submission of 14 applications for the Dallas Market area in July. As a result of the magnitude of this AT&T overload, SWBT has informed CLECs, in the Technical Publication, that intervals may be staggered under these circumstances.) At the same time, SWBT provides the interval required to complete the collocation construction. However, if the requesting CLEC does not provide complete, accurate information on the application, SWBT may be unable to proceed with processing the application and it must be returned to the CLEC for correction and/or completion.

12. Second, SWBT allows requesting CLECs up to 45 business days to either accept or reject SWBT's estimate and proposed construction interval. During the 45 days, the CLEC is in contact with the account manager to discuss the estimates, the interval, and any changes the CLEC may wish to make. On some occasions more than one CLEC may be requesting collocation in the same office. If one CLEC accepts the collocation quotation before the other, the initial price may be reduced for the second collocator and some charges provided as a refund to the first collocator after all construction is complete. If the requesting CLEC desires a shorter interval, it may request that, when possible, SWBT attempt to expedite the interval with sub-contractors and equipment vendors and provide a quotation of any additional costs to

the CLEC. When a CLEC initiates significant changes after the original application is processed, SWBT may be required to reprice and revise the construction interval based on the revised application.

13. Fourth, the processing of the collocation arrangement is complete after the CLEC brings its transmission facility to the collocation site and/or places the necessary equipment and tests with SWBT. It is this step in the process that has not been completed for Brooks' arrangements (See Affidavit of Ms. Sheffield).

14. The DOJ contends that SWBT's virtual collocation arrangements "do not give Brooks the same technically and economically feasible access to unbundled elements that its negotiated physical collocation arrangements would provide." As set out in the Affidavit of William Deere, Brooks' virtual collocation arrangements do provide it with full access to unbundled elements. To the extent it is based on the placement of Remote Switching Modules (RSMs) not being included in SWBT's virtual collocation arrangements, the DOJ's assertion overlooks the August 8, 1996 FCC Order. The FCC did not require ILECs to permit placement of switching equipment in physical collocation arrangements because such equipment is not necessary for access to interconnection or unbundled network elements. Although, SWBT does not have a requirement to provide placement of RSMs in either a physical or virtual collocation arrangement, it negotiated agreements with Brooks to allow placement of such equipment.

UNBUNDLED NETWORK ELEMENTS

SWBT Offers Unbundled Network Elements (UNE) In Compliance With The Act And Commission Rules.

15. In February 1996, with the passage of the Act, SWBT began designing unbundled elements to meet its obligations under 251(c)(3). Based upon the FCC's Interconnection Order, the following criteria guided SWBT's development of unbundled elements in order to fully comply with the Commission's rules:

- Unbundled network elements are offered separately.
- Unbundled network elements are priced separately.
- Unbundled network elements can, where it is technically feasible to do so, be combined with (i.e., connected to) any other unbundled network element provided by SWBT.
- Similarly, unbundled network elements can be combined with (i.e., connected to) network components provided by the CLEC.
- Unbundled network elements, once connected, can be rearranged and reconnected with other SWBT network elements or components provided by the CLEC (where technically feasible). For example, some CLECs have indicated that their business plan is to purchase a SWBT unbundled loop and connect it to SWBT unbundled local switching as an interim measure until the CLEC-owned switch is installed. Once the CLEC switch is in service, the CLEC wants the ability to disconnect the SWBT-provided unbundled local switching and have the same SWBT loop connected to the CLEC's own switch.

16. At an expense of several million dollars, SWBT has designed its unbundled network elements, including the ordering and other operational support systems, and performed the requisite cost studies, all based on the Commission's rules as outlined in its August 8, 1996, Interconnection Order, to accommodate such CLEC requests.

Currently, SWBT is processing manual orders and testing the OSS interfaces for UNE and resale orders in Texas for AT&T and MCI.

SWBT UNEs Are Available To Duplicate Existing Services.

17. The Commission's Interconnection Order effectively removed much of the distinction between the Act's resale requirements and unbundling. The Commission required SWBT to allow the use of unbundled network elements to effectively avoid Oklahoma's 19.8% resale discount by allowing CLECs to request and provide existing complete services exclusively through the use of unbundled network elements. Based on the rates that resulted from the SWBT/AT&T arbitration case, the CLEC can achieve an effective discount of 41% off of SWBT's monthly business service rates by combining UNE and activating available features, while potentially avoiding access charges. The FCC's recent orders on Universal Service and Access Reform have the effect of creating an even higher discount.

18. SWBT has fully complied with each of the Commission's requirements for combining unbundled elements (see Kaeshoefer affidavit, ¶¶37-38). Contrary to the claims of commenters, SWBT offers the full array of combinations of network elements and further, SWBT offers to combine unbundled network elements in any manner, even if the elements are not normally connected in SWBT's network (SWBT STC, Appendix UNE, ¶2.2, 2.2.1, 2.3). Therefore, SWBT does allow for any

combination of any network elements in any technically feasible manner in accordance with the Act and FCC rules.

AT&T's "Platform" Complaints Are Not About Access To UNEs But Rather Responsibility For Service Design And Ordering.

19. AT&T's assertions with regard to its "platform" constitute nothing more than a complaint that it should not be required to identify the specific UNEs it wants to order. AT&T claims that, as part of the UNE ordering process, it should simply be able to designate an end user receiving SWBT service, and have SWBT automatically convert that service to UNEs. In other words, in addition to its ability to order any combination of UNEs as discussed above, AT&T also claims that is entitled to place an order that replicates a SWBT customer's existing service simply by naming that service "as is." This is not required by the Act or the Commission's Rules.

20. Under the Commission's Rules the CLEC, not SWBT, must determine what UNEs it needs to provide its services to its customers. Consistent with the Commission's rules, SWBT provides CLECs the OSS functionality needed to accomplish the ordering of UNEs and/or the combination of any UNEs.

21. In fact, the FCC rules on unbundling require SWBT to make available access to unbundled network elements to all requesting telecommunications carriers under rates, terms and conditions that are nondiscriminatory (47 C.F.R. §51.311(a) and §51.307) and that comply with the fundamental definition of unbundling: separately for a separate charge (47 C.F.R. §51.307(d)). The Commission's rules also require

SWBT to provide unbundled network elements "in a manner that allows the requesting telecommunications carrier to provide any telecommunications service that can be offered by means of that network element" (47 C.F.R. §51.307(c)). What the Commission did not include in its rules is a requirement for SWBT to define a new set of services based on competitors' various requests for combinations of network elements. If fact, in discussing how CLECs were to order unbundled elements, the Commission held: "Finally, we agree with BellSouth that requesting carriers must specify to incumbent LECs the network elements they seek before they can obtain such elements on an unbundled basis" (First Report and Order at paragraph 297).

22. AT&T also asserts that "SBC is not providing or offering nondiscriminatory access to its network elements." Nothing could be further from the truth. In fact, it is AT&T that seeks to have SWBT change SWBT's unbundled network element offering to be discriminatory. SWBT's position is that it must serve all CLECs, and thus must apply ordering and provisioning processes to all uses of UNEs, including requests for individual elements as well as combined multiple elements. If SWBT were to follow the course advocated by AT&T of designing its UNE offerings as "bundles" or "platforms" or simply "services," it could be put in the position of providing UNEs to non-investment-based competitors on terms more favorable than could be provided to competitors who had invested in at least some of their own facilities. CLECs with their own facilities may only require individual UNEs to combine with their own facilities to serve their customers. The requirement that UNEs be offered separately

necessitates OSS designs that are consistent with the manner in which SWBT has deployed unbundled network elements.

23. Oklahoma Commission Chairman, Cody L Graves, addressed AT&T's demands for new and different OSS functionality in his comments:

> AT&T indicated that SWBT failed to satisfactorily provide them with interim number portability and Operational Support Systems (OSS). The fact is SWBT is providing the interim number portability support that the OCC ordered in the SWBT/AT&T Arbitration Decision. Additionally SWBT is providing OSS at the same level they provide it internally. So the question becomes does the incumbent satisfy §271 by providing the checklist items equally to everyone (including itself) or must the incumbent provide specifically what the CLEC requests even if it is materially different from current service? In the OCC's opinion the incumbent must provide to others what it provides to itself. It may not be exactly what the CLEC wants, but it does not prevent competition from occurring should the CLEC choose to aggressively enter markets.

24. Based on its own rules, the FCC should reach a similar conclusion on SWBT's compliance with the OSS requirements.

Complaints About UNE Non-Recurring Charges, "Design Services," And SWBT Internal Processes For UNEs Ignore The Fundamental Definition Of Unbundling

25. AT&T claims in its brief at page 4 that:

> the SGAT is defective on its face for numerous reasons. First it imposes blatantly discriminatory restrictions on the use of unbundled network elements that violate the act and the commissions interpretive rules. For example, the SGAT degrades the elements that are provided and imposes discriminatorily higher costs on new entrants by refusing to provide unbundled elements except with restrictions that SBC labels 'design services'.

SWBT has never defined nor portrayed the term "design services" as a restriction on unbundled network elements. AT&T is using this term to describe the internal

processes that SWBT has **necessarily** employed to ensure that it can provide unbundling in the nondiscriminatory manner required by the Act and the FCC's rules. AT&T mischaracterizes these internal processes as restrictions when in actuality they are the underpinnings of SWBT's ability to provide unbundled network elements in the manner required by the Act and FCC rules. This is covered in greater detail in the affidavit of William Deere.

26. Commenters have assailed SWBT nonrecurring charges as being unreasonable and not cost-based. As I stated earlier, SWBT has designed and implemented UNE to comply fully with the unbundling requirements. The costs of UNE reflect the processes necessary to provide the elements as ***unbundled*** elements, i.e., available separately. As the OCC observed in its comments, SWBT has based its rates for UNEs on their cost and those rates comply with the Act.

SWBT's Rates Are Cost-Based, Nondiscriminatory, And Comply With Section 251(D)

27. Several commenters claim SWBT's STC contains rates for network elements that have never been found to satisfy the requirements of cost-based rates of Sections 251(c) and 252(d), and that SBC does not even attempt to meet its burden of making the necessary showing here. At page 9 of its comments, the OCC addressed the concerns raised as to whether the rates contained in SWBT's STC or its interconnection agreements are cost-based and concluded that indeed SWBT's rates are cost-based. In fact, the OCC observed that "it is significant to note that AT&T, which has raised concerns about the interim rates, specifically agreed to bifurcate the arbitration hearings in Cause No. PUD 960000218, thereby enabling the OCC to

establish interim rates in the arbitration case and take up the issue of establishing permanent rates in a later proceeding." Additionally, any claim by AT&T that SWBT rates are not cost-based was specifically dismissed by the OCC when it noted that "the interim rates established in Cause No. PUD 960000218 were supported by cost studies made available by SWBT to the OCC's staff **and AT&T**..." (emphasis added). The OCC concluded that "the fact that the rates are 'interim' does not mean that they are not cost-based and do not comply with the requirements of Section 252(d)."

28. As shown in the affidavit of Dale Kaeshoefer, ¶18:

> While the details of the cost studies are more fully addressed in Mr. Moore's affidavit, most of SWBT's prices for unbundled network elements and reciprocal compensation for the transport and termination of traffic in SWBT's STC have been set at levels equal to (subject to rounding) forward-looking economic cost plus an allocation of joint and common cost. Some of these prices are based on existing tariff rates which are cost based. For example, Interoffice Transport prices are based on existing prices in effect in interstate tariffs, which are based upon the requirements of the FCC Rules. Prices for some elements, such as operator services, have been set at levels SWBT currently charges independent local exchange companies in Oklahoma for providing those same services. Prices for the vast majority of these services are based upon cost studies. Furthermore, because I believe all SWBT pricing decisions historically have taken cost into account, I believe that all of these prices were established based upon costs.

30. Although not specifically required to do so under section 252(a)(1), SWBT has, for the most part, established rates through commercial negotiations, based on similar pricing principles. In fact, cost studies were performed to support even purely negotiated rates (i.e., where there were no pre-existing services/rates) for most such negotiated rates.

Unbundled Local Switching

31. AT&T alleges that SWBT fails to provide unbundled access to local switching under nondiscriminatory terms because it refuses to allow purchasers of unbundled local switching (ULS) to provide intraLATA toll. This is not true. SWBT's STC and its effective interconnection agreements all specifically allow a CLEC's customer served on ULS to make and receive intraLATA toll calls. Appendix UNE of SWBT's STC, paragraph 5.2, specifically addresses intraLATA toll calls using unbundled switching. There is no restriction on the use of unbundled switching to originate any type of call, however, SWBT will continue to charge the CLEC the existing intraLATA toll rates until it is allowed interLATA relief in region. SWBT will offer intraLATA toll dialing parity coincident with its offer of interLATA services. AT&T is not entitled to use unbundled switching to circumvent the intraLATA toll dialing parity provisions of the Act (Section 271 (e)(2)(B). AT&T's position is neither consistent with the Act, nor with any of the arbitration decisions received to date in any SWBT state. See for example, Arkansas Arbitrator Order, Docket. No 96-395-U, Order No. 5, affirmed by the Commission in Order No. 6 which states at page 22:

> Pursuant to 47 U.S.C. §271(e)(2)(D), AT&T cannot have intraLATA toll dialing parity with SWBT until SWBT receives approval from the FCC to provide interLATA toll service or three years form [sic] the date of enactment of the 1996 Act. There is no authority in the 1996 Act to use UNEs as a means to avoid this restriction on AT&T's ability to compete with SWBT.

31. WorldCom states "it is essential that SBC show that entrants may employ the routing instructions resident in the switch to route traffic over the SBC interoffice network, in the same way that SBC's own traffic is routed." In addition, WorldCom states that SWBT's STC definition of "Common Transport" is

unclear in whether or not unbundled local switching "would afford requesting carriers access to the shared interoffice network used by SBC for transport of its own local traffic" (WorldCom brief at pages 37-38). SWBT's STC at ¶5.3 explains that "SWBT's Local Switching element will route local calls on SWBT's common network to the appropriate trunk or lines for call origination or termination." To clarify for WorldCom, this routing of local calls originated or terminated via unbundled local switching is exactly the same Common Transport (i.e., "shared" network), in exactly the same manner as a local call originated or terminated by a SWBT-provided retail or resale arrangement.

RESALE

32. SWBT is also in full compliance with the requirements of the Act, the FCC Order and the FCC Rules with regard to products made available for resale. SWBT has offered all of the telecommunications services provided at retail for resale under terms and conditions that are reasonable and non-discriminatory. Furthermore, SWBT has not imposed any restrictions on the resale of its telecommunications services, except for state commission-approved cross class resale restrictions. Finally, SWBT provides these services in a non-discriminatory fashion to CLECs and SWBT end users alike.

Products Available for Resale

33. SWBT's offer to make all telecommunications services, provided at retail, available for resale is fully compliant with the terms of the checklist. AT&T attempts to twist the language of the CLEC contracts and the STC to imply