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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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

Re: *In the Matter of Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-Region, InterLATA Services in Oklahoma, CC Docket No. 97-121*

Dear Ms. Salas:

Enclosed is SBC Communications' May 1998 report regarding its success in opening its local markets. SBC provides this report on a monthly basis to Commission staff in an effort to keep it informed about the market opening activities of SBC's telephone operating companies. The report demonstrates that SBC's operating companies have made available products, services, and systems required by Section 251 and the competitive checklist of the 1996 Act and, furthermore, that competitive local exchange carriers (CLECs) have ordered and are actually using each of the 14 checklist services and products to provide local service in all of SBC's seven states. For example, to date SBC has lost nearly one million lines to CLECs in its region.

Should you have any questions concerning the report, do not hesitate to contact me. In accordance with the Commission's rules, an original and two copies are submitted herewith.

Very truly yours,

Enclosure

cc:	Mr. T. Power	Mr. K. Dixon	Mr. R. Welch
	Mr. J. Casserly	Mr. K. Martin	Ms. C. Matthey
	Mr. P. Gallant	Mr. A. R. Metzger	Mr. M. Pryor
	Ms. A. Wright		

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

May 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 and demonstrated in the attached checklist provisioning status report, 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 each of the 14 competitive 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 approximately **one million** lines to CLECs in SBC's states. Of these **977,600** lines lost, approximately **623,000** were resale lines and **354,000** lines were captured by facilities-based carriers. These lost lines represent a disproportionate revenue loss since the major long distance carriers and CLECs have publicly acknowledged that they have targeted the more profitable "high value" heavy users. 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.

In the face of undeniable market facts, it is no longer plausible for competitors and regulators to continue to deny that SBC has opened its markets to local competition and made available each of the statutorily required 14 point checklist items. The numbers are clear and irrefutable. For example in the past 2 years, not only has SBC lost approximately one million lines to CLECs, but SBC has also signed 302 interconnection agreements with competitors; 186 CLECs have passed local orders to SBC; more than 100 CLECs are using SBC's Directory Assistance and Call Completion Services; more than 300,000 trunks have been provisioned to CLECs; 378 operational physical collocation cages have been provided to CLECs; more than 1.9 million CLEC service orders have been processed; 49,000 unbundled loops have been provisioned; 447,000 CLEC customers are listed in SBC's White Pages; 20 million telephone numbers have been provided to CLECs for facilities-based use; 64,000 lines have been converted to CLECs via interim number portability; and more than 10 billion minutes of local and Internet traffic have been exchanged between SBC and CLEC networks. Moreover, SBC has developed and implemented more than 65 performance measurements in each of its seven states covering all aspects of its relationships with CLECs. These measurements mirror precisely the model performance measurements advocated by the U.S. Department of Justice. The results generated from these measurements clearly demonstrate that SBC is providing CLECs with checklist items in substantially the same time and manner that it providing such services to itself. Thus, the IXCs' and CLECs' argument that SBC has not sufficiently opened its markets to competition and lost the required number of local customers is an intentional mischaracterization of the Act, as conceded by the DOJ and the FCC. Both of these agencies acknowledge that there is no market share loss or metric test required by the Act. The only statutorily required test is embodied in the competitive checklist with which SBC has fully complied.

In light of these facts, it is obvious that the isolated, anecdotal, outdated and unrepresentative complaints raised by the major long distance carriers are disingenuous and have less to do with whether SBC has actually made available specific checklist items in an appropriate manner and more to do with protecting their long distance market shares and profits from the increased competition that would result from SBC entering that market. Moreover, isolated and anecdotal complaints raised by other CLECs must also be put in context since it is in their self-interest to delay SBC's entry into the long distance market for as long as possible so that they can continue to use the 271 process as leverage to obtain advantages from regulators and to target and offer one-stop shopping to high profit business customers while SBC is denied the ability to offer comparable full-service bundles of services to business and residential 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 incurred more than \$1.023 billion in expense and capital expenditures and devoted more than 3,300 employees to implement the Act and open its local markets to competition – including but not limited to operational support systems, number portability, trunking, local service centers, equipment, computer hardware, software and manpower. Of these expenditures, Pacific Bell and Nevada Bell have spent approximately \$620 million and SWBT has expended more than \$400 million. 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 more than 300 interconnection and resale agreements within SBC's seven-state service area. In addition, 473 CLECs have received PUC approved certificates to provide local service in SBC states. The good faith associated with SBC's negotiation of interconnection agreements with CLECs is illustrated by the fact that the parties voluntarily consummated 302 agreements and only 26 arbitrations were required.
- PUC Approved Agreements: The various state commissions have approved 234 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: 98; California: 29; Kansas: 25; Arkansas: 24; Oklahoma: 19; Missouri: 26 and Nevada: 13 approved agreements.
- Current Negotiations: SBC currently is in the process of negotiating more than 440 additional interconnection and resale agreements.

CLECs Competing Against SBC

- As of the end of April 1998, more than 186 CLECs were operational in SBC's territory and passing resale, interconnection or UNE orders to SBC. Ninety five CLECs were passing orders in Texas alone.

SBC Access Lines Lost to CLECs

- Through the end of April 1998, approximately **one million** access lines have been lost to CLECs through resale or through the establishment of new facilities-based service by CLECs in SBC's seven-state service area. Approximately 623,000 SBC lines have been resold by CLECs and approximately 354,000 additional customers are being served on a facilities-basis (as indicated by CLEC E-911 listings) 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>	<u>Facilities- Based Lines</u>	<u>Total Lines Lost</u>
a) California:	258,010	139,400	110,000	8,400	301,600	560,000
b) Texas:	269,100	196,000	62,100	10,800	24,800	293,900
c) Kansas:	44,300	21,200	23,000	0	1,200	45,500
d) Oklahoma:	18,000	14,600	3,300	23	14,000	32,000
e) Arkansas:	14,200	12,800	1,350	0	10,000	24,200
f) Missouri	17,600	10,600	7,000	38	2,800	20,400
g) Nevada	1,800	360	1,400	0	N/A	1,800
RESOLD LINES:	623,000	395,000	208,400	19,300		

**FACIL.-BASED
LINES LOST:**

354,600

**SBC TOTAL
LINES LOST:**

977,600

SBC has made Resale available

- There can be no dispute that resale of local service is available and significant in SBC's territory. SBC has demonstrated that it has made resale available and its OSS can process CLEC resale orders in an accurate and timely manner without any backlogs. For example, in the last four months of 1997 (before AT&T and MCI unilaterally decided to abandon resale competition), SBC processed an average of 60,000 resale orders in each of these four months without a backlog. These numbers confirm that SBC has developed state-of-the art operational OSS that can handle large volumes of CLEC resale orders in an accurate, timely and non-discriminatory manner. Resale activity slowed in March and April 1998 (approximately 46,000 lines lost), and this situation was primarily the result of decisions by AT&T and MCI to de-emphasize their resale activities, principally in California. For example, residential resale by CLECs in California in March and April 1998 was significantly lower than for each of the last six months of 1997. Moreover, the cumulative number of residential resale customers in California in April actually declined as AT&T and MCI continued their efforts to redline the residential resale market in California. Nevertheless, even if the major IXCs chose for their own strategic, internal business and regulatory reasons not to take advantage of the resale option made available to them by SBC

because they do not like the resale pricing discounts required by the 1996 Act and approved 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 in addition to making resale available to competitors, SBC is also providing CLECs with the facilities and network elements they need from SBC in order to compete on a facilities-basis in the local exchange market. Information is not available to SBC to identify with precision 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 available indicators (e.g. CLEC E-911 listings and numbers ported) demonstrate that there is significant and growing facilities-based competition in SBC's states and that approximately 354,600 lines are being served on a facilities-basis by CLECs in SBC's states.

- SBC is making available to CLECs through 234 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—Best Indicator of Facilities-Based Competition

- CLEC listings in the E-911 database is the best available indicator of access lines being served on a facilities basis by facilities-based carriers. These listings show that CLECs serve approximately 354,600 lines in SBC's 7 states on a facilities basis. Specifically, CLECs have requested E-911 service for 354,600 lines from their own NXX Codes that were assigned to them to provide facilities-based service.
- In California alone, 14 facilities-based carriers serve approximately 301,000 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: 24,800; Oklahoma: 14,000; Arkansas: 10,000; Missouri: 2,800; and Kansas: 1,200 facilities-based lines.

Numbers Ported—Second Indicator of Facilities-Based Competition

- More than 64,000 existing SBC lines have been ported via interim number portability to facilities-based competitors in each of SBC's seven states. CLECs have chosen to port mostly business lines, but the same basic processes and procedures can be used to port residential lines. 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 the interconnection checklist requirement has been met and that actual local exchange traffic is being exchanged between CLECs and SBC. SBC has provisioned approximately 300,000 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 SBC's network. The following number of trunks were provided by SBC to CLECs: California: 186,000 trunks; Texas: 82,800; Oklahoma: 9,800; Missouri: 9,600; Arkansas: 5,200; Kansas: 2,700; and Nevada: 2,000 trunks.
- 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, approximately 50,000 unbundled loops have been provisioned by SBC to CLECs in SBC's seven states. In addition, more than 350 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. 378 physical collocation arrangements are operational in SBC's seven-state service area -- 79 of these are in SWBT's region, with 296 in California.
- 406 physical collocation arrangements (142 in SWBT and 263 in California/Nevada) are currently being worked on and pending completion.
- More than 55 virtual collocation arrangements are operational in SWBT's five-state territory.
- E-911 Trunks: CLECs have requested and SBC has provisioned 667 operational E-911 trunks to facilities-based CLECs in SBC's seven-state service area. Of this number, 450 are located in California and 211 are in SWBT states.
- DA/OS Trunks: More than 860 Directory/Operator Assistance trunks have been provisioned by SWBT to CLECs in the five SWBT states. More than one hundred CLECs are using SWBT's Directory Assistance and "O" Call Completion services.

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 local 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, approximately **4.0 billion** minutes of local traffic (excluding Internet traffic) has been exchanged between SWBT/Pacific Bell/Nevada Bell and CLECs over interconnection trunks. More than 80% 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 **6.3 billion** minutes of Internet traffic has been exchanged between SBC and CLEC networks also demonstrates that SBC's networks have been opened to competition. The **10 billion** minutes of local and Internet minutes-of-use exchanged between SBC and CLEC Networks confirm that SBC's networks are open to and connect with CLEC networks.

Telephone Numbers Requested By and Assigned to CLECs

- More than 2,081 NXX codes (each code representing 10,000 numbers) have been assigned to facilities-based CLECs in SBC's seven-state service area, with an additional 85 assignments pending. In other words, CLECs have requested and SBC has assigned 20.8 million telephone numbers to CLECs in its seven states; more than 12.1 million numbers have been requested by CLECs in California and an additional 8.6 million numbers have been requested in SWBT's five states.

Access to SBC White Page Directories

- CLEC information can be included in all SBC White Page directories in SBC's seven state service areas. SBC has provided more than 447,000 white page listings for CLEC customers. Of these listings, 253,000 have been in SWBT states and 192,000 in California.

Access to SBC Poles and Conduits

- SBC has provided competitors with access to more than 373,000 of its poles and approximately 8.1 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 **1.9 million** service orders from CLECs to order facilities, network elements and resold or second lines for their customers, change or add vertical services etc. More than 1.2 million orders from CLECs have been processed in the SWBT five-state region and more than 693,000 orders have been processed in California/Nevada. The fact that SWBT processed more than 730,000 orders in 1997, and an additional 593,000 orders in the first four months of 1998, 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 **one million** CLEC service orders in Texas have been processed, with over 330,000 orders processed in January through April of 1998. SBC's OSS and Local Service Centers have handled the increased volume of service orders without experiencing a backlog.

Performance Measurements

- SBC has also developed and implemented more than 65 performance measurements that cover all aspects of its relationships with CLECs in all seven SBC states. These measurements mirror and fully comply with the model set of measurements advocated by the U.S. Department of Justice. SBC's performance measurements cover each of the five

recognized OSS functions (i.e., preordering, ordering, provisioning, maintenance and repair, and billing).

- The results generated by these performance measurements compare SBC and CLEC performance for each of the measurements and these results confirm that SBC is providing each of the 14 competitive checklist items in substantially the same time and manner that is it providing such services to itself. The results from these valid and statistically significant measurements also demonstrate that the complaints being raised by the IXCs and CLECs are isolated, anecdotal, outdated and unrepresentative.

Conclusion

- The resale, interconnection, facilities-based and OSS-related numbers listed above, provide 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 lost approximately one million lines to CLECs and SBC has complied with the 1996 Act, it has provided CLECs with access to all 14 competitive checklist items and it has opened its local markets to competition.
- IXCs and CLECs who have chosen to redline the local residential market and who have made a strategic decision not to invest or compete in SBC's local markets are doing so for their own economic, regulatory and public relations reasons, not because they are unable to obtain competitive checklist products and services from SBC. Blame for their unwillingness to compete in less profitable residential local market on a resale or facilities-basis cannot be laid at the feet of SBC. It is undeniable that CLECs who do want to compete on either a resale or facilities basis in SBC's territory can provide and are in fact already providing such local services in direct competition with SBC.

SBC's Section 251 / Checklist Provisioning Status

Date Produced: 5/21/98

Data through: 4/98 (unless otherwise noted)

Shaded data through 3/98 (unless otherwise noted)

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

#	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	5,254	2,736	9,687	9,802	82,875	110,354	186,328	1,992	298,674	
		· One Way Trunks (SBC to CLEC)	3,824	1,320	4,996	7,881	47,890	65,911	13,250	0	79,161	
		· One Way Trunks (CLEC to SBC)	572	396	1,893	1,249	18,437	22,547	1,680	0	24,227	
		· Two Way Trunks	858	1,020	2,798	672	16,548	21,896	171,398	1,992	195,286	
		Physical Collocation *										
		· Operational Cages	6	3	7	15	48	79	296	3	378	
		· Pending Cages	3	6	23	4	106	142	263	1	406	
		Virtual Collocation *										
		· Operational Arrangements	2	6	8	5	36	57	0	0	57	
		· Pending Arrangements	0	0	0	0	4	4	1	0	5	
	Number of Collocated Wire Centers	3	4	7	13	33	60	102	3	165		
2	Nondiscriminatory access to network elements. (In addition, See Items 3-6 below)	Number of CLECs passing orders in 1998	13	14	19	13	95	154	28	4	186	
		Total orders processed (2/6/96 - 3/98) **	49,519	77,889	28,882	58,730	1,016,482	1,231,502	693,536	5,060	1,930,098	
		· Manual	48,012	52,763	20,289	53,764	786,640	961,468	100% in 1996	5,060		
		· Electronic	1,507	25,126	8,593	4,966	229,842	270,034	0% in 1996	0		
		Total orders processed in 1997 **	19,035	41,476	6,396	22,832	641,098	730,837	491,327	3,511	1,225,675	
		· Manual	19,035	28,972	6,309	20,408	495,077	569,801	~ 80%	3,511		
		· Electronic	0	12,504	87	2,424	146,021	161,036	~ 20%	0		
		Total orders processed in 1998 **	30,484	36,413	22,482	35,894	333,780	459,053	133,012	1,549	593,614	
		· Manual	28,977	23,791	13,976	33,352	249,959	350,055	38,524	1,549		
		· Electronic	1,507	12,622	8,506	2,542	83,821	108,998	94,488	0		
	Total orders processed in April 1998 **	6,162	11,012	8,395	11,354	87,677	124,600	34,820	196	159,616		
	· Manual	5,350	6,077	3,435	11,263	65,592	91,717	10,048	196			
	· Electronic	812	4,935	4,960	91	22,085	32,883	24,772	0			
3	Nondiscriminatory access to poles, ducts, conduits and rights of way.	· Total Number of Poles Attached (Note 1)	112	22	415	186	2,449	3,184	370,060	508	373,752	
		· Total Feet of Duct Occupied (Note 1)	136,457	13,214	67,092	34,761	662,840	914,364	7,236,850	16,225	8,167,239	
4	Local loop transmission from the central office to the customer's premises, unbundled from local switching or other services.	Unbundled Loops	661	311	1,083	1,060	312	3,427	42,840	2,865	49,132	
5	Local transport from the trunk side of a wireline local exchange carrier switch unbundled from switching or other services.	Unbundled Transport										
		· Dedicated Transport Available?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	· Shared Transport Available?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
6	Local switching unbundled from transport, local loop transmission or other services.	Unbundled Switch Ports	0	0	0	0	210	210		0	359	
7	Nondiscriminatory access to 911 and E911, directory assistance, and operator call completion services.	· E911 Trunks (not included in Item 1 Total)	16	24	14	20	137	211	450	6	667	
		· DAVOA Trunks (not included in Item 1 Total) ***	64	0	84	85	632	865	0	2	867	
		· CLECs using Directory Assistance Service (Note 2)	8	12	14	9	94	108	Data Not Available	Data Not Available		
		· CLECs using "0" Call Completion Service (Note 2)	8	12	14	9	93	107	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 (MOKA a/o 5/13/98)										
	· Residence	380	4	11	189	3,380	3,964	Res/Bus Split	Data Not Available	3,964		
	· Business	9,656	1,264	2,796	13,785	21,510	49,011	Not Available	Available	49,011		
	· Total	10,036	1,268	2,807	13,974	24,890	52,975	301,633	0	354,608		
8	White pages directory listing for customers of other carrier's telephone exchange service.	Number of CLEC End User White Pages Listings										
		· Resale	13,180	28,953	12,396	15,234	179,643	249,406	180,939	596	430,941	
		· Facilities Based	343	171	538	680	2,593	4,325	11,060	786	16,171	
		· Total	13,523	29,124	12,934	15,914	182,236	253,731	191,999	1,382	447,112	

SBC's Section 251 / Checklist Provisioning Status

Data through: 4/98 (unless otherwise noted)
 Shaded data through 3/98 (unless otherwise noted)

Date Produced: 5/21/98

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

#	CHECKLIST DESCRIPTION	PRODUCTS PROVIDED	SWBT's					CA	NV	SBC TOTAL	
			AR	KS	MO	OK	TX				5 States
9	Nondiscriminatory access to telephone numbers for assignment to the other carrier's telephone exchange service customers.	Telephone Numbers Provided to CLECs (Note 3) · Numbers Assigned · Numbers Pending Assignment	120,000 0	70,000 0	760,000 0	330,000 0	7,350,000 110,000	8,630,000 110,000	12,150,000 70,000	30,000 0	20,810,000 850,000
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 (CA/NV a/o 5/15/98) · Residential Lines · Business Lines **** · Total	3 1,723 1,726	0 739 739	0 1,214 1,214	0 10,012 10,012	45 18,413 18,458	48 32,101 32,149	0 29,829 29,829	0 2,080 2,080	48 64,010 64,058
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 4) *****	Local and EAS 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 Local and EAS Minutes of Use Exchanged Over Interconnection Trunks in March 1998 (in Millions) · From SBC to CLEC · From CLEC to SBC · Total Local and EAS Minutes of Use Exchanged Over Interconnection Trunks in April 1998 (in Millions) · From SBC to CLEC · From CLEC to SBC · Total	24.4 6.6 31.0	0 0 0	32.5 0.0 32.5	123.3 10.8 134.1	228.9 203.2 432.1	409.1 220.6 629.8	2,940.7	18.8	3,368.6 621.8 3,990.4
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	1,354 0 12,852 14,206	23,077 0 21,225 44,302	6,961 38 10,673 17,672	3,383 23 14,642 18,028	62,166 10,870 196,064 269,100	96,921 10,931 255,456 363,308	110,096 8,455 139,459 258,010	1,450 0 366 1,816	208,467 19,386 395,281 623,134

Note 1: CA and NV data updated quarterly. CA Total Feet of Duct Occupied reflects both IXC and CLEC facilities.

Note 2: SWBT total counts each CLEC once, although it may appear in multiple states and as both a facilities based and resale provider.

Note 3: Each NXX Code equals 10,000 telephone numbers.

Note 4: Totals do not include disputed Internet minutes of use. However, the fact that over 6.29B 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 reflects actual number of cages. By SWBT methodology, operational physical collocation would be 233 (counting CLECs in a given wire center only once).

** CA Order Volumes include resale activity only (not facilities based orders).

*** KS does have OA/DA trunks, but they appear in MO as they serve both MO and KS.

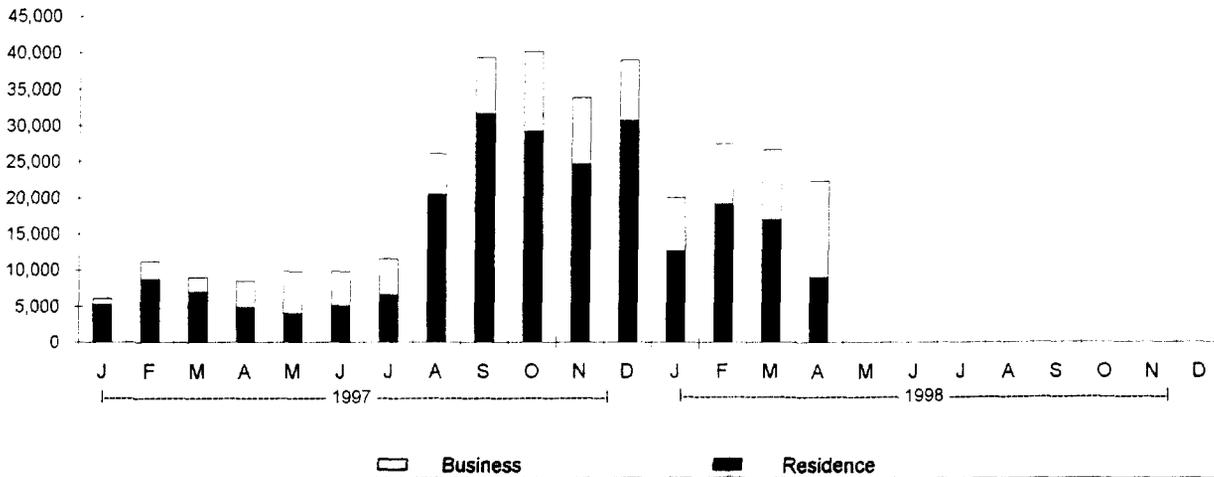
**** NV number fell by approx. 3000 due to billing database error. Being resolved.

***** Represents only that traffic for which originating records have been exchanged.

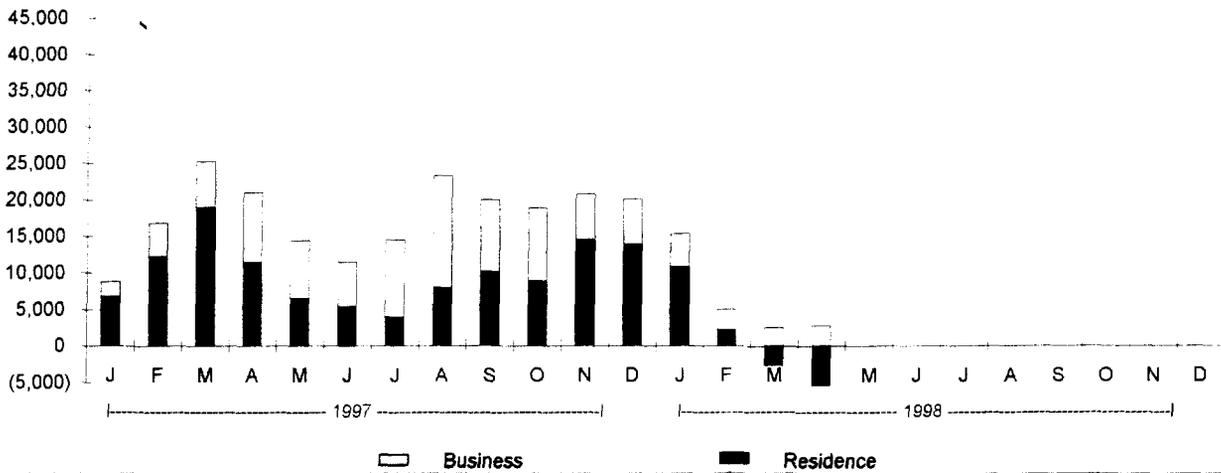
CLECs with Certifications (a/o 5/4/98)	SWBT's					CA	NV	SBC TOTAL
	AR	KS	MO	OK	TX			
Number Approved	19	50	36	35	164	117	52	473
Number Pending	25	5	17	17	9	29	8	110
CLEC Interconnection Agreements (a/o 4/24/98)								
Number Signed	29	38	37	36	115	34	13	302
Number Approved	24	25	26	19	98	29	13	234
Number of Arbitrations Completed	1	3	3	1	11	4	0	23
Number of Arbitrations in Progress	1	0	0	0	1	0	1	3
Number Under Negotiation	59	57	66	61	137	38	24	442

SBC Resold Lines - Monthly Resale Lines Lost to CLECs

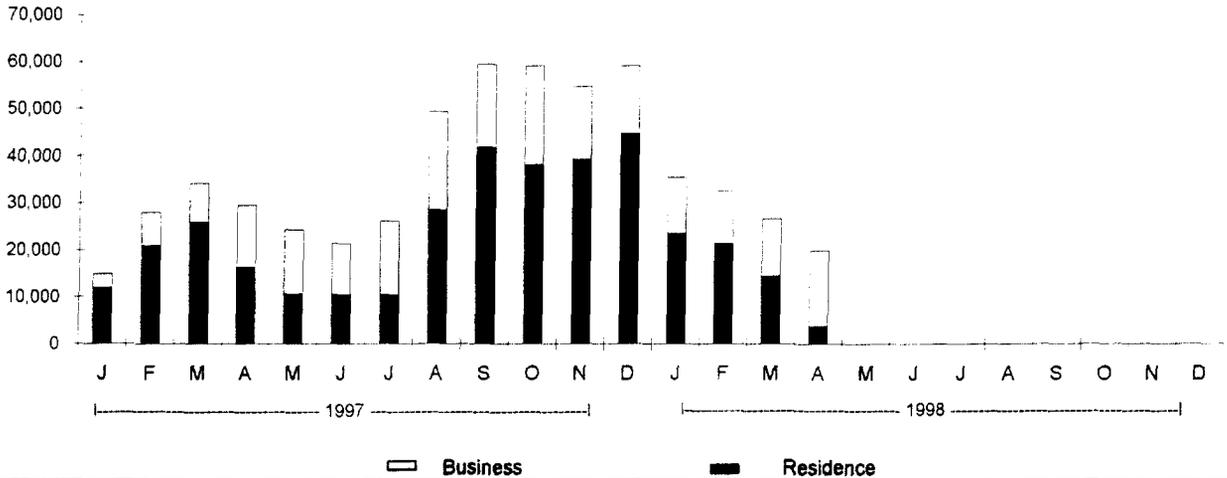
Southwestern Bell Telephone



Pacific Bell

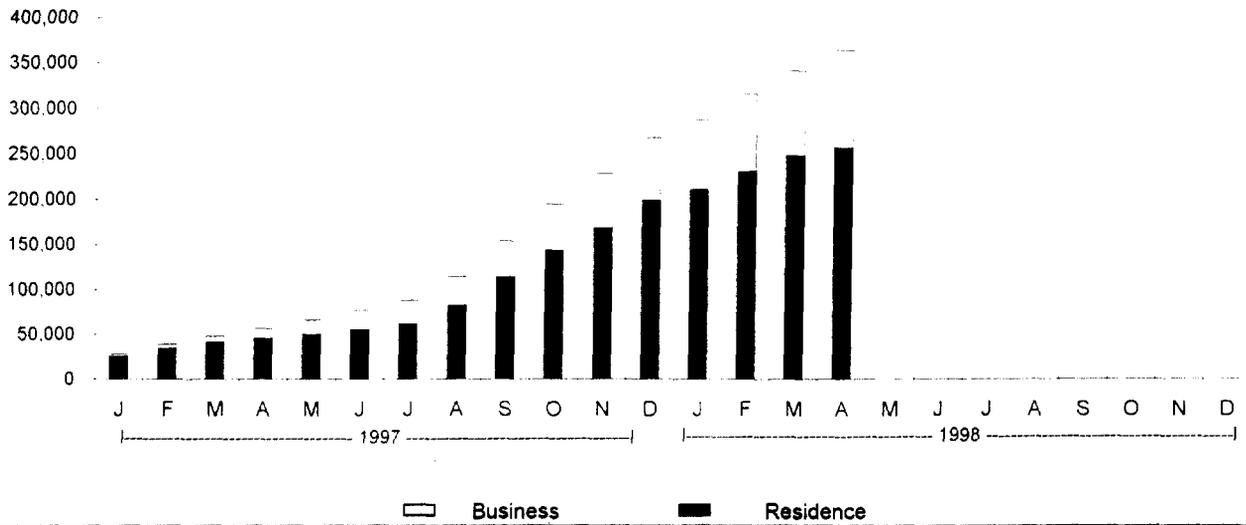


SBC Consolidated

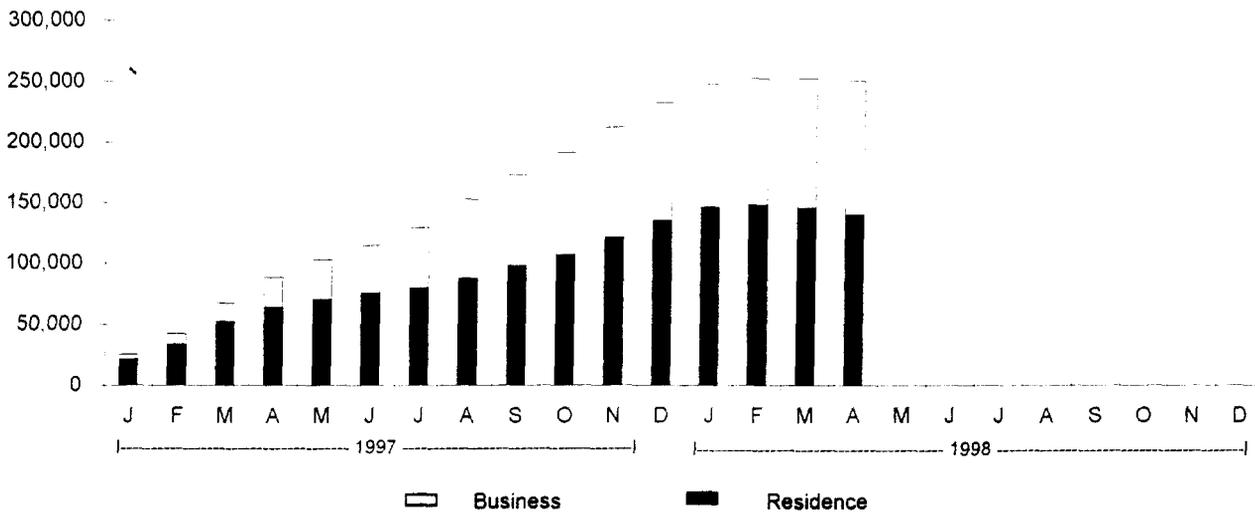


SBC Resold Lines - Cumulative Resale Lines Lost to CLECs

Southwestern Bell Telephone



Pacific Bell



SBC Consolidated

