MCI Telecommunications Corporation
1801 Pennsylvania Avenue, NW
Washington, DC 20006
202 887 2307
FAX 202 887 3175

Susan Jin Davis
Senior Counsel
Federal Law and Public Policy

EX PARTE OR LATE FILED

March 27, 1998

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

VIA HAND DELIVERY

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
1919 M Street, NW Room 222
Washington, DC 20554

Re: Ex Parte Presentation in CC Docket No. 97-231; CC Docket No. 97-121; CC Docket No. 97-208; CC Docket No. 97-137

Dear Ms. Salas:

On Thursday, March 26, 1998, Therese Fauerbach, Regional VP of Central Financial Operations, Dick Powell, Director of Regional Markets, Michael Hussey, Contract Specialist, Joanne Samonek, Senior Manager of OSS, Carl Giesy, Director of Competition Policy, and the undersigned, met with Michael Pryor, Melissa Newman, Jason Oxman, Jonathan Askin, Jake Jennings, Michelle Carey, David Kirschner, Brent Olson, Andrea Kearney, Bill Bailey, Liz Nightingale, and Claudia Fox of the Policy Division and Greg Cooke of the Network Services Division.

The purpose of the meeting was to discuss certain checklist issues in the Ameritech region. The attached document outlines the topics discussed.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(2) of the Commission's rules. Due to the lateness of the hour, this Notice was not filed until the day after the meeting.

Sincerely,

Susan Jin Davis

Attachments

cc: Michael Pryor, Carol Mattey, Melissa Newman, David Kirschner, Liz Nightingale, Bill Bailey, Claudia Fox, Jonathan Askin, Jake Jennings, Jason Oxman, Michelle Carey, Andrea Kearney, Brent Olson, Greg Cooke

MCI Telecommunications Corporation

Therese Fauerbach, Vice President
Central Financial Operations

March 26, 1998

• *3 Methods of Entry to Local*

❶ MCI FACILITIES - In Ameritech states MCI has 5 switches and has invested close to $200M.

❷ RESALE - MCI spent millions but couldn't compete because of pricing and OSS.

❸ UNEs - Ameritech is systematically blocking MCI's every attempt to gain access to its Unbundled Network Elements such as Loops, Switching, Transport, etc. .

- Focus on the following points to show how AIT's lack of compliance has impacted our ability to compete:
  - **OSS** - Ameritech has not met the burden of showing they provide non-discriminatory access to OSS for each competitive entry strategy.
  - **Parity** - Ameritech is not providing parity that would allow us to provide a competitive level of service.
  - **Access to UNEs** - Ameritech is not providing nondiscriminatory access to UNEs. This is vital to have a "new"or unique product that differentiates us from Ameritech in the marketplace. Platform and combinations are critical in our effort to become a competitive facility based provider.

- Ameritech treats its wholesale customers very differently, depending on which business unit faces the "customer"
  - Ameritech Long Distance Industry Services (ALDIS) treats MCI as a customer and provides a dedicated sizable account team (15 staff members) .
  - Ameritech Information Industry Services (AIIS) provides an account team that is slow to respond due to lack of resources (2 staff members)
  - Ameritech Information Industry Services (AIIS) views MCI as a competitor, as evidenced when comparing performance received between MCI long distance and MCIm local service.
  - MCI is working with Ameritech to ensure performance measurements are consistent between what MCI long distance receives as compared to what MCI local service receives.

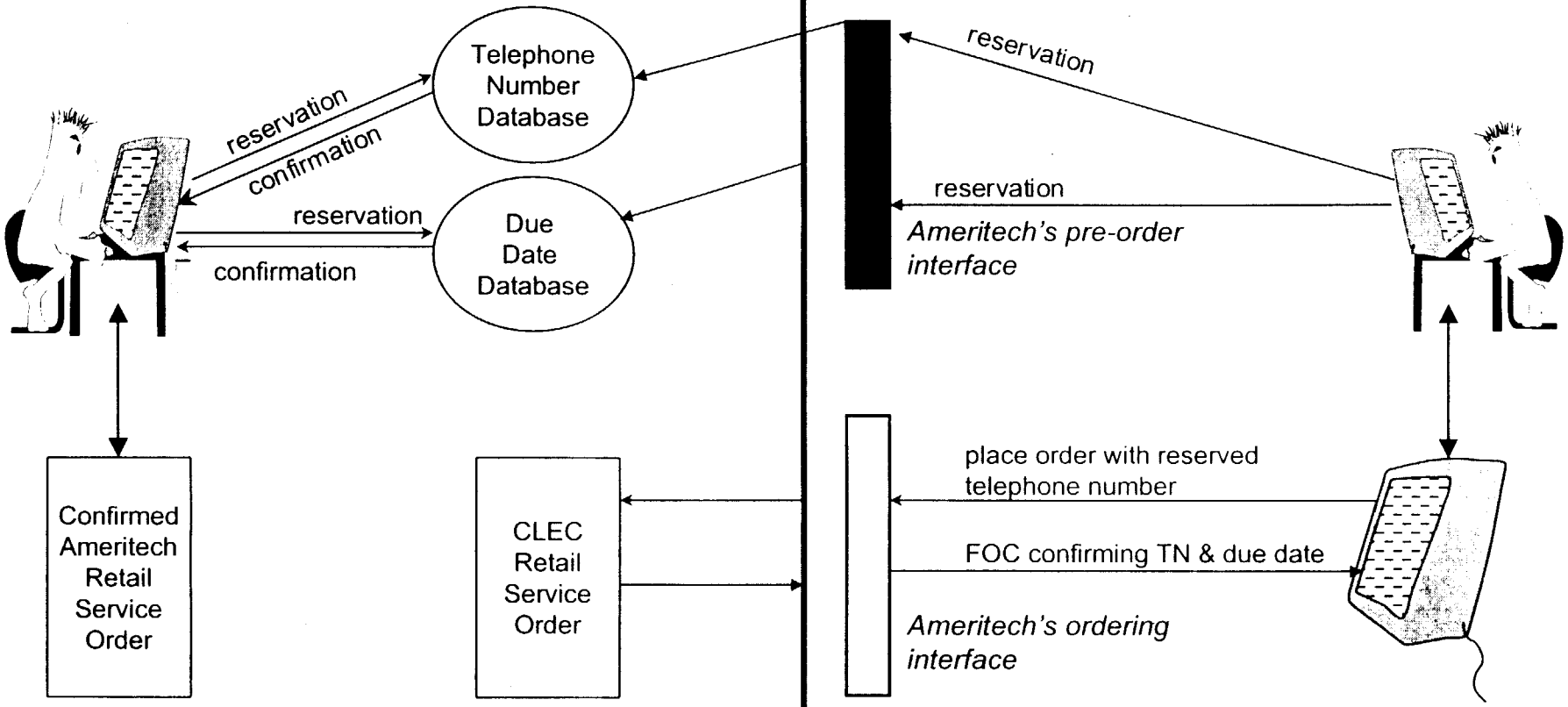
- Ameritech will not allow "pick and choose" for its CLEC interconnection agreements, yet it selectively interprets regulatory rulings to its advantage
- Ameritech closes its eyes to FCC and Public Utility orders that do not support its policies.
  - Common Transport
  - Recombinations

- Our focus has shifted from resale ordering (not profitable) to OSS for UNEs.
- Loop ordering issues:
  - No electronic interface for ordering loops
  - No coordinated process for ordering loop with LNP
  - Ameritech commitment to provide UBLs via EDI 7.0 in 7/98 - only semi-automated; still manual and labor intensive until 8.0.
    - History of getting to EDI 7.0
    - No change management process
  - EDI 8.0 would give us coordinated electronic ordering of loop, DA, and LNP
    - No commitment by AIT to move to 8.0

- Due date assignment process discriminates against CLECs
  - Ameritech has "instant" confirmation of due dates
    - Retail unit information systems direct-piped into due date reservation system
  - CLECs must use Ameritech's pre-order interface to obtain a due date, then must place an order via Ameritech's ordering interface
    - Architecture of CLEC OSS interface prevents the same kind of access that Ameritech gives its own retail sector
    - CLEC due date "times out" after 4 hours and must be reassigned
    - Ameritech has rejected CLEC requests to lengthen the time frame to above 4 hours
  - Due to this issue, MCI can not give customers a due date when they place their order vs. Ameritech's ability to provide the customer a due date during order process.

- Process for Obtaining Telephone Numbers:
  - CLECs and Ameritech are presented with identical lists of available telephone numbers.
  - Ameritech has immediate access to numbers; CLEC's is less than immediate; therefore Ameritech ALWAYS has first choice on number assignment.
  - CLECs have presented potential solutions to Ameritech, without success.
  - Telephone number is not guaranteed until FOC is received.
  - If CLEC loses the number, Ameritech offers two alternatives:
    - lose confirmed due date
    - have Ameritech assign another number.
  - Today, Ameritech just assigns another number.

Illustration of Telephone Number Assignment Issue



All Ameritech activities performed during initial phone call from customer.

Confirmation of Telephone Number & Due Date received days after initial phone call from customer.

- Ameritech's retail billing quality far exceeds wholesale billing quality where local competition is concerned.
- Ameritech does not provide an auditable wholesale bill; some examples are:
  - Telephone numbers and usage are not on the same bill.
  - No bill cycle dates.
  - Paper bill does not tie to the electronic AEBS billing.
- Ameritech cellular resale and ALDIS provide usage and telephone numbers on the same bill.

- Electronic Provisioning for UNEs
- No commitment from AIT
- Essential to Competition: Will enable us to commercially provision UNEs

- Examples of UNEs Ameritech refuses to provide:
  - **SHARED TRANSPORT** - Ameritech will not provide FCC-defined shared transport .
  - **DA DATA** - Ameritech will not provide on an unbundled basis.
  - **GR303** - Ameritech rejected MCI's BFR request for use of GR303 capable DLC's.
  - **ULS** - Ameritech rejected two BFR's which combined ULS with loop/transport, and took excessive time to process stand alone ULS.
  - **COMBINATIONS** - Ameritech has rejected MCI's orders for combination of elements.

- MCI has filed a complaint in OH for AIT's non-compliance on DA services. The following issues are in dispute:
  - *Pricing*
  - *Format*
  - *Content*
- MCI ready to file similar complaint in other states pending the outcome of litigation in OH.
- DA information is essential if we are to provide a competitive facility based service.

- MCI requests combination of loop concentration (GR303) and transport as an efficient way to access unbundled loops
  - Efficient transport
  - No physical or virtual collocation required.
- Ameritech refuses to provide.
  - MCI submitted BFR for GR303 in MI on 7/18/97.
  - Ameritech formally rejected GR303 BFR request on 9/5/97.
  - Ameritech uses LiteSpan 2000 Digital Loop Carrier (DLC) equipment today to aggregate their customer loops.
  - MCI filed complaints in MI and OH (both: 11/97)

- Ameritech's reasons for refusal
  - Ameritech is not required to combine elements
    - Ameritech says MCI must use collocation
  - Ameritech does not use GR303 in its own network

- Primary business strategy for MCI to access medium and large customers
- Combination of T-1 loop and T-1 transport
- Ameritech refuses to provide this combination
- Discriminatory treatment: AIT provides exactly this combination to retail customers

- MCI issued a BFR in Illinois and Michigan to develop ULS product
  - Ameritech halted both projects after 8th Circuit ruling
- MCI issued an order for ULS in Michigan using MCI provided "loop" and "trunk" facility
  - Ameritech took 4 months to walk MCI through their ordering process.
  - MCI recently retrofitted its collocation in Detroit and is ready to continue with the ULS trial.

- "Opening up" of end office translations for unbundled local switching (ULS) takes 30 days.
- Ameritech Retail customers do not face similar delays.
- Ameritech refuses to shorten Line Class Code (LCC) 30 day interval.
- Ameritech was able to build Line Class Code (LCC) for MCIm's first ULS order in 10 days.

- MCI Contests "Billing Development Fee"
  - Ameritech billed MCI $33K in OH
  - Ameritech billed MCI $390K in IL (11 x $35K)
  - Not receiving auditable records.
  - No comprehensive measuring and billing system in place.
- MCI willing to work out fair transport MOU rate and use a form of rough justice as an interim workaround to Ameritech's current recording incapability

- Despite state rulings requiring Ameritech to provide combinations, they refuse to provision.
  - Michigan and Illinois ordered Ameritech to provide common transport and combinations as a UNE in January 98.
  - MCI ordered the network element platform from the interconnection agreements in Michigan and Illinois in February 98.
  - Ameritech rejected both orders on 3/12/98.
- Issue for Ameritech is the definition of Common Transport.
- Ameritech refuses to acknowledge that FCC and State Commission Orders affect our Interconnection Agreements. Ameritech only acknowledges the 8th Circuit as it applies to combinations.

- Ameritech refuses to pay reciprocal compensation for ISP traffic, even though MI/IL state commissions have ordered them to pay.
- Ameritech is withholding $782K from MCI in Reciprocal Compensation.
- Ameritech's refusal to pay forces MCI to litigate to recover MCI switched revenue.
- To date, MCI has filed complaints in 4 AIT states on this issue and is intervening in one other.

- Recent problems have emerged with Ameritech's local number portability.
  - Ameritech is sole "RBOC hold-out" in providing CLEC-initiated 10 digit trigger of local number portability.
  - LNP process is labor intensive, requiring manual forms and faxing.
- Ameritech has indicated that until the FCC provides cost recovery, LNP will not be offered.
  - No process for conversion from existing ILNP customer base to Permanent LNP
  - MCI may have to consider using RCF for an additional period even after LNP is offered, which would necessitate new system development

- Ameritech contends that MCI should pay switched access to terminate calls at the tandem when using ULS
  - Interconnection agreement requires reciprocal compensation
  - Ameritech requiring semi-dedicated transport to tandem
  - To pursue combinations, MCI required to overlay Ameritech's entire network to every end office to avoid paying switched access
  - Ameritech will take approximately 90 days to build mini-collo to combine MCI UNE's (until Supreme Court rules)
  - Ameritech will not route terminating access calls over MCI overlay transport due to FG technical infeasibility

- Ameritech will not allow unbundled local loops or special access traffic over the Fiber Meet Interconnection.
  - This is MCI's first Fiber Meet arrangement used in local service
- Ameritech requires MCI to build a collocation to get access to unbundled network elements and special access circuits
- Anything other than switched traffic over a fiber meet is against Ameritech policy
  - Ameritech filed a complaint against AT&T in Illinois on a similar issue and won the right to use AT&T facilities, rather than collocate their own facilities.
  - A proposed contract amendment is being reviewed by CBT for this same issue which will allow MCI to provision special access circuits and UNEs (including but not limited to UBLs) over the Fiber Meet facilities. CBT agrees this will be mutually beneficial, technically feasible and is only a cost issue.