



Todd F. Silbergeld  
Director  
Federal Regulatory

SBC Communications Inc.  
1401 I Street, N.W.  
Suite 1100  
Washington, D.C. 20005  
Phone 202 326-8888  
Fax 202 408-4806

EX PARTE OR LATE FILED

May 1, 1998

DOCKET FILE COPY ORIGINAL  
RECEIVED

**NOTICE OF EX PARTE PRESENTATION**

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

MAY - 1 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: *In the Matters 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 and Request by ALTS for Clarification of the Commission's Rules Regarding Reciprocal Compensation for Information Service Provider Traffic, CCB/CPD No. 97-30*

Dear Ms. Salas:

Please be advised that yesterday, Dale (Zeke) Robertson, Senior Vice President, SBC Telecommunications, Inc., and I met with Richard Metzger, Richard Welch, and Linda Kinney in connection with the above-referenced proceedings. The purpose of the meeting was to provide the staff with a status report regarding SBC's meetings on section 271 competitive checklist compliance and various state regulatory proceedings concerning section 271 relief. In addition, we provided the attached document (Attachment 2) concerning reciprocal compensation involving Internet service providers and competitive local exchange carriers.

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,

Attachments

cc: Mr. Metzger  
Mr. Welch  
Ms. Kinney

No. of Copies rec'd 014  
List ABCDE

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
No. of Copies rec'd  
List ABCDE

ATTACHMENT 1  
RECEIVED

MAY - 1 1998

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
<b>RESOLD LINES:</b>	<b>576,300</b>	<b>375,300</b>	<b>182,700</b>	<b>18,300</b>

**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

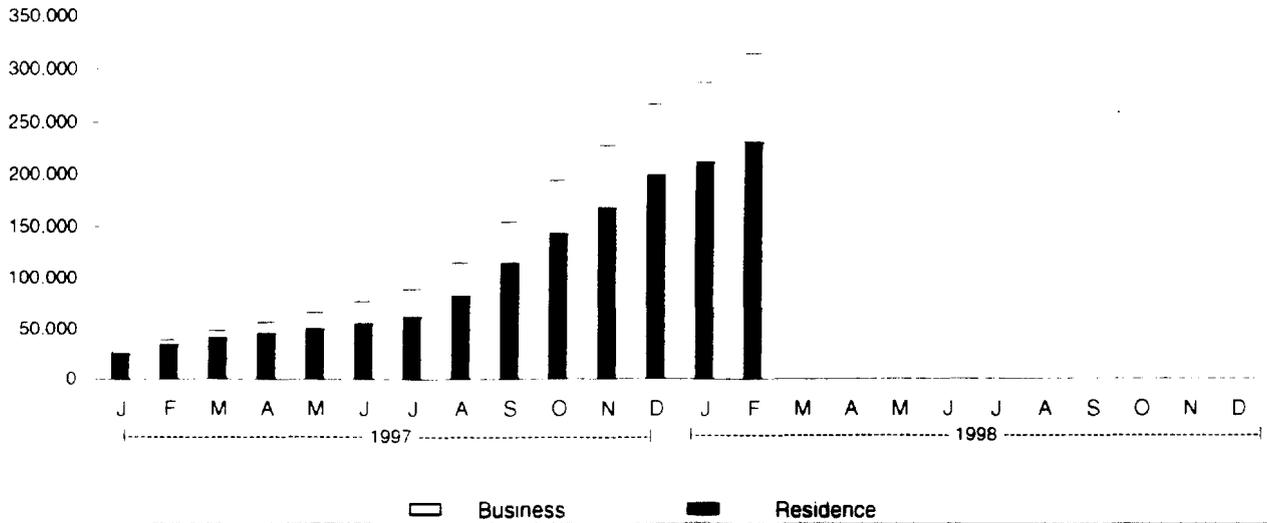
- The resale, interconnection, facilities-based and OSS-related numbers listed above, provide strong and compelling evidence that SBC has opened each of its seven states to resale, facilities-based and UNE competition and that SBC provides CLECs with all the systems and services they need to capture 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.

## *SBC meets the 14 point competitive checklist*

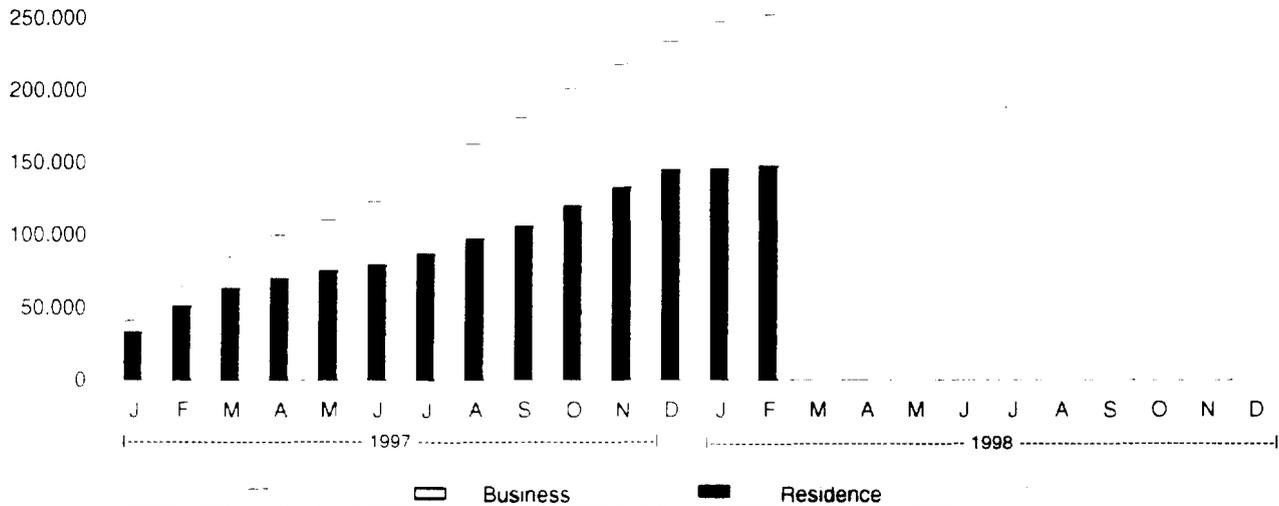
- Interconnection**
  - » 214 Approved Agreements
- Unbundled Network Element Access**
  - » 56,100 UNE elements purchased
- Nondiscriminatory Access to Outside Plant**
  - » 7.5 million duct feet occupied
  - » 373 thousand pole attachments
- Unbundled Local Loops**
  - » 41,089 loops purchased
- Unbundled 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

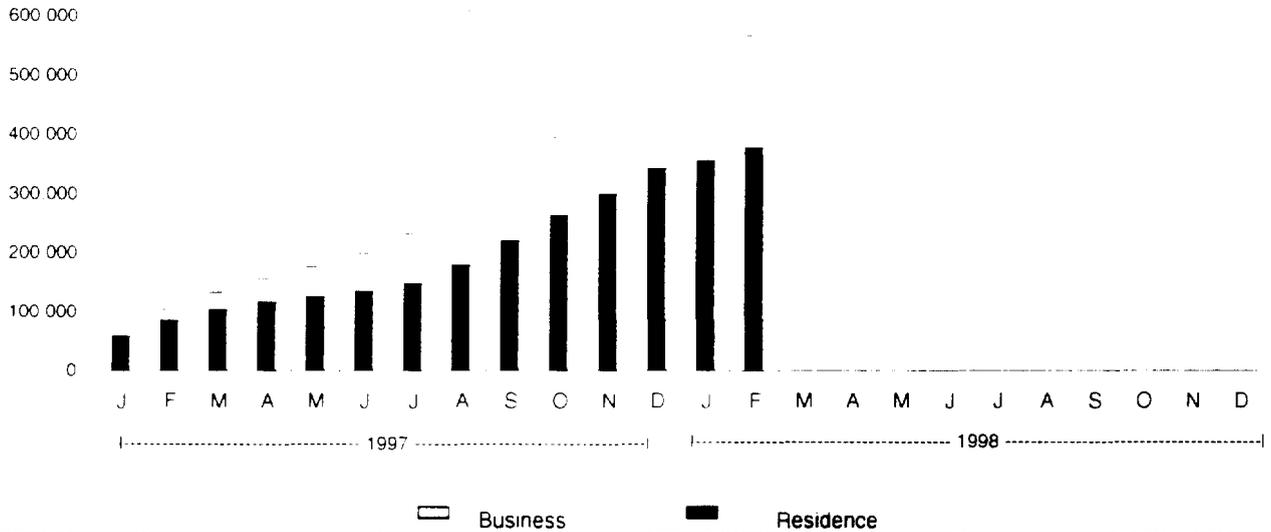
## Southwestern Bell Telephone



## Pacific Bell

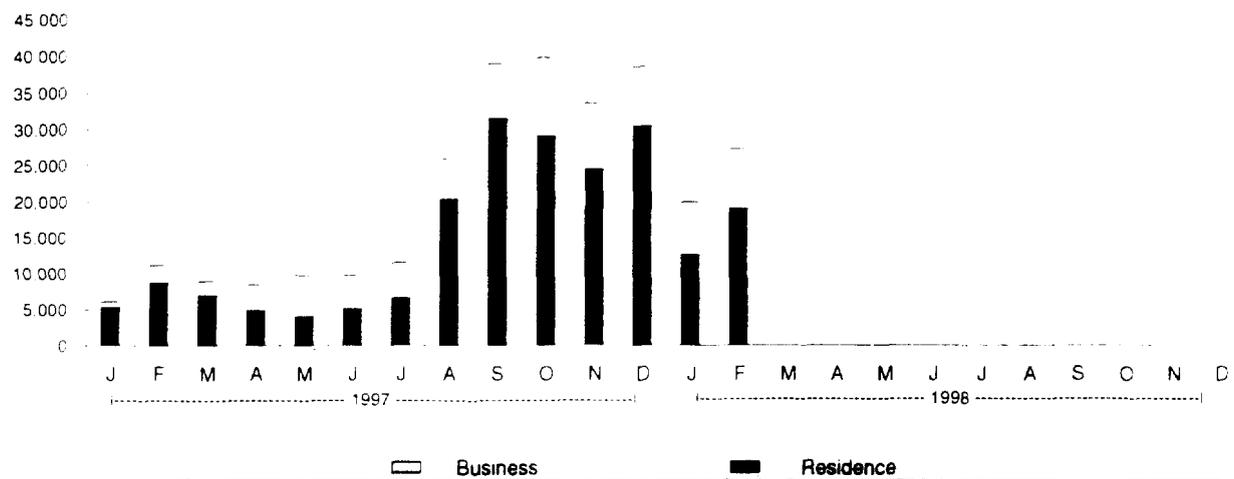


## SBC Consolidated

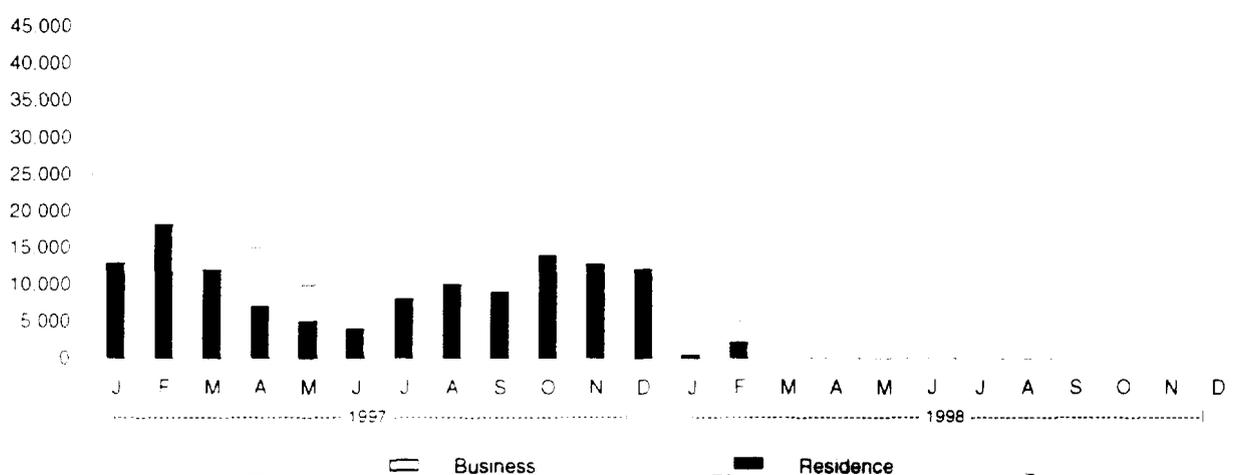


# SBC Resold Lines - Monthly Resale Lines Lost to CLECs

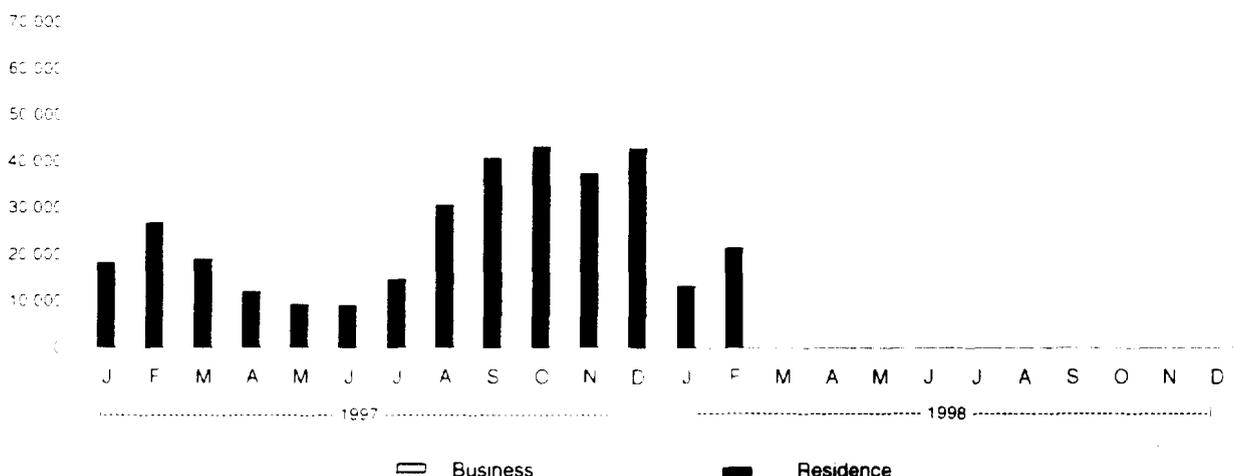
## Southwestern Bell Telephone



## 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	AR	KS	MO	OK	TX	SWBT's			SBC TOTAL	
								5 States	CA	NV		
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	71,872	95,335	182,559	1,992	259,886	
		One Way Trunks (SBC to CLEC)	3,319	1,080	4,372	7,401	41,093	57,285	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	18	49	80	109	0	189	
		Pending Cages	2	3	18	3	99	125	92	1	218	
		Virtual Collocation										
		Operational Arrangements	2	6	8	5	36	57	0	0	57	
		Pending Arrangements	0	0	0	0	2	2	1	0	3	
	Number of Collocated Wire Centers (Note 1)	3	4	7	13	35	62	109	0	171		
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	26	4	177	
		Total orders processed (2/8/98 - 3/98) *	43,357	66,808	20,489	47,337	928,812	1,108,801	658,718	2,244	1,767,781	
		Manual	42,862	46,686	18,854	42,501	721,048	869,751	100% in 1998	2,244		
		Electronic	895	20,120	3,635	4,836	207,764	237,050	0% in 1998	0		
		Total orders processed in 1997 *	19,035	41,476	6,396	22,832	641,098	730,837	491,327	1,294	1,223,463	
		Manual	19,035	28,972	6,309	20,408	495,077	569,801	~ 80%	1,294		
		Electronic	0	12,504	87	2,424	146,021	161,036	~ 20%	0		
		Total orders processed in 1998 *	24,322	25,330	14,089	24,501	246,110	334,352	98,192	945	433,489	
		Manual	23,627	17,714	10,541	22,089	184,367	258,338	28,476	945		
		Electronic	695	7,616	3,548	2,412	61,743	76,014	69,716	0		
Total orders processed in March 1998 *	Manual	6,964	9,971	8,160	11,062	85,250	121,407	28,897	280	150,584		
	Electronic	6,269	6,399	4,718	10,112	63,481	90,979	8,381	280			
3	Nondiscriminatory access to poles, ducts, conduits and rights of way	Total Number of Poles Attached (Note 2)	112	22	415	186	2,445	3,180	370,080	506	373,748	
		Total Feet of Duct Occupied (Note 2)	107,623	6,149	64,897	34,781	633,803	847,233	7,236,650	18,225	8,100,108	
4	Local loop transmission from the central office to the customer's premises, unbundled from local switching or other services	Unbundled Loops	328	240	811	744	255	2,376	33,873	5,729	41,978	
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	
6	Local switching unbundled from transport, local loop transmission or other services	Unbundled Switch Ports	0	0	1	0	183	184	149	0	313	
		Shared Transport Available?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
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)	84	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	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	1,857	11,802	11,007	26,977			26,977			
Total	1,400	1,111	1,859	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 a/o 12/97)										
		Resale	11,995	26,281	9,178	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 57,206
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 (CA 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 19,406 40,089	5,811 0 7,771 13,582	2,726 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 17,877 386,568 599,035

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 OADA trunks. In process of splitting those OADA 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	286	116	52	454
Number Pending	27	12	18	17	22	96	33	8	137
<b>CLEC Interconnection Agreements</b>									
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

# 89 CLECS HAVE MET THE STATE REGULATORY REQUIREMENTS AND COULD OFFER A COMPETITIVE CHOICE TO RESIDENTIAL CUSTOMERS

ACSI  
ACCUTEL OF TEXAS, INC.  
ACM, INC.  
ALLTEL COMMUNICATIONS, INC  
AMERICAN METROCOMM/TXAS, INC.  
AMERICAN TELCO, INC.  
AMERITECH COMMUNICATIONS  
INTERNATIONAL, INC.  
AT&T  
AUSTIN BESTLINE  
BASICPHONE, INC.  
BROOKS FIBER COMMUNICATIONS  
CAPITAL TELECOMMUNICATIONS INC.  
CAPROCK COMMUNICATIONS CORP.  
CFL TELEPHONE  
CHICKASAW TELECOMMUNICATIONS  
SERVICES, INC.  
CHOCTAW COMMUNICATION  
COMM SOUTH  
CONNECT COMMUNICATIONS  
CONTINENTAL TELECOMMUNICATIONS  
OF CALIFORNIA  
COSERV, L.L.C.  
COX TELCOM, INC.  
CSW/ICG CHOICECOM, L.P.  
CYTEL  
DIAL TONE USA, INC.  
DIAL US  
DOBSON WIRELESS, INC.  
E Z TALK COMMUNICATION  
EASY CELLULAR, INC.

ELECTRIC LIGHTWAVE, INC.  
EXPRESS TELECOMMUNICATIONS  
FAST CONNECTIONS INC  
FEIST LONG DISTANCE SERVICE, INC.  
GST TELECOMMUNICATIONS  
GTE CARD SERVICES INCORPORATED  
GTEC  
HOLLYWOOD COMMUNICATIONS  
INTELECOMMUNICATIONS  
INTERNATIONAL, INC.  
JUNIPER TELECOMMUNICATIONS  
KENTEL  
LOCAL FONE SERVICE, INC.  
LOCAL TELEPHONE SERVICE  
COMPANY, INC.  
MATRIX TELECOM, INC.  
MAXTEL COMMUNICATIONS, INC.  
MCI METRO  
METRO CONNECTION INC.  
METRO-LINK TELECOM, INC.  
METROPHONE  
MFS/WORLDCOM  
MICOMM SERVICES  
M-TEL RESOURCES  
NETWORK OPERATOR SERVICES, INC.  
NHS COMMUNICATIONS GROUP, INC.  
NTS COMMUNICATIONS, INC  
OMNI PRISM COMMUNICATIONS, INC.  
OMNIPLEX COMMUNICATIONS GROUP  
OP TEL (TEXAS) TELECOM, INC.

PACWEST TELECOMM, INC.  
PHOENIX FIBERLINK OF NEVADA  
PHONIT, INC.  
POSNER TELECOMMUNICATIONS, INC.  
PREFERRED CARRIER SERVICES, INC  
PREMIERE NETWORK SERVICES, INC.  
PROGRESSIVE CONCEPTS, INC.  
QOC, INC.  
QTEL, INC.  
REITZ RENTALS  
RUTH RIZA  
SHARED COMMUNICATIONS SERVICES  
SLO CELLULAR, INC.  
SPECTRANET  
SPRINT  
STERLING INTERNATIONAL FUNDING  
TAYLOR COMMUNICATIONS GROUP  
TEL-LINK  
TELENETWORK, INC.  
TELEPORT COMMUNICATIONS GROUP  
TELIGENT, INC.  
TIME WARNER  
U S WEST INTERPRISE AMERICA, INC.  
U.S. LONG DISTANCE  
U.S. ONLINE COMMUNICATIONS, L.L.C.  
U.S. TELCO, INC.  
UNITED TELEPHONE COMPANY  
UNIVERSAL TELEPHONE  
VALU-LINE  
WESTERN OKLAHOMA LONG DISTANCE  
WINSTAR WIRELESS OF TEXAS

# **CLECS THAT HAVE MET ARKANSAS REGULATORY REQUIREMENTS AND OFFER A COMPETITIVE CHOICE TO RESIDENTIAL CUSTOMERS**

- ✓ **Approved Interconnection Agreement**
- ✓ **Approved Certificate**
- ✓ **Statewide Coverage**
- ✓ **Tariff or Price List Required**

- **BROOKS FIBER COMMUNICATIONS**
- **ARKANSAS COMM SOUTH**
- **CONNECT COMMUNICATIONS**
- **FAST CONNECTIONS INC**
- **MAX-TEL COMMUNICATIONS, INC**
- **PREFERRED CARRIER SERVICES, INC**
- **STERLING INTERNATIONAL FUNDING**
- **U.S. LONG DISTANCE**
- **U.S. TELCO, INC.**

**9 CLECS**



# CLECS THAT HAVE MET CALIFORNIA REGULATORY REQUIREMENTS AND COULD OFFER A COMPETITIVE CHOICE TO RESIDENTIAL CUSTOMERS

- ✓ Approved Interconnection Agreement
- ✓ Approved Certificate
- ✓ Statewide Coverage
- ✓ Tariff or Price List Required

14 CLECS

- 
- AT&T
  - BROOKS FIBER COMMUNICATIONS
  - CONTINENTAL TELECOMMUNICATIONS OF CALIFORNIA
  - CALIFORNIA TELCOM, INC.
  - ELECTRIC LIGHTWAVE, INC.
  - TELECOMMUNICATIONS
  - METRO
  - WORLD COM
  - PacWest TELECOMM, INC.
  - SLO CELLULAR, INC.
  - SPECTRANET
  - SPRINT
  - TELEPORT COMMUNICATIONS GROUP



# CLECS THAT HAVE MET KANSAS REGULATORY REQUIREMENTS AND OFFER A COMPETITIVE CHOICE TO RESIDENTIAL CUSTOMERS

**11 CLECS**

- ✓ Approved Interconnection Agreement
- ✓ Approved Certificate
- ✓ Statewide Coverage
- ✓ Tariff or Price List Required

## **STATEWIDE**

- FAST CONNECTIONS INC
- FEIST LONG DISTANCE SERVICE, INC
- KANSAS COMM SOUTH
- MAX-TEL COMMUNICATIONS, INC
- PREFERRED CARRIER SERVICES, INC
- QCC, INC
- STERLING INTERNATIONAL FUNDING
- U.S. TELCO, INC.
- UNIVERSAL TELEPHONE
- VALU-LINE

## **KANSAS CITY AREA**

- ACSI



# CLECS THAT HAVE MET MISSOURI REGULATORY REQUIREMENTS AND COULD OFFER A COMPETITIVE CHOICE TO RESIDENTIAL CUSTOMERS

- ✓ Approved Interconnection Agreement
- ✓ Approved Certificate
- ✓ Statewide Coverage
- ✓ Tariff or Price List Required

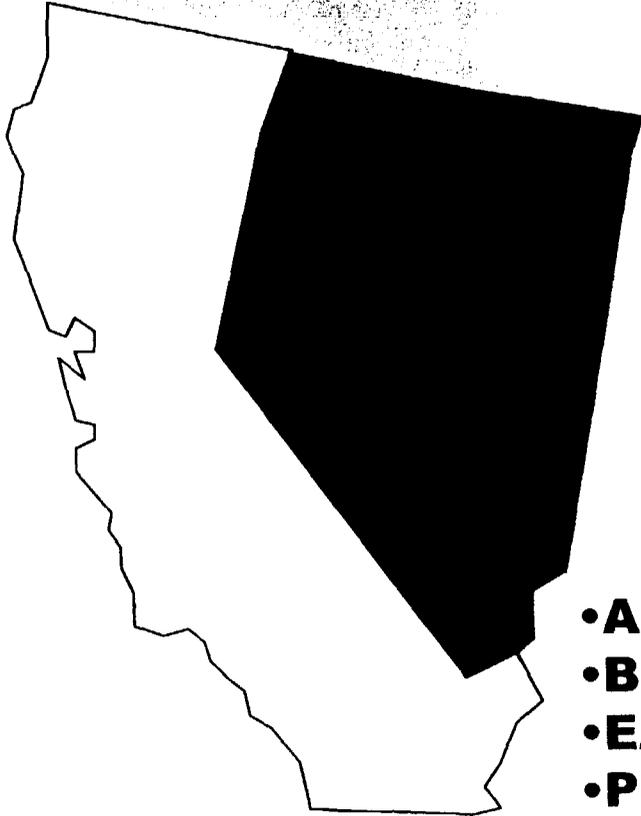
9 CLECS

- ACSI
- BROOKS FIBER COMMUNICATIONS
- DIAL US
- FAST CONNECTIONS INC
- INTERMEDIA COMMUNICATIONS
- MAX-TEL COMMUNICATIONS, INC
- MFS/WORLDCOM
- MISSOURI COMM SOUTH
- STERLING INTERNATIONAL FUNDING



# CLECS THAT HAVE MET NEVADA REGULATORY REQUIREMENTS AND COULD OFFER A COMPETITIVE CHOICE TO RESIDENTIAL CUSTOMERS

- ✓ Approved Interconnection Agreement
- ✓ Approved Certificate
- ✓ Statewide Coverage



**8 CLECS**

- ACM, INC.
- BROOKS FIBER COMMUNICATIONS
- EASY CELLULAR, INC.
- PHOENIX FIBERLINK OF NEVADA
- QTEL, INC.
- SHARED COMMUNICATIONS SERVICES, INC.
- TEL-LINK
- U S WEST INTERPRISE AMERICA, INC.



# CLECS THAT HAVE MET OKLAHOMA REGULATORY REQUIREMENTS AND COULD OFFER A COMPETITIVE CHOICE TO RESIDENTIAL CUSTOMERS

- ✓ Approved Interconnection Agreement
- ✓ Approved Certificate
- ✓ Statewide Coverage
- ✓ Tariff or Price List Required

10 CLECS

- A C S I
- BROOKS FIBER COMMUNICATIONS
- CHICKASAW TELECOMMUNICATIONS SERVICES, INC.
- COX OKLAHOMA TELCOM
- DIAL TONE USA, INC.
- DOBSON WIRELESS, INC.
- FAST CONNECTIONS INC.
- OKLAHOMA COMM SOUTH
- U.S. LONG DISTANCE
- WESTERN OKLAHOMA LONG DISTANCE



# CLECS THAT HAVE MET TEXAS REGULATORY REQUIREMENTS AND COULD OFFER A COMPETITIVE CHOICE TO RESIDENTIAL CUSTOMERS

- ✓ Approved Interconnection Agreement
- ✓ Approved Certificate
- ✓ Statewide Coverage
- ✓ Tariff or Price List Required

## 61 CLECS WITH STATEWIDE SERVICES



- ACSI
- ACCUTEL OF TEXAS, INC.
- AMERICAN METROCOMM/TEXAS, INC.
- AMERICAN TELCO, INC.
- AMERITECH COMM. INTL, INC.
- AT&T
- AUSTICO TELECOMMUNICATIONS, INC.
- AUSTIN BESTLINE.
- BROOKS FIBER COMMUNICATIONS, INC.
- CAPITAL TELECOMMUNICATIONS, INC.
- CAPROCK COMMUNICATIONS, INC.
- CFL TELEPHONE
- CHOCTAW COMMUNICATIONS, INC.
- CSW/ICG CHOICECOM, L.P.
- CYTEL
- DIAL TONE USA, INC.
- E Z TALK COMMUNICATIONS, INC.
- EASY CELLULAR, INC.
- EXPRESS TELECOMMUNICATIONS, INC.
- FAST CONNECTIONS INC
- FIRST TEXAS TELECOMMUNICATIONS, INC.
- GULF STATES TELECOMMUNICATIONS, INC.
- HARRIS TELECOMMUNICATIONS, INC.
- HUNT COUNTY TELECOMMUNICATIONS, INC.
- MFS/MTS TELECOMMUNICATIONS, INC.
- MICOMMUNICATIONS, INC.
- NETWORK SERVICES, INC.
- NHS COMMUNICATIONS GROUP, INC.
- NTS COMMUNICATIONS, INC.
- OMNI PRISM COMMUNICATIONS, INC.
- OMNIPLEX COMMUNICATIONS GROUP
- OP TEL (TEXAS) TELECOM, INC.
- POSNER TELECOMMUNICATIONS, INC.
- PREFERRED CARRIER SERVICES, INC.
- PREMIERE NETWORK SERVICES, INC.
- PROGRESSIVE CONCEPTS, INC.
- REITZ RENTALS
- RUTH RIZA
- SPRINT
- STERLING INTERNATIONAL FUNDING
- TAYLOR COMMUNICATIONS GROUP
- TEL-LINK
- TELENETWORK, INC.
- TELIGENT, INC.
- TEXAS COMM SOUTH
- TIME WARNER
- U S WEST INTERPRISE AMERICA, INC.
- U.S. LONG DISTANCE
- U.S. ONLINE COMMUNICATIONS, L.L.C.
- U.S. TELCO, INC.
- VALU-LINE

# CLECS THAT HAVE MET TEXAS REGULATORY REQUIREMENTS AND COULD OFFER A COMPETITIVE CHOICE TO RESIDENTIAL CUSTOMERS

- ✓ Approved Interconnection Agreement
- ✓ Approved Certificate
- ✓ Tariff or Price List Required

## CLECS WITH SPECIFIED SERVICE AREAS

### WEST TEXAS

• UNITED TELEPHONE

### DALLAS-FORTH WORTH AREA

• W, L.L.C.

• WOOD COMMUNICATIONS  
RESOURCES

• T COMMUNICATIONS GROUP  
WIRELESS OF TEXAS

### HOUSTON/BEAUMONT AREA

• TELEPORT COMMUNICATIONS GR

• MICPHONE, INC.

• KINGSGATE

• PHONIT, INC.

• TELEPORT COMMUNICATIONS GROUP

• WINSTAR WIRELESS OF TEXAS





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,<sup>1</sup> 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

---

<sup>1</sup> 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.

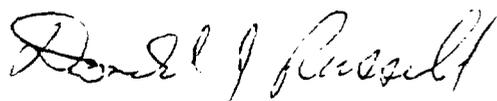
Our satisfaction with the performance measures set out in Attachment A must be placed in its proper context. First, it is limited to the Department's application of its competitive standard. Under section 271, the Department is to evaluate applications for Bell entry using "any standard" the Department 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