

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Local Competition Survey) CC Docket No. 91-141
) CCB/IAD File No. 98-102

REPLY COMMENTS OF ALLEGIANCE TELECOM, INC.

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Introduction

Allegiance Telecom, Inc. ("Allegiance") hereby files its Reply Comments, pursuant to the Public Notice ("Notice") issued in the above-captioned docket, on the local competition survey proposed by the Federal Communications Commission (the "Commission") to assess the extent of local competition. As set forth in greater detail below, Allegiance reiterates its support for the Commission's proposal to obtain statistical information through the proposed survey in order to assist the industry and state regulators in monitoring the extent of and performance in ILEC provision of service to competitors, with certain modifications.

We note that several other CLECs filed comments on the proposed survey, as did most Regional Bell Operating Companies ("RBOCs"), GTE, AT&T, MCI and several trade associations, including, among others, the Association For Local Telecommunications Services ("ALTS"). In general, most commenters supported the concept of a survey as beneficial to the development of competition; some of the RBOCs, however, opposed the proposed survey as totally unnecessary and burdensome.¹ All the RBOCs, even those which opposed the survey, suggested that, if a survey was to be implemented, it should be applicable to ILECs and CLECs alike, ignoring, for the most part, the marked disparities between the nature and extent of the services provided by these carriers. In short, the RBOCs argue for the survey to be imposed equally on CLECs because they undoubtedly realize that most CLECs simply are not in a position to provide the same information as is readily available to RBOCs without incurring

¹ See *BellSouth Comments* at p. 1 ("The Bureau's proposed *Local Competition Survey* is beyond the Bureau's delegated authority and must be withdrawn"). See also, *Comments of US West Communications, Inc.* at 3-6.

substantial costs and burdens. Plainly, this is just another effort by the RBOCs to stifle competition by throttling CLECs with costly and burdensome reporting requirements. Allegiance, therefore, restates its view that the survey should be adopted, subject to the modifications originally described in our opening Comments and as supplemented here.²

I. CLECs Should Not Be Required To Report As Much Data, In As Much Detail, Or As Frequently As ILECs.

As we stated in our initial comments, the reporting requirements for CLECs should not be as great as the reporting requirements for ILECs. The rationale for this view is stated succinctly and forcefully in the following comments from AT&T:

While ILECs have demonstrated already that they maintain the information that the Commission requested them to submit on a voluntary basis in response to the proposed survey, the CLECs have not shown that they have the processes or systems in place to capture and maintain the requested information in their normal course of business. A requirement on the CLECs to develop the ability to collect information which they would not otherwise collect, or would not collect in a format which could be reasonably manipulated to be responsive to the survey, would create a significant burden.

Comments of AT&T Corp. at 12-13.

This is not to say that CLECs should not participate. To the contrary, responses to the proposed local competition survey should be mandatory for *all* established carriers since it is very difficult--if not impossible--to gauge properly the extent of competition without such information. However, the reality of the industry today and for the foreseeable future is that the

² Allegiance incorporates by reference all comments from its June 8, 1998, filing as if fully set forth herein.

ILECs will be the dominant local carriers providing the vast majority of all local services.

Hence, it is essential that the ILECs be required to provide the bulk of the data called for by the Commission.

We also note that many of the commenting ILECs argued for semi-annual or annual reporting³, as opposed to the quarterly reports advocated by the Commission. Having reviewed their stated rationale for reduced filings, Allegiance remains convinced that the Commission should adopt a monthly reporting cycle for ILECs, and a quarterly cycle for CLECs. Not only do the ILECs already collect most of the underlying information on a monthly basis, we submit that monthly reports from ILECs will present a more complete picture of the status of the local market, which is the essence of the Commission's intent in implementing the survey. Similarly, quarterly reports for CLECs merely recognizes that CLECs have much less information to report and takes into account that CLECs have fewer resources available to comply with more frequent reports.⁴

³ See *Comments of Bell Atlantic* (semi-annual); *Comments of The Southern New England Telephone Company* ("annual or semi-annual"); *Comments of US West Communications, Inc.* (annual); *GTE's Comments* (semi-annual); *Comments of the Unites States Telephone Association* (a trade association representing the ILEC industry) (annual).

⁴ Even on a quarterly reporting basis, CLEC data will provide check points necessary to validate or call into question the ILECs monthly reports.

II. The Additional Information Sought By The ILECs Will Be Useful, But Only If Supplied By The ILECs

All of the ILECs, without exception, even those which felt the survey as proposed by the Commission already would be burdensome, suggested the addition of more data. For example, Ameritech maintains that market power, not market share, is the key ingredient and asks the Commission to include requirements for reporting revenue, supply and demand for services, barriers to entry, potential new entrants and more information on lines served. Bell Atlantic seeks to add reporting requirements for zip codes served, and inter-connection trunks installed. SBC Communications proposes the addition of more information addressing lines sold to end-users and competitors. The additional data generated by these requirements makes eminent sense for the ILECs to complete, because it would permit the Commission to develop a more complete view, over time, of the status and changes in local competition. To apply the additional reporting requirements to CLECs, however, would result in an extraordinary burden on CLECs with minimal tangible benefits for all the costs incurred. Indeed, there appears to be little relationship between the additional information the ILECs seek to impose on the CLECs and the ultimate purpose of the survey – which is to permit the Commission “to achieve an adequate understanding of local exchange and exchange access competition in diverse areas of the country while minimizing filing burdens on respondents.”⁵ Allegiance respectfully submits that, to the extent

⁵ Public Notice at 1, ¶ 1.

the Commission finds some of the suggested additions useful, it should limit the applicability of those new requirements to the ILECs.

III. Performance Information Regarding Operations Support Systems Should Be Included In This Survey

No other commenter, save Allegiance and KMC Telecom, Inc., another CLEC, called for reports on compliance with requirements to provide operations support systems ("OSS") to be included in the survey. Allegiance strongly recommends that the Commission include some of the performance measurements that are being considered separately in the OSS docket.⁶ Having OSS compliance data available alongside the service data currently proposed will provide a more complete picture of the level of local competition, and may highlight some of the key obstacles facing CLECs, which would enable remedial actions by this Commission and other regulators.

IV. The Geographic Reporting Area Should Be No Larger Than Metropolitan Statistical Areas

Although, with the exception of AT&T and KMC Telecom, every commenter accepted the view that state-wide reporting of data was acceptable, many conceded that it was not likely to produce the desired results. The survey will be useless unless it provides the Commission with accurate data to assess the state of local competition. If, as most all agree, local competition is currently found only in urban areas, then submitting data on wider geographic areas, where there is no local competition, makes no sense at all. This Commission should aim for comprehensive

⁶ See *Comments of Allegiance Telecom, Inc., In the Matter of Performance Measurements and Reporting Requirements for Operations Support Systems, Interconnection, and Operator Services and Directory Assistance, CC Docket No. 98-56, RM-9101 (filed June 1, 1998).*

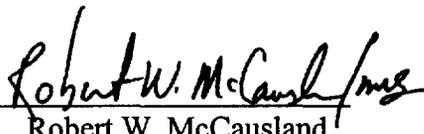
data on a useful geographic basis and the Metropolitan Statistical Area ("MSA") is the most reasonable footprint available. AT&T, like Allegiance and KMC Telecom, proposes that the reports be based on a geographic scale no larger than the MSA or, where a MSA contains areas in multiple states, the portion of the MSA within each state. Allegiance concurs with AT&T's reasoning, which is that "the Commission is already using MSAs as a basis to implement number portability, which it has found to be critical to lowering barriers to entry and promoting competition in the local exchange marketplace, it is logical for it to collect data showing the progress of local competition in these same areas."⁷

III. Conclusion

For the foregoing reasons, as well as those set forth in the initial comments filed in this docket, Allegiance urges the Commission to adopt the proposed survey on local competition, modified as suggested above.

Respectfully submitted,

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By 

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⁷ *Comments of AT&T Corp.* at pp. 3-4 (footnotes omitted).

CERTIFICATE OF SERVICE

I, Robert McCausland, do hereby certify that copies of the foregoing Reply Comments of Allegiance Telecom, Inc., were served on the following this 22nd day of June, 1998, to be the parties listed below:

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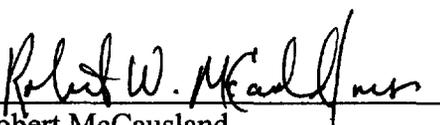
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