

trouble reporting and nothing unique was done for Ameritech's pay phone unit. In fact, AIIS has since installed the same capability at the premises of CCT, USN and Sprint.

84. MCI contends that Ameritech's repair and maintenance interface is flawed in that the Loop Maintenance Operating System ("LMOS"), which receives trouble tickets in the resale context, has fewer dedicated fields for receiving information than does the Work Force Administration ("WFA"), which receives trouble tickets in the access service context. (King Aff., ¶ 151). MCI suggests that its technicians will be unaware of these limitations and will therefore send information across the interface that will be "invisible" upon receipt at LMOS. (Id.) According to MCI, Ameritech technicians, because they access LMOS directly, will not have this problem. (Id.) MCI appears to be raising an issue of parity, but this issue is illusory. The limitations of LMOS, such as they are, are standard throughout the industry; LMOS software is used by all but one of the RBOCs. Moreover, as MCI admits, these limitations apply to Ameritech retail personnel as well. The fact that MCI raises this issue shows that it knows LMOS has a limited number of fields -- its technicians should not be caught off guard. Moreover, Ameritech's EBTA specifications explain how to make use of the available LMOS fields when sending information across the interface. Thus, MCI personnel will be on the same footing as Ameritech personnel in communicating with LMOS.

85. Sprint's complaints about the repair and maintenance interface are hypothetical and ultimately reduce to its standard refrain about the need for national standards. However, Sprint admits national specifications are still under development. In the interim, electronic interfaces are available. Whether Sprint wants to use them or not is a separate business decision for Sprint to make and it has no bearing on checkless compliance.

5. Billing

a. Double Billing

86. Several parties expressed concern about double-billing. (AT&T Comments, p. 24; Connolly Aff., ¶¶ 228-31; Bryant Aff., ¶ 13, 187-209; LCI Comments, p. 11; Charity Aff., ¶ 13). I discussed this issue and the steps Ameritech has taken to remedy the situation in my initial affidavit. Messrs. Gates and Thomas also address this issue, and confirm that Ameritech's efforts to resolve this problem have been successful. (Gates/Thomas Reply Aff., ¶¶ 70-75, Schedule 12). Ameritech has been far more responsive to this problem than the IXCs would lead the Commission to believe. Considerable labor hours have been devoted to clearing the "3E" backlog and implementing process changes that will prevent the potential for double-billing occurring in the future. However, to issue bill credits to customers, Ameritech, AT&T and MCI must compare their customer account billing data to identify which customers were double-billed and for what periods. For whatever reason, AT&T has not been forthcoming in this process. As I previously noted, moreover, most of these customers will prove to have been AT&T or MCI employees, not commercial accounts. In my initial affidavit, I outlined the steps Ameritech has taken to prevent any recurrence of this problem. (at ¶¶ 99-101). Since May 16, 1997, 421 bills have been held up to prevent double-billing.

87. The steps that Ameritech took to address the double billing problem are not merely plans but include tangible systems changes which have gone a long way to eliminate the double billing problem, when combined with the other manual procedures that we implemented. At the time this problem was identified, the single largest contributor to orders falling into 3E status was a FID, which is similar to a USOC but relates to product definition rather than

billing. The FID in question is denominated "CBRO", which provides automatic bill payment by direct withdrawals from customers' bank accounts. This FID is not resalable given that, in the resale context, Ameritech is no longer the billing carrier, so the FID has to be removed from any order coming from a CLEC. Originally, we were dropping these orders containing this FID into manual and deleting the line in the order with "CBRO" on it. In the billing system, however, this created a mismatch with the existing CSR, which caused the billing system to drop the order into 3E status. "CBRO" appeared on many orders especially in the residential context. The electronic fix that we implemented now takes care of these "CBRO" FIDs in a fully electronic manner. Up front in the MOR-TEL system, the line containing "CBRO" is deleted electronically. Then, when the order is in the billing system, a program called "MOD-X" fixes the order so there will not be any mismatch with the existing CSR. The upshot is that these orders containing "CBRO" remain in 3E status for one day. This electronic fix has substantially contributed to the elimination of the 3E backlog, which created the potential for double billing. Similar electronic fixes involving a front end change and the use of "MOD-X" in the billing system have been designed to prevent two orders containing USOCs related to 900/976 call-blocking from going into 3E status.

88. AT&T states that Ameritech has not yet issued refunds to any of AT&T's double-billed customers, and that Ameritech has gone so far as to suggest that AT&T assume responsibility. However, Ameritech has not asked AT&T to assume that responsibility. In fact, Ameritech is currently in the process of issuing refunds to these customers.

89. The following is a summary of our analysis to date of the double billing of AT&T customers:

- Analysis to date of AT&T orders includes 3,011 orders studied between 10/8/97 and 4/16/97, involving 1,402 customers who were candidates for double billing and 435 who were billed in error by Ameritech and not credited on the final bill. The total amount billed in error for these customers was \$4,567.21. Refunds are currently being processed for these customers.
- An additional 24,111 AT&T customers whose service orders were completed between 4/16/97 and 5/16/97 are being studied. Ameritech completed the implementation of measures to counter this double billing issue on May 16, 1997.

90. AT&T states that it has identified another situation that may cause double billing: this is a split area code. (Bryant Aff., ¶ 196). In a letter dated June 20, 1997, Ameritech asked AT&T to provide any additional information that AT&T has or may develop in the future identifying those customers that AT&T believes have been affected by this problem. To date, Ameritech has not received any information on customers affected due to area code splits from AT&T.

91. AT&T's complaints notwithstanding, Ameritech has worked diligently to identify customers who had been double-billed and to issue refunds and, in fact, Ameritech is currently in the process of refunding the erroneous bill payments to customers.

92. Contrary to AT&T's suggestion (Bryant Aff., ¶ 192), late 865s do not cause double billing. The opposite is the case and AT&T should be well aware of this fact. The double billing problem occurred when an 865 arrived too soon, causing the CLEC to bill an end user that Ameritech's billing system did not recognize as a CLEC customer. In the case of a late 865, by contrast, the situation that results is that the Ameritech billing system recognizes that the customer is no longer an Ameritech customer, but the CLEC is not aware of this fact because it has not received the 865. Thus, the potential here is not for double billing but for no billing at all. In other words, a loss of revenue for both local service providers and free

service for some short period for the end user could occur. While this may be an undesirable situation, it is obviously completely distinct from double billing and has none of the negative customer relation aspects that is associated with double billing.

b. Monthly and Daily Usage Billing Issues

93. MCI objects to the fact that daily usage feeds have been provided in the EMI rather than the EMR format (King Aff., ¶ 159). While it is true that the EMI format has been used, it contains the same data as EMR, in a different size record. We will work with MCI to resolve any concerns they have with respect to this issue.

94. Brooks contends that the billing tapes it receives do not constitute a mechanized interface. (Brooks Comments, p. 21). Files on tape are electronically stored. In any event, Brooks has the option of establishing a direct electronic link.

95. LCI asserts that usage data is being provided late. (LCI Comments, p. 13). However, LCI's assertion ignores Ameritech's performance improvement in this area. Furthermore, LCI fails to show that Ameritech's alleged shortcoming is service-affecting. LCI would prefer to receive usage within 2 days. That is more quickly than it is available to Ameritech retail. Usage is provided to LCI and other resellers as quickly as our retail operations get it.

C. Capacity Readiness

96. No party seriously questioned the electronic capacity of Ameritech's OSS interfaces. The ability of multiple users to access the preordering interface simultaneously was questioned, but, as I explained above, this is not a problem, given the scheduled installation this month of a back-up server, and the expected fine-tuning of the existing server, which may

double its capacity. Several parties questioned Ameritech's manual order processing capacity. (AT&T Comments, p. 24; Bryant Aff., ¶ 85; Brooks Comments, p. 21; LCI Comments, p. 18). Their arguments invariably rely on performance data arising from the extreme volume "spike" in April 1997, which I have discussed above. I would note that recently, with no reasonable advance notice, AT&T again sent thousands of orders, ostensibly in connection with a "promotion" for speed dialing. Despite the lack of notice, Ameritech processed these orders, over XXX in three days, without experiencing back-log problems, and with extremely low rates of order rejection and manual intervention. Messrs. Gates, Thomas and Mickens discuss the recent expansion of manual capacity.

IV. Conclusion

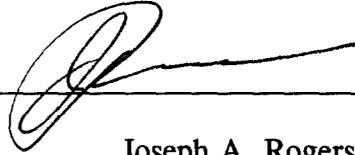
97. In my initial affidavit, I showed that: (1) Ameritech provides CLECs with the technical specifications they need in order to build to and utilize Ameritech's OSS interfaces, and also provides CLECs with detailed ordering guides and one-on-one support; (2) Ameritech's interfaces are operationally ready and provide CLECs with nondiscriminatory access to OSS functions, as shown by internal testing, carrier-to-carrier testing, and actual use; (3) Ameritech's interfaces have sufficient capacity to meet demand. These facts have now been confirmed by the MPSC (with certain qualifications as to performance measurements) and the Illinois 6/20 HEPO.

98. Moreover, as I have shown above, the record before this Commission also reaffirms my prior representations. For example, none of the commenters credibly challenge the sufficiency of the documentation and resources that Ameritech has developed and committed to ensure that CLECs can effectively access Ameritech's OSS. While many commenters do

contest the operational readiness of various aspects of Ameritech's OSS, these claims are belied by the carriers' significant and ever-increasing use of Ameritech's interfaces to successfully serve customers. Predictably, the CLECs take a "shotgun" approach and advance every possible issue, ignoring all of the progress that has been made to date, and, as the Illinois 6/20 HEPO observes, inflating every problem into "an unmitigated disaster." As I have outlined above, their claims are in many instances wrong, and the genuine problems that have been identified have all been resolved. Finally, no one has credibly challenged Ameritech's electronic capacity. And any claim that Ameritech lacked sufficient manual capacity, based on AT&T's unannounced volume spike in late April 1997, has been dispelled by more recent data. Ameritech's record on OSS merits a finding of checklist compliance.

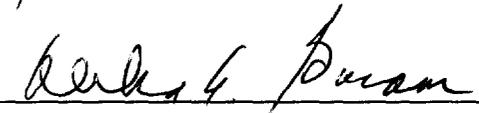
99. This concludes my affidavit.

I hereby swear, under penalty of perjury, that the foregoing is true and correct, to the best of my knowledge and belief.

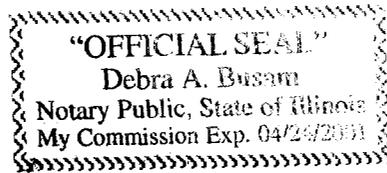


Joseph A. Rogers

Subscribed and sworn before me this 3rd of July, 1997.



Notary Public



My Commission expires: _____

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**This is a rough draft translation of the proceedings.
It is completed to the best ability of the transcriptionist and should not be
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**Any inaudible areas are recreated using notes and denoted through the
use of italics.**

**Any notations that are added by Preferred Intelligence, LLC, that do not
relate to the actual transcription are denoted in italics in parentheses.**

Meeting Start: 11:00 a.m.

Commission Chairperson Parrino joined the meeting by phone. Commissioners
Mettner and Eastman were in attendance.

EASTMAN: This will bring the open meeting for Thursday, April
3rd, 1997, *to order*. Could I have information on the minutes?

THE CLERK: On the minutes for Thursday, March 13th, on page
two, under Item 1 A, the word "deregulation" will be changed to "competition",
excuse me. The next paragraph will be changed to read "The Commission
determined the following guidelines should be used to determine when a market
can be deregulated." We're going to add a subparagraph six, which reads "The
Commission determined that the application of the guidelines will be evaluated in
the context of the specific facts."

**On Page 3, under subparagraph E, second to the bottom line, we're
going to delete the words, "on exception to the standard basis."**

**On Page 4, under subparagraph B after the words "certified", we're
going to put "or registered" And, after the words "certification", we're going to
put "or registration."**

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On Page 5, the second full paragraph, the third line down, we're going to delete the words "within six months of the implementation of the work group discussions".

On Page 7, after subparagraph three, we're going to delete the last part of that sentence and change it to read, "and noted that universal service in the context of the gas industry does not meet availability statewide".

On Page 10, subparagraph H, we're going to delete the first part of the second line, which reads "unless the LDC is providing terrible service".

And on Page 11, excuse me, subparagraph M, that'll be changed to read, "The commission determined that it was not in a position to unbundle LDC services, but it is an issue that needs to be reviewed."

Under 7-B, after however, we're going to add, "a properly designed pilot is still a possibility, and is not exclusively a work group issue."

And on the minutes for Tuesday, March 25th, under subparagraph 1, we're going to add on the third line, "specified in the WGC February 4, 1997, request".

And there are no other changes or corrections that I'm aware of.

COMMISSIONER PARRINO: I would then move for the adoption of the minutes of March 13th and March 22nd.

COMMISSIONER METTNER: I'll second.

COMMISSIONER EASTMAN: All those in favor say I.

COMMISSIONER METTNER: I.

COMMISSIONER PARRINO: I.

COMMISSIONER EASTMAN: Motion carried.

Could I have information on notices and orders.

THE CLERK: The commissioners have reviewed the proposed notice and orders and have indicated no objection to notice Number 1 and order Number 2 will be laid over.

COMMISSIONER PARRINO: I would move then for the adoption of notice Number 1.

COMMISSIONER METTNER: I'll second.

COMMISSIONER EASTMAN: All those in favor say I.

COMMISSIONER PARRINO: I.

COMMISSIONER METTNER: I.

COMMISSIONER EASTMAN: Motion carried. Okay, then could I have information on the agenda for today.

THE CLERK: The commissions have reviewed the agenda and there are no changes to the suggested minute for three and four and, there is no additional information on items six and seven.

COMMISSIONER PARRINO: I'd move then for the adoption of the

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suggested minutes for items three and four.

COMMISSIONER METTNER: I'll second.

COMMISSIONER EASTMAN: All those in favor signify by saying

I.

COMMISSIONER EASTMAN: I.

COMMISSIONER PARRINO: I.

COMMISSIONER EASTMAN: Okay, is there any miscellaneous business on the agenda.

THE CLERK: No miscellaneous business.

COMMISSIONER EASTMAN: Okay, then we move to Item Number five, Matters relating to the Satisfaction of Conditions for Offering InterLATA Service in Wisconsin.

COMMISSIONER PARRINO: Do you want me to lead off?

COMMISSIONER EASTMAN: Sure, Cheryl.

COMMISSIONER PARRINO: Maybe we should talk a little bit about how we wanted to approach this. I have at least laid out my thoughts and I've got five general categories, and I'll see if that's okay with you.

The first category would be what are the standards for review and working through those.

The second category would be what I call an analysis of the record and what did the record tell us about these issues.

Third, I would go to what I call findings. Is the operations system support tested and operational, and do competitors have nondiscriminatory access to the system and do CLECs have access to interface design specifications.

The fourth category I'd like to specifically address are the issues that Mr. Dawson raised in his oral arguments as well as what he called (*inaudible*).

And, the fifth, is any next steps.

Does that sound like an okay framework?

COMMISSIONER EASTMAN: That's fine with me.

COMMISSIONER METTNER: Yeah, I can work with that.

COMMISSIONER PARRINO: Okay, and it'd be my preference if we would at least try to take a break between each one of those sections.

As far as standards for review, (*This section references the Statement of Generally Available Terms and Conditions (SGAT)*). I first went to Section 252, Sub F, Sub 1, which talks about a Bell operating company's ability to file a statement of terms and conditions that such company generally offers within that state to comply with the requirements of Section 251 and the regulations thereunder. Section 252, Sub F, Sub 2, provided directions to the state commission with regard to approval, and that section says that a state commission may not approve such statement unless the statement complies with subsection D

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of this section, and Section 251, and the regulations thereunder.

Subsection G of Section 252 relates to pricing standards, which really does not apply in this particular circumstance, so Section 252 tells us that our standards are the requirements of Section 251 and the regulations, which are the FCC rules promulgated in response to Section 251.

If you go to Section 251 and look at Subsection C, Sub 3, it says that the duty is to provide nondiscriminatory access to network elements on an unbundled basis on rates, terms, and conditions, that are just and reasonable and nondiscriminatory.

And that the RBOC shall provide such unbundled *telecommunications* network in a manner that allows requesting carriers to combine such elements. So that's what Section 253 says with regard to an unbundled network and what it is. Section 251, Sub C, Sub 4 deals with resale, and it says with regard to resale that the RBOC is not to impose unreasonable or discriminatory conditions or limitations. So what Section 251 tells us is that there needs to be access to unbundled elements, that they need to be reasonable rates, terms, and conditions, and that it be nondiscriminatory. Resale is also access on a nondiscriminatory and reasonable basis.

If you go to the FCC rules, there are several findings that the commission made. (*This section refers to FCC Rules 96-325*). In Paragraph 516, they concluded that OSS falls squarely within the definition of a network element and, therefore, would be subject to the standards of Section 251, Sub C, Sub 3. In Paragraph 517, they conclude that OSS functions are subject to the nondiscriminatory access duty imposed by Section 251, C, 3 and the duty imposed in Section 251, C, 4. In Paragraph 518, it states that if competing carriers are unable to perform functions of preordering, ordering, provisioning, maintenance, and repair and billing for network elements and resale services in substantially the same manner, competing carriers will be severely disadvantaged.

In Paragraph 523, the FCC says that the RBOC must provide nondiscriminatory access to the OSS, which means preordering, order, provisioning, maintenance, and repair and billing. To the extent that the company has access and to the extent the incumbent has access to information during customer contacts, that same ability must be provided to competing carriers.

Finally, Paragraph 525 says the commission concludes that in order to comply fully with this section, meaning Section 251, there must be nondiscriminatory access to the operating system support.

COMMISSIONER PARRINO: In the second order on reconsideration, the commission in Paragraph 13 declined to wait for financial standards to be developed. In paragraphs 9 and 11, they reaffirmed the commitment that nondiscriminatory access to the OSS is a critical component and that such access must be at least equivalent or equal to the access the incumbent

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provides itself.

In Paragraph 8, the commission found that the RBOC must establish and make known to requesting carriers the interface design specifications that the incumbent LEC will use. Information regarding interface design specifications is critical.

Finally in our order and notice we found that they need to comply with Section 251 and in the notice we ask the question -- Are Ameritech's operational support services tested and operational?

So for me, the critical issues are under Section 251, the FCC rules, and under our notice and previous order. Is there access to the defined functions, is the access nondiscriminatory, and do CLECs have access to the design specifications and information that they need? Those I find are the standards under which I will be evaluating whether the system is operational.

COMMISSIONER EASTMAN: I'd agree, I think you've set forth the federal and state provisions very, very clearly.

COMMISSIONER METTNER: I agree, too. The only thing on my analysis is virtually identical, I agree with the statutory standards and the FCC rules that you'd addressed. I'd only add I guess for purposes of theme the sentence left off at the end of section 518. After you indicated that the competing carriers have to have access for resale service to those OSS subcomponents, you identified in substantially the same manner that any incumbent has for itself. There is a sentence following the completion of that sentence which reads, "Thus providing nondiscriminatory access to these support systems functions, which will include access to the information (*inaudible*). That's going to be a theme that I'll probably return to a couple different times today.

COMMISSIONER PARRINO: The second category would be what did we learn from our two days of hearing, and what is the record that's before us. And, I think Glenn Kelley laid out for me a very good way of analyzing the record, and that is to look at the cases that Ameritech presented, in that it was their burden to show that the OSS was operational, nondiscriminatory, and that carriers had access to the interface defined specifications.

Ameritech presented one witness in this case and that was Mr. Rogers. He did present to us that the system was operational, and it was fully tested, and the basis for that statement that all components were operational was a reliance on the statements from employees responsible for each of the component subparts.

He did not review specific analysis or tests for individual various components, and he did not review a trend analysis.

He did not have specific knowledge of information that was included in Exhibits 4, 6, and 7, which were various trouble logs that were presented as a result of the staff data request and were presented as exhibits by AT&T in

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cross-examination of Mr. Rogers.

He did not know, again, the specific data regarding the out-of-order processing, the reason why some orders were rejected, the manual processing, or the reason for rejection. He did not know for those orders that were *pending*, what actually had occurred since the date of the log.

It was disclosed that there is a problem with 865, which we learned is order confirmation. We learned that a competing carrier as of this point is not notified that the order has been completed and that the customer has actually been transferred from an ILEC to the CLEC, and that this was a problem. Mr. Rogers also recognized that there was something called an 850 problem, which was as I recall, a problem when there's a change notice or some sort of change and that there's an inability to be notified on that change.

He did not know when these two problems or the handful of problems associated with these issues would be fixed.

Even though he identified that it was serious -- even though this was serious, the people under him still told him, advised him, that the system was fully operational.

We also found out through the cross-examination of Mr. Rogers that there is a potential double billing problem and that it could exist, but that he did not have time to fully investigate it.

I also learned that unbundled loops as of this point in time are processed essentially a hundred percent manually and his estimate of when that might change was June and that it was dependent on (*inaudible*). He also provided us with some of the most recent information with regard to preordering and ordering. Questions demonstrated that things had improved significantly.

76 percent of orders were handled electronically and the rejection rate was down to 5 percent.

We did not get any specific information on the testing that was done on the maintenance and repair systems, at least with regard to how it would work for local services. He could not say when the 1P problem would be fixed, and he acknowledged that the 1P problem was an Ameritech problem.

We also learned that with regard to the 865 problem, which is confirmation that an order has been completed, that the problem was given a priority three rating by his staff, and that it really should have been a priority one because it was customer-impacting and very serious. And, again, with regard to 865, we do not know when that will be resolved.

He told us with regard to discrimination that the systems were designed to be nondiscriminatory, that the design of the system was such that -- or designed in a way that a competitor could access it in the same way that Ameritech accessed it. But when I asked whether or not there had been any test or whether there was any information to show, in fact, that it performed equivalently or equal,

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there was no actual information on performance to show that, in fact, it would perform in a nondiscriminatory manner.

There were two exhibits presented by Mr. Rogers. The first one was with regard to capacity, and what that showed me is that it does look like they're doing a very good job of preparing to handle the capacity as it comes on line, even though they have not gotten information from all of the providers.

The second exhibit that was presented by Mr. Rogers was a testing-for-order functioning between AT&T and Ameritech for the period from October 7, 1996, to November 26, 1996, and what that showed us was that 67 orders were processed. About 67 percent of those were processed manually. Ninety orders were rejected, but only three of those orders were rejected because of a fault with the Ameritech system.

Then I turned to again Ameritech's admitted additional information to us, not in the record in this case, but in their filing they submitted under Exhibit 3. Again, AT&T presented that information to us as an exhibit in cross-examination of Mr. Rogers. That showed information through February 21, 1997.

What this showed us is that the error rates and order of rejection are pretty similar to the information that was presented by AT&T under Exhibit 2.

It does show a couple of trends although the data is not that good. It shows the requests processed are going up, and it shows us that Ameritech is meeting due dates about 90 to 100 percent of the time. But again, (*inaudible*) mentions that that's not an accurate account of due dates because it does not count orders that continue to be pending.

With regard to *Ann Wiecki*' testimony (*this was somewhat inaudible, we believe Parrino was referencing Wiecki's testimony*), she put before us that statistically, manual processing has a statistically significant likelihood of not meeting due dates, as well as something that is processed electronically. Again, she said the due dates met are overstated because they do not count pending orders.

She also told us that *USOC* are not available or even created for unbundled network elements and that no significant testing has been done on some of the components. Again, the best trend analysis that we have in this record is that presented in Exhibit 26 by *Ann Wiecki*. Again it shows us that some serious significant problems occurred on February 8th and there is an increase in pending orders that show up on February 22nd.

It also shows that there is significant manual processing that continues even as of the latest day that we have on that exhibit.

Mr. Connolly told us that trends were very important, and the only trending information we have is in Exhibit 26 presented by *Miss Wiecki*, and

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Exhibit 3, which was introduced by AT&T, but prepared by Ameritech.

Mr. Connolly talked about the difficulty of ordering bundled elements and the impossibility of ordering bundled elements. We also found out from this witness that Ameritech knew about the 865 problem as early as the first week of February. He said that there were still major problems, and that they were not able to get information on why things continued to be processed manually and he cited a letter from an Ameritech employee saying that it was not important in his bottom line analysis and whether or not the system was tested and operational.

Ms. Miller was also concerned about the amount of manual processing and stressed that it did not meet the equivalency or nondiscriminatory test.

She also raised the potential about billing problems, one being that there's a potential that customers will be double billed, and Ameritech was not able to assure us that that would not happen.

She also talked about *SOCs (USOCs or SOC)* not being available and the difficulty with identifying or certifying which *SOCs (USOCs or SOC)* were to be used for what. She also mentioned circular hunting for small business customers was not available, and that initially MCI was billed for features that were not ordered. She also talked about the problems with no confirmation that the customer had actually been transferred.

Mr. (*Inaudible*) talked about the need for the system to go through changes and that the value has got to be greater than the cost of the change and people need to know when changes occur, what those changes are, and what specifications have been changed. And, there needs to be a plan for these changes.

Finally, I go back to our second witness, who was Mr. Parrish. He is a CLEC who is currently using the Ameritech system. He is using only CRS electronically because his business plan is such that he goes out to work with small business customers first, and actually does that, and then uses the on-line service. He has not tested on-line due dates or telephone number ordering.

He also mentioned that he had a problem with billing at first, but that those things have cleared up.

Mr. Parrish also mentioned, although the other competing electric witnesses suggested that the difference between manual and electronic processing mattered to CLECs, it did not matter to Mr. Parrish. The thing that was paramount to him was that the orders were prepared on time, and that the due dates that he was given were met.

So that's kind of a summary I believe of what we heard over the last two days.

COMMISSIONER EASTMAN: Okay, I concur with your summary.

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I would point out that the record was somewhat thin on comparable data for the experiences of the CLECs versus the ILEC, and it would have been helpful to have a bit more data to compare internal and external results. But, your analysis of the facts are certainly quite accurate.

COMMISSIONER METTNER: I would agree. As a matter of fact, I would only add a couple different things that came out under testimony. I'll focus first on what isn't in the record. I'll concur with what Dan said that there is no record evidence concerning the experience during identical time periods presented by the exhibits, such as 5, 6, and 7, and I think Exhibit 26, that relates to the experience of Ameritech's own retail customers.

And, I can make my conclusion as to what that tells me later on. I'd also note that there is no record evidence of the testing of several OSS subcomponents, including maintenance, repair, and billing. I don't see any indication that the witness, Mr. Rogers, under redirect questioning by Mr. Dawson, attempted to resolve this by saying -- that there was no reason to believe that those systems did not test out well or weren't operational -- which I would regard of limited usefulness.

(Mettner was speaking quite rapidly during this section and we caught as much of his conversation as possible). But I also believe that Ann Wiecki's Exhibit 26 indicates that unpredictability of the kinds of errors that are coming up over time. Others identified the 865 and the 1P errors and those types of things. Cheryl's analysis stated many of the errors and difficulties. Also there were problems indicated on the 865 issue on the cross-examination of Mr. Rogers. I think this was observed by Mr. Hughes in oral argument. I had to conclude that the system was not operational with those types of errors and those types of difficulties.

I'd also observe confirmations that we had an exhibit I think attached to Mr. Connolly's prefiled testimony, it was identified in the course of the examination, and that was in a letter I believe I might have the recipient and sender wrong here, I have it was to Mr. Carrdella *(not sure of name)* and it indicated that in a response to request for data and data specification there was, in the view of the company, no benefit to expending resources in matters that were purely internal to Ameritech. I found that letter to be a very telling exhibit. Give me a second.

I would note also that the preorder and ordering statistics of 76 percent electronic processing was also accompanied by I believe a peak performance statistic of 85 percent, but note that those only related to two subcomponents of the larger realm of the OSS. And, that is, only preordering and ordering. I think you identified that, Cheryl, but I wanted to be clear. That's all I have to add.

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COMMISSIONER PARRINO: Then what I would suggest that we talk about is whether or not Ameritech has met its burden of showing that the system is tested and operational, that it's nondiscriminatory, and that CLECs have access to interface defined specifications.

In regard to the tested and operational issue, I would find that they have not met that test. Simply having people say it's so without any concrete information or demonstration makes it difficult for me to make that finding.

Looking at the breadth of the information that was presented with regard to preordering and ordering, I find that there are still major problems and major problems that are Ameritech's, not just the CLECs.

On the 865 problem with the 850, I think another concern is the percent of orders and the preordering that was filled out manually. There was no trending information, again both Mr. (*inaudible*) and Mr. Connolly said that trending would be significantly -- in theory, important information for the commission and there was no trending information provided by Ameritech.

The trending information that was provided by *Ann Wiecki* certainly showed that new problems are creeping up or occurring, and that the system is not stable, predictable, or reliable, and there was no full testing data that was presented in this record by Ameritech.

With regard to provisioning, there was very little testimony that specifically dealt with that particular parameter.

So I have a hard time finding that the subcomponents are tested or operational.

With regard to maintenance and repair, again, the information that we have is that carriers are not yet using this because of their business plan, not Ameritech's fault. It is too expensive at this point in time given the number of customers that would implement and interface it and use it electronically, but we did not have any testing information either. What we had in the record was that Ameritech was sure that it would work because it was the same system that was used for access, but I believe that in the record that it was demonstrated that local service is different than access, and we have no testing information for how it will perform or operate for local service.

With regard to billing, I would find that that is not tested or operational either. My biggest concern is the double billing issue. I think the rest, the balance of the record, shows that there were initial billing problems, but they're getting better and are being identified.

With regard to nondiscriminatory equivalent or equal access as required under Section 251, I would find that the system is designed based on the evidence or the testimony from *Bell Power* in Exhibit 3 as well as the testimony of Mr. Rogers and the statements of Mr. Dawson that the system is designed to offer nondiscriminatory access.

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Where the record falls short, (*inaudible*) is that the record is void of any actual comparison that it works in a manner in which it was designed.

A good example of this I think is, I can't remember whose testimony cited this but if an order has remarks on it, and CLECs ranks remarks, that order is processed in a different manner than an order from Ameritech that a customer service rep writes remarks on. I have a specific example of where it is not equal or equivalent.

Other examples came with regard to what components are available for electronic access, and we found or we heard that CENTREX is essentially manual, that there is still a significant amount of ordering and preordering that's forced to be manual for CLECs. And, again, if you can't have the same ability when your customers' on line to access information that Ameritech has, I find that that is discriminatory and a disadvantage. We also found that unbundled network elements are not likely to be fully electronic until possibly June.

With regard to access interdesign specifications, Ameritech has made everything that has been completed available to the competitors, and has worked hard I think to explain how those features work, and work through any problems that occur as a result of those changes, but what we also have in the record that there are not *USOCs* or that they had not even been created for unbundled network elements and that there still is a difficulty since network elements are ordered using two systems, the EDI and ASR. If a company wanted to combine network elements, there is no mechanism for combining, so I would find that Ameritech has not met the standard for technical operational and that they have not met the nondiscriminatory standard because CLECs do not have access to all the interface design specifications that are necessary.

COMMISSIONER EASTMAN: I agree with your analysis in general, but I have some individual points that I'd like to stress.

After hearing the testimony and reading the record, I've concluded that it's my view that the system is operational to a degree, but that it does not yet appear to be fully tested, and that there are some obvious shortcomings which I sense that we are seeing "work in progress" with respect to developing the system. And, as Peter from staff pointed out, migration from one system to another is hard enough, but new system development is harder still, and I think these projects take time, and we've been certainly on a regulatory fast track.

My general impression was that Ameritech is working diligently to make this system open and available. There are glitches, there are some bugs, and they were defined in the hearing. The CLECs have indeed taken the opportunity to make attempts to develop systems to interact with the operating system, but it's too soon and it's too early because we're not in an "end state." We're looking at "work in progress", and we're seeing situations that I don't necessarily know if it's nondiscriminatory, but I think we're just not there yet, and therefore, I'm not able

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to determine if under the standards that are required, that it's fully tested and operational.

We have things that companies are going to have to continue working on to make progress so that the system falls finally within acceptable parameters.

I also point out that there is no comparable data and no trending information other than Exhibit 26 which does demonstrate some unpredictable results in that problems that are happening now weren't happening before. It's not clear whether three months of problems will evolve, and my sense is that even through you develop a system that is supposed to operate automatically, that additional situations will evolve.

The problem is trying to find some balance between the ability of Ameritech to develop a system that meets the criteria under the federal statutes, and at the same time, allow that to happen, while at the same time, protect the public by consistently moving forward to a point where the electronic system will be up and running.

At this point, I am not able to make a determination that it is in fact up and running, but I think we're a lot closer than we were and I was optimistic that progress has been made. So as far as specifications being available, I think the specifications or the basic services are available, but again there's a learning curve that was brought out in testimony that not only Ameritech, but the CLECs are *diligently struggling* to develop a system. It seems to be a reasonable attempt on both sides to make that happen.

(Mettner was again speaking quite rapidly throughout this section making it difficult to capture the entire conversation)

COMMISSIONER METTNER: I would agree with what both of you have said in this discussion of the three elements of finding the test is operational, access or nondiscriminatory access, and then the provision of design specifications as needed. With respect to the first item, the record is incomplete that *(inaudible - talking to fast throughout this section)* show that the subcomponents of the OSS have been tested; it's simply void in certain areas.

With respect to maintenance repair billing, and I believe Cheryl you indicated with respect to provisioning, there's little testimony -- certainly not enough upon which to base a finding. With respect to the operational nature and operational readiness of the system, I, too, find that there is limited operational capability, but with significant flaws that given the absence of a record either on trending or an analysis of the -- for example, the number of errors, the number of rejections, the number and consequence of manual -- and I won't say manual processing, but manual intervention, I think Mr. Dawson has made a good argument that manual intervention is how it deals with *specific circumstances*.

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The only problem where that is given is in (*inaudible*) exhibit and I find that the increased time delays caused by manual intervention and particularly with respect to the amount of orders that are spiking in from the most recent data available as pending orders for which they seem to be on some sort of status position phenomenon, that manual intervention or increased incidence of it, creates an inference for me, given the absence of swear bull data to convince me otherwise, that these systems to the extent they are operational, have been demonstrated to be so, are not so. Insubstantially, the same time emphasize under score time and manner that an incumbent can itself provide those services.

And when we get to our next step discussions, I'm going to have a few comments about what I think that *portrays* for our next view of this item which surely we will take another look at it.

As to the other operational issues of the other OSS and the billing. I think that there's very little data on provisioning and maintenance and requirements of the operational systems, Ameritech itself had said that because some of these components are too expensive for the CLECs to access at their current stage of development, that it is unclear, I mean, there is -- based on the comments, no record that's been made of the operational features of it.

Ameritech even tended by its cross-examination of Mr. Rogers, and I mentioned this earlier, and added to the my analysis of the record, if I ask again, is there any reason to believe that these systems are not operational, I think this is their way of getting at what they believe is a fairly minimal burden of demonstrating *equal* access to the system, and I think that that's an attempt to shift a burden of destruction to the competing local exchange carrier, and I think that is improper.

I think that *Ameritech* has an affirmative burden to make certain that each subcomponent of OSS is tested and is operational by whatever data, either live-time, or by a simulation, which developed with the cooperation of other parties, indicates the capability of sufficient competitive volume, live-time type experience with the systems, and there is simply no record of that.

The discriminatory access, again because there is no comparative data or trending comparative data for identical time periods, makes it impossible to know whether the access provided is discriminatory or not. We simply don't have a record that permits the ability to make a finding.

Under design specifications needed, I'll reiterate what both of you said about USOC problems, as well as the ongoing problems and changing upgrades of the system. I respect that Ameritech has to keep addressing system changes in order to correct the problems that have been identified for them. It seems to me, though, that the letter to *Miss Henfell* as well as the observations made by *Miss Marsh* in Exhibit 6 was only able to *be offered under regulatory process*; it was not forthcoming given to the competing local exchange change carriers in spite of

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a record that they are asking for that type of information. I find that extraordinary.

I think that there is enough in the record to indicate that there is not full cooperation in relating that information as needed by the other parties. I don't think that this can be done to the better service of competition by handing over *information* only when regulatory processes got invoked or when the question is asked "just so." I don't think that that's either fair or promotional to competition.

I would just add maybe a couple editorial remarks. A very rigorous scrutiny of the record and a *rig rugs* application of these standards to Ameritech is not something being done to Ameritech to preclude them, for no particular reason, from getting into the long-distance market. I think that we have an obligation to exercise (*inaudible*) in the capital approval process because it is basically the key regulatory authority we hold to make sure that there is substantial progress toward local *competition* by making sure that the OSS systems are tested and operational. Among other things, that there is nondiscriminatory access to the systems and that the CLECs get the information they need on design specifications so that their input doesn't have an increased amount of errors because of the incompatibility of the input or its yields with the *error-tech* system. This is our duty not just to the CLECs so that they can get into competition, but to the general public at large.

I think there's substantial experience in the more "hiccup" phases of the long distance industry becoming competitive that indicate that if you do get double billed, or if you don't have access to a similar maintenance and repair system that's available to the incumbent, and some of the other problems that were identified, you have *a delay in getting* a new known number due dates are uncertain or remiss and *the problems are* ongoing. *This is all we're doing if we approve* by some rubber stamp action

We're merely creating an opportunity and an environment in which the *outlines the jurisdiction or* level of services they're getting. Our obligation to apply these standards of rigger to *Ameritech*. I'll discuss in our next steps our discussion of what I think ought to be done in the future and how we ought to approach this.

COMMISSIONER PARRINO: The next category I have is, I do want to specifically go through the points that Mr. Dawson made in his oral argument because it gives me the ability of (*inaudible*) that you both made, so this will be recreation I think of some of both your points.

COMMISSIONER EASTMAN: Cheryl, can I interrupt session for a minute.

COMMISSIONER PARRINO: Sure.

COMMISSIONER EASTMAN: I want to make a comment about one of Joe's comments about (*inaudible*) that were put out and while her point was well-taken I was concerned that that was a static snapshot of results as of a certain

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time, and it seemed that those were two months old and a very short time horizon. If we were to look at the April 3rd data today, how much different would it be compared to what we had two months ago and I didn't review that as so much reluctant to *(inaudible)* is that information, *(inaudible)*. We've been working for six *weeks* on a system past those dates that show those errors.

COMMISSIONER METTNER: You may have a point. I guess the point I would make is that type of information, the kinds of information that we were only allowed to see for the *(inaudible - speaking too rapidly)* are reasons why we wouldn't see it, but there was an expression from the participation that they believe that this type of material ought to be forth coming on an ongoing basis, and I think it's precisely that kind information that the CLECs need, absent Ameritech having a candid conversations on matters they believe to be internal -- or have only internal relevance. Access to that kind of information on a continuing *basis* by the CLECs is necessary for them not only to evaluate their own progress, but to evaluate whether they're being fairly dealt with by the incumbent. So you may be right that the exhibit is of limited usefulness for operational evaluation, but it's more the access information I guess which concerns me.

COMMISSIONER EASTMAN: You go for *real time* satisfaction to the information rather than a paper exhibit two months late.

COMMISSIONER METTNER: I can't say real time access, but perhaps the paper exhibits themselves. I'm not sure that it was known that there was a resale problem this long for example without having the regulatory process like our hearing circumstance to go through which would necessitate some sort of discovery, informal or otherwise, and then low and behold *(inaudible)* there's enough to find if Ameritech is affirmatively misleading. But, I don't think there's a record that *shows Ameritech was* completely forth coming about the availability of the information. Now we know. And I think people know more what to ask as time goes on. I'll address it in the next steps, but you make a good point about the relevance.

COMMISSIONER EASTMAN: Thank you Cheryl.

COMMISSIONER PARRINO: Okay, and I'll come back to some of those points.

Mr. Dawson made the point that no system will ever be perfect and I absolutely agree, and I can't remember whether it was Dan or Joe that said we're not expecting a system to be *error-free*. I think that there will never be a *perfect system*, some things will continue to be processed manually. I think the critical thing is predictability and reliability, and some standardization, and knowing what level we're talking about.

The second point he made is there will never be a good interface unless both people really want it, and then I also agree with that comment.

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I think both of you -- or as I recall at least Dan, made the comment that Ameritech has been working very hard to get this system up and running. We're talking about a brand new computer system, and the ability for someone else to access programs that have been in place and Ameritech has been using for several years. This is not an easy task when you're designing a new system, and at least the information I get at the national level is, if you look at what's being done by all of the RBOCs, Ameritech is working harder and has a system that functions much better than any other RBOC in the country.

I also would find that the CLECs are working very hard on some of the testing and information and the analysis that was presented by the CLECs in this case. I thought it was extremely valuable, but yet I recognize that there is a tension -- that there is an incentive for Ameritech to say that it's working, maybe a little bit earlier than it is, and there's also an incentive for a CLEC to say that it's not working and Ameritech cannot get into the long distance business. I think we need to be careful about that.

Mr. Dawson also made the comment that if Ameritech cannot force people to compete, and I think that was an extremely valid point, then that will play into how I look at what's the standard or what are the next steps, because Ameritech is not the person deciding whether or not a competitor comes into a new market. That is completely within the control of AT&T, MCI, and others, and which markets they'll hit first, second, or third.

Mr. Dawson also made some statements that the electronics route are in-place, he talked about that. I did not agree; they are not in place. To the extent that the manual percentage is still very high, they're not in place for CENTREX or for unbundled loops. He made the comment that there is nondiscriminatory access. Again, I believe we've made a finding and made several points to show that there is not nondiscriminatory access.

He made a comment that the competitors used the same paths as Ameritech. Again, the testimony with regard to how orders *are processed* points that there are indeed different tasks that are an important criteria here and the fact that "*more tell*" is critically important to competitors, but not to Ameritech.

With regard to system changes, I agree that there will always be system changes. The critical thing is to provide the information to the competitors on when the changes are going to occur and what the specifications are to deal with the changes and to have a plan for migration.

With regard to Mr. Dawson, he raised a number of issues (inaudible). He declared that the Michigan commission has said that the system is working. I went back and I looked at the Michigan order and what the Michigan commission said. They do not make a finding that I can find that says that the system is tested, operational, nondiscriminatory, or that competitors have access. What Michigan said in their order is, it appears that Ameritech Michigan is providing OSS that