**Richard N. Clarke**

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May 12, 1998

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M. St., NW, Room 222
Washington, D.C. 20554



RE: Ex Parte Presentation – Proxy Cost Models
CC Docket No. 96-45

Dear Ms. Salas:

The attached letter was sent on May 11, 1998 to Mr. Pete Sywenki of Sprint in response to his letter to Chris Frentrup of MCI and myself. In this letter, Mr. Sywenki requested that Sprint be afforded still further access to the PNR input data underlying the customer location clusters that are used in the HAI Model, v5.0a.

A copy of our response is being filed with the Commission because Mr. Sywenki's letter (which was filed with the Commission) gives the erroneous impression that the HAI Model sponsors have kept these input data from review – when quite the opposite is the case. In our response letter to Mr. Sywenki, we note that:

1. Sprint has already spent three days at PNR's premises inspecting these data.
2. Sprint will spend an additional three days at PNR's premises later this week continuing its review.
3. PNR is additionally making available a large sample of clusters from the HAI Model which include the latitude and longitude geocode points of each customer location in the cluster to further facilitate third parties' review.

We believe that the opportunities that we have afforded third parties to review the input data to the HAI Model fully meet the Commission's specifications in this regard. And in all events, this openness of the HAI Model exceeds greatly that which has been offered by Sprint to its sponsored model, the BCPM.

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Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(2) of the Commission's rules.

Sincerely,

Richard N. Clarke /ha

Richard N. Clarke

Attachment

cc: A. Richard Metzger
James Schlichting
Michael Riordan
Donald Stockdale
Brad Wimmer
Charles Keller
Robert Loube
Sheryl Todd

AT&T
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May 11, 1998

Mr. Pete Sywenki
Sprint
1850 M Street, N.W., Suite 1100
Washington, D.C. 20036

Dear Mr. Sywenki:

On May 7, we received by U.S. Mail the letter that you dated May 1, and which was postmarked May 4. In this letter you requested a response by May 7. Although your use of the U.S. Mail to communicate with us has prevented us from meeting your requested deadline, AT&T and MCI are pleased to provide you with this response. We trust that after reading this, you will agree that the HAI Model sponsors have provided third parties with every reasonable opportunity to examine the data underlying the HAI Model – and that this openness exceeds by any standard the access that Sprint has provided to the BCPM model's data.

In this letter you requested a further opportunity to examine the customer location and clustering data that underlie the HAI Model. You noted that Sprint has already been afforded at least one opportunity to review these data for the state of Nevada. This examination was pursuant to an agreement arranged with the Nevada Public Service Commission and permitted Sprint, Nevada Bell, GTE and their consultants to spend three days at PNR's premises in Jenkintown, PA on April 15, 16 and 17 to examine the data that you indicate in your letter.[1] Furthermore, because of a continued interest on the part of the ILECs sponsoring the BCPM Model, PNR will conduct another "open house" on May 13, 14 and 15 where all of these data will again be available for your inspection. It is my understanding that at minimum, Sprint, U S West, StopWatch Maps and INDETEC will be attending this session – along with the staff of several state commissions.

In addition to providing Sprint with these six days of site visit opportunity to examine these data inputs to the HAI Model, PNR is preparing a large sample of

[1] In fact, the data that were made available to Sprint exceeded greatly in scope the three items that you mention in your letter. An attachment to this letter lists the forty-some data variables that have been made available for inspection at visits to PNR.

clusters (randomly extracted from the HAI Model's input data) for which they will provide the latitude and longitude geocodes of each of the individual customer locations that comprise the cluster. These data will be provided to any interested third party and permit a completely open examination of the HAI Model's customer clustering processes. To ensure that the confidentiality of Metromail's and Dun & Bradstreet's address data is maintained, the only alteration that PNR will make to these point data is to perturb by a fixed, but unstated, amount the longitude of each geocode within a cluster. This adjustment preserves completely the precise spatial relationships between all points within a cluster.[2] In addition, each geocode point will be identified as to whether it is an "actual" point or a "surrogate" point. We trust that these data will permit Sprint to conduct all of its desired analyses.

The obligations that you cite in your letter that, "(t)he cost study or model and all underlying data, formulae, computations, and software associated with the model should be available to all interested parties for review and comment," fall equally upon all models submitted for the FCC's consideration. AT&T and MCI are unaware of Sprint having afforded third parties the opportunity to inspect the proprietary data (or other data that the BCPM sponsors have kept nonpublic) that underlie the BCPM. To our knowledge neither site visits nor sample data sets (as the HAI sponsors have offered) have been made available.

AT&T and MCI are anxious to be afforded similar access to the data and processes used to develop the customer location assumptions in the BCPM. Although the BCPM's documentation is unclear about the source of many of these data and assumptions, they include, at minimum, the source data underlying all of the 31 pre-processing steps used in developing the BCPM's customer location assumptions, plus the unspecified "utilities" or DLLs used to process these. At various times the source of these data has been referred to as StopWatch Maps and/or the spreadsheets of John Banks of Sprint and Peter Copeland of U S West. We have prepared a more complete list of the items in question, and would be happy to discuss with you at greater length the precise nature of these data and their formats so that they can be provided in a form that facilitates their analysis. As you undoubtedly know, your representative, Phil Bolian of StopWatch Maps was very pleased with the similar cooperation that he received from PNR in this regard.

Because of the many past and future opportunities detailed in this letter that the HAI sponsors have provided to Sprint to inspect the HAI data, the favor of your early and affirmative reply is requested. If you wish to decline to make these reciprocal arrangements available to inspect these nonpublic BCPM data, written notification from you of this position would also be appreciated. Please note that the only private BCPM

[2] Because the HAI Model recognizes correctly that amounts of distance associated with a degree of longitude vary as one moves north in latitude, the latitude associated with the cluster geocodes is not perturbed.

data to which we are requesting access at this time are those related to customer counts and location. We expect that at an early future date, Sprint will also make available the many other proprietary models that the BCPM employs to determine critical cost items such as switching (modeled by SCIS) and signaling (modeled by some unspecified U S West proprietary model), and its estimates of operating expenses. This would, of course, include the survey data inputs that were used in these proprietary models.

Please contact Rich Clarke of AT&T (908-221-8685), or Chris Frentrup of MCI (202-887-2731), if you have any questions.

Sincerely,

Richard N. Clarke
AT&T

Christopher Frentrup (mc)
MCI

Attachment

cc: A. Richard Metzger
James Schlichting
Michael Riordan
Donald Stockdale
Brad Wimmer
Charles Keller
Robert Loube

# Formats of Provided PNR Data Files

## NV_PTS.DBF

| Variable Name | Variable Description | Format Type | Width |
|---|---|---|---|
| Case | Sequential number of point within a specific wire center | Numeric | 8 |
| Cluster | Unique cluster number to which point is assigned | Numeric | 3 |
| Clustname | Name of main cluster | Character | 4 |
| Outlier | Outlier flag | Character | 1 |
| Perimpath | Ordered location of point if located along perimeter | Numeric | 3 |
| Clli | 8 digit CLLI Code | Character | 8 |
| Long | Longitude of point | Numeric | 11 |
| Lat | Latitude of point | Numeric | 10 |
| Wt | Number of Lines for point | Numeric | 12 |
| CBG | Census block | Character | 15 |
| Type | Type of point (Business, Residential, or Surrogate) | Character | 1 |
| Grppath | Number of outliers to go through to get to main (or home) cluster | Numeric | 6 |
| Clustpath | Cluster name with path back to main (home) cluster | Character | 128 |
| Appendinf | Blank field | Character | 10 |

## NV_CDAT.DBF

| Variable Name | Variable Description | Format Type | Width |
|---|---|---|---|
| Blockgroup | Dominant census block group | Character | 12 |
| Cluster | Unique cluster number to which point is assigned | Numeric | 11 |
| Clus_Name | Cluster Name of main cluster | Character | 5 |
| Outlier | Outlier flag | Numeric | 11 |
| Splitgroup | Wire Center CLLI Code | Character | 9 |
| Area | Cluster Area | Numeric | 12 |
| Clustlong | Longitude of cluster centroid | Numeric | 12 |
| Clustlat | Latitude of cluster centroid | Numeric | 12 |
| Servlong | Longitude of serving cluster centroid | Numeric | 12 |
| Servlat | Latitude of serving cluster centroid | Numeric | 12 |
| Height | Height of rectangular area | Numeric | 12 |
| Width | Width of rectangular area | Numeric | 12 |
| Wtcases | Number of modeled lines | Numeric | 12 |
| Firms | Number of Firms | Numeric | 12 |
| Buslines | Number of Business lines | Numeric | 12 |
| Res | Number of Residential points | Numeric | 12 |
| Reslines | Number of Residential lines | Numeric | 12 |
| SLB | Single Line Business Flag | Numeric | 12 |
| Employees | Number of employees | Numeric | 12 |
| Ctx | Probability of Centrex | Numeric | 12 |
| Act_ratio | Percentage of actual points to total modeled points | Numeric | 12 |
| Real_res | Number of real residential points | Numeric | 10 |

| | | | |
|---|---|---|---|
| Real_firm | Number of real business points | Numeric | 10 |
| Grouppath | Number of other points to get to the main (or home) cluster. The count starts with the main cluster. | Numeric | 12 |
| Grppathlab | Cluster name with path back to main (home) cluster | Character | 254 |
| Grpdist | Distance to connect the outlier cluster to the main cluster (from the closest point in the outlier cluster). *Chain Length* | Numeric | 12 |
| Grpmaxdist | Distance to connect the outlier cluster to the main cluster (from the furthest point in the outlier cluster) *Chain Length* | Numeric | 12 |