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September 18, 1998

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

SEP [illegible]

Re: Ex Parte Presentation In CC Docket No. 98-121

Dear Ms. Salas:

On September 17, 1998, the Competitive Telecommunications Association ("CompTel") sponsored two demonstrations in the above-referenced proceeding. CompTel was represented by Russell Frisby, Genevieve Morelli, Terry Monroe, Joseph Gillan, Robert Falcone, Steve Augustino of Kelley Drye & Warren, and the undersigned attorney. AT&T assisted in presenting the demonstrations and was represented by Frank Simone, Robert Quinn, and Joseph Stolmeier. Philip Marzullo of CommTech Corp. also assisted in presenting the demonstrations. The Commission personnel who attended a demonstration were Kyle Dixon of Commissioner Powell's office, Paul Gallant of Commissioner Tristani's office, Kevin Martin of Commissioner Furchtgott-Roth's office, and Claudia Fox, Douglas Galbi, Florence Setzer, and To-Quyen Truong of the Common Carrier Bureau.

The demonstrations pertained to the so-called "recent change" process whereby incumbent local exchange carriers can separate and combine unbundled network elements electronically. The demonstrations also showed how "firewalls" could prevent unauthorized use of the "recent change" process. In a submission in the above-referenced proceeding on August 4, 1998, CompTel opposed BellSouth's Section 271 application for Louisiana on the ground, *inter alia*, that BellSouth refuses to provide for the electronic separation and combination of unbundled network elements through the "recent change" process. At the demonstrations,

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CompTel distributed the white paper that it attached to its opposition, as well as the attached supplemental materials.

Please address any inquiries to the undersigned attorney.

Respectfully submitted,

Robert J. Aamoth

cc w/encl: Kyle Dixon
Claudia Fox
Douglas Galbi
Paul Gallant
Kevin Martin
Florence Setzer
To-Quyen Truong

CompTel

Broadening the Base:

Combining Network Elements To Achieve Widespread Local Competition

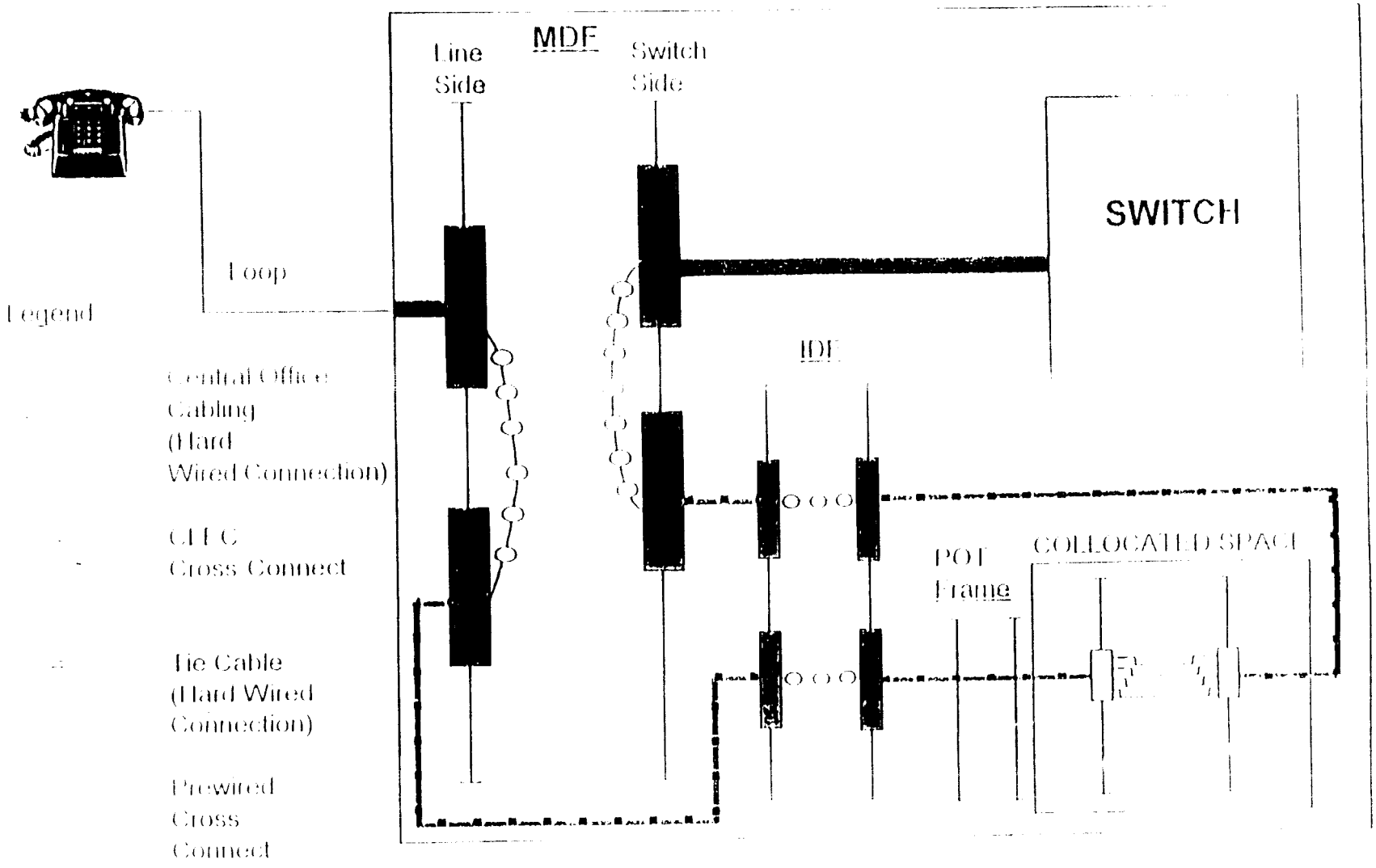
September 1998

REQUIRING COLLOCATION FOR COMBINING UNES CREATES SERIOUS PROBLEMS

Collocation:

- Unnecessarily uses up scarce collocation space that is needed for legitimate coliocation purposes.
- Delays the CLECs' ability to enter the market via network element combinations.
- Imposes unnecessary service interruptions for customers when they change to a CLEC as their local service provider.
- Degrades the quality of the end user's service.
- Severely restricts the rate at which CLECs can switch customers over to UNE-based local service.

Figure 5
Collocation Configuration For Combining Elements Where IDF And POT Frames Are Used



USE OF THE RECENT CHANGE PROCESS WILL ALLOW CLECS TO COMBINE LOOP & SWITCH ELEMENTS IN THE SAME MANNER AS THE ILECS

- The recent change process is a capability of the unbundled switch. It is the name given to the process ILECs use to, among other things, create and update customer service and service records in the local switch that serves a customer.

- The ILECs use the recent change process today to disconnect customer service, add customer service and change features on a customer's line.

- The recent change process is used by ILECs to allow customers to change their presubscribed long distance carrier.

- The recent change process is generally triggered off of a service order and typically requires no human intervention.

- Use of the recent change process achieves the same result as if the ILEC's technician physically removes the customer's loop/switch connection on the frame.

THE RECENT CHANGE PROCESS IS SIGNIFICANTLY MORE PRO-COMPETITIVE THAN ANY OF THE COLLOCATION METHODS PROPOSED BY THE ILECS

Use of the recent change process:

- does not entail the substantial delay required to establish a collocation arrangement in each and every ILEC central office.
- substantially reduces the customer outage intervals associated with collocation.
- eliminates all manual processes and associated human error.
- works for all types of loop technologies, including IDLC loops.
- does not have the same competition-gating effect as the manual processes inherent with collocation.

BENEFITS OF THE RECENT CHANGE PROCESS (Continued)

The recent change process:

- is more cost effective than collocation.
- does not add any additional points of failure on a customer's line.
- puts the CLEC at near parity with the ILEC.

STATE COMMISSIONS HAVE RECOGNIZED THE DEFICIENCIES OF COLLOCATION FOR COMBINING UNES

- State utility commissions have rejected the view that *Iowa Utilities Board* mandates physical separation of all parts if the ILECs' networks.
  - Colorado PUC
  - Connecticut DPUC
  - Florida PSC
  - Idaho PUC
  - Kentucky PSC
  - Massachusetts DPU
  - Montana PSC
  - New York PSC (ALJ recommendation)
  - Texas PUC
  - Washington UTC
- Several state commissions have specifically held that ILECs must provide access to the recent change process or other electronic means to combine UNEs.
  - Kentucky PSC
  - New York PSC (ALJ recommendation)
  - Texas PUC

NETWORK HARM CLAIMS OF THE ILECS ARE A RED HERRING

- Firewalls are used in the network today to allow the ILECs' Centrex customers access to limited recent change capabilities.

- Firewall systems are used in many industries and have been in use for many years.

- The development of a firewall to allow the CLECs to access recent change capabilities for their customers uses existing technology and is relatively straightforward.

- With cooperation from the ILECs, a firewall can be built without the need for significant modifications to the ILECs' legacy systems.

IT IS TECHNICALLY FEASIBLE TO IMPLEMENT A RECENT CHANGE MECHANISM FOR UNE COMBINATIONS

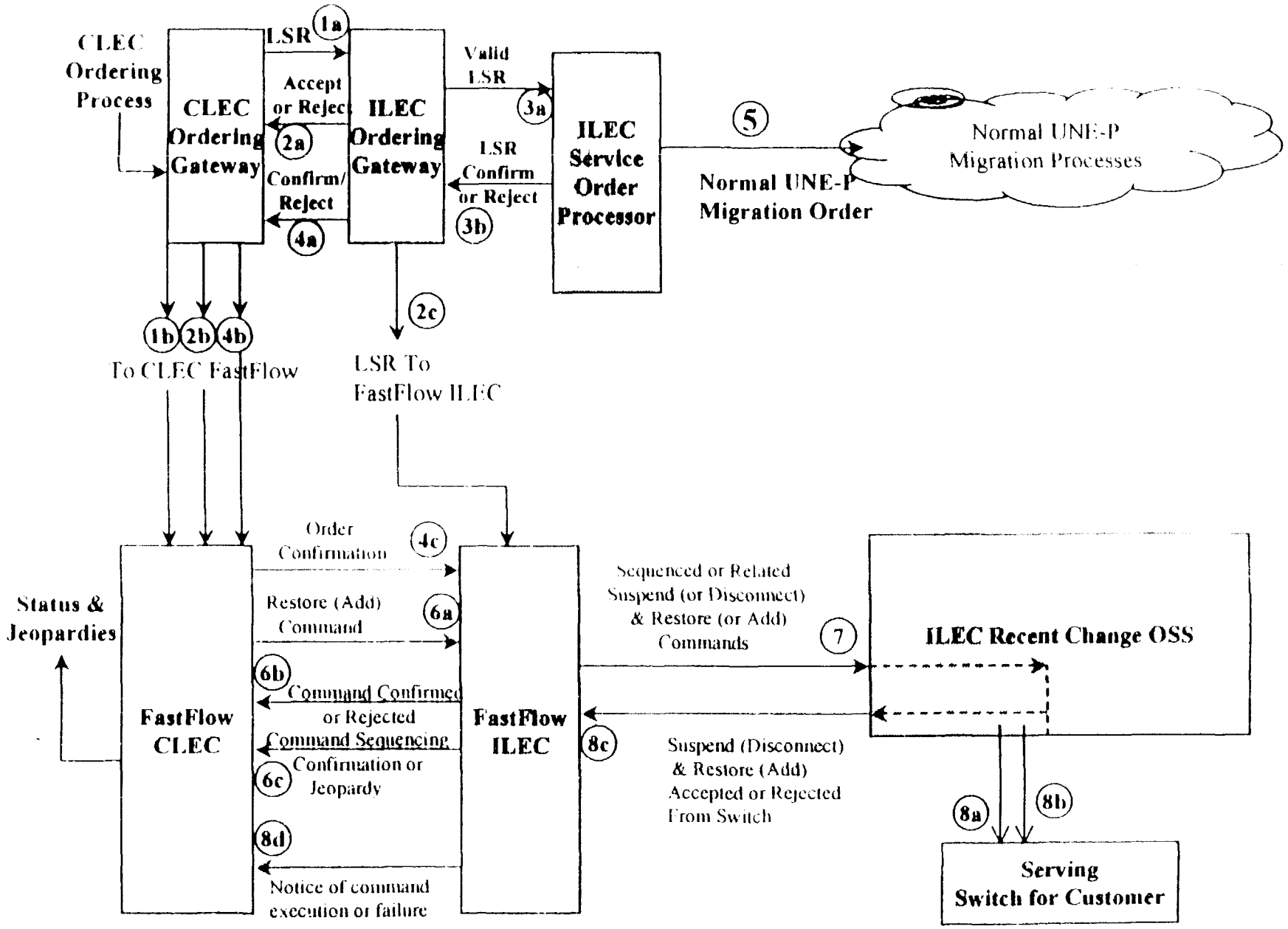
- The ILECs do not allege that a recent change solution is technically infeasible.

- In order for CLECs to use the existing recent change processes, three capabilities that exist in today's marketplace must be implemented.

  - CLECs must be able to remotely and electronically issue commands to the recent change memory in the switch serving the end user.

  - A security arrangement, or "firewall," must be integrated to ensure that only authorized parties can make permitted changes.

  - There must be an order management capability to ensure that no transactions occur out of sequence, fail in execution, or get lost.



Information Flow Between Ordering Gateways, FastFlow and ILEC Recent Change
FastFlow Implementation of UNE-P Migrations **Date: 9/9/98**

Information Flow Between Ordering Gateways, FastFlow and ILEC Recent Change
FastFlow Implementation of UNE-P Migrations
Date: 9/9/98

1a - CLEC issues LSR to the ILEC Ordering Gateway
1b - CLEC issues LSR to CLEC FastFlow

2a - ILEC Ordering Gateway sends either an acknowledgement accepting the order or a rejection to the CLEC Ordering Gateway.
2b - If ILEC sends a rejection, CLEC Ordering Gateway sends a rejection message to FastFlow CLEC, which causes further processing of the LSR to halt; if ILEC sends an acceptance, the CLEC Ordering Gateway forwards the message to FastFlow CLEC, which allows preparation of the restore (add) recent change command to continue.
2c - The ILEC Ordering Gateway forwards the accepted CLEC LSR to FastFlow ILEC, which begins pre-processing, including establishing appropriate transaction authority for the CLEC and creates the suspend command.

3a - ILEC Service Order Processor begins processing accepted (valid) orders.
3b - If ILEC Service Order Processor successfully processes the order, a confirmation is sent to the ILEC Ordering Gateway; if ILEC Service Order Processor rejects the order, a reject notice is sent to the ILEC Ordering Gateway

4a - ILEC Ordering Gateway sends an order confirmation or rejection to CLEC Ordering Gateway.
4b - If CLEC Ordering Gateway receives an order confirmation, the confirmation is forwarded to FastFlow CLEC, which continues processing the restore (add) recent change command. If CLEC Ordering Gateway receives a reject notice, the reject message is forwarded to FastFlow CLEC, which serves to halt further processing of the order in FastFlow CLEC.
4c - For confirmed orders, FastFlow CLEC forwards order confirmation notice to FastFlow ILEC. This notice provides authorization to FastFlow ILEC to process the suspend (disconnect) recent change command on the order due date. For rejected orders, the reject notice is forwarded to FastFlow ILEC, which serves to halt further processing of the order in FastFlow ILEC.

5 - ILEC Service Order Processor generates a UNE-P migration order to update ILEC legacy systems to change the customer line from ILEC retail to CLEC UNE-P disposition, following pre-existing UNE-P processes.

6a - From a Step 4b order confirmation, FastFlow CLEC completes creation of the restore (add) recent change command to re-combine the functionality of the loop and switch port serving the end user, permitting the CLEC to provide services to the end user after these elements have been separated by the ILEC's suspend (disconnect) recent change command. The command is sent to FastFlow ILEC.
6b – FastFlow ILEC validates the restore (add) command of the CLEC and issues a confirmation or reject as appropriate.
6c – FastFlow ILEC validates that both the suspend and restore commands for the end user's telephone number have been received.

- when both necessary sequenced (or related) commands have been received, validated and associated, FastFlow ILEC sends a confirmation to FastFlow CLEC
- if, after an appropriate time, FastFlow ILEC has not received two valid and sequenced (or related) recent change commands for a telephone number, it issues a jeopardy notice (to the CLEC if a valid restore (add) command has not been received, or to the ILEC if a valid suspend (disconnect) order has not been received).

7 - FastFlow ILEC issues sequenced suspend (disconnect) and restore (add) commands to the ILEC Recent Change OSS. When implemented, the first command will deny all outgoing and incoming calls to the affected line, except for the origination of 911/E911 calls. The related restore (add) command will restore the customer's ability to originate and terminate calls for the line and implement the customer's desired calling features. In addition, it will enable the ILEC to record network element usage, permitting it to bill the CLEC for such usage and permitting the CLEC to bill the end user for such usage.

8 - ILEC Recent Change OSS processes the sequenced (or related) recent change commands in the switch serving the end user, as follows:

8a - ILEC OSS sends ILEC suspend (disconnect) command to switch.
8b - ILEC OSS sends CLEC restore (add) command to switch.
8c - FastFlow ILEC determines whether the recent change commands were successfully processed.
8d – FastFlow ILEC notifies FastFlow CLEC of the disposition of the recent change commands.

In the unlikely event either (or both) command(s) is (are) not processed successfully, ILEC and CLEC coordination is required to re-process the order.
- If the ILEC suspend (disconnect) command fails, the CLEC restore (add) command must also fail, because no "restore" command can be processed for a fully functioning line. In such case, the customer's service remains unaffected and re-processing can occur at a later date (e.g. next business day), with appropriate economic considerations (if any) implemented between ILEC and CLEC.
-If the ILEC suspend (disconnect) command is successfully processed but the CLEC restore (add) command is not, the customer is out of service and immediate attention is required.