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EX PARTE OR LATE FILED

February 26, 1998

**NOTICE OF EX PARTE PRESENTATION**

RECEIVED

FEB 26 1998

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
1919 M Street, NW  
Washington, DC 20554

Re: *In the Matter of Application by 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*

Dear Ms. Salas:

Please be advised that yesterday Paul Mancini, W.C. (Bill) Deere, David Clippard, Gary Fleming, Curt Hopfinger, Sally Swan, and the undersigned, representing SBC Communications Inc., met with Carol E. Matthey, Michael H. Pryor, Jonathan Askin, Eric Bash, Patrick Forster, Marian Gordon, Andre Rausch, Gayle Radley Teicher, and Jeannie Su of the Commission's staff in connection with the above-referenced proceeding. The purpose of the meeting was to discuss SBC's "checklist" compliance with respect to access to call-related databases and signaling systems and interim and long-term number portability.

During the meeting, we provided the attached document that surveys the status of local exchange competition in SBC's operating region.

Should you have any questions concerning the foregoing, do not hesitate to contact me. In accordance with the Commission's rules, an original and one copy of this notification are submitted herewith.

Very truly yours,

Attachment

cc: Carol E. Matthey, Michael H. Pryor, Jonathan Askin, Eric Bash, Patrick Forster, Marian Gordon, Andre Rausch, Gayle Radley Teicher, Jeannie Su

No. of Copies rec'd 021  
List ABOVE

## **SBC'S SUCCESS IN OPENING ITS LOCAL MARKETS: SIGNIFICANT LOCAL COMPETITION EXISTS AND IS GROWING**

### **February 1998 Report**

SBC (Southwestern Bell Telephone, Pacific Bell and Nevada Bell) has dedicated significant resources and investment to open its markets to local competition and to comply with all requirements contained in the 1996 Telecommunications Act. As described in detail below, SBC has made available products, services and systems required by Section 251 and the competitive checklist of the 1996 Act, and competitive local exchange carriers ("CLECs") have ordered and are actually using these checklist services and products to provide local service in all seven SBC states. As a result of SBC's compliance efforts, CLECs now have everything they need to compete against SBC and can use resale, interconnection or unbundled network elements to compete for and take SBC customers.

### **SBC's Capital and Expense Investments To Open Its Markets**

- Since the passage of the 1996 Act on February 6, 1996; SBC has devoted significant financial, technical and personnel resources to implement the market- and network-opening requirements of Sections 251 and 252 of the Act. SBC has spent approximately \$1 billion implementing the Act and opening its local markets to competition— including but not limited to equipment, computer hardware and software and manpower. By the end of 1998, SBC estimates that it will have spent a total of \$1.5 billion making certain it meets the requirements of the Act.
- Of the \$1 billion SBC has spent opening its local markets since the 1996 Act was passed, approximately \$400 million alone has been devoted to implementation of long-term number portability. Approximately \$600 million has also been spent on expense and capital costs incurred to make extensive changes and modifications to SBC's trunking networks in order to accommodate present and anticipated future CLEC traffic flows (e.g., tandem trunking, facility interconnection, customized routing, Access7, originating line number screening, unbundled network elements etc.) SBC has also devoted significant resources to develop and implement various forms of access to SBC's operations support systems ("OSS") to provide CLECs with access to SBC's pre-ordering, ordering, provisioning, repair & maintenance and billing systems. Finally, SBC has established and staffed four Local Service Centers to act as a single point of CLEC contact for the ordering and provisioning of interconnection facilities, resold services and unbundled elements.

### **Number of Employees**

- More than 3,400 employees or contract staff in SWBT, Pacific Bell and Nevada Bell have been dedicated to implementing the market-opening requirements contained in the 1996 Act, including staffing SBC's four local service centers in Anaheim, Dallas, Fort Worth and San Francisco which handle and process CLEC orders.

### Interconnection Agreements

- Signed Agreements: SBC and CLECs have signed 264 interconnection and resale agreements within SBC's seven-state service area.
- PUC Approved Agreements: The various state commissions have approved more than 210 SBC-CLEC interconnection and resale agreements. These approved agreements give the CLECs everything they say they need to provide local services and compete against SBC. There are a large number of approved agreements in each of SBC's states: Texas: 87; California: 27; Kansas: 24; Arkansas: 20; Oklahoma: 18; Missouri: 22 and Nevada: 13 approved agreements.
- Current Negotiations: SBC currently is in the process of negotiating more than 350 additional interconnection and resale agreements.

### CLECs Competing Against SBC

- As of the end of January 1998 more than 160 CLECs were operational in SBC's territory and passing resale, interconnection or UNE orders to SBC. Over 80 CLECs were passing orders in Texas alone.

### SBC Access Lines Lost to CLECs

- Through the end of January 1998, approximately 600,000 access lines have been lost to CLECs through resale or through the establishment of new facilities-based service by CLECs in SBC's seven-state service area. Approximately 550,000 SBC lines have been resold by CLECs and more than 47,000 additional existing lines are being served on a facilities-basis by CLECs in SBC's territory. The approximate breakdown of SBC resold lines lost to CLECs by state is as follows:

	<u>Total</u>	<u>Residential</u>	<u>Business</u>	<u>Priv. Coin</u>
a) California:	259,000	147,000	105,000	6,700
b) Texas:	227,000	176,000	40,000	11,000
c) Kansas:	32,500	15,000	17,000	0
d) Oklahoma:	10,800	8,800	1,900	9
e) Arkansas:	9,700	8,400	1,200	0
f) Missouri	6,000	1,500	4,500	0
g) Nevada	3,200	680	2,500	0
SBC 7 STATES:	549,000	359,000	172,000	18,100

- Resale activity is significant and had been escalating dramatically in SBC's territory. In the 24 months since the Act passed, SBC has lost approximately 550,000 lines to resale competition alone. More than 250,000 resale lines were lost in the last 5 months alone (from September through January)-with CLECs capturing an average of 50,000 resold lines from SBC in each of those months. Hence, CLECs have captured more than 45 percent of their total resold lines from SBC since September 1997. Resale activity (approximately 34,000 lines lost) was lower in January, 1998, but this situation was primarily the result of decisions by AT&T and MCI to de-emphasize their residential resale activities. Nevertheless, even if the major IXCs chose for their own internal business reasons not to take advantage of the residential resale option made available to them by SBC, there can be no dispute that SBC has met its obligations under the Act to make resale available to competitors. The figures listed above demonstrate that SBC has made available to CLECs all the systems and services they need to compete on a resale basis in each of SBC's states.

#### Interim Number Portability—One Indicator of Facilities-Based Competition

- More than 47,300 existing numbers have been ported via interim number portability by SBC for CLEC use in its seven states. Each of the numbers ported represents conversion of an existing line from SBC to a facilities-based CLEC provider. Hence, in addition to the 550,000 access lines that have been lost to CLECs through resale, at least 47,300 additional existing lines have been lost by SBC to facilities-based carriers. It should be noted, however, that lines do not have to be ported when CLECs serve new lines/customers on a facilities-basis and that SBC has no precise method for determining exactly how many additional lines or customers are being served by facilities-based providers in its seven states.

#### CLEC Orders Handled by SBC's OSS and Local Service Centers

- Since the 1996 Act passed, SBC's OSS and Local Service Center personnel have handled more than 1.44 million service orders from CLECs to order resold or second lines for their customers, change or add vertical services etc. Over 875,000 orders from CLECs have been processed in the SWBT five-state region and more than 560,000 orders in California/Nevada. The fact that SWBT processed more than 730,000 orders in 1997, and an additional 107,000 orders in January 1998 alone, without a backlog is strong evidence that SWBT has developed state-of-the-art OSS and that these systems are being used by CLECs to compete in the local market against SWBT.
- SBC also demonstrated in Texas that its OSS (which is the same system used in all five SWBT states) can handle large increases in volumes from CLECs. Over 760,000 CLEC service orders in Texas have been processed, with almost 90,000 orders processed in January 1998. SWBT's OSS and LSC have handled the increased volume of resold access lines and service orders without experiencing a backlog.

### FACILITIES-BASED COMPETITION STATUS:

The following facts and figures demonstrate that SBC has opened its local markets to competition and that SBC is providing CLECs with the facilities they request from SBC in order to compete on a facilities-basis in the local exchange market.

#### Facilities-Based Competition Activity

- As described above, more than 47,000 existing lines have been ported via interim number portability by facilities-based competitors. This is one indicator of facilities-based competition that has occurred in SBC's seven states, but it underestimates the actual amount of facilities-based competition that has occurred. To illustrate, 37 existing residential lines have been ported in Texas, but CLECs have requested E-911 service for more than 2,250 residential customers in Texas from their own NXX Codes which were assigned to them to provide facilities-based service.
- CLECs currently are providing facilities-based local service to business customers in all seven SBC states.
- SBC is making available to CLECs through PUC-approved interconnection agreements and its new and modified systems and networks, all products, services and systems that CLECs need to provide facilities-based or UNE-based local service to residential and business customers.

#### UNEs, Interconnection and Other Facilities-Based Products Provided By SBC to CLECs

- SBC has provisioned approximately 200,000 one-and two-way interconnection trunks to CLECs in SBC's seven-state service area. These trunks allow CLECs to connect their networks and customers to SWBT's network. 120,000 of these trunks were provisioned in California and 75,000 interconnection trunks were provided to CLECs in the SWBT five-state region.
- More than 36,000 unbundled loops have been provisioned by SBC to CLECs in SBC's seven states. More than 330 unbundled switch ports have been requested by and provided to CLECs by SBC.
- CLECs have requested and SBC has provisioned 457 operational E-911 trunks to CLECs in SBC's seven-state service area. Of this number, 356 are located in California and about 100 are in SWBT states.
- More than 530 Directory/Operator Assistance trunks have been provisioned by SWBT to CLECs in the five SWBT states.

#### CLEC Collocation Arrangements

- More than 320 physical collocation arrangements are operational in SBC's seven-state service area -- 53 of these are in SWBT's region, with 271 in California/Nevada.

- More than 190 physical collocation arrangements (86 in SWBT and 107 in California/Nevada) are currently being worked on and pending completion.
- More than 50 virtual collocation arrangements are operational in SWBT's five-state territory, with an additional 7 pending completion.

#### Reciprocal Compensation – Another Indicator That SBC's Networks Are Open

- A substantial amount of traffic has been exchanged between SBC and CLECs, with most of that traffic (and the corresponding reciprocal compensation) going from SBC to the CLECs. For example, more than **3.1 billion** minutes of local traffic (excluding Internet traffic) has been exchanged between SWBT/Pacific Bell/Nevada Bell and CLECs over interconnection trunks. Almost 90% of this local traffic has terminated on SBC facilities. In addition, the fact that over **3.2 billion** minutes of Internet traffic has been exchanged between SBC and CLEC networks also demonstrates that SBC's networks have been opened to competition. These figures confirm that SBC's networks are open to and connect with CLEC networks.

#### Telephone Numbers Requested By and Assigned to CLECs

- More than 1,657 NXX codes (each code representing 10,000 numbers) have been assigned to CLECs in SBC's seven-state service area, with an additional 138 assignments pending. In other words, CLECs have requested and SBC has assigned 16.6 million telephone numbers to CLECs in its seven states; more than 8.3 million numbers have been requested by CLECs in California and an additional 8.2 million numbers have been requested in SWBT's five states.

#### Access to SBC White Page Directories

- CLEC information can be included in all White Page directories in SBC's seven state service areas. SBC has provided more than 406,000 white pages listings for CLEC customers.

#### Access to SBC Poles and Conduits

- SBC has provided competitors with access to more than 1.1 million of its poles and approximately 7.4 million feet of conduit space for their use to compete against SBC in its seven states.

#### Conclusion

- The resale, interconnection, facilities-based and OSS-related numbers listed above, provide strong and compelling evidence that SBC has opened each of its seven states to resale, facilities-based and UNE competition and that SBC provides CLECs with all the systems and services they need to capture SBC's local customers.
- A neutral examination of the record unequivocally confirms that SBC has complied with the 1996 Act and has opened its local markets to competition.

SBC's Section 251 / Checklist Provisioning Status

- End of Month Report
  - Mid-Month Update
  - Data through: 1/98 (unless otherwise noted)
  - Shaded data through 12/97 (unless otherwise noted)
- Green, italicized, bolded data is corrected from previous edition.

Report Date: 2/18/98

#	CHECKLIST DESCRIPTION	PRODUCTS PROVIDED	SWBT's							CA	NV	SBC TOTAL
			AR	KS	MO	OK	TX	5 States				
1	Interconnection for the transmission and routing of telephone exchange service and exchange access at any technically feasible point within the carrier's network.  (SWBT trunk data in Items 1 & 7 already a/o end of 1/98 on last report. Change due to correction.)	Total Trunks Provided to CLECs	3,690	1,920	5,860	7,818	55,638	74,928	119,817	1,237	195,980	
		· One Way Trunks (SBC to CLEC)	2,310	1,008	3,721	6,081	34,369	47,489	13,800	0	61,289	
		· One Way Trunks (CLEC to SBC)	540	348	1,431	1,185	11,190	14,694	1,560	0	16,254	
		· Two Way Trunks	840	564	708	552	10,079	12,743	104,457	1,237	118,437	
		Physical Collocation										
		· Operational Cages	6	3	6	14	24	53	268	3	324	
		· Pending Cages	1	4	9	4	68	86	106	1	193	
		Virtual Collocation										
		· Operational Arrangements	2	5	8	3	35	53	Data Not Available	Data Not Available		
		· Pending Arrangements	0	1	0	2	4	7				
	Number of Collocated Wire Centers (Note 1)	3	4	7	11	26	51	88	3	142		
2	Nondiscriminatory access to network elements. (In addition, See Items 3-6 below)	Number of CLECs passing orders	9	10	15	11	85	130			161	
		Total orders processed (2/6/96 - 1/31/98) *	24,760	48,729	8,318	29,166	768,736	879,709	660,624	3,511	1,443,744	
		· Manual	24,760	34,093	8,199	26,151	601,147	694,350	100% in 1996	3,511		
		· Electronic	0	14,636	119	3,015	167,589	185,359	0% in 1996	0		
		Total orders processed in 1997 *	19,035	41,476	6,396	22,832	641,098	730,837	491,327	3,511	1,225,675	
		· Manual	19,035	28,972	6,309	20,408	495,077	569,801	~ 80%	3,511		
		· Electronic	0	12,504	87	2,424	146,021	161,036	~ 20%	0		
		Total orders processed in January 1998 *	5,725	7,253	1,918	6,330	86,034	107,260	40,572	2,202	150,034	
		· Manual	5,725	5,121	1,886	5,739	64,466	82,937	~ 80%	2,202		
		· Electronic	0	2,132	32	591	21,568	24,323	~ 20%	0		
3	Nondiscriminatory access to poles, ducts, conduits and rights of way.	Total Number of Poles Attached (Note 2)	112	22	415	186	2,080	2,815			1,184,784	
		Total Feet of Duct Occupied (Note 2)	71,996	6,149	61,600	34,761	113,977	288,483			7,448,293	
4	Local loop transmission from the central office to the customer's premises, unbundled from local switching or other services.	Unbundled Loops	95	115	355	199	260	1,024	30,557	5,246	36,827	
5	Local transport from the trunk side of a wireline local exchange carrier switch unbundled from switching or other services.	Unbundled Transport										
		· Dedicated Transport Available?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	· Shared Transport Available?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
6	Local switching unbundled from transport, local loop transmission or other services.	Unbundled Switch Ports	0	0	0	0	242	242	89	0	331	
7	Nondiscriminatory access to 911 and E911, directory assistance, and operator call completion services.	E911 Trunks (not included in Item 1 Total)	12	16	8	18	45	99	356	2	457	
		DA/OA Trunks (not included in Item 1 Total)	58	0**	66	64	328	516	0	18	534	
		CLECs using Directory Assistance Service (Note 3)	9	10	13	11	87	99	Data Not Available	Data Not Available		
		CLECs using "0" Call Completion Service (Note 3)	9	10	11	11	85	97	Data Not Available	Data Not Available		
		Are CLECs offered E-911 service directly to government bodies or interconnecting with SBC's existing service arrangements?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
8	White pages directory listing for customers of other carrier's telephone exchange service.	Number of CLEC End User White Pages Listings (SWBT a/o mid 2/98)										
		· Resale	9,109	21,637	3,479	10,052	143,632	187,909	205,703	1,142	394,754	
		· Facilities Based	692	372	571	905	1,579	4,119	6,995	547	11,661	
		· Total	9,801	22,009	4,050	10,957	145,211	192,028	212,698	1,689	406,415	
9	Nondiscriminatory access to telephone numbers for assignment to the other carrier's telephone exchange service customers. (Note 4)	Telephone Numbers Provided to CLECs	(SWBT already a/o end of January on last report. No Change.)									
		· Numbers Assigned	120,000	50,000	680,000	330,000	7,040,000	8,22M		30,000	16,57M	
		· Numbers Pending Assignment	0	10,000	0	0	20,000	30,000		0	1,38M	

SBC's Section 251 / Checklist Provisioning Status

- End of Month Report
- Mid-Month Update
- Data through: 1/98 (unless otherwise noted)
- Shaded data through 12/97 (unless otherwise noted)

Report Date: 2/18/98

Green, italicized, bolded data is corrected from previous edition.

#	CHECKLIST DESCRIPTION	PRODUCTS PROVIDED	AR	KS	MO	OK	TX	SWBT's 5 States	CA	NV	SBC TOTAL
10	Nondiscriminatory access to databases and associated signaling necessary for call routing and completion.	Access to 800, Line Information Database (LIDB), Calling Name Delivery Database (CNAM), and SS7 Signaling Network Available?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
11	Interim number portability through RCF or DID trunks. Each line ported represents conversion from SBC to a facilities based provider.	Lines Converted via INP · Residential Lines · Business Lines · Total	0 455 455	0 274 274	0 367 367	0 5,626 5,626	37 10,102 10,139	37 16,824 16,861	0 22,758 22,758	0 7,745 7,745	37 47,327 47,364
12	Nondiscriminatory access to services and information required to allow implementation of dialing parity	· Are additional access codes or digits needed to complete local calls to or from CLEC customers? · IntraLATA toll dialing parity available concurrent with SBC's provision of interexchange service?	No Yes	No Yes	No Yes	No Yes	No Yes	No Yes	No Yes	No Yes	No Yes
13	Reciprocal compensation arrangements. (Note 5)	Minutes of Use Exchanged Over Interconnection Trunks in 1997 (in Millions) · From SBC to CLEC · From CLEC to SBC · Total  Minutes of Use Exchanged Over Interconnection Trunks in January 1998 · From SBC to CLEC · From CLEC to SBC · Total	27.7 6.6 34.3	0.0 0.0 0.0	13.2 0.0 13.2	83.9 4.0 87.9	118.6 49.1 167.7	243.4 59.7 303.1	2,549.4 284.6 2,834.0	0.1 0.0 0.1	2,792.9 344.3 3,137.2
			Not Available	0	5,470,872	9,649,573	36,334,061	51,454,506	Not Available	82,230	51,536,736
			Available	0	0	2,665,798	47,531,136	50,196,934	52,314,372	0	102,511,306
				0	5,470,872	12,315,371	83,865,197	101,651,440	52,314,372	82,230	154,048,042
14	Offering for resale at wholesale prices any telecommunications services offered at retail to subscribers who are not themselves carriers.	Resold Access Lines · Business Lines · Private Coin Lines · Residential Lines · Total	1,266 0 8,467 9,733	17,208 0 15,315 32,523	4,535 0 1,556 6,091	1,936 9 8,868 10,813	39,839 11,384 176,251 227,474	64,784 11,393 210,457 286,634	104,782 6,746 147,487 259,015	2,580 0 684 3,264	172,146 18,139 358,628 548,913

Note 1: CA collocated wired centers total reflects physical arrangements only.

Note 2: CA and NV data updated quarterly.

Note 3: SWBT total counts each CLEC once, although it may appear in multiple states.

Note 4: Each NXX Code equals 10,000 telephone numbers.

Note 5: Totals do not include disputed Internet minutes of use. However, the fact that over 3, 243M and 207M minutes of Internet traffic have been exchanged between SBC and CLEC networks in 1997 and 1998 respectively also demonstrates that SBC's networks have been opened to competition. 1997 totals include Local, Optional EAS, and IntraLATA toll MOU. 1998 numbers include only Local and Optional EAS traffic.

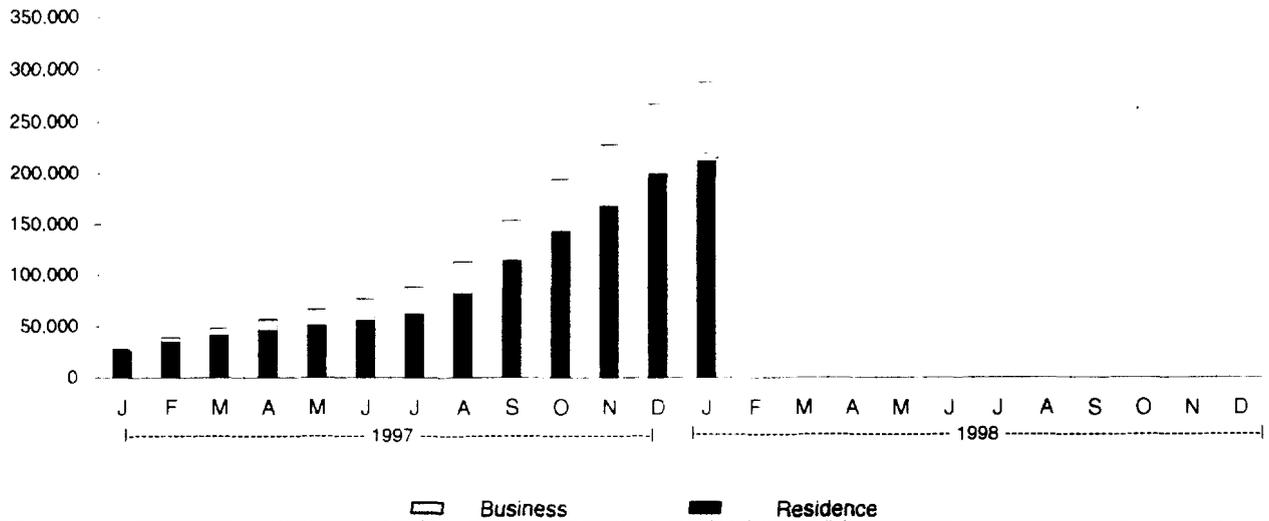
\* CA Order Volumes include Resale activity only. All others include Resale and Facilities Based orders.

\*\* KS does have OADA trunks. In process of splitting those OADA trunks terminating and counted in KC, MO that serve both KS and MO.

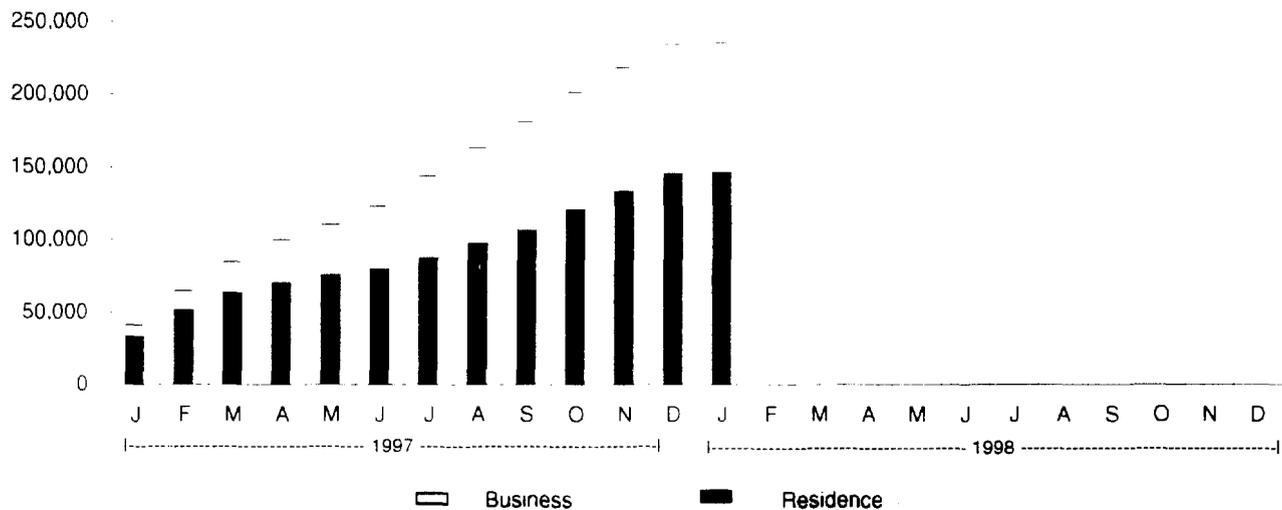
CLEC Certifications	AR	KS	MO	OK	TX	SWBT's 5 States	CA	NV	SBC TOTAL
· Number Approved	16	43	36	31	149	275	111	34	420
· Number Pending	25	12	13	15	21	86	28	11	125
<b>CLEC Interconnection Agreements (as of 2/18/98)</b>									
· Number Signed	25	32	32	33	101	223	29	12	264
· Number Approved	20	24	22	18	87	171	27	13	211
· Number of Arbitrations Completed	1	3	3	1	11	19	4	0	23
· Number of Arbitrations In Progress	0	1	0	0	1	2	0	1	3
· Number Under Negotiation	45	42	48	45	119	299	36	21	356

# SBC Resold Lines - Cumulative Resale Lines Lost to CLECs

## Southwestern Bell Telephone



## Pacific Bell

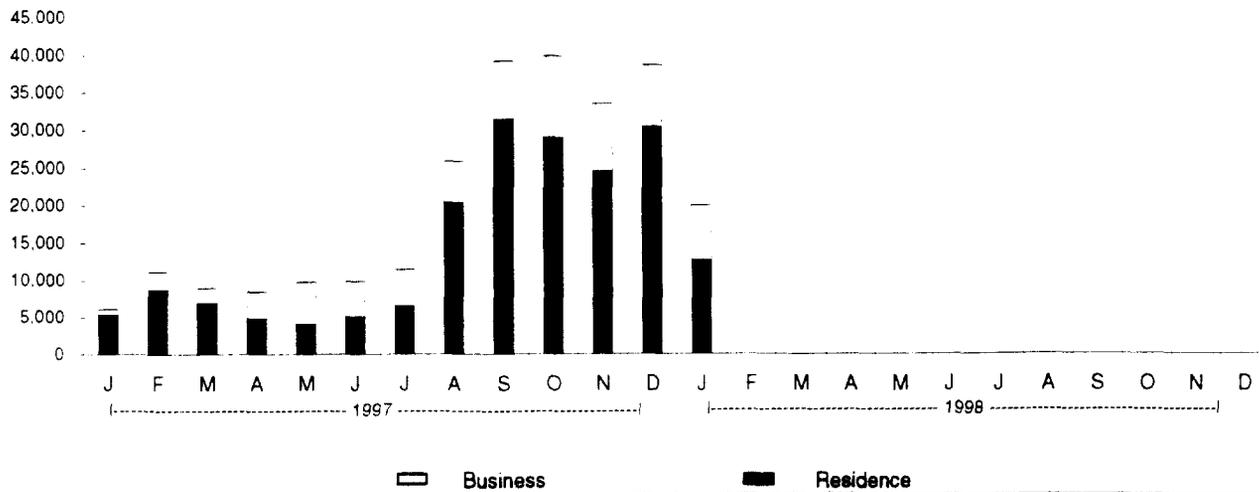


## SBC Consolidated

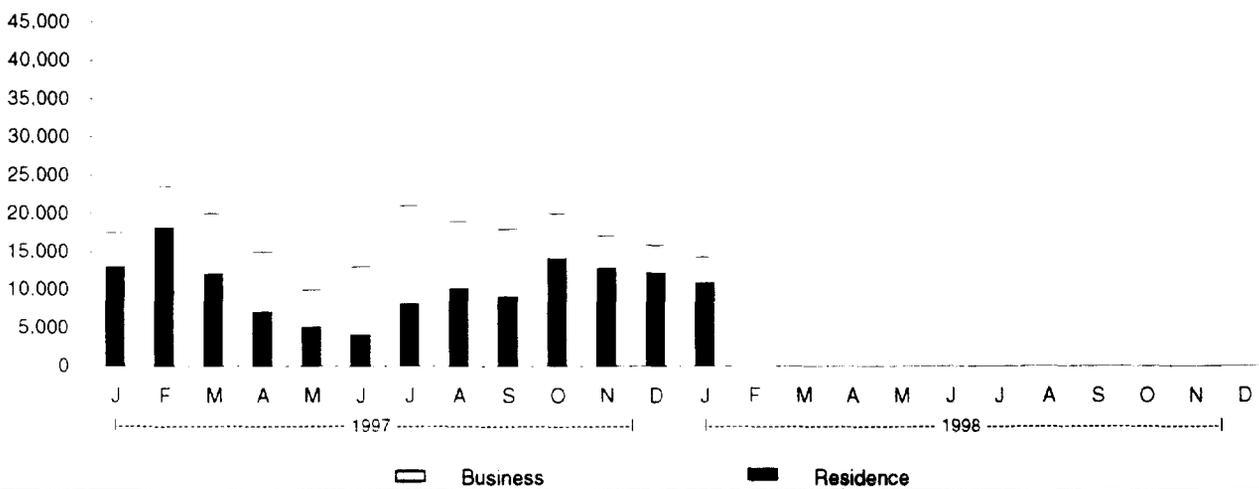


# SBC Resold Lines - Monthly Resale Lines Lost to CLECs

## Southwestern Bell Telephone



## Pacific Bell



## SBC Consolidated

