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April 28, 1998

EX PARTE OR LATE FILED

NOTICE OF EX PARTE PRESENTATION

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

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APR 28 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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, Dale (Zeke) Robertson, Senior Vice President, SBC Telecommunications, Inc., and I met with Carol Matthey, Michael Pryor, and Jake Jennings of the Common Carrier Bureau's Policy and Program Planning Division in connection with the above-referenced proceeding. The purpose of the meeting was to provide a status report regarding SBC's meetings on section 271 competitive checklist compliance with the Bureau staff and various state regulatory proceedings concerning section 271 relief. The attached document served as a basis for our discussion.

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.

Respectfully submitted,

Attachment

cc: Ms. Matthey
Mr. Pryor
Mr. Jennings

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

STATUS REPORT

*Dialogue with Common Carrier Bureau Staff
Concerning Competitive Checklist Compliance*



SBC Communications Inc.

PLANNED PRE-FILING MEETING SCHEDULE FOR 271 ISSUES

DATE	MEETING TOPIC	LEAD SBC SME	CCB Policy Division	CCB Pricing Division	CCB Accounting Division	Legal Advisers	GC/FCC	COMMENTS
January 23, 1998	"Non-Controversial" Issues I	Bill Deere/Bill Adair	✓					Number Administration, Dialing Parity, & Access to E-911
January 28, 1998	"Non-Controversial" Issues II	Rhonda Dickherber & Richard Keener	✓					White Pages, Directory Assistance & Operator Services
February 4, 1998	Poles, Ducts & Conduits and Interconnection (Section 271(c)(2)(B)(i))	Jim Hearst & Bill Deere	✓					Interconnection Trunks
February 11, 1998	Loops, Local Transport, and Local Switching	Bill Deere	✓					Sections 271(c)(2)(B)(iv) – (vi)
February 25, 1998	Databases & Signalling Systems and Number Portability	Dave Clippard (DB), Bill Deere (SS), Curt Hopfinger (INP), Gary Fleming (SWBT-LNP) & Sally Swan (PB-LNP)	✓					Section 271(c)(2)(B)(xi)
March 5, 1998	OSS Interfaces/Functions	Liz Ham	✓					10:30 a.m.-12:30 p.m.; Including System Capacity & Scalability, Testing, and Billing Issues
March 18, 1998	OSS Interfaces/Functions and Performance Measurements	Liz Ham & Randy Dysart	✓					
March 23, 1998	STAFF FEEDBACK: Groups 1 & 2 Issues	Marty Grambow & Paul Mancini	✓					
April 9, 1998	Access to UNEs & UNE Combinations	Bill Deere, Mike Auinbauh, Curt Hopfinger	✓					Access to UNEs and Access to combinations of network elements
April 16, 1998	Co-location: Terms & Conditions	Mike Auinbauh, Curt Hopfinger	✓					
April 29, 1998	Reciprocal Compensation & Section 272 Compliance	Mike Auinbauh, Curt Hopfinger, John Lube, Lee Jones, Kathy Rehmer, Kathleen Larkin	✓					Section 271(c)(2)(B)(xiii)
May 28, 1998	California & Nevada OSS Interfaces	Chris Viveros	✓					
	Overview of FCC 271 Application	Zeke Robertson	✓			✓	✓	

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

March 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.

These indicators provide irrefutable evidence that new entrants are obtaining the network elements that they need from SBC to provide local service, that they are providing such exchange services to end users and that their ability to enter the market is unambiguous. Taken together, these data demonstrate that entry requirements into the local market in SBC's states have been eliminated, that competitive entry is occurring and that SBC has lost more than **849,100** lines to CLECs in SBC's 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 more than \$1 billion and devoted more than 3,300 employees to implement the Act and open its local markets to competition— including but not limited to equipment, computer hardware, 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.

Interconnection Agreements

- Signed Agreements: SBC and CLECs have signed 280 interconnection and resale agreements within SBC's seven-state service area.
- PUC Approved Agreements: The various state commissions have approved 214 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 PUC approved agreements in each of SBC's states: Texas: 88; California: 27; Kansas: 24; Arkansas: 21; Oklahoma: 19; Missouri: 22 and Nevada: 13 approved agreements.
- Current Negotiations: SBC currently is in the process of negotiating more than 400 additional interconnection and resale agreements.

CLECs Competing Against SBC

- As of the end of February 1998, more than 165 CLECs were operational in SBC's territory and passing resale, interconnection or UNE orders to SBC. Ninety CLECs were passing orders in Texas alone.

SBC Access Lines Lost to CLECs

- Through the end of February 1998, more than **849,100** 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. Over 575,000 SBC lines have been resold by CLECs and more than 272,000 additional customers are being served on a facilities-basis by CLECs in SBC's territory.
- The approximate number of lines lost to CLECs in SBC's 7 states on a resale and facilities-basis is:

	<u>Resale Total</u>	<u>Resale Residential</u>	<u>Resale Business</u>	<u>Resale Priv. Coin</u>
a) California:	259,000	145,000	107,000	6,900
b) Texas:	244,000	186,000	46,000	11,000
c) Kansas:	35,800	17,100	18,600	0
d) Oklahoma:	13,300	11,100	2,200	13
e) Arkansas:	11,994	10,600	1,300	0
f) Missouri	9,000	4,000	4,900	0
g) Nevada	3,400	699	2,700	0
RESOLD LINES:	576,300	375,300	182,700	18,300

**FACIL.-BASED
LINES LOST: 272,800**

**SBC TOTAL
LINES LOST: 849,100**

- Resale activity is significant and growing in SBC's territory. SBC has demonstrated that its OSS can process CLEC resale orders in an accurate and timely manner without any backlogs. Resale activity (approximately 32,500 lines lost) stabilized in February, 1998, and 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 because they do like the resale pricing decisions made by the PUCs, 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.

FACILITIES-BASED COMPETITION STATUS:

The following figures demonstrate that SBC has opened its local markets to competition and that SBC is providing CLECs with the facilities and network elements they request from SBC in

order to compete on a facilities-basis in the local exchange market. Information is not available to SBC to identify with precise the full extent of facilities-based competition in each of its states. Available indicators underestimate the extent of facilities-based competition and are imperfect measures of competitive entry because each captures only that part of entry that requires action by SBC and does not capture the extent of facilities-based self-supply being undertaken by CLECs. Nevertheless, a review of CLEC E-911 listings and numbers ported demonstrates that there is significant and growing facilities-based competition in SBC's states and that more than 272,800 lines are being served on a facilities-basis by CLECs in SBC's states.

- SBC is making available to CLECs through 214 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.

CLEC E-911 Numbers—First Indicator of Facilities-Based Competition

- CLEC listings in the E-911 database is one indicator of access lines being served on a facilities basis by facilities-based carriers. These listings show that CLECs serve at least 272,800 lines in SBC's 7 states on a facilities basis. CLECs have requested E-911 service for more than 272,800 lines from their own NXX Codes that were assigned to them to provide facilities-based service.
- In California alone, 14 facilities-based carriers serve more than 243,000 lines on a facilities basis, based on E-911 listings. CLEC E-911 listings indicate that there is at least the following number of lines being served on a facilities-basis in the other SBC states: Texas: 13,854; Oklahoma: 11,802; Missouri: 1,657; Arkansas: 1,400; and Kansas: 1,111 facilities-based lines.

Numbers Ported—Second Indicator of Facilities-Based Competition

- More than 44,600 existing SBC lines have been ported via interim number portability to 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. Each of the numbers ported represents conversion of an existing line from SBC to a facilities-based CLEC provider. 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.

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

- Interconnection Trunks: SBC's provisioning of local interconnection trunks is an indicator that actual local exchange traffic is being exchanged between CLECs and SBC. SBC has provisioned more than 216,000 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. 128,000 of these trunks were provisioned in California and 86,000 interconnection trunks were provided to CLECs in the SWBT five-state region.
- Unbundled Loops: Unbundled loops are the direct connection between the local network and customer's premises. CLECs can provision loops themselves, or they can lease unbundled loops from SBC or other suppliers. Because CLECs can self-provision loops, the number of

unbundled loops provided by SBC understates the extent of existing facilities-based competition. Nevertheless, more than 41,000 unbundled loops have been provisioned by SBC to CLECs in SBC's seven states. In addition, more than 270 unbundled switch ports have been requested by and provided to CLECs by SBC.

- CLEC Collocation Arrangements: Collocation is an important measure of competitive facilities-based presence because once a competitor is collocated in an SBC central office it has access to every loop connected to that central office. More than 285 physical collocation arrangements are operational in SBC's seven-state service area -- 54 of these are in SWBT's region, with 219 in California/ Nevada.
- 250 physical collocation arrangements (78 in SWBT and 143 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 6 virtual collocation arrangements pending completion.
- E-911 Trunks: CLECs have requested and SBC has provisioned 526 operational E-911 trunks to CLECs in SBC's seven-state service area. Of this number, 372 are located in California and about 152 are in SWBT states.
- DA/OS Trunks: More than 700 Directory/Operator Assistance trunks have been provisioned by SWBT to CLECs in the five SWBT states.

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

- Reciprocal compensation minutes of use is another indicator that demonstrates that actual local traffic is being exchanged between CLECs and SBC. 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 **3.3 billion** minutes of local traffic (excluding Internet traffic) has been exchanged between SWBT/Pacific Bell/Nevada Bell and CLECs over interconnection trunks. More than 90% of this local traffic has been exchanged from SBC to CLEC networks. It should be noted, that these minutes do not capture all local minutes being generated by CLECs because they do not include CLEC-to-CLEC traffic or on-net (i.e., intra-CLEC) traffic.
- In addition, the fact that an additional **3.7 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 minutes-of-use numbers confirm that SBC's networks are open to and connect with CLEC networks.

Telephone Numbers Requested By and Assigned to CLECs

- More than 1,922 NXX codes (each code representing 10,000 numbers) have been assigned to CLECs in SBC's seven-state service area, with an additional 120 assignments pending. In other words, CLECs have requested and SBC has assigned 19.2 million telephone numbers to CLECs in its seven states; more than 10.9 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 417,000 white page listings for CLEC customers.

Access to SBC Poles and Conduits

- SBC has provided competitors with access to more than 373,000 of its poles and approximately 7.5 million feet of conduit space for their use to compete against SBC 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 1.5 million service orders from CLECs to order facilities, network elements and resold or second lines for their customers, change or add vertical services etc. Almost 1 million orders from CLECs have been processed in the SWBT five-state region and more than 560,000 orders have been processed in California/Nevada. The fact that SWBT processed more than 730,000 orders in 1997, and an additional 135,000 orders in February 1998 alone, without a backlog, is strong evidence that SBC has developed state-of-the-art OSS and that these systems are being used by CLECs to compete in the local market against SWBT. Orders are also being processed in California in a similar timely and accurate manner without any backlogs.
- SBC also demonstrated in Texas that its OSS (which is the same system used in all five SWBT states) could handle large increases in volumes from CLECs. Over 843,000 CLEC service orders in Texas have been processed, with over 105,000 orders processed in February 1998 alone. SBC's OSS and Local Service Centers have handled the increased volume of service orders without experiencing a backlog.

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.

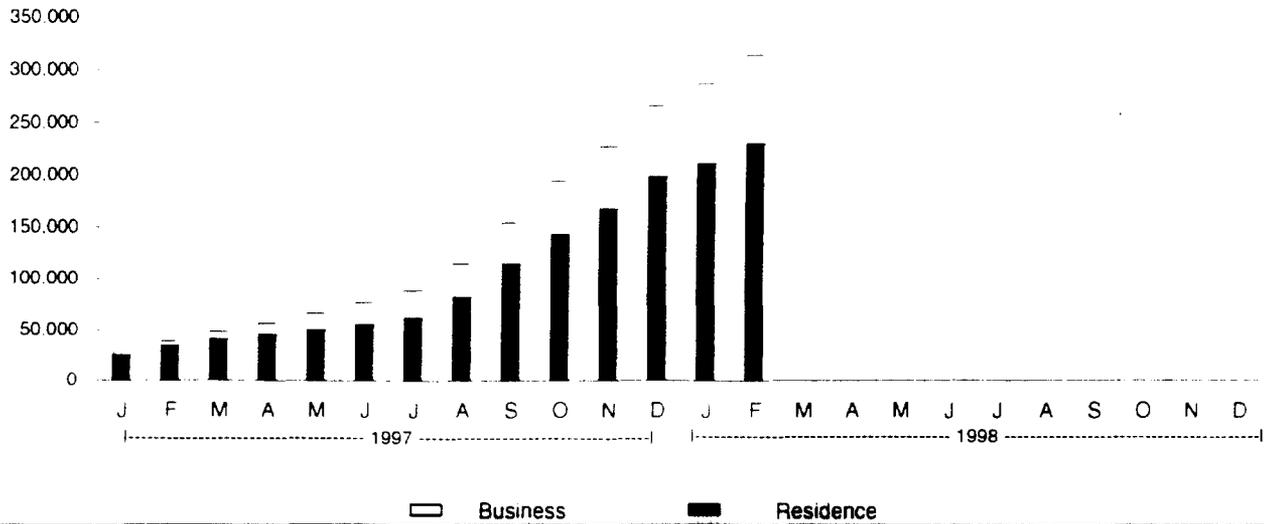
Competition

SBC meets the 14 point competitive checklist

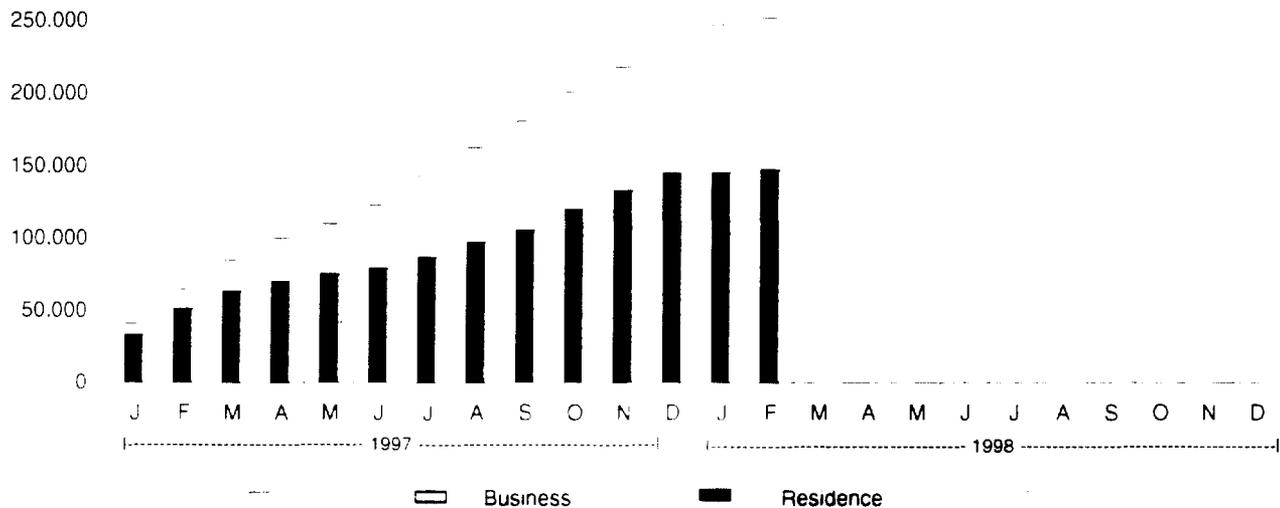
- Interconnection**
 - » 214 Approved Agreements
- Unbundled Network Element Access**
 - » 56,100 UNE elements purchased
- Nondiscriminatory Access to Outside Plant**
 - » 7.5 million duct feet occupied
 - » 373 thousand pole attachments
- Unbundled Local Loops**
 - » 41,089 loops purchased
- Unbundled Local Transport**
 - » 341 Collocation Instances
- Unbundled Local Switching**
 - 272 Switch Ports
- Nondiscriminatory Access to 911, Directory Assistance and Call Completion Services**
 - » 526 E911 Trunks
 - 722 DA/OA Trunks
- White Pages Directory Listings**
 - » 417,733 listings
- Nondiscriminatory Access to Number assignment**
 - » 1,922 NXX codes assigned/opened
 - » 12 NXX codes pending
 - » Ability to serve 19+ million lines
- Nondiscriminatory access to Signaling and Databases**
- Number Portability**
 - » 44,607 INP Lines Converted
- Dialing Parity**
- Reciprocal Compensation**
 - » 3.1 Billion MOUs exchanged in 1997 (excludes internet MOUs)
- Resale**
 - » 563 CLECs have filed, 446 certified
 - » 166 CLECs sending orders in 1998
 - » 576,361 access lines

SBC Resold Lines - Cumulative Resale Lines Lost to CLECs

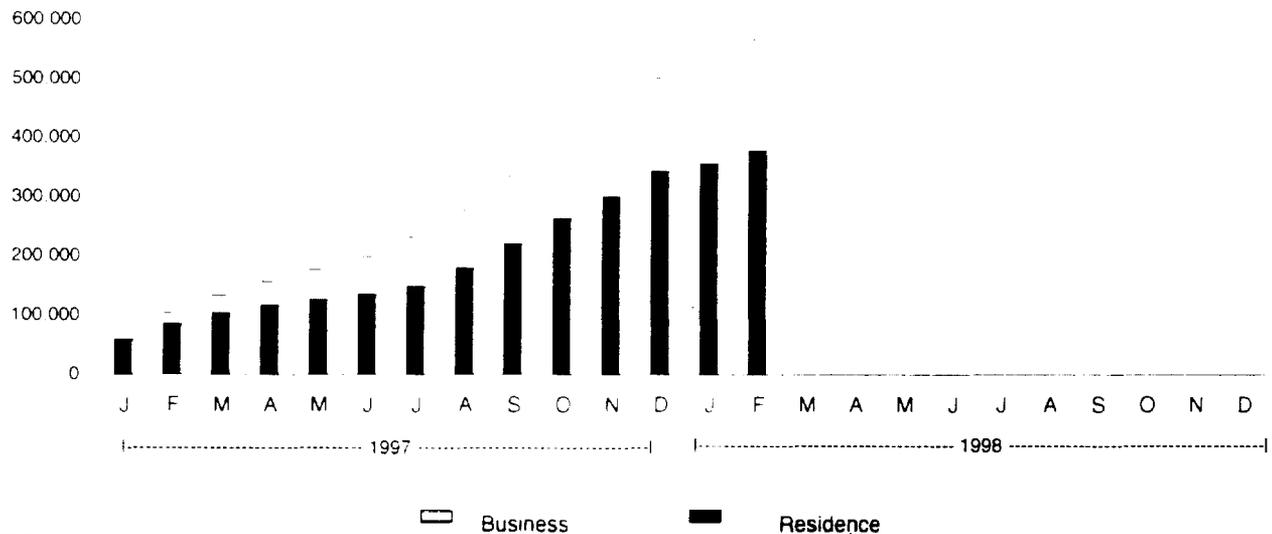
Southwestern Bell Telephone



Pacific Bell

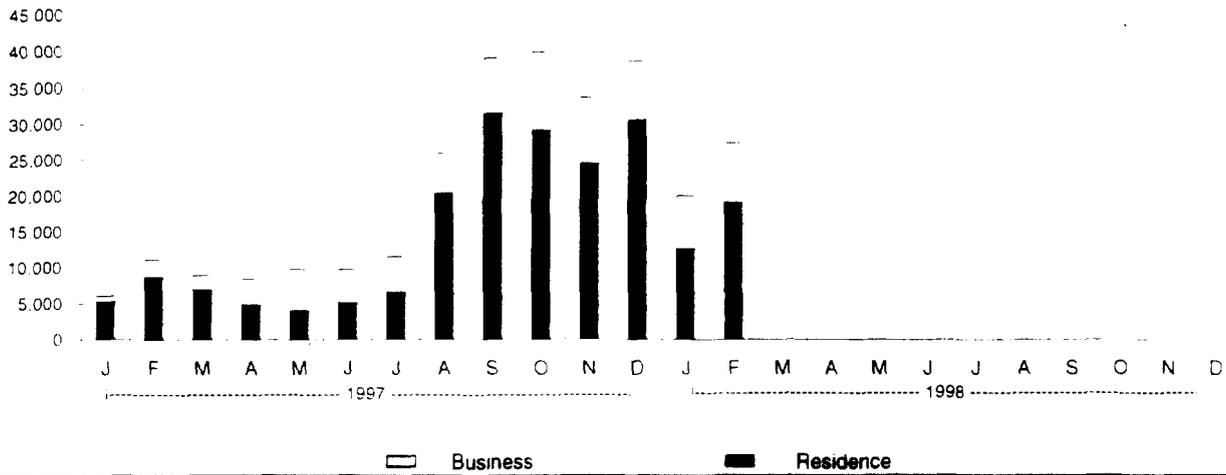


SBC Consolidated

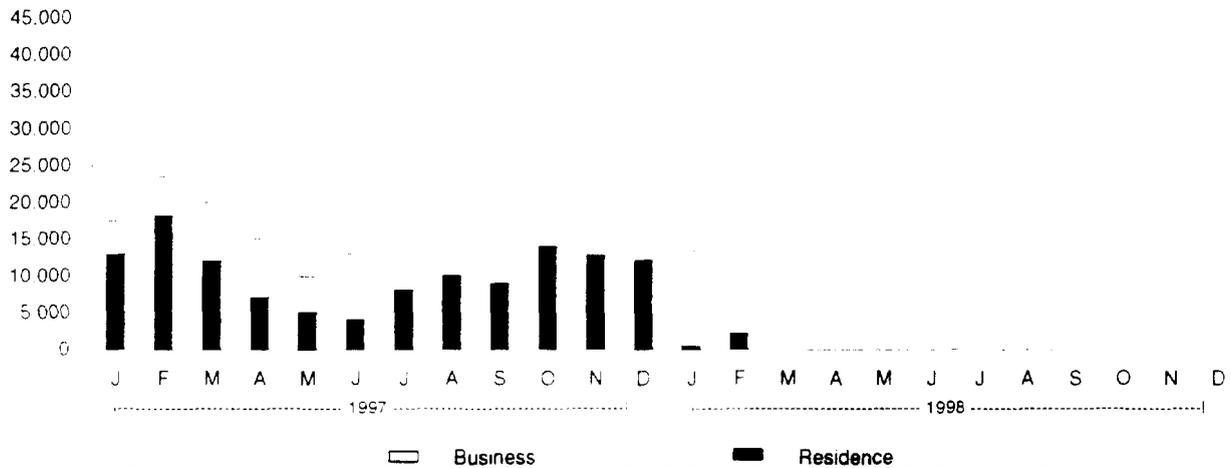


SBC Resold Lines - Monthly Resale Lines Lost to CLECs

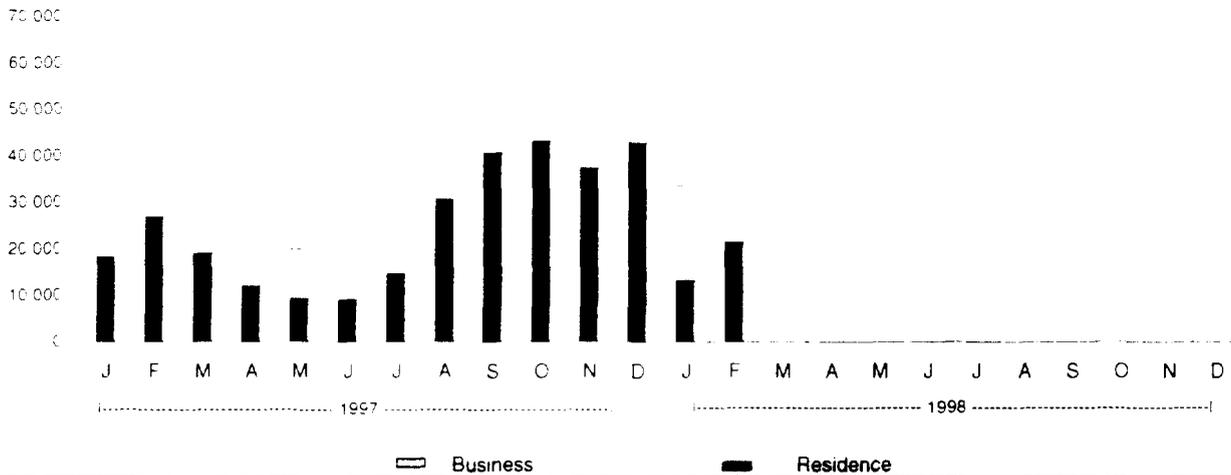
Southwestern Bell Telephone



Pacific Bell



SBC Consolidated



SBC's Section 251 / Checklist Provisioning Status

End of Month Report
 Data through: 3/98 (unless otherwise noted)
 Shaded data through 2/98 (unless otherwise noted)

Date Produced 4/23/98

#	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.	Total Trunks Trunks Provided to CLECs	4,749	2,232	7,448	9,234	71,672	95,335	162,559	1,992	259,886	
		One Way Trunks (SBC to CLEC)	3,319	1,080	4,372	7,401	41,093	57,265	13,512	0	70,777	
		One Way Trunks (CLEC to SBC)	572	348	1,431	1,185	17,640	21,176	2,040	0	23,216	
		Two Way Trunks	858	804	1,645	648	12,939	16,894	147,007	1,992	165,893	
		Physical Collocation										
		Operational Cages	6	3	6	16	49	80	109	0	189	
		Pending Cages	2	3	18	3	99	125	92	1	218	
2	Nondiscriminatory access to network elements (In addition, See Items 3-6 below)	Number of CLECs passing orders in 1998	12	12	16	12	95	147	28	4	177	
		Total orders processed (2/6/98 - 3/98) *	43,357	66,806	20,489	47,337	928,812	1,108,801	658,716	2,244	1,767,761	
		Manual	42,862	46,688	18,854	42,501	721,048	869,751	100% in 1998	2,244		
		Electronic	695	20,120	3,635	4,836	207,764	237,050	0% in 1998	0		
		Total orders processed in 1997 *	19,035	41,476	6,386	22,832	641,096	730,837	491,327	1,299	1,223,463	
		Manual	19,035	28,972	6,309	20,406	495,077	569,801	~ 80%	1,299		
		Electronic	0	12,504	87	2,424	146,021	161,036	~ 20%	0		
3	Nondiscriminatory access to poles, ducts, conduits and rights of way.	Total Number of Poles Attached (Note 2)	112	22	415	186	2,445	3,160	370,060	506	373,746	
		Total Feet of Duct Occupied (Note 2)	107,623	6,149	64,897	34,761	633,803	847,233	7,236,650	16,225	8,100,106	
		Unbundled Loops	326	240	811	744	255	2,376	33,873	5,729	41,978	
		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	
		Unbundled Switch Ports	0	0	1	0	163	164	149	0	313	
7	Nondiscriminatory access to 911 and E911, directory assistance, and operator call completion services.	E911 Trunks (not included in Item 1 Total)	16	16	14	18	126	190	426	6	622	
		DA/OA Trunks (not included in Item 1 Total)	64	0**	78	64	594	800	0	2	802	
		CLECs using Directory Assistance Service (Note 3 & Special Note 3)	7	11	14	9	90	102	Data Not Available	Data Not Available		
		CLECs using "0" Call Completion Service (Note 3 & Special Note 3)	7	11	14	9	89	102	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	
		Number of Facilities Based CLEC End User E-911 Listings										
		Residence	0	0	2	99	2,937	3,038	Validated Number Pending		3,038	
Business	1,400	1,111	1,657	11,802	11,007	26,977			26,977			
Total	1,400	1,111	1,659	11,901	13,944	30,015	0	0	30,015			
8	White pages directory listing for customers of other carrier's telephone exchange service.	Number of CLEC End User White Pages Listings (NV w/o 12/97)										
		Resale	11,995	26,281	9,176	14,599	175,692	237,743	185,668	1,142	424,553	
		Facilities Based	267	136	454	554	2,411	3,822	9,440	547	13,809	
		Total	12,262	26,417	9,630	15,153	178,103	241,565	195,108	1,689	438,362	
9	Nondiscriminatory access to telephone numbers for assignment to the other carrier's telephone exchange service customers. (Note 4)	Telephone Numbers Provided to CLECs										
		Numbers Assigned	120,000	70,000	710,000	330,000	7,170,000	8,400,000	12,150,000	30,000	20,580,000	
		Numbers Pending Assignment	0	0	0	0	60,000	60,000	740,000	0	800,000	

SBC's Section 251 / Checklist Provisioning Status

End of Month Report
 Data through: 3/98 (unless otherwise noted)
 Shaded data through 2/98 (unless otherwise noted)

Date Produced: 4/23/98

#	CHECKLIST DESCRIPTION	PRODUCTS PROVIDED	SWBT's								SBC TOTAL
			AR	KS	MO	OK	TX	5 States	CA	NV	
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 of an existing line from SBC to a facilities-based provider	Lines Converted via INP Residential Lines Business Lines Total	0 1,268 1,268	0 580 580	0 958 958	0 9,292 9,292	37 14,813 14,850	37 26,911 26,948	Res/Bus Split Pending		37 26,911 57,208
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 Since 1/1/97 (In Millions) - From SBC to CLEC - From CLEC to SBC - does not incl. Jan-98, NV - Pending) Total Minutes of Use Exchanged Over Interconnection Trunks in March 1998 - From SBC to CLEC - From CLEC to SBC - Total	22.4 6.6 29.0	0 0 0	29.6 0.0 29.6	114.1 10.8 124.9	212.7 133.9 346.6	378.8 151.3 530.1	2,881.0 401.1 3,282.1	10.4 0.0 10.4	3,270.2 552.4 3,822.6
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 (Simple and Complex) Private Coin Lines Residential Lines Total	1,368 0 12,123 13,491	20,681 0 19,408 40,089	5,811 0 7,771 13,582	2,728 13 13,400 16,139	53,650 10,118 193,811 257,579	84,236 10,131 246,513 340,880	109,102 7,546 139,691 256,339	1,452 0 364 1,816	194,790 17,677 366,568 599,035

Note 1: CA collocated wired centers total reflects physical arrangements only.
 Note 2: CA and NV data updated quarterly. CA Total Feet of Duct Occupied reflects both IXC and CLEC facilities.
 Note 3: SWBT total counts each CLEC once, although it may appear in multiple states.
 Special Note 3: January report counted CLECs operating within a state as both a reseller and facilities based provider as two CLECs. This report counts the CLEC only once.
 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 3.712B minutes of Internet traffic have been exchanged between SBC and CLEC networks in 1997 and 1998 also demonstrates that SBC's networks have been opened to competition.
 SWBT 1997 and 1998 totals include only Local and Optional EAS traffic. PB 1997 totals also include intraLATA toll.

* CA Order Volumes include Resale activity only. All others include Resale and Facilities Based orders.
 ** KS does have OAVDA trunks. In process of splitting those OAVDA trunks terminating and counted in KC, MO that serve both KS and MO.

CLECs with Certifications	SWBT's								SBC TOTAL
	AR	KS	MO	OK	TX	5 States	CA	NV	
Number Approved	17	43	36	34	156	266	118	52	454
Number Pending	27	12	18	17	22	96	33	8	137
CLEC Interconnection Agreements									
Number Signed	28	36	36	34	112	246	32	13	291
Number Approved	24	25	23	19	89	180	27	13	220
Number of Arbitrations Completed	1	3	3	1	11	19	4	0	23
Number of Arbitrations In Progress	1	0	0	0	1	2	0	1	3
Number Under Negotiation	55	52	61	58	131	357	35	23	415



U. S. Department of Justice

Antitrust Division

*City Center Building
1401 H Street, NW
Washington, DC 20530*

March 6, 1998

Liam S. Coonan, Esq.
Senior Vice President and
Assistant General Counsel
SBC Communications, Inc.
175 E. Houston Street
San Antonio, Texas 78205

Re: SBC Performance Measures

Dear Mr. Coonan:

As part of the Department's commitment to work with all Bell companies on relevant issues in advance of their section 271 applications, the Department of Justice and SBC Communications, Inc. ("SBC") have, as you know, been spending considerable time discussing issues relating to wholesale support processes and performance measures. In that regard, you have provided us with a draft list of proposed performance measures, a list that you have supplemented as our discussions have progressed.

Attachment A is a comprehensive list of performance measures. With the qualifications set forth below, we are satisfied that the performance measures listed in Attachment A, to which SBC has agreed,¹ would be sufficient, if properly implemented, to satisfy the Department's need for performance measures for evaluating a Section 271 application filed in the not-too-distant future.

We appreciate SBC's engagement with the Department on satisfying our competitive assessment in advance of a filing and look forward to working with you on additional related issues. One such issue is whether the performance measures in Attachment A have been "properly implemented," since the majority of our discussions have dealt with the performance measures themselves and since it is upon the actual measures that this letter focuses. As you can appreciate, there are important repercussions that may arise from how the measures are implemented. For example, definitional issues and other details connected with the measures themselves (such as

¹ As we have discussed with you, the Department has agreed to narrow variances from Attachment A in light of certain SBC processes and procedures. Specifically, we have agreed that SBC need not provide separate operator services and directory assistance speed-of-answer measurements for branded and unbranded calls and that SBC can limit its 911 measurements to an error-clearing interval measure that is presently under development.

the basis upon which due dates and start and stop times are set in particular measures) could significantly affect the meaning of the data. Thus, because we have not yet reached agreement on issues such as data retention, presentation, and reporting (e.g., disaggregation, reporting intervals and formats), and analysis, we expect that Department staff and SBC will continue to work towards resolution of these issues. We also expect that Department staff and SBC will discuss performance standards and benchmarking, other important aspects of the Department's performance analysis.

Moreover, while we are satisfied at the present time that the measures set out in Attachment A would, if properly implemented, suffice for present purposes, performance measurement is a dynamic area and future developments could necessitate changes in our views of appropriate performance measures. For example, while the measures listed in Attachment A are structured to cover the provision of unbundled network elements, once it becomes clear how unbundled network elements will be provided so as to allow requesting carriers to combine such elements in order to provide a telecommunications service, we may find that other measures are necessary to assess performance in this situation. In addition, the development of new services or new methods of providing existing services could necessitate additional performance measures. Alternatively, through ongoing regulatory proceedings, our own investigation, or otherwise, we might learn of additional risks, and even occurrences, of discrimination of which we were not previously aware. Accordingly, we would expect SBC to implement additional measures or modifications to existing measures should it become apparent to the Department that they are necessary. On the other hand, developments might reveal that certain measures were no longer necessary and could be eliminated.

Our satisfaction with the performance measures set out in Attachment A must be placed in its proper context. First, it is limited to the Department's application of its competitive standard. Under section 271, the Department is to evaluate applications for Bell entry using "any standard" the Department believes is appropriate, and the FCC is required to give "substantial weight" to that evaluation. As we have explained, our standard, in addition to the specific statutory prerequisites, requires a demonstration that local markets in a state have been "fully and irreversibly opened to competition," and appropriate performance measures, standards, and benchmarks are important to the Department's application of our competitive standard.

Second, our conclusions relate only to the Department's evaluation of section 271 applications and should not be construed as an expression of the Department's views concerning the appropriate resolution of any federal or state regulatory proceeding relating to performance measures. The FCC and some state commissions have ongoing proceedings considering both performance measures and performance standards, including company-specific and state-specific issues. These proceedings may produce performance measures different from, or in addition to, those described in Attachment A.

I am hopeful that we can resolve the remaining issues expeditiously through our ongoing discussions. I appreciate your cooperation in addressing these issues and look

forward to our continuing mutual efforts. If you have any questions or suggestions regarding these issues, please call.

Sincerely,

A handwritten signature in cursive script that reads "Donald J. Russell".

Donald J. Russell

Chief

Telecommunications Task Force

PERFORMANCE MEASURES

I. PRE-ORDERING

1. *Pre-order OSS Availability*: Measures both the hours and days the BOC's pre-order OSSs are available to CLECs and non-scheduled downtime.
2. *Pre-order System Response Times*: Measures, in seconds, the speed with which the CLEC Service Representatives receive information (including rejection and error messages) for processes described below with a customer on the line. These cycle-time measures assume the CLEC has mechanical access to the BOC databases and should be measured in a manner that allows appropriate comparisons to like cycle times experienced by BOC retail service representatives. Times are provided separately for the following functions:
 - a. Address verification
 - b. Request for telephone number
 - c. Request for customer service record (CSR)
 - d. Service and product availability
 - e. Appointment scheduling

II. ORDERING

1. *Firm Order Commitment (FOC) Cycle Time*: Measures the average time from CLEC service order submission to BOC response, confirming receipt of a properly formatted and appointed order and committing to complete the order by a specified date. In addition, may be presented as the percentage returned within an agreed upon interval.
2. *Rejected Order Cycle Time*: Measures the average time, from CLEC service order submission to BOC response, for rejecting an incomplete service order or one containing errors. Each submission of an order, up to and including the FOC, requires a response cycle-time result.
3. *Ordering Quality*: The following performance measures are important determinants of service order processing parity or adequacy. Each is important in its own right and provides insights into different aspects of order quality. While the entire set would not be required, Percent Flow Through and either Percent Rejected Orders or Order Submissions per Order are necessary.
 - a. *Percent Rejected Orders*: Measured at the BOC gateway, it is the result of dividing rejected orders by total orders submitted, manually or mechanically. It is an adequacy measure because there are no equivalent BOC analogs. BOC orders are "rejected" via automatic edits before the order leaves the service representative position.
 - b. *Order Submissions per Order*: Measured at the BOC gateway, it is determined by dividing total order submissions by the number of orders receiving a firm order commitment.

- c. *Percent Flow Through*: Measures the percentage of orders that flow from the BOC gateway to acceptance by the BOC service order processor without manual intervention. Orders rejected at the gateway are excluded.
- 4. *Ordering OSS Availability*: Measures both the hours and days the BOC's ordering OSSs are available to CLECs and non-scheduled downtime.
- 5. *Ordering Center Availability*: Reports both the hours and days of operation of the BOC ordering center.
- 6. *Speed of Answer-Ordering Center*: Measures the average time to reach a BOC service representative.

III. PROVISIONING

- A. *Service Provisioning Interval*: Measures the time from customer request for service to completion when the appointment is offered by the BOC, either from a common appointment database, generally used in a resale environment, or by agreed-to appointment intervals, more commonly used in a UNE environment. Service Provisioning Interval should be measured both as a mean, or average interval, and as a percent over a standard interval. Next available appointments offered from the work schedule OSS and expedited requests should be included for measurement; customer-requested due dates longer than the offered appointment should be excluded.
 - 1. *Average Service Provisioning Interval*: Measured in days from end-user request to order completion and counted separately for dispatched and non-dispatched orders.
 - 2. *Percent Service Provisioned Out of Interval*: Measures the percentage of service orders completed in more than an agreed upon number of days. Ideally, measured incrementally by day. For example, orders completed in more than 3 days, 4 days, 5 days, and 6 days. This performance measure depicts the tail of the interval curve. Combined with the Average Installation Interval, portrays a robust picture of provisioning cycle time.
- B. *Other Provisioning Measures*
 - 1. *Percent Interconnection Facilities Provisioned Out of Interval*: Measures the percentage of interconnection facilities (switched trunks and dedicated circuits) provisioned in more than an agreed upon number of days.
 - 2. *Percent Missed Appointments-Company Reasons*: Order completion is measured against the *original CLEC-requested due date*. No due date changes may be made unless explicitly specified by the end user or explicitly agreed to by the CLEC and the BOC. Orders missed for company reasons-load, facilities, or other-are included. Orders missed due to customer reasons are not counted as a miss for purposes of this measure.
 - 3. *Percent New Service Failures*: Measures the number of trouble reports on newly provisioned service within an agreed number of days of the original trouble. Studies have shown high correlation between provisioning errors and trouble reports occurring within 10 days and lower correlations beyond 10 days.

4. *Completed Service Order Accuracy*: Measures the extent to which orders are completed by the BOC as ordered by the CLEC.
5. *Orders Held for Facilities*: Measures service orders not completed by the original due date because of a lack of network facilities (including loops and central office equipment) in terms of (a) the average time between the original due date and the final completion date, and (b) the number of pending orders, as of the report date, held beyond a specified period (usually 30 days) following the original due date.
6. *Average Completion Notice Interval*: Measures the average time from order completion to notification of the CLEC for orders submitted on a mechanized basis.

IV. MAINTENANCE

A. Trouble Reporting & Clearance

1. *Trouble Report Rate*: Measured as the number of trouble reports per customer or access line per month.
2. *Percent Repeat Reports*: Measured as the percentage of end-user troubles on the same access line within an agreed number of days of the original trouble. Studies have shown high correlation between repair errors and repeat reports occurring within 10 days and lower correlations beyond 10 days.
3. *Percent Out of Service Over 24 Hours*: Measured as a percentage of out-of-service troubles cleared within 24 hours.
4. *Percent Missed Appointments*: Measures the percentage of trouble reports cleared after the promised appointment. Requires that appointment times, once set, cannot be changed except by the end user.
5. *Mean Time to Repair*: Measured as the average interval from trouble report to clearance.
6. *Interconnection Facilities Restored Out of Interval*: Measures the percentage of interconnection facilities (switched trunks and dedicated circuits) reported out of service and restored after an agreed-to interval. May also be measured and reported as an average interval.
7. *Maintenance OSS Availability*: Measures both the hours and days the BOC's maintenance OSSs are available to CLECs and non-scheduled downtime.
8. *Maintenance Center Speed of Answer*: Measures the average time to reach a BOC repair service representative.

B. Network Quality

1. *Percent Blocked Calls*: Measures trunking grade (quality) of service. Should be provided separately for the following types of trunks:
 - a. ILEC End Office to CLEC End Office Trunk Groups
 - b. ILEC Tandem to CLEC End Office Trunk Groups
 - c. ILEC Tandem to and from ILEC End Office Trunk Groups

V. BILLING

1. **Bill Timeliness:** Measures the percentage of billing records delivered within an agreed-to interval. Should be provided for the following billing information provided to CLECs:
 - a. **Daily Usage File (DUF):** Measures, from message creation to the availability of the usage information to the CLEC, the percentage of DUF's provided within the interval.
 - b. **Wholesale Bill:** Measures the percentage of wholesale bills issued within an agreed-to number of days following the end of the billing cycle.
2. **Bill Completeness:** Measures the percentage of complete billing records for usage charges, recurring charges, and non-recurring charges provided to CLECs. Should be measured after bills are released. Under approved conditions, sufficiently robust pre-release test and audit procedures could substitute for a post-release audit.
 - a. **Usage:** Measures unbillable usage and usage from the current bill cycle not included on the current wholesale bill.
 - b. **Recurring Charges:** Measures current bill cycle recurring charges not included on the current wholesale bill.
 - c. **Non-Recurring Charges:** Measures non-recurring charges completed in the current bill period not included on the current wholesale bill.
3. **Bill Accuracy:** Measures the percentage of accurate billing records for usage charges, recurring charges, and non-recurring charges provided to CLECs. Should be measured after bills are released. Under approved conditions, sufficiently robust pre-release test and audit procedures could substitute for a post-release audit.

VI. OTHER

1. **Operator Services Toll Speed of Answer:** Measures raw interval in seconds or as a percentage under a set objective. Should be provided separately for unbranded and branded service.
2. **Directory Assistance Speed of Answer:** Measures raw interval in seconds or as a percentage under a set objective. Should be provided separately for unbranded and branded service.
3. **911 Database Update Timeliness and Accuracy:** Measures the percentage of missed due dates of 911 database updates and the percentage of accurate updates.

SOUTHWESTERN BELL
SECTION 271 PERFORMANCE MEASUREMENTS

I. RESALE POTS, RESALE SPECIALS AND UNES

A. Pre-Ordering/Ordering

1. **Measurement** - Average Response Time For OSS Pre-Order Interfaces.

Definition - The average response time in seconds from the SWBT side of the Remote Access Facility (RAF) and return for pre-order interfaces (Verigate and DataGate) by function:

- Address Verification
- Request For Telephone Number
- Request For Customer Service Record (CSR)
- Service Availability
- Service Appointment Scheduling (Due Date)
- Dispatch Required. **FAX AVAIL**

Calculation - $\Sigma[(\text{Query Response Date \& Time}) - (\text{Query Submission Date \& Time})] / (\text{Number of Queries Submitted in Reporting Period})$.

Report Structure - Reported on a company basis by interface for DATAGATE and VERIGATE.

2. **Measurement** - EASE Average Response Time.

Definition - Average screen to screen response from the SWBT side of the Remote Access Facility (RAF) and return.

Calculation - $\Sigma[(\text{Query Response Date \& Time}) - (\text{Query Submission Date \& Time})] / (\text{Number of Queries Submitted in Reporting Period})$.

Report Structure - Reported for all CLECs and SWBT by division name(CPU platform).

3. **Measurement** - OSS Interface Availability.

Definition - Percent of time OSS interface is available compared to scheduled availability.

Calculation - $((\text{\# scheduled system available hours} - \text{unscheduled unavailable system hours}) - \text{scheduled system available hours}) * 100$.

Report Structure - Reported on a company basis by interface e.g. EASE, DATAGATE, VERIGATE, LEX, EDI and TOOLBAR. The RAF will be reported by CLEC.

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SECTION 271 PERFORMANCE MEASUREMENTS

4. **Measurement** - % Firm Order Confirmations (FOCs) Received Within "X" Hours.

Definition - Percent of FOCs returned within a specified time frame from receipt of service requests to return of confirmation to CLEC.

- All Res. And Bus. < 24 Hours
- Complex Business - Negotiated
- UNE Loop (1-49 Loops) < 24 Hours
- UNE Loop (> 50 Loops) < 48 Hours
- Switch Ports < 24 Hours.

Calculation - (# FOCs returned within "x" hours ÷ total FOCs sent) * 100.

Report Structure - Reported for CLEC and all CLECs. This includes mechanized from EDI and LEX and manual (FAX or phone orders). The FOC for EASE is considered to be at the time the due date is negotiated and is not included in the calculation.

5. **Measurement** - Average Time To Return FOC.

Definition - The average time to return FOC from receipt of service order to return of confirmation to CLEC.

Calculation - $\Sigma[(\text{Date and Time of FOC}) - (\text{Date and Time of Order Acknowledgment})]/(\# \text{ of FOCs})$.

Report Structure - Reported for CLEC and all CLECs.

6. **Measurement** - Percent Mechanized Completions Returned Within 1 Hour Upon The Successful Execution Of The SORD (BU340) Batch Cycle Which Updates The Order Status, Indicating A Completion Notice. The batch process executes at the following times: 9:00 am, 12:00 noon, 3:00 pm, 6:00 pm, 10:30 pm.

Definition - % mechanized completions returned within 1 hour for EDI and LEX.

Calculation - (# mechanized completions returned to CLEC within 1 hour ÷ total completions) * 100.

Report Structure - Reported for CLEC and all CLECs for the electronic interfaces (EDI and LEX). The 1 hour interval above is subject to change as the EDI polling time frame changes.

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SECTION 271 PERFORMANCE MEASUREMENTS

7. **Measurement** - Average Time to Return Mechanized Completions.
Definition - Average time required to return a mechanized completion.
Calculation - $\Sigma[(\text{Date and Time of Notice Of Completion Issued to the CLEC}) - (\text{Date and Time of Work Completion})]/(\# \text{ of Orders Completed})$.
Report Structure - Reported on CLEC and all CLECs for the electronic interfaces (EDI and LEX). The standard interval for returning completion will be >97% received within 1 hour of order completion. The 1 hour interval is subject to change as the EDI polling time frame changes.
8. **Measurement** - Percent Rejects.
Definition - The number of rejects compared to the issued orders for the electronic interfaces (EDI, RMI and LEX).
Calculation - $(\# \text{ of rejects} \div \text{total orders issued}) * 100$.
Report Structure - Reported on CLEC and all CLECs for the electronic interfaces (EDI and LEX).
9. **Measurement** - Percent Mechanized Rejects Returned Within 1 Hour Of The Start Of The EDI/LASR Batch Process.
Definition - Percent mechanized rejects returned within 1 hour of the start of the EDI/LASR batch process. The EDI and LASR processes execute every two hours between 6:00 A.M. and 12:00 A.M.
Calculation - $(\# \text{ mechanized rejects returned within 1 hour} \div \text{total rejects}) * 100$.
Report Structure - Reported for CLEC and all CLECs for the electronic interfaces (EDI and LEX). The standard interval to send a reject will be 97% within 1 hour of PON.
10. **Measurement** - Mean Time to Return Mechanized Rejects.
Definition - Average time required to return a mechanized reject.
Calculation - $\Sigma[(\text{Date and Time of Order Rejection}) - (\text{Date and Time of Order Acknowledgment})]/(\# \text{ of Orders Rejected})$.
Report Structure - Reported on CLEC and all CLECs for the electronic interfaces (EDI and LEX).

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SECTION 271 PERFORMANCE MEASUREMENTS

11. **Measurement** - Mechanized Provisioning Accuracy.

Definition - Percent of mechanized orders completed as ordered.

Calculation - $(\# \text{ of orders completed as ordered} \div \text{total orders}) * 100$.

Report Structure - Reported by individual CLEC, CLECs and SWBT.

12. **Measurement** - Order Process Percent Flow Through.

Definition - Percent of orders or LSRs from entry to distribution that progress through SWBT ordering systems excluding rejects.

Calculation - $(\# \text{ of "good" orders that flow through} \div \text{total orders}) * 100$

LASR orders that flow through are those orders that go to the mechanized order generation (MOG). Total orders are the sum of orders that go to the MOG and those that go to folders for manual handling. EASE orders that flow through are those orders that are issued by using the PF11 key and do not go to the error queue. The total orders are all PF11 issued orders.

Report Structure - Reported by individual CLEC, CLECs and SWBT for CLEC typed orders and LSC typed orders.

B. Billing

13. **Measurement** - Billing Accuracy.

Definition - SWBT performs three bill audits to ensure the accuracy of the bills rendered to its customers: CRIS, CABS and toll/usage. In addition, SWBT has developed a test order process to ensure the accuracy of the CRIS non-recurring charges (see Attachment 1).

Calculation - $(\# \text{ of bills not corrected prior to bill release} \div \text{total bills audited}) * 100$.

Report Structure - Reported for aggregate of all CLECs and SWBT for the CRIS, CABS and Usage bill audits.

14. **Measurement** - Percent of Accurate And Complete Formatted Mechanized Bills.

Definition - Measures the % of accurate and complete formatted mechanized bills via EDI.

Calculation - $(\text{Count of accurate and complete formatted mechanized bills via EDI} \div \text{total \# of mechanized bills via EDI}) * 100$.

Report Structure - Reported for CLEC and all CLECs.

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SECTION 271 PERFORMANCE MEASUREMENTS

15. **Measurement** - Percent Of Billing Records Transmitted Correctly.
Definition - Measures % of billing records transmitted correctly on the usage extract feed.
Calculation - (Count of billing records transmitted correctly ÷ total billing records transmitted) * 100.
Report Structure - Reported for CLEC and all CLECs.
16. **Measurement** - Billing Completeness.
Definition - Percent of service orders on the bill for the current bill period for both CRIS and CABS.
Calculation - (Count of service orders included in current applicable bill period ÷ total service orders in current applicable bill period) * 100.
Report Structure - Reported for CLEC, all CLECs and SWBT.
17. **Measurement** - Billing Timeliness (Wholesale Bill).
Definition - The measurement will be % mechanized bills sent by midnight of the 6th work day after the end of the bill period. Since paper bills are handled via the same process that SWBT uses for paper distribution no measurement is provided.
Calculation - (Count of bills released on time ÷ total number of bills released) * 100.
Report Structure - Reported for CLEC and all CLECs.
18. **Measurement** - Daily Usage Feed Timeliness.
Definition - The percent of usage data transmitted on time. (This measurement is still under development and therefore the definition may change).
Calculation - (Number of usage feeds transmitted on time ÷ total number of usage feeds) * 100.
Report Structure - Reported for CLEC and all CLECs.
19. **Measurement** - Unbillable Usage.
Definition - The percent usage data that is unbillable. (This measurement is still under development and therefore the definition may change).
Calculation - (Total unbillable usage ÷ total usage) * 100.
Report Structure - Reported for the aggregate of SWBT and CLECs.