



ASSOCIATION FOR LOCAL TELECOMMUNICATIONS SERVICES

May 14, 1999
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Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

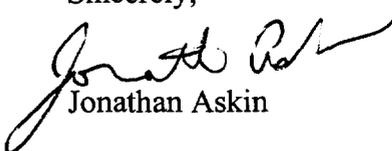
Re: **Ex Parte**
Application for Consent to the Transfer of Control of Licenses and Section
214 Authorizations from Ameritech to SBC, CC Docket No. 98-141

Dear Ms. Salas:

On behalf of the Association for Local Telecommunications Services, I am submitting the attached proposed preconditions for consideration in the SBC-Ameritech merger.

Pursuant to Section 1.1206(b) of the Commission's Rules I am submitting an original and one copy of this ex parte for inclusion in the above-referenced proceeding. In addition could you please date-stamp the extra enclosed copy and return it to me in the self-addressed stamped envelop. Should you have any questions about this matter, please call me at 969-2597.

Sincerely,


Jonathan Askin

cc: Bob Atkinson
Tom Krattenmaker
Michael Pryor
Michelle Carey
Jake Jennings
Elizabeth Nightingale
Bill Dever
Stagg Newman

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Proposed Merger Conditions that the FCC Should Impose on SBC/Ameritech (“Applicant”) Before Approving the Proposed Merger

1. **Best Practices/Most Favored Nation Obligation.** Each ILEC (defined as each operating company of the merging parties) shall make available to any requesting CLEC any term or condition that any ILEC is obligated to provide to a CLEC under an existing interconnection agreement, arbitration decision, or other state ruling. Such term or condition shall be treated as if it were a term or condition subject to Section 252(i) obligations, shall be made available within 30 days of the request, and thereafter subject to regulatory approvals, as necessary, pursuant to Sections 251 and 252 of the Act.
2. **Access to Loop Information.** Each ILEC shall make available to requesting carriers continuous (24x7) electronic access to a Loop Inventory Database as provided herein. The Loop Inventory Database shall be the exclusive repository of such information within the ILEC (or any affiliate of the ILEC) and any affiliate or division of the ILEC desiring to have access to such information shall access such information exclusively through the database, on the same terms and conditions as requesting CLECs. Two weeks prior to closing, each ILEC shall demonstrate to the Commission that it has established the Loop Inventory Database, and that it contains all relevant data (as set forth below) in the ILEC's possession (including in the possession of any affiliate of the ILEC), *provided* that the data contained in the Database shall reflect the inventory of loops connected to central offices serving not less than 50% of that ILEC's exchange access lines. No later than six months after the closing, the database shall reflect an inventory of loops connected to all of the remaining central offices. The database shall permit the real-time retrieval of both location specific loop capability information (including, but not limited to, xDSL-capable loops) and aggregate market information. Location specific loop capability shall include: actual loop length (as measured from customer premise to serving central office); the presence of load coils, bridge taps (including the length of the bridge tap), and repeaters (and how many and what type of each); the presence of any other known digital interferers (including digital added main lines); whether the location currently is served by facilities where the feeder portion is served by fiber or that transmit through a digital loop concentrator (DLC) or other loop concentration devices; the availability of alternate facilities that could circumvent the DLC, *i.e.*, end-to-end copper loop; and any binder group restrictions that might hinder the placement of a particular xDSL technology.¹ Aggregate market information shall include: average loop length of all loops connected to a specific central office; the percentage of loops that are less than 6,000, 12,000 and 18,000 feet; the percentage of loops currently residing behind fiber, a DLC, or other loop concentration device; and the percentage of loops that contain interferers such as load coils, bridge taps and repeaters.

¹ Binder group management must be management in a nondiscriminatory manner consistent with FCC rules. *See infra* Condition 9.

3. Access to UNEs. Each ILEC shall make available on an unbundled basis, singly or in combination: local loops (regardless of whether the loop passes through a digital loop carrier system or other remote concentration device), dedicated and shared transport, signaling systems and databases, operations support systems, operator and directory assistance databases, dark fiber, local loops, subloop elements, multiplexing equipment and terminating electronics, unbundled extended links (*i.e.*, loop + multiplexing + transport), and inside wiring where owned, or otherwise controlled by the ILEC. Each ILEC may not charge more than the TELRIC price for the element or combination. Each ILEC shall provide unrestricted availability of combinations of such UNEs, without any non-recurring charges, sunset, "glue charge," artificial point of combining such UNEs, or geographic restrictions. Applicant agrees to provision loop and other orders that do not require a "hot cut" within one business day with no service interruption and to provision orders that do require a hot cut within a two hour window and with less than five minutes of service interruption. Applicant agrees that, where customers are served with DLC facilities, Applicant will enable CLECs to provide service to such end users via a UNE loop that is comparable in functionality, quality, provisioning interval and costs with a UNE loop that is not provided using such technology. Applicant shall provision all interconnection orders with 10 business days. Applicant agrees to provision all inbound trunk orders when requested by the CLEC and not based on the Applicant's own assessment of capacity constraints. Applicant must provide interconnection for packet networks, including frame relay and ATM services, in every state at forward-looking economic cost.
4. Access to Advanced Services Loops. Each ILEC shall provide requesting CLECs with nondiscriminatory access to loops capable of delivering advanced services (including, but not limited to, ADSL, ADSL-Lite, HDSL, SDSL) at TELRIC rates. Each ILEC shall, upon request, condition unbundled loops to allow such loops to deliver voice-grade signals or advanced services through modifications such as adding or removing load coils, other active or passive electronics, or bridge taps.
5. Non-Recurring Charges: For any service, element, or other product provided to a CLEC for which there is a retail analog, no ILEC will assess any non-recurring charge (*e.g.*, line conditioning charges, service order charges) on CLECs unless that ILEC assesses its own retail customers a non-recurring charge subject to an approved tariff.
6. Single Point of Interconnection. Each ILEC shall establish a single point of interconnection at all new multi-tenant environments to enable CLECs to interconnect with the ILEC network. For all other multi-tenant environments, a single point of interconnection shall be established upon election of the ILEC or by request of a CLEC.
7. Operations Support Systems:
 - 1) Applicant must demonstrate that each of its ILECs provides uniform OSS interfaces for carriers purchasing interconnection and are at parity with what they

deliver to their own retail entities. Such interfaces must be uniform throughout the joint SBC/Ameritech region and must include, where applicable, all industry standards (including OBF guidelines), both GUI and EDI based interfaces where no industry standard applies, and uniformity among all related formats, including data fields and business rules. The commercially operational standards-based electronic interfaces to OSS must support pre-ordering, ordering, provisioning, maintenance/repair and billing for (1) all individual network element and any combinations thereof, (2) dedicated transport, (3) total service resale, (4) number portability, and (5) interconnection trunks, subject to uniform business rules. Notwithstanding its obligation to provide uniform interfaces, if a manual or electronic interface is discontinued, it shall only be discontinued according to a schedule that is mutually agreeable to the using CLEC(s). Each Applicant shall not seek to recover from CLECs any costs incurred in developing or deploying upgraded or modified interfaces.

2) Each of the ILECs must demonstrate through an independent, third-party test that its OSS interfaces are capable of handling the reasonably expected demands for pre-ordering, ordering, provisioning, billing, repair and maintenance with respect to resold services, unbundled network elements, and combinations of unbundled elements. The testing shall follow the New York PSC independent testing format, as set forth in Case 97-C-0271. Prior to closing, the parties shall submit for the Commission's approval the model contract(s) providing for such testing in each state in the SBC/Ameritech region in accordance with this condition.

3) At least 60 days prior to closing, each ILEC must be in compliance with all reporting, measuring and other requirements set forth in the most current performance measures applicable to SBC in Texas. Upon the issuance of a Final Order in CC Dkt. 98-56, each ILEC shall report and measure in accordance with such final rules.

8. Collocation. Applicant shall demonstrate, in a submission to the FCC no later than two weeks before closing, with respect to each of its ILECs, that collocation practices are in full compliance with the FCC's collocation rules. Applicant shall process all collocation requests within 90 days.

Applicant shall establish and maintain a formal procedure as further set forth herein designed to determine and ensure on a continuing basis that the ILECs comply in all respects with this Order and the FCC rules when issuing a response to any request for collocation. Applicant shall create a Collocation Compliance Committee ("CCC") comprised of at least four senior attorneys designated by and reporting to the General Counsel of Applicant. The CCC shall provide legal advice to the management of Applicant regarding the ILECs' compliance with this Order and the FCC rules regarding collocation.

In the event that any ILEC: 1) determines to deny a request for collocation, defer a request for collocation, or in any respect fail to grant a request for collocation within 60 days of submission, or 2) determines to install, or to allow an affiliate to install, equipment used in the provision of its (or its affiliate's) own services, the ILEC must refer that determination, along with all relevant documentation, to the CCC. The CCC will render a written opinion with regard to the determination within 5 business days of referral. The CCC opinion shall state, at a minimum, an opinion as to the

determination's compliance, and provide an explanation of the legal and factual basis for the opinion.

In the event the CCC finds that any determination is compliant, it shall immediately make such opinion available to the party having requested collocation without restriction. All opinions of the CCC shall be made available for FCC and the respective state PSC inspection at any time.

9. Spectrum Management. Each ILEC shall, in a nondiscriminatory manner, manage the spectral management of the loop plant in accordance with FCC rules.²
10. Promotions and Win-backs. When a CLEC has requested customer service records to provision or convert an Applicant customer to the CLEC, Applicant may not use the information to contact the Customer to prevent the loss, win the customer or win back the customer.
11. Reciprocal Compensation. Each ILEC must comply with outstanding state orders and pay to CLECs any money due based on existing reciprocal compensation arrangements, including, but not limited to ISP bound traffic. Further, Applicant must be in compliance with any new rules as ordered by the FCC or the state commissions going forward. Lack of compliance with the current or future rules will result in financial penalties to Applicant.
12. Performance Measures. Applicant agrees to measure its performance according to the performance measures set forth in Version 7 of the Supplier Quality Measurement document published by the Local Competitive Users Group ("LCUG Version 7"). Applicant agrees to implement all measurements within six months and submit to an independent audit to verify that (1) the LCUG measures were implemented as defined; (2) the data is being collected accurately; (3) measurement results are properly calculated and disaggregated; and (4) the data and results are being retained accurately. Applicant agrees not to charge interconnecting carriers for any costs associated with complying with this requirement.

Applicant agrees to monitor its performance based on any additional measurements that are adopted by the FCC or included in any updated performance measures published by LCUG. Applicant will implement any such additional measurements within six months of their adoption and will not charge interconnecting carriers for any costs associated with complying with this requirement.

Applicant agrees to identify all unbundled elements and services, including but not limited to UNE combinations, furnished to CLECs for which it proposes use of a retail analog as the comparative standard for establishing compliance with either an interconnection agreement or the Act. Where no retail analog is identified, the Applicant shall bear the burden of proving that an analog proposed by the CLEC (or CLEC industry) is an unreasonable standard of performance. Where analogous

² See *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket No. 98-147, First Report and Order and Further Notice of Proposed Rulemaking, FCC 99-48, at paras. 61-90 (rel. March 31, 1999) (*Advanced Services First Report and Order and FNPRM*).

performance of the Applicant does not serve as the basis for evaluating performance results, the Applicant agrees to undertake a benchmark study, and to disclose the results of the study, the methodology for calculating the results, and any information and assumption employed in the study process.

Applicant agrees to absorb all of the costs of implementing a measurement system and will not attempt to recover these charges from CLECs.

Applicant agrees to submit to thorough and independent validations of the performance measurement system capable of demonstrating nondiscriminatory treatment after the merger closes. Applicant must make performance monitoring reports available to requesting CLECs.

13. Work Plan. Applicant shall submit, for FCC approval, a detailed work plan setting forth how the Applicant intends to allow competing carriers to obtain and use the Applicant's network. The work plan at a minimum should address the following issues: (a) OSS access parity; (b) number porting; (c) interconnection; (d) collocation in accordance with the *Advanced Services First Report and Order*;³ (e) directory assistance database; (f) poles, ducts, conduits and rights of way; (g) access to loops, transport, inside wiring, unbundled extended links and any combinations thereof; and (h) fair, reasonable and non-discriminatory access to multi-tenant environments.
14. Penalties: Each ILEC shall be assessed the maximum penalty permitted by law for violating any part of this Order, in addition to any liability for damages. (ALTS recommends that the FCC adopt the three step penalty approach set forth in Allegiance Telecom's petition to detect and deter backsliding by BOCs after obtaining in-region, interLATA relief.⁴)

³ See *Advanced Services First Report and Order and FNPRM* at paras. 19-60 (rel. March 31, 1999).

⁴ See *In the Matter of the Development of a National Framework to Detect and Deter Backsliding to Ensure Continued Bell Operating Company Compliance with Section 271 of the Communications Act Once In-Region InterLATA Relief is Obtained*, RM 9474.