

Supplemental Staff Recommendation:

Third-party testing of SWBT's electronic OSS systems will take place in Project No. 20000. This recommendation will be met when third-party testing verifies that SWBT's systems provide parity flow-through of commercial volume without the necessity of manual intervention.

Commission Recommendation No. 8:

SWBT shall provide further explanation regarding the disparity in EASE flow through rates in order to ascertain whether EASE is provided in a nondiscriminatory manner.

SWBT's Proposal:

SWBT provided updated information (through July 1998) on EASE flow through rates at the August 27th collaborative session. (A copy of the handout is attached.) SWBT believes this information demonstrates parity.

Supplemental Information:

SWBT has provided additional information on EASE flow through rates to Staff (SWBT asserted that the information was "highly sensitive confidential" so it has not been seen by the CLECs). SWBT believes the additional information demonstrates parity for all areas including, but not limited to, posting.

CLECs' Comments:

CLECs are skeptical of the flow-through rates because they have not been able to review the underlying data to see if the numbers are statistically relevant. Assuming that the underlying data establishes that the flow through rates are accurate, the CLECs maintain the rates still do not show parity, because SWBT's retail customers are not affected in the same manner as the CLECs are by billing and other errors that occur after SORD distribution.

Supplemental Information:

The CLECs question whether the information presented by SWBT proves parity. AT&T has made a request for underlying data.

Staff Recommendation:

During the August 27th collaborative session, Staff sought to review the underlying data SWBT relied upon in determining the flow-through rate. Without such data, Staff cannot determine the reliability of the rates presented by SWBT. The issue raised by the CLECs regarding rates through posting is inextricably intertwined with the general debate between the CLECs and SWBT on flow through. The parties are scheduled to file briefing on that issue on September 17.

To illustrate the flow through controversy between SWBT and the CLECs, a review of the July data might be useful. In July, 964 out of every 1,000 resale orders flowed through SORD distribution (36 fell out because of a SORD error, such as a rate change or change in USOC). 950 resale orders out of a 1,000 flowed through the "completion" stage (14 additional orders fell out between SORD and completion because of downstream errors such as wrong telephone numbers or working service conflict). 872 resale orders out of a thousand flowed through posting (78 additional orders fell out between completion and posting because of billing errors or CRIS reject). Orders that fall out because of CRIS reject do not necessarily result in wrong bills to customers. If SWBT corrects the CRIS reject prior to posting, it will not result in a billing error. Staff asked SWBT for a further breakdown of the 78 to

determine how many were CRIS rejects and how many were the result of billing errors. SWBT indicated that they didn't know if the information is available in that manner but they would check and get back to Staff.

Follow-Up:

SWBT is to file the underlying data discussed above and get back to Staff on a further breakdown of the orders that fall out between "completion" and "posting." SWBT is also going to provide a revised chart, which includes flow through rates for August. SWBT and the participants are to file briefs on the issue of flow-through by September 17, 1998.

Supplemental Staff Recommendation:

The underlying data provided by SWBT was not sufficient to establish parity flow-through for EASE orders. As noted above, Staff requested SWBT to provide underlying data so that Staff could determine whether SWBT's analysis was statistically valid or otherwise determine whether the performance data demonstrates compliance with the Section 271 nondiscrimination mandate. In response to Staff's request for underlying data, SWBT provided Staff with a one-page document, marked "highly sensitive confidential." As discussed above, in the collaborative session, SWBT provided the flow-through percentages for the months of April through July, 1998. The only additional "underlying data" provided by SWBT to Staff was the actual numbers for the "total orders." SWBT gave Staff no further information regarding the types of orders processed; SWBT did not indicate if the order types included those complex orders that can be processed through EASE; SWBT did not indicate the genesis of the numbers. Pursuant to the Mega Arbitration, certain performance data is captured. SWBT does not capture performance data in the way it was presented to demonstrate flow-through, i.e., broken down by orders that flowed through SORD distribution, through completion, and through posting. In its 271 application to the FCC, SWBT should present flow-through percentages that were gathered through performance measures for at least a three-month period (for further discussion on this issue, see Performance Measure Recommendation No. 8). Staff believes that it defeats the purpose of performance measures if, on an issue as critical as resale flow-through rates, SWBT gathers data outside of the process and the performance measures agreed to by the parties.

SWBT did not provide Staff with most of the information Staff needs to determine if the flow-through rates presented by SWBT are valid. SWBT also failed to provide Staff with any analysis of error type, and did not indicate whether it included both SWBT errors and CLEC errors. To the extent that SWBT adjusts its flow-through data upward to account for CLEC errors, SWBT needs to provide Staff with its analysis of the error type and the party at fault. SWBT needs to provide documentation and data to permit the Commission and the participants to do a root cause analysis of the rejects and SWBT retail orders compared to CLEC orders. SWBT also needs to provide all such information through October, 1998, and should provide monthly information as it becomes available.

As to SWBT's assertion that this information is "highly sensitive confidential" and thus should not be presented to 271 participants, Staff notes that the FCC accorded minimal weight to BellSouth's flow-through data because it was not presented until the reply stage and, thus, interested parties had no opportunity to address it. Based on the BellSouth decision, Staff believes all of the underlying data must be provided to participants in order to be considered valid by the FCC.

Commission Recommendation No. 9:

SWBT shall complete the development of EASE for UNE switch/port combinations.

SWBT's Proposal:

SWBT believes that this recommendation is now moot because AT&T has withdrawn its request for EASE for UNEs as an interim OSS solution. Further, SWBT stated that it had met all of its commitments regarding development of EASE for UNEs as ordered by this Commission under the implementation timeline up to the point that AT&T withdrew its request. And, SWBT had been ready to continue development under the implementation timeline in accordance with Commission directives. SWBT also stated that it believes EASE with the UNE capabilities is a viable product.

CLECs' Comments:

As of August 4, 1998, AT&T has taken the position that it will no longer pursue, as an interim solution, the use of SWBT's proprietary residential EASE system for ordering UNEs in combination, and has withdrawn its request for EASE for UNEs. Instead, AT&T will focus its efforts and resources on EDI development. AT&T stated several reasons for this realignment of resources including the time consuming series of challenges to the arbitration award requiring EASE for UNE-P, and continuing implementation complications.

However, AT&T believes this recommendation should be held in abeyance in case the Commission needs to reexamine the issue in the future should problems arise with EDI development for UNE-P; AT&T's position is that this recommendation has therefore not been met.

No other participant commented on this issue during the collaborative work session.

Staff Recommendation:

Met. SWBT met its development requirements up to the point that AT&T withdrew its request and development efforts. Because AT&T has withdrawn its request for EASE for UNEs as an interim OSS solution, this recommendation is moot. It is not necessary to hold this issue in abeyance when AT&T had been the only CLEC requesting the use of EASE for UNEs as an interim solution.

Follow-Up:

No follow-up is necessary.

Commission Recommendation No. 10:

Further review of SWBT's OSS training is necessary to determine whether SWBT is providing sufficient training for CLECs to effectively use the interfaces provided by SWBT.

SWBT's Proposal:

SWBT provided a presentation on its training and attempted to show that the "interface" training is comparable to SWBT's training of its own service reps. SWBT has developed a new 30 day training for SORD. Training availability is on SWBT's web page. Training is available at a multi-person price; however, SWBT will assist CLECs in their coordination with each other to aggregate students together. SWBT will provide an ADSL resale workshop and incorporate ADSL into UNE workshop. Also, SWBT provided an accessible letter clearing up confusion regarding EASE brush-up courses. SWBT pointed to AT&T's ability to present LEX & EASE as evidence of the quality of SWBT's training.

Supplemental Information:

SWBT responded to some of the concerns regarding training that were previously provided by CLECs. First, SWBT provided some samples of the responses it received from students who took those classes and the results demonstrated that most students had a favorable position about the training they received. Specifically, less than 2 percent of the students who have attended SWBT's classes have indicated that they were less than satisfied with the course.

In response to Westel's concerns regarding ability to attend classes, SWBT stated that its policy would be modified and at the suggestion of Staff, the revised policy would be available on the Internet for a CLEC when going through the steps to learn how to enter the business. SWBT also clarified that its workshops and OSS classes are designed to be delivered to its CLEC customers. Therefore, to the extent that SWBT has customers that are reselling out of the Texas resale tariff, the resale workshops are available to them. Resale and interconnection facilities-based workshops are available to CLECs who have signed interconnection agreements. OSS classes are available to CLECs who have OSS language in their agreements. To the extent a customer is negotiating in good faith for OSS language, SWBT is willing to consider a special side agreement with a stipulation in it that would allow the potential customer to attend classes, i.e., the stipulation would provide that if a CLEC takes the class but then does not enter business or sign an interconnection agreement for more than 90 days, that the CLEC would take the class again. SWBT is concerned about operational problems if the CLEC personnel forget the information because of lack of use. Also, customers with signed agreements would have priority for seats in the classes so that the customers that have not yet completed the language in their agreement would be registered on a stand-by basis.

In response to suggestions for improvement made by AT&T, SWBT stated that 50 percent of the items that AT&T referred to were ideas that SWBT believed would be good additions and would be incorporated into its training, and about 50 percent were items that SWBT believes already are either in the training or in some of the prerequisite workshops. For the latter, SWBT stated it would use AT&T's comments to more effectively emphasize certain key items that needed such emphasis.

CLECs' Comments:

CLECs believe they need more information to determine parity. Some CLECs, including Westel, have argued that SWBT's training has not been effective.

Supplemental Information:

Westel raised concerns about training on ISDN, in particular, and other aspects of SWBT's training, in general. It also believes the complex service class was inadequate. (In response to CLEC concerns, SWBT is reviewing the complex service class and other classes and will be revamping those classes. SWBT also reiterated that it is constructing a workshop for manual ordering of complex business services.)

Westel also was concerned that the availability of two-way trunking had not funneled down to the instructor. (SWBT contended that when Westel attended that workshop, the guidelines in effect at that time were still accurate. The guidelines have subsequently been updated and Westel has been provided information needed for two-way trunking with the new forms involved in that process.)

Westel raised concerns about not being able to attend classes until after signing an interconnection agreement. In Westel's case this was problematic because it was MFNing into another agreement in the 30-day approval process.

AT&T pointed out a number of issues in its pleading regarding consumer EASE and LEX training. (SWBT's response is discussed above.) Also, AT&T and other CLECs pointed out that SWBT was selective in the survey results upon which it focused, e.g., one out of 32 questions.

Staff Recommendation:

This issue may be met, although follow-up is necessary. Staff requested that CLECs provide written responses on the effectiveness of SWBT's training, but Staff has not had an opportunity to review those responses in enough detail to make this summary meaningful. SWBT filed follow-up documents contending that CLECs receive greater interface training. We will have a follow-up session to get responses.

Follow-Up:

A follow-up work session should be scheduled.

Supplemental Staff Recommendation:

Met. Training will be an issue that moves through continuous improvement and development. Based on the discussions and the improvements SWBT has committed to, Staff believes this recommendation has been met.

As to Westel's concerns regarding the promptness for updating instructors of policy and Commission policy position changes, the public interest section is closely looking at SWBT's internal processes for information dissemination. Regarding the development of new courses, such as SORD training in 1999

and the complex order workshop, CLECs should be able to raise concerns regarding the adequacy of such training during the OSS User Group meetings.

Also, SWBT's proposed solution to the issue of being able to attend classes appears to be reasonable.

Commission Recommendation No. 11:

Delays relating to LEX and EDI batch processes need to be reduced and transitioned to real time. SWBT shall demonstrate that such delays have been reduced.

SWBT's Proposal:

LEX is now real-time for Local Service Requests (LSRs) and handling rejects. FOCs (Firm Order Commitments) and SOC's (Service Order Completion) are returned hourly for EDI and LEX. EDI batch times for LSRs and rejects have been reduced to two hours and will be real-time with the 12/19 release. FOCs and SOC's will be returned real-time for LEX and EDI 1st or 2nd quarter of 1999.

Supplemental Information:

First, SWBT is on schedule with the 12/19/98 release, and the 12/19 release documentation was provided by accessible letter. Second, with regard to batch processing versus real-time for the LEX and EDI interfaces, SWBT reported that it is on schedule to implement Phase 3, which would provide the capability to return error acknowledgments back to a CLEC customer in real time, as well as receive the LSRs in real-time. Moreover, SWBT is proceeding with plans to try to expedite Phase 4, which would allow for processing of FOCs and SOC's in a real-time mode for EDI and LEX. The current plan is to expedite that in the December 19th release. Moreover, if the 12/19 Release does not cover FOCs and SOC's, it will be done in the first quarter of '99 as opposed to the initial target of the second quarter.

CLECs' Comments:

Some CLECS have asserted that real-time should mean not only real-time processing but also interactive responses as errors are typed in.

Staff Recommendation and Follow-Up:

Although SWBT has reduced batch times and is in transition to real time, Staff believes this issue needs further collaboration between Staff, SWBT, and the participants.

Supplemental Staff Recommendation:

Met when third-party testing verifies that SWBT's systems provide parity flow-through of commercial volume without the necessity of manual intervention. SWBT is required to offer CLECs an OSS system that provides parity to what SWBT uses on its retail side. EASE provides SWBT with real time processing and not batch processes. The recent FCC decision in BellSouth reiterates that a BOC must provide equivalent access to due dates. Staff believes that SWBT cannot provide equivalent access to due dates unless FOCs and SOC's are returned real time.

Commission Recommendation No. 12:

SWBT needs to develop the procedures to provide timely, accurate information regarding order errors, jeopardies, and CLECs access order status information.

SWBT's Proposal:

Jeopardy is a condition that occurs on or before the due date that makes the due date less likely to be met. When the condition becomes apparent on the due date, the CLEC, like SWBT, will not have the jeopardy notice until after the due date is missed.

Some typical examples of issues causing a jeopardy include: (1) there is no cable or a bad cable and pair; (2) telephone number not available/previously assigned; and (3) wrong address.

Regarding CLEC jeopardy notification for POTS-like orders, SWBT discussed its process flow demonstrating a jeopardy notification flow chart. The flow chart for CLEC orders is the exact same process that SWBT uses on the retail side from a mechanized standpoint. Specifically, once the order is typed into SORD, the order goes to SWBT's assignment team, and if there is not a problem and it flows through, the order is distributed. However, if upon reaching assignment there is a problem with the assignment group, the assignment team enters the information into SHOTS (the Subscriber Held Order Tracking System that SWBT uses for its retail operations – SHOTS is accessed by several departments, including the LSC to pull the information and notify the CLECs of the status of the report and act as a coordinator with the various operating departments.) The responsible department handles the problem, e.g., the engineering department or any of SWBT's network downstream departments. These departments are notified that there are problems, and they correct that problem. Once that problem is corrected, the order is dispatched and completed.

For the orders that have had a problem, the LSC checks the SHOTS reports daily. (The SHOTS report is a nightly batch report.) Consequently, every morning the LSC gets this report for the prior day. The LSC then notifies the CLEC of the status. An item on the SHOTS report remains on the SHOTS report until completion of that order. Therefore, the LSC continues to check SHOTS on a daily basis and stay in contact with the CLEC customer until that order is fully distributed and completed.

The above process concerns when an order is submitted manually. For the CLECs who have access to Tool Bar, they can get order status as well by accessing the Tool Bar. Thus, they don't have to necessarily be relying on the particular order flow previously discussed for status information. Moreover, this process primarily applies to POTS-like services. For high-capacity circuits, SWBT has a separate process in which the information comes through a communication with the LOC because SWBT trips those orders prior to due date on plant test date. If a problem is found during the planned trip, the CLEC is notified.

SWBT also agreed to provided a guide to the error codes used by SWBT for rejected orders on the Web site.

On special services, there is a 9350 Report, or a Word document, that is issued to all SWBT work groups, and there are dates that are established, critical dates. During that process, WFA provides an avenue to determine if the critical dates are met, and any time they are not met, there is a jeopardy code

that is entered into the system. Thus, if one wants to know the status of that, they can call the LOC on the provisioning side be informed as to the status of the process. The key is that prior to the due date of the order, there's a date called plant test, now referred to as due date minus one. SWBT trips a special services installer on that day, and if he gets out there and there is a facility problem, he will call back the Local Operations Center and notify the LSC of problem as well as inform the LSC whether he will be able to make that due date. The LSC passes this information on to the CLEC. (This is the same process used in the Interexchange Carrier world.)

Regarding return of FOCs and SOC for manual orders, SWBT indicated that it will endeavor to provide a mechanized FOC and SOC return on manual orders. These returns may be available by the first quarter of 1999. SWBT will determine the viability after completion of its current trial with a CLEC.

Currently, FOCs on manual processes are available manually but SOC are not available, but status information is available in Order Status.

Regarding the ability of EDI and LEX processes to provide electronic capability to provide supplements to an order, SWBT stated that it provides this capability. For error notification, FOCs, SOC, and supplement processing, they are currently supported in SWBT's EDI and LEX interface processes. Regarding the development of a new capability around jeopardy notification, SWBT is planning to implement electronic jeopardy notification through the LEX and EDI interfaces with its planned first quarter release in 1999. That process is still under requirements development right now, but at this point, SWBT is proceeding ahead with the same process that was discussed in the manual discussion around jeopardy notice using the SHOTS process. There was some discussion around the fact SWBT is also investigating whether that same capability could be provided on the SWBT Tool Bar in the same first-quarter release time frame.

SWBT also provided an update around electronic error notification. SWBT reported that it continues to ensure that all edits associated with LSR processing are up front in the LASR process. SWBT stated that this process is a means of internal efficiency for SWBT as well its CLEC customers. Also, SWBT announced a new enhancement to the LASR process that it is proposing for the first quarter of '99, which would allow SWBT to provide a means for an LSC rep to input any type of manual error that's identified in SORD that has not yet been made a part of the LASR programming, input that error into the LASR process so that that error could be returned electronically through the same means that CLEC customers use with LEX and EDI today to receive LASR edit notification. SWBT reiterated that this would be a means for SWBT to be able to expedite the process and to finalize closure on returning all errors in SORD electronically via EDI and LEX while at the same time having a plan to move those types of edits into LASR if of a recurring nature. SWBT believes that the enhancement of edits, which in SWBT's opinion, goes beyond what the Commission required in its flow-through status report, is at least parity and is at least in parallel with what SWBT experiences on the retail side, i.e., CLECs and SWBT will both see a continuous process of adding edits as further new services are defined.

In response to AT&T's statement that error handling should follow industry standards (TCIF, EDI Issue 8, Section 7.2.1.4.15, entitled Service Request Containing Errors and dated February 2, 1998), SWBT countered that the industry guidelines do not specify (neither OBF nor EDI) how the back-end processes work, what processes are manual or mechanical. Specifically, Mr. Smith stated that he was not aware of any guidelines that these errors have to be mechanically derived versus manually derived. Instead, the guidelines specify the vehicle for electronically passing the errors back to the CLEC, both in terms of the

LSR field definitions and in terms of the technical data format to transmit the information, but there is no definition around the ILEC's back-end processes. That's left up to what the ILECs have.

CLECs' Comments:

e.spire stated its appreciation for information regarding the flow for POTS-like orders but requested more information regarding the more complex situations or whatever might be available. (SWBT responded that such a discussion was held that day but that SWBT would be available to answer any particular questions on how the special process works between the companies' respective account managers. It is not clear whether SWBT's later statements regarding activities with the LOC and tripping of service satisfied e.spire's concern.)

AT&T is concerned that some manual work by SWBT will continue to take place when an order falls out of SORD. For these, AT&T believes it needs trending data from SWBT to identify anything that falls out so AT&T can understand what's falling out that's not being returned to the CLECs for correction.

AT&T also addressed its concerns regarding the lack of automation with respect to SOCs, citing some of the performance problems experienced by MCI. AT&T pointed out an SWBT statement about 5% of SOCs not being automated when the order goes through CRIS versus a 50 percent non-automation rate with respect to CABS. SWBT countered that the 50 percent CABS number includes other services besides loop and port, such as access services for IXCs. At this time, SWBT lacks the ability to segregate loop and port orders so the comparison made by AT&T is not valid.

Staff Recommendation and Follow-Up:

Met, if verified by third party testing. The process that SWBT has in place to provide notice of jeopardies and order rejections because of errors is directly tied to SWBT's ability to show parity flow through rates between EDI and EASE; therefore, approval of this Recommendation rests with third-party testing and performance measures. As the FCC stated in its recent decision in BellSouth Louisiana: "Timely delivery of order rejection notices directly affects a competing carrier's ability to serve its customers, because such carriers are unable to correct errors and resubmit orders until they are notified of their rejection by BellSouth." BellSouth Louisiana Order at 118. As recognized by the FCC in the Second BellSouth decision, an OSS system is deficient if it fails to electronically return error messages but instead relies too heavily upon the BOC to manually rekey orders that have fallen out of the system. Third-party testing should provide adequate data to analyze whether SWBT's method of handling order rejections is at parity with its EASE system or whether it relies too heavily upon manual processes.

SWBT shall also agree to provide trending data for CLECs concerning the kinds of errors that are falling out of SORD.

Commission Recommendation No. 13:

SWBT needs to implement adequate safeguards to assure timely, efficient, parity performance for the manual orders processed by the LSC and CLEC questions directed to LSC. The Commission, therefore, recommends that this issue be explored in more detail during the collaborative process among SWBT, the participants, and Commission Staff. Further review of performance measures may be necessary to provide such a safeguard.

SWBT's Proposal:

As of September 1, 1998, SWBT added some enhancements to its manual service order flow. An LSR is received from a CLEC via fax. SWBT indicated that LSC personnel check the fax machine every 15 minutes. The LSR is time stamped, logged and distributed to LSC service reps. SWBT has established no time frame for distribution to the service rep, although SWBT indicated they have a procedure in place to address increased demand. SWBT added an additional "screening rep" to review LSRs when faxed for accuracy and completeness. If no error is found, the screening rep formats the order within 4 hours of receipt. If a problem is found, the "screening rep" will immediately call the CLEC. SWBT does not have a definition or time frame to define immediate. The FOC to the customer (for residential and simple business orders) is returned by fax within 24 hours. (FOCs for complex, business, UNE and orders other than residential or simple business are returned within a time frame that has been established in performance measures.) As of September 1, SWBT has implemented a system to provide CLECs with a monthly tracking analysis to discuss recurring CLEC errors. In the first quarter of 1999, SWBT will convert this manual fax return with a mechanized fax.

Supplemental Information:

SWBT had previously agreed to provide a fax confirmation back to those CLECs who provided it a log on manual orders. This process has already been put into place. However, SWBT checked with Westel to make sure because they were one of the folks who had concerns about that. Westel replied that they had not received the confirmations. Westel should be getting those now.

Second, results for those manual customers served under this process will be provided to the account teams by October 15th.

Regarding the screening process, the confirmation log that is faxed back to the CLEC will be made within an hour (SWBT will target within 30 minutes). The screening representative will, within about four hours, provide the CLEC with any rejects.

SWBT also agreed to develop a performance measure for the manual generation of an error notification as part of the performance measure for timely return of error notification.

CLECs' Comments:

Some CLECs raised concerns that LSRs that were faxed to the LSC appear to have been lost and they were interested in establishing a procedure to address this issue because they did not believe that the enhanced process outlined by SWBT addressed this problem. AT&T asked SWBT to consider performing tracking analysis for electronic orders.

Supplemental Information:

Westel: First, on the fax back and the confirmation of the log for faxed orders, Westel has not been receiving them even though the process was supposed to be implemented on September 1st. Second, regarding SOCs for manual orders, Westel does not receive them unless the mechanized method is implemented because SWBT does not currently provide SOCs for manual orders (although the information is available in order status under the electronic OSS).

Staff Recommendation and Follow-Up:

Following up on the CLECs' concern about "lost orders," SWBT agreed to get back to Staff and the participants by September 15th as to their willingness to implement a procedure to notify the CLEC by fax that an LSR has been received. SWBT indicated, however, that a return fax from the LSC would not address the problem of an *incomplete* fax from a CLEC. SWBT, therefore, requested that CLECs provide a cover sheet in the form of a log that lists all of the LSRs contained within one fax. SWBT is receiving such logs from some CLEC customers and SWBT reviews the log to insure completeness of the order; if the fax is incomplete, LSC personnel call the CLEC to indicate that a complete fax was not received.

Staff requested that SWBT consider establishing a time frame for notifying the CLEC of rejects and SWBT indicated that they would get back to Staff with a response on that issue. (Staff believes that the "immediately" requirement to call CLECs by the screening rep should be replaced with a benchmark or average time to respond.) Because this issue has not reached closure, Staff is unable to make a recommendation; however, if SWBT implemented the enhanced manual service order flow on September 1st as described above, and if SWBT agrees to the return fax to CLECs and agrees to establish a time frame for notifying CLECs of rejects, Staff believes this issue will have been adequately addressed at least as to non-complex manual orders.

Supplemental Staff Recommendation:

Met, if SWBT provides evidence sufficient to show that its fax back program has been implemented. For the processing of manual orders, Staff believes the institution of the above-stated procedures and goals is adequate to meet this recommendation regarding the processing of these orders, as long as SWBT brings forth adequate proof of such changes and, regarding the broader issues regarding responsiveness, this recommendation will be met when the related Public Interest recommendations are met.

Commission Recommendation No. 14:

SWBT shall either improve the preordering interfaces available to CLECs to provide sufficient access to customer information and/or clarify the record to show that CLECs have parity access to customer service records, e.g., ISDN, complex services and design services. (The portion of this recommendation dealing with complex orders will be addressed in OSS 28.)

SWBT's Proposal:

SWBT indicated that preorder interfaces are available to CLECs currently through SWBT's proprietary system, DATAGATE. EDI does not currently contain a preorder interface because the OBF has not yet established the final standards on the EDI preorder interface. During the August 28th collaborative session, SWBT diagrammed the current method CLECs can use to electronically generate preorder information, as well as the capability that will exist after SWBT has built its preorder interface in conformity with OBF standards. (See attached diagram). SWBT maintains that CLECs can now build an integrated application (shown on the diagram as CLEC LASR) that allows its service reps to get preorder information directly from DATAGATE. During the August 28th collaborative session, SWBT indicated that it was unwilling to establish a time frame for building a preorder interface for EDI until it was able to determine that a CLEC customer would be there to meet SWBT; SWBT, however, indicated a willingness in the Change Management meetings discussed in Recommendation No. 4, to work with CLECs to establish a date. SWBT indicated that they are prepared to develop EDI preordering capability.

Supplemental Information:

During the October 13th session, there was also discussion around a new pre-order interface based on national EDI OBF guidelines. Based on CLEC input at the September 28th meeting, SWBT is planning to implement EDI-9 for pre-order in the first quarterly release of '99, and it is also SWBT's intent, as stated in the 12-Month Plan, that SWBT will implement EDI-10 for pre-order as the guidelines are finalized or at the point where they is a sufficiently low risk that SWBT can implement them earlier.

CLECs' Comments:

CLECs raised concerns that preorder capability is not provided in an EDI format. The CLECs expressed concern about building an interface to DATAGATE, because DATAGATE is not EDI and is SWBT's proprietary system.

Supplemental Information:

MCI raised its concern that if SWBT incorporates the EDI-9 preordering functionality without including the EDI-10 preordering functionality, MCI will be severely handicapped until the EDI-10 preordering functionality (Customer Service Records) is incorporated. MCI recommended that the incorporation of CSR functionality be expedited with the EDI-9 incorporation.

Staff Recommendation:

Although preorder integrated through EDI is definitely Staff's first choice because it avoids the problem of requiring a CLEC to build out to SWBT's proprietary system in order to get integrated preorder information, the standard setting body, OBF, has not issued its final recommendations. Although OBF 9 is close to being final, OBF 10 is not due out until early next year. SWBT maintains that it needs OBF 10 before it can develop preordering capability within EDI. Staff, however, is concerned about SWBT's unwillingness to even develop a date for rolling out this preorder function. While it seems unfair to penalize SWBT because the standards are not there (and the CLECs definitely want SWBT to build to OBF standards), Staff eagerly looks forward to the development of a time frame for SWBT to roll out preorder for EDI; once SWBT commits to a definitive timetable for rollout of preorder functions within EDI, Staff will be comfortable recommending that forward movement on EDI coupled with the interim solution discussed above will be sufficient to meet this recommendation.

Follow-Up:

SWBT and the participants provided follow-up of the status of OBF 9 and 10. This issue should continue to be monitored by SWBT and CLECs through the Change Management meetings discussed under Recommendation 4. SWBT indicated that it will get back to Staff as to any dates developed by SWBT and the CLECs during the Change Management meetings.

Supplemental Staff Recommendation:

Met, under the following conditions:

- *Third-party testing establishes that SWBT provides CLECs with nondiscriminatory access to the preordering function of OSS, i.e., SWBT makes available an EDI interface that provides integrated preordering and ordering capability without the necessity of cut and paste or HTML parsing (hypertext markup language parsing). The system must allow a competing carrier to build an integrated interface using Datagate or EDI preordering that is capable of negotiating a service order in substantially the same amount of time as EASE. See BellSouth South Carolina Order at 101. Staff notes that, although SWBT has made several demonstrations of its EASE and LEX/Verigate systems, SWBT has not, to date, demonstrated its EDI system because EDI is an application-to-application interface, and, during the course of this proceeding, no CLEC had reached the point where EDI could be demonstrated. SWBT has represented in affidavits and in collaborative sessions that Datagate can be fully integrated with EDI by a CLEC for preordering and ordering functions. Since that capability has not been reviewed at all by this Commission, Staff believes that testing of either current EDI/Datagate integration capability or EDI/EDI preordering integration must be conducted to assure that SWBT's systems meet the criteria set forth by the FCC and discussed above.*
- *In the November 16, 1998 open meeting, the Commission requested that SWBT and the participants address the issue of whether SWBT should be required to deploy EDI 9 within 60 days of this Recommendation or whether SWBT should wait until EDI 10 has been approved by the standard making body. This issue should be addressed by SWBT and the participants in the affidavits filed by*

each party. The Commission will be prepared to rule on this Recommendation after reviewing those filings.

Commission Recommendation No. 15:

To the extent SWBT's access to the PREMIS database is at the customer service representative level, SWBT shall provide sufficient access to that database system's information and functionality in order to provide parity access.

SWBT's Proposal:

The PREMIS database does not have the capability of assigning vanity and sequential numbers. Instead, the SWBT retail service representative must call the back office center, which then searches a back-office system called SWITCH. SWITCH is not a database; and it is not a mechanical sort. SWBT uses a manual process for assignment of vanity and sequential numbers; there is no electronic interface that would allow either a SWBT retail representative or a CLEC to query upon and obtain vanity or sequential TNs.

For a CLEC to request vanity and sequential numbers, the CLEC must call the LSC, and then the LSC would make the inquiry to the back office center on behalf of the CLEC. SWBT committed to implement a procedure that there would be an immediate call from the LSC to the back-end number assignment group once a CLEC calls in a request.

CLECs' Comments:

MCI believes it needs access to the vanity/consecutive number functionality whether part of SWITCH, PREMIS, or otherwise. MCI would like electronic access to the capability for assignment of vanity and consecutive numbers. Also, the access is not at parity because an extra step is required for CLECs to obtain vanity/consecutive numbers.

Staff Recommendation:

Met.

Access to telephone numbers is at parity between SWBT's service representatives and CLECs. This is a manual process for SWBT and CLECs. Contrary to MCI's arguments, the standard is whether the CLECs service representatives have parity access to SWBT's service representatives. The activity performed by the separate number assignment group can be thought of as a separate wholesale activity that both SWBT and CLECs must access.

Follow-Up:

No follow-up is necessary.

Commission Recommendation No. 16:

SWBT shall provide access to SORD (Service Order Retrieval Distribution) and LFACS (Local Facilities Access System) at cost-based rates, terms, and conditions. As discussed previously, SWBT would have to provide training necessary to allow CLECs to obtain parity access to SORD and LFACS.

SWBT's Proposal:

Regarding LFACS -- service representatives do not directly access LFACS. Instead, EASE talks to LFACS on an application to application basis. Verigate talks to LFACS in the same manner as EASE per the August 23, 1998 update.

- For SORD,
- (1) SORD will be generally available by April, 1999 and will provide CLECs with the ability to process complex orders that are currently sent by fax; it will also allow CLECs to correct errors that occur between distribution and completion.
 - (2) SORD supplement is currently available for corrections and updates for resale through EASE. (There may be some capability for corrections and updates of UNE orders, but SWBT indicated that SORD supplement was intended by SWBT to be used for resale capabilities in conjunction with EASE.)
 - (3) For complex orders, SWBT retail has to work the order down on paper and fax the order to another office.

CLECs' Comments:

For LFACS (1) CLECs will do follow-up to confirm SWBT's representations.

- For SORD
- (1) CLECs argue they need direct access to SORD to handle orders that cannot be handled by EASE, LEX, or EDI.
 - (2) CLECs are concerned that there are a couple of order types that Business EASE can handle but LEX and EDI cannot.

Staff Recommendation and Follow-Up:

After reviewing the record on this issue, Staff believes a follow-up session should be held to discuss timing issues relating to SORD and to further ferret out the difference in capacities between what SORD will provide and what Business EASE currently provides. For LFACS, AT&T provided information that merits follow-up discussion or reply by SWBT.

Supplemental Staff Recommendation:

Based on discussions relating to SORD and Business EASE, Staff believes this recommendation can be met. Because this access is in addition to the parity, complex order handling procedures, Staff believes SWBT's timetable for making SORD generally available is consistent with CLEC forecasts as they relate to increasing levels of market entry.

To address the fact that a few service order types are handled by Business EASE but not EDI/LEX, Staff believes SWBT can, as an interim measure, waive the service order charge on such orders to compensate CLECs for any inconvenience. Staff believes this recommendation is superior to requiring SWBT to create another proprietary solution that would have to be replaced once an EDI standard is developed, provided that SWBT actively participates in OBF meetings toward the development of these standards.

Commission Recommendation No. 17:

SWBT shall be required to demonstrate, by providing at least three months of data, that it is providing CLECs with service that meets the performance standards established in this proceeding and in its interconnection agreements.

SWBT's Proposal:

CLECs' Comments:

Staff Recommendation and Follow-Up:

This recommendation is duplicative with Performance Measures Recommendation No. 8.

Commission Recommendation No. 18:

The Commission finds that SWBT does not make available the ability for a facilities-based CLEC to supplement pending service orders or receive timely jeopardy notifications, error notifications, or workflow confirmations. SWBT must either make this capability available to CLECs electronically or demonstrate that SWBT's customer service representatives do not have such access.

SWBT's Proposal:

As stated under OSS Recommendation No. 12, SWBT contends that the processes that it has developed allow all CLECs to supplement pending service orders with EDI or LEX and receive timely jeopardy notifications, error notifications, and workflow confirmations.

CLECs' Comments:

CLEC comments are generally contained under OSS Recommendation No. 12.

AT&T agreed it can supplement orders electronically today via the EDI process and the EDI transactions.

Staff Recommendation and Follow-Up:

Staff finds that the supplementation requirement of this recommendation has been met. Because of overlap with other issues, the remainder of this recommendation will be met when OSS Recommendation No. 12 is met.

Commission Recommendation No. 19:

To provide necessary notifications, SWBT shall fully develop the jeopardy notification function into its EDI interface. This development should also be incorporated into the Order Status Toolbar function.

SWBT's Proposal:

CLECs' Comments:

Staff Recommendation:

As discussed in more detail under OSS Recommendation No. 12, the process that SWBT has in place to provide notice of jeopardies is directly tied to SWBT's ability to show parity flow-through rates between EDI and EASE; therefore, approval of this Recommendation rests with third-party testing and performance measures.

Commission Recommendation No. 20:

Although fax rejects may be appropriate when a CLEC provides its orders via fax, SWBT shall provide an electronic means for such notification when a CLEC uses an electronic means to place its orders with SWBT.

SWBT's Proposal:

CLECs' Comments:

Staff Recommendation:

As discussed in more detail under OSS Recommendation No. 12, the process that SWBT has in place to provide notice of errors is directly tied to SWBT's ability to show parity flow through rates between EDI and EASE; therefore, approval of this Recommendation rests with third-party testing and performance measures.

Commission Recommendation No. 21:

SWBT does not provide data as to the amount of time it takes SWBT to process and transmit reject notifications to CLECs. Moreover, SWBT could not provide specific goals and procedures in response to questioning from the Commissioners so actual performance could be measured against a benchmark. SWBT shall implement such goals and procedures so CLECs can regularly receive this information timely enough to correct such errors without affecting customer service. Such goals and procedures provide a CLEC with the ability to smoothly convert a customer to its service.

SWBT's Proposal:

CLECs' Comments:

Staff Recommendation:

Met to the extent this Recommendation addresses orders placed manually by facsimile. As discussed in more detail under OSS Recommendation No. 12, the process that SWBT has in place to provide notice of errors when orders are submitted electronically is directly tied to SWBT's ability to show parity flow-through rates between EDI and EASE; therefore, approval of this Recommendation rests with third-party testing and performance measures.

Commission Recommendation No. 22:

SWBT must make clear to CLECs the effect of the various stages of an order's "completion" to avoid confusion. To the extent this issue is one of communication, this issue can be addressed in the policy manual discussed in the public interest section of these comments.

SWBT's Proposal:

SWBT has provided statements concerning the use of terms such as completion, distribution, and posting. Moreover, SWBT clarified that the term "complete" on order status is equivalent to the receipt of an SOC. It means the work is done and the CLEC can begin billing its customer.

CLECs' Comments:

After having a number of questions answered and clarified, CLECs through their participation in this process have demonstrated their understanding of these terms.

Staff Recommendation:

Met The record demonstrates that these terms have now been adequately communicated. How information is disseminated on an on going basis, e.g., Internet, is being addressed in the public interest section of this docket.

Commission Recommendation No. 23:

The Commission, like the FCC, believes that actual commercial usage is the most probative evidence concerning a system's ability to handle large commercial volumes. The Commission recommends, to the extent there is no actual commercial usage or third party testing, alternative means for assessing system performance be developed in the collaborative process. For example, as greater flow-through is developed, commercial volume concerns may be eased as the representative hours necessary to input orders directly into SORD will be lessened. However, even after the potential manual "bottleneck" issue is resolved, there may remain a need to stress test SWBT's OSS systems before an affirmative recommendation is made on this issue.

SWBT's Proposal:

CLECs' Comments:

Staff Recommendation:

Further discussion regarding the follow-up materials is necessary, and the manual bottleneck issue has not been addressed directly. Staff will review updated forecasts and briefs before developing an opinion as to commercial volumes. Additional OSS work sessions are planned, and are in the process of being scheduled.

Follow-Up:

SWBT and CLECs shall file additional materials including:

1. CLECs shall file forecasts, or updates to previous forecasts, by September 9, 1998, on the number of orders CLECs foresee submitting to SWBT (the forecast information shall be used to evaluate the capability and capacity of SWBT's OSS); and

CLECs and SWBT shall file briefs by September 17, 1998, stating positions on what constitutes (a) flow-through and (b) commercial volume in relation to OSS, and how flow-through and commercial volume should be measured. Third party and carrier-to-carrier testing of SWBT's OSS is also to be addressed in briefing the issue of commercial volume. Participants advocating testing for commercial volume purposes shall discuss in detail the type of proposed testing.

Supplemental Staff Recommendation:

Third-party testing of SWBT's electronic OSS systems will take place in Project No. 20000. This recommendation will be met when third-party testing verifies that SWBT's systems provide parity flow-through of commercial volume without the necessity of manual intervention.

Commission Recommendation No. 24:

A record on billing issues should be developed further during the collaborative process. The FCC determined that this information is necessary because "competing carriers that use the incumbent's resale services and unbundled network elements must rely on the incumbent LEC for billing and usage information. The incumbent's obligation to provide timely and accurate information is particularly important to a competing carrier's ability to serve its customers and compete effectively." A BOC must also provide detailed evidence to support its claim that it is providing billing on terms and conditions that are nondiscriminatory, just and reasonable. This information should include measures that compare the BOCs performance in delivering daily usage information for customer billing to both its own retail operation and that of competing carriers.

SWBT's Proposal:

Interim access issues are to be addressed in a separate checklist item.

Call Flows: Expect to be resolved next week.
 Has taken a while because standards were recently developed.

AIN Billing: Implementation will be available beginning April 1999. Interim processes are in place for usage sensitive UNEs which are complete but less timely and not in a CABS format.

Legacy systems have limitations making it difficult to bill some items in a CABS format.

Supplemental Information:

CLECs want mechanized bills in a CABS format. The AT&T document has its status on some of these issues, including an update relating to some of the more recent telephone calls relating to call flow.

ASBS issues. SWBT clarified that it is willing to provide the ASBS bill in an electronic format (EDI-811 format from CRIS). This bill has been provided in paper to AT&T at AT&T's request. (AT&T countered that EDI-811 is not a CABS format.)

Clearinghouse bills are being received in a paper format. That is how SWBT receives them, as well.

AT&T noted some discrepancies with its billing related to its Digilink offering that have not been explained.

Call-flow discussion (relating to reciprocal compensation):

SWBT stated that these 92/99 issues are the last major issues on call flows. All other issues have been resolved. For intraOffice calls, no records are created thus no compensation goes either way.

Nationally, the issue of mutual compensation is being addressed, but not as a 92/99 process. The 92/99 process is unique to our five-state southwest region. Mutual compensation has problems nationwide, but in different parts of the country it's handled in different ways. TECA's, Texas Exchange Carrier Association's, Billing Subcommittee, has been a regional forum for ILECs to address industry 92/99

issues, but CLECs are not members, and are not invited to participate.

The 92/99 process exists today between SWBT and other ILECs for exchange of traffic. With the emergence of local competition, that processing has been expanded from intraLATA traffic to include the local application. EMI records are created by the originating party and provided to the terminating party, and then the terminating party uses those records to render bills to the originator of the call. There are a couple of issues that have been identified with that process as it is being applied to the local area.

Pictorial examples of different paths that calls can take in order to be able to identify whether a call is local or intraLATA or interLATA, between CLECs and ILECs and all of the different variables associated with that were discussed. There are approximately 28 of these different examples, and the goal is to try to reach consensus on all of those data items. In particular, the call flow that identifies an intraLATA call in a predialing, dialing parity scenario needs some additional information relative to whether it should be treated as access or local.

CLECs' Comments:

MCI wants all bills in a CABS format. MCI also believes no bills should be in a paper format. The bills that SWBT provides in paper format include mutual comp, ASBS, IBIS and 911.

AT&T is concerned about billing for usage sensitive charges associated with UNEs. AT&T wants to be able to verify bills in CABS format prior to commercially using them, and will not be able to do so prior to the April 1999 implementation date discussed by SWBT.

Supplemental Information:

The three scenarios discussed in the collaborative session demonstrate some of the difficulties in handling the reciprocal compensation issues on an industry-wide basis. The problems arise with UNEs because the 92-99 process assumes that the originating carrier has the ability to determine who the terminating carrier is. With UNEs and number portability, this assumption is not necessarily accurate. Moreover, since the originating carrier is not a party under SWBT's control, SWBT cannot correct these issues without coordination with other ILECs and facilities-based CLECs. (For these issues, a Commission rulemaking may be appropriate to obtain the involvement of all ILEC territories. On the other hand, any decision on process should be consistent throughout SWBT's territory.) The one exception may be the following example.

In one of the situations, SWBT needs to enter into a settlement process with the CLEC using SWBT's unbundled switching. At Staff's suggestion, SWBT agreed to consider whether this particular problem may be resolvable by using the same AIN solution used for other billing issues to identify the correct CLEC with which to engage in a settlement without needing inter-ILEC cooperation.

The potential solutions raised by AT&T's vendor look at using the LNP database to assist this process. (However, even if that is a workable solution, issues relating to cost recovery for the additional look-ups would need to be addressed.)

AT&T pointed out that the originating CLEC has no financial incentive to incur additional costs from a

third-party vendor to provide LRN information so that the 92/99 record is routed to the proper terminating company.

Another issue on call flows is defining the different exchange message interface (EMI) records that could be received in what is called the UNE usage extract file where out of the AIN process and out of the recording process there are certain EMI-type records that are generated.

Staff Recommendation:

Further discussion and development regarding billing is necessary. For example, interim billing solutions for usage sensitive charges associated with UNEs need to be addressed further, as well as the paper billing issue. Interim methods for addressing Access Recordings issues will be addressed under checklist item 6.

Follow-Up:

Additional OSS work sessions are planned, and are in the process of being scheduled.

Supplemental Staff Recommendation:

The parity of SWBT's billing systems will be verified through third-party testing. Issues related to paper bills vs. mechanized bills need to be addressed as well as the CABS vs. CRIS issue.

For reciprocal compensation, SWBT receives billing information from other carriers in the same paper format that it seeks to provide to CLECs. That is a parity process making the development of a new mechanized process unnecessary to achieve parity.

For bills deliverable in the EDI-811 format from the CRIS billing system, the Commission has previously ruled that the EDI-811 format is acceptable, in part, because CLECs can convert the EDI-811 into a CABS format. Staff recommends broadening that decision such that if any CLEC, not only MCI, agrees to incur the costs associated with SWBT developing a method to transform EDI-811s or any other possible CRIS-generated bills into a CABS-format, SWBT shall agree to perform such development.

Staff will provided a further recommendation on remaining outstanding billing issues once staff receives follow-up information on the 92-99 issues. For all other bills that SWBT believes should be able to provide in a paper format, such as clearinghouse bills, SWBT shall provide further information by December 1 demonstrating how SWBT uses those bills on its retail side so staff can determine whether a paper bill to CLECs, as in the case of reciprocal compensation, meets the level of parity.

Moreover, SWBT shall, in the same pleading, inform the Commission whether all of the CRIS-generated, mechanized bills can be provided to CLECs in an EDI-811 format, or other standard format that can be converted into CABS. As stated above, to the extent any of the mechanized CRIS bills can be provided in an EDI-811 format, or other standard format that can be converted into CABS, Staff believes SWBT does not have to provide them in a CABS format.

Supplemental Staff Recommendation on Reciprocal Compensation (92-99) issues:

SWBT should also be able to offer bill and keep to CLECs using unbundled switching as an interim method until an industry solution is developed (possibly in a rulemaking).

Commission Recommendation No. 25:

SWBT must resolve the double-billing and other billing issues raised during this proceeding and bring forth proof that such problems have been adequately addressed.

(The double-billing issues are being addressed in this recommendation. Other billing issues are addressed in OSS Recommendation No. 24.)

SWBT's Proposal:

SWBT described the two situations in which a double-billing would theoretically occur. One situation is where a delay in posting overlaps the billing date. A second situation potentially could occur if the order to convert the customer from a timing standpoint occurs at the time that the bill period is being pulled for the sake of issuing the Southwestern Bell bill to that end-user customer. In this particular situation, the order would go into interim status and would not post to SWBT's customer database because the billing periods was already pulled so a bill is produced to the end-user customer from SWBT. And then, within the matter of a day or two, another billing cycle will have run where a final bill will be issued for credits would be issue back and there would be an attempt to finalize the customer relationship. The potential exists because a the SOC itself has notified the CLEC that that individual is now their customer and that the CLEC's billing process can issue a bill to that end-user customer.

SWBT has undertaken the following enhancements to its processes to minimize the likelihood of double billing:

SWBT created a specialized team known as Error Resolution Team, and these specialists deal with the orders that are in error status once the order is completed but have not posted. So for that period of time, these specialists work to correct the problem to make sure that the order will go all the way through complete to posting. What they do is obtain the information on a daily run -a batch process from BUC2 report- to locate the unposted orders. They work errors prioritized by billing date as well as by the age of the bill. Because they focus on the billing date or the billing close date, SWBT believes this would prevent any discriminatory treatment. SWBT has committed to fixing these issues prior to the date. SWBT will also provide trending that information, i.e. what caused the error, and sharing that internally for SWBT LSC development and then sharing that information with the CLECs.

SWBT also added that these billing issues are reflected in the billing completeness measure that was already at 97 percent billing completeness prior to the new specialized focus. SWBT will be validating this new process, which has been in place since October 1st.

SWBT also clarified that to the extent that a double billing issue occurs, SWBT would issue a credit on the former customer's final bill.

At AT&T's request, SWBT stated that it could share with CLECs any issues that were peculiar to a CLEC order that would cause it not to post within the Southwestern Bell systems once this trending analysis has taken place.

CLECs' Comments:

TEXALTEL asked about the kind of procedures that could be put in place to notify the CLEC if there was a situation that would go beyond the billing date. SWBT is looking at this proposal. Similarly, the CLECs agreed such a process should be reciprocal -- when a CLEC loses a customer -- since CLECs may have the same interim issues when they lose a customer.

MCI noted that with greater flow through the level of potential overbilling will be lessened.

Staff Recommendation:

Met, if third-party testing establishes that double billing is not an issue. The combination of SWBT's process improvements and its performance to date on this measurement suggest that the double-billing issues are being controlled, but third party testing will be necessary to verify that fact. To the extent the Commission considers an industry-wide solution to the interim period issue, that issue should be addressed in a rulemaking since the issue not only affects all ILECs but also CLECs when they lose a customer to another CLEC or an ILEC.

Commission Recommendation No. 26:

SWBT shall either limit the requirement that a single CLEC obtain multiple OCNs (operating company numbers) or AECNs (alternate exchange company numbers) or demonstrate a necessity for such requirement.

SWBT's Proposal:

SWBT and MCI have reached an agreement on this issue. A CLEC would have one nationwide OCN for resale and then a separate state-specific OCN on the facilities side for each state.

CLECs' Comments:

No participant had a problem with the resolution reached by SWBT and MCI.

Staff Recommendation:

Met. SWBT shall make its resolution with MCI generally applicable/available to all CLECs.

Commission Recommendation No. 27:

SWBT shall provide CLECs with sufficient definition or information to decipher the downloads of information that a CLEC needs to validate addresses, determine calling scope, and determine feature availability without having to access SWBT's systems.

SWBT's Proposal:

Regarding database information (for, in essence, PIC, calling scope and switch features), SWBT stated that this information is being received by AT&T, MCI and Sprint.

CLECs' Comments:

Based on SWBT's representations, AT&T believes this recommendation has been met. MCI will do some follow-up work with its account manager on some issues concerning calling scope, but it is in general agreement, that it is receiving the necessary data. No CLEC suggested that there were any outstanding issues that need to be addressed relating to this recommendation.

Staff Recommendation:

Met. SWBT appears to be providing the necessary information.

Commission Recommendation No. 28:

SWBT shall provide parity access to consolidated CSRs for business customers that have more than 30 lines or that have any design services such as Centrex. SWBT must enhance the ability of its interfaces to handle these order types or demonstrate that parity is provided at this time.

SWBT's Proposal:

Currently the number of customer lines accessible through Verigate on a consolidated basis is 30 lines or less. In Verigate, for customers with more than 30 lines, the CLEC must retrieve information on a line-by-line basis. SWBT agreed to look into the feasibility of increasing that number, but SWBT noted that the larger the batch the slower the performance of the interface.

Supplemental Information:

SWBT provided an update regarding additional capability in Verigate for consolidated customer service records. Verigate will have the capability on November 22nd to provide multiple 30-line consolidated lists for a customer with a consolidated CSR. In other words, there is no overall line limit. So if a CLEC has a large customer who has a consolidated CSR, that information will be returned 30 lines at a time. The accessible letter should have gone out on October 16th for the November update. For Datagate, CLECs already have the capability to obtain all information on a customer with a consolidated CSR.

CLECs' Comments:

Some CLECs raised concerns regarding the "30" number batch system that Verigate uses. AT&T discussed orders types that can be handled by SWBT's systems.

Supplemental Information:

Some CLECs raised concerns regarding the need to look up multiple 30-line lists and having to print them out separately because SWBT's Verigate works in 30-line batches.

Staff Recommendation:

This recommendation needs further development. It is interrelated to OSS Recommendation No. 14, which will be discussed further in future collaborative sessions.

Follow-Up:

In future collaborative sessions, SWBT shall report back on the issue of increasing the 30 limit in Verigate. Also, SWBT and CLECs shall respond to AT&T's filing regarding orders that can be handled by SWBT's systems.

Supplemental Staff Recommendation:

Met. With the enhancement to allow a CLEC to obtain all information on a customer, this recommendation is met. Staff understands the concern raised by some CLECs regarding the need for the CLEC to print multiple 30 line lists; however, this limitation can: (1) be avoided if the CLEC uses Datagate; and (2) be of little inconvenience since large customers are often not handled in a single negotiation, making it possible for a CLEC to print out all of the information before a meeting with the customer.

Commission Recommendation No. 29:

SWBT shall demonstrate that its back-end systems are operationally ready, to assure performance parity between CLECs and SWBT's retail operations for POTS (plain old telephone service) order completion, FOCs, installation intervals, trouble reports, design services, billing accuracy, or billing timeliness.

SWBT's Proposal:

CLECs' Comments:

Staff Recommendation:

This is a generic recommendation that is dependent on completion of other items. However, based on the OSS work sessions held to date, SWBT has made substantial progress in addressing this recommendation.

Follow-Up:

SWBT, along with Staff and participants, shall continue to address the OSS recommendations through the collaborative process. Additional OSS work sessions are planned, and are in the process of being scheduled.

Supplemental Staff Recommendation:

Third-party testing of SWBT's electronic OSS systems will take place in Project No. 20000. This recommendation will be met when third-party testing verifies that SWBT's systems provide parity flow-through of commercial volume without the necessity of manual intervention and billing problems, to the extent they impede a new entrant's ability to do business, have been addressed.

SECTION 272 COMPLIANCE

Commission Recommendation No. 1:

Although SWBT has established a separate affiliate to provide interLATA services in Texas, the actual corporate structure must be clarified. The Commission cannot determine from the record which SBC subsidiary and/or d/b/a will be used to provide interLATA services in Texas. SWBT shall supplement the record with the necessary information.

SWBT's Proposal:

Southwestern Bell Corporation (SBC) has established a subsidiary, Southwestern Bell Communications Services, Inc. (SBCS) as its proposed interLATA carrier. SBCS is headquartered in California and will be the interLATA carrier for all states where SWBT is the RBOC. Additionally, SBCS will also be the company that will do all interLATA work for SBC. SBCS has created SBCS-Texas as its chartered company for interLATA in Texas. SBCS-Texas has no employees. SBCS will do business as (d/b/a) Southwestern Bell Long Distance (SBLD), and in Texas the d/b/a will be SBLD-Texas.

SBCS will have its own employees separate from the SBC RBOCs, and it will maintain its own books and records.

SWBT responded to this recommendation with additional information during the collaborative process.

CLECs' Comments:

AT&T's comments on the issue of structural separation do not question that SBCS will be a separate company with its own books and records. AT&T does have stated issues regarding separate directors, officers, and employees (these issues will be addressed in Recommendation 272-2, following).

Staff Recommendation:

This recommendation has been met. The FTA requires that the interLATA carrier be separate from the RBOC. As to organizational structure, the FTA requires the interLATA carrier to operate independently and have its own books and records. With the creation of Southwestern Bell Communications Services, Inc. (SBCS), the organizational structure has been established that meets the first requirement of separate books and records.

SBC has established a fairly flat corporate organizational structure with over 20 incorporated entities listed as Tier 1 companies (those who are organizationally directly placed under the corporate head). This flat structure leads to the issues which AT&T and other participants (e.g., OPUC) have voiced, and which are addressed in Staff Recommendation 272-2. The Staff will not propose a corporate re-organization to address all the separate entity issues, but Staff acknowledges that the creation of the separate entity by itself is not sufficient to meet all the tests established by Section 272 of the FTA on separation.

Therefore, to the limited question of whether the interLATA carrier is a separate corporate entity from the RBOC, the Staff determines that the requirement has been met and that no further action is required at this time.

Follow-Up:

None required on the question of whether SBCS d/b/a SBLD is a separate entity from the RBOC.

Commission Recommendation No. 2:

It is the Commission's position that the independence and separation of the SBLD board and officers from SWBT is not absolutely clear in the record. The record on this issue shall be further developed and clarified so that a determination can be made as to whether SBLD's officers, directors, and employees are separate from SWBT and its corporate chain of command.

SWBT's Proposal:

During the collaborative process, SWBT has reported the relationships of the interLATA carrier's officers and directors. SWBT has also stated that SBCS has its own employees separate from the RBOC. For example, SWBT has reported that the President of SBCS reports to a vice-president of SBC Operations, another Tier 1 sub of SBC. This latter individual is also chairman of the Board of SBCS. SWBT's position is that the officers and directors of SBCS are independent of the RBOC as they are not directors, officers or employees of the RBOC.

Supplemental Information:

SWBT was asked to provide additional information regarding how the officers, directors and employees of the 272 affiliate were separate from those of SWBT. A question was raised relating to the fact that the Board Chairman of the 272 affiliate is an executive in a service organization, which also does strategic planning for SWBT. Another Director also supports SWBT in the course of his non-Section 272 assignments.

SWBT stated that they would change the organizational structure to have the Section 272 affiliate chairman report to another corporate officer. This reorganization is to take place after the FCC's review and comment. This delay in re-organizing is to avoid having to do two re-organizations, one for the Texas PUC and one for the FCC. SWBT presented four criteria that would govern the selection:

- 1. The officer to whom SBCS will report will not be a BOC officer, director or employee.*
- 2. That officer will not have a BOC officer, director or employee reporting directly to him or her.*
- 3. That officer will not report to a BOC officer, director or employee.*
- 4. The officer to whom SBCS reports will not have any day-to-day operational service or other major responsibilities for any of the BOCs.*

On October 29, 1998, SWBT filed a letter providing details of a reorganization to occur, effective November 1, 1998, which SWBT believes is responsive to comments made by Staff and other participants in the collaborative work sessions. SWBT also stated in the letter that, in light of the FCC's Second BellSouth Louisiana decision, SBC is in full compliance with the separate officer, director, and employee requirements under § 272, and that no changes need to be made to corporate structures. Further, the reporting structures of the § 272 affiliate should therefore not be subject to scrutiny. While SWBT proposed a set of criteria at the last § 272 work session that it would use in determining the reporting structure(s) of its § 272 affiliate(s), SWBT believes the subsequent FCC holding in the Second BellSouth Louisiana order negates the need for the criteria. However, the new reporting structure of SBCS and SBCS-Texas actually meets all but one of the criteria.

CLECs' Comments:

The CLECs questioned whether the intent of separation of officers and directors is met when the interLATA carrier's officers and directors hold positions, which affect operational and planning decisions of the RBOC. For example, the Chairman of the SBCS Board of Directors is an officer of SBC Operations, Inc. In this position, this individual has a position, which has influence and leadership over several areas of the RBOC's operation, such as network planning and technology development. Other directors provide management expertise to the RBOC in information systems, financial, marketing, and regulatory matters.

Staff Recommendation:

This recommendation needs to be addressed further in the collaborative process. Staff is in the process of defining the exact relationships between SBLD's officers, directors, and employees and SWBT.

Follow-Up:

SWBT will provide additional organizational structure information related to officers and directors of the interLATA carrier and several other SBC subsidiaries.

Supplemental Staff Recommendation:

During the collaborative sessions, the organizational structures, including the reporting relationships, of SWBT and SBLD were reviewed to ensure that officers, directors, and employees of the long distance (Section 272) affiliate were not "simultaneously" officers, directors, and employees of the BOC. This was extended to include those service company managers and executives who have management and planning oversight over the BOC. In one specific example, the reporting relationships of the Chairman of the SBLD Board was examined. This individual was also an executive in the service company with planning responsibilities over the BOC. This reporting relationship raised concerns regarding the arms-length transactions between SWBT and its long distance affiliate. Information on the reporting structure was necessary to address these concerns. Staff notes that despite the training procedures in place to ensure compliance with the requirements of §272, the reporting relationship had the potential of undermining the effectiveness of these training procedures.

SWBT's proposed criteria for the reorganization are a positive means to ensure the separation required under Section 272 of FTA96. Staff believes that this recommendation and the results achieved in the collaborative sessions are in accord with the latest FCC ruling in the Second BellSouth Louisiana decision.

Therefore, SWBT will meet this recommendation if it agrees to adopt and implements the four criteria for reporting relationships that it proposed during the last work session on § 272 compliance.

Commission Recommendation No. 3:

SWBT's postings on the internet do not clearly delineate the services which are provided by SWBT to SBLD, the identified interLATA affiliate. The internet postings shall clearly identify this information. Additionally, the internet postings shall be revised to indicate which of the services are provided by SWBT to SBLD for Texas, for Oklahoma, or any other state served by the three SBC BOCs, or services provided by SWBT to support SBCS in its other activities outside the SWBT service areas.

SWBT's Proposal:

SWBT reported that all planned revisions to the Internet postings were completed prior to the August 18th collaborative session. During the session, SWBT demonstrated its Internet web-site disclosure actions. SWBT reported that all contracts in their entirety (other than actual signatures) between the interLATA carrier and the SBC RBOCs are posted on the Internet website. SWBT reported that some contracts are regional in nature, whereas most will support SBCS across multiple states. SWBT has developed a chart which delineates if the goods or services provided to SBCS are for Texas or for areas outside the state. This record is available at the RBOC headquarters.

The services provided by SWBT to the interLATA carrier (SBCS) are defined within the website. A complete copy of each contract is available, along with a descriptive explanation of the type of service provided and the terms and conditions of the contract. SWBT agreed to provide more descriptive detail for each contract at an earlier point in its website posting. This will allow the reader to determine earlier in the process which contract provides specific services.

CLECs' Comments:

AT&T stated its position that the disclosure was incomplete. AT&T's position on this matter is based on AT&T's interpretation of the FTA and FCC orders that detailed transactions be provided for review on the website.

Staff Recommendation:

This recommendation has been met. Staff notes that its recommendation was erroneous as written: It is not SWBT's internet website which is required to have the data; it is the responsibility of the interLATA carrier to post the information. SWBT has met the requirements of posting the descriptions of goods and services provided to the interLATA carrier on its website.

Follow-Up:

SWBT will provide more descriptive detail for each contract at an earlier point in its website.

Supplemental Staff Recommendation:

Staff believes the FCC's Second BellSouth Louisiana decision has a direct impact on Section 272 Recommendation Nos. 3, 4, 5, and 8, as discussed below. These recommendations all address disclosure of information on transactions between the BOC and the interLATA affiliate either on the SBLD's internet website or at SWBT's headquarters.

Internet Posting and Public Access at SWBT Headquarters (BellSouth Decision, FCC 98-271, ¶¶ 332 - 338)

During the collaborative sessions, agreement was reached on what would be posted on the Internet. SWBT agreed to post on the internet complete copies of all contracts with its long distance affiliate. This posting would include the rates, terms, and conditions of the transaction.

In the FCC's Second BellSouth Louisiana decision (¶ 337), the FCC stated the following:

- 1) a summary of the transactions between the BOC and the long distance affiliate is inadequate;*
- 2) the final contract price alone is inadequate to evaluate compliance;*
- 3) disclosure must include a description of the rates, terms, and conditions as well as the frequency of recurring transactions and the approximate date of completed transactions;*
- 4) for services, the BOC will disclose the number and type of personnel assigned to the project, the level of expertise of the personnel, any special equipment necessary, the length of time required to complete the task;*
- 5) the BOC will disclose whether the hourly rate is fully loaded and whether the rate includes the cost of materials and all direct or indirect miscellaneous and overhead costs;*
- 6) for asset transfers, the quantity and, if relevant, the quality of the transferred asset should be disclosed; and*
- 7) the internet posting procedures should be clearly stated including the anticipated duration of the posting on the internet site.*

SWBT's internet posting, as defined in the collaborative sessions, was in line with the FCC guidelines issued prior to the FCC's Second BellSouth Louisiana decision. SWBT demonstrated that it has disclosed the description of the final contract on its internet site rather than the summary of transactions. However, it is not clear whether SWBT's disclosures contain the additional details required in the FCC's Second BellSouth Louisiana decision. In light of the additional requirements identified in the FCC's Order regarding public disclosure of transactions, the decisions and agreements on public disclosure on the internet and the principal place of business evolved from the collaborative sessions may not be sufficient to establish compliance under §272 of the FTA. Therefore, our recommendation must be extended to include the following:

SWBT shall file with this Commission, by December 1, 1998, detailed information demonstrating how SWBT intends to meet the additional public disclosure requirements of the FCC's Second BellSouth Louisiana decision. The filing should address how the information will be made available for public disclosure and when the information will be made available.

Commission Recommendation No. 4:

SWBT shall make available public access to information on transactions between the BOC and the interLATA affiliate at the BOC's headquarters. After the hearing, SWBT in an affidavit reported it would move the records to San Antonio, Texas during the month of June 1998. SWBT should file a follow-up affidavit once the records are available in San Antonio. The Commission must have proof that the records will remain available in San Antonio pursuant to the FCC's order.

SWBT's Proposal:

SWBT has reported that the records are now available at its San Antonio offices as well as having a copy of the same records at its Washington, D.C. office. As a result of the discussions at the August 6th collaborative session, SWBT agreed to post the telephone number to call to arrange access to the paper copies of all documents posted on the Internet. SWBT also offered to allow access to specific transaction data (which is treated as proprietary and confidential).

CLECs' Comments:

AT&T stated the transfer of the records to San Antonio did not meet the full requirements as in AT&T's opinion, the records available for open disclosure should include a record of all actual transactions.

Staff Recommendation:

This recommendation has been met. The records necessary to meet public disclosure are available at the RBOC headquarters. FTA requirements regarding the location of the records have been met. Additionally, review of the SWBT website shows that the company has posted the phone number to contact for access.

The issue of the scope of data available for review is discussed with Recommendation 272-5.

Follow-Up:

None required.

Supplemental Staff Recommendation:

Staff believes the FCC's Second BellSouth Louisiana decision has a direct impact on Section 272 Recommendation Nos. 3, 4, 5, and 8, as discussed below. These recommendations all address disclosure of information on transactions between the BOC and the interLATA affiliate either on the SBLD's internet website or at SWBT's headquarters.

Internet Posting and Public Access at SWBT Headquarters (BellSouth Decision, FCC 98-271, ¶¶ 332 - 338)

During the collaborative sessions, agreement was reached on what would be posted on the Internet. SWBT agreed to post on the internet complete copies of all contracts with its long distance affiliate. This posting would include the rates, terms, and conditions of the transaction.

In the FCC's Second BellSouth Louisiana decision (¶ 337), the FCC stated the following:

- 1) a summary of the transactions between the BOC and the long distance affiliate is inadequate;*
- 2) the final contract price alone is inadequate to evaluate compliance;*
- 3) disclosure must include a description of the rates, terms, and conditions as well as the frequency of recurring transactions and the approximate date of completed transactions;*
- 4) for services, the BOC will disclose the number and type of personnel assigned to the project, the level of expertise of the personnel, any special equipment necessary, the length of time required to complete the task;*
- 5) the BOC will disclose whether the hourly rate is fully loaded and whether the rate includes the cost of materials and all direct or indirect miscellaneous and overhead costs;*
- 6) for asset transfers, the quantity and, if relevant, the quality of the transferred asset should be disclosed; and*
- 7) the internet posting procedures should be clearly stated including the anticipated duration of the posting on the internet site.*

SWBT's internet posting, as defined in the collaborative sessions, was in line with the FCC guidelines issued prior to the FCC's Second BellSouth Louisiana decision. SWBT demonstrated that it has disclosed the description of the final contract on its internet site rather than the summary of transactions. However, it is not clear whether SWBT's disclosures contain the additional details required in the FCC's Second BellSouth Louisiana decision. In light of the additional requirements identified in the FCC's Order regarding public disclosure of transactions, the decisions and agreements on public disclosure on the internet and the principal place of business evolved from the collaborative sessions may not be sufficient to establish compliance under §272 of the FTA. Therefore, our recommendation must be extended to include the following:

SWBT shall file with this Commission, by December 1, 1998, detailed information demonstrating how SWBT intends to meet the additional public disclosure requirements of the FCC's Second BellSouth Louisiana decision. The filing should address how the information will be made available for public disclosure and when the information will be made available.

Commission Recommendation No. 5:

SWBT shall post on the internet a written description of the asset or service transferred along with the terms and conditions.

SWBT's Proposal:

SWBT reported that all planned revisions to the Internet postings were completed prior to the August 18th collaborative session. During the session, SWBT demonstrated its Internet web-site disclosure actions. SWBT reported that all contracts between the interLATA carrier and the SBC RBOCs are posted on the Internet website. During the demonstration, SWBT showed that the contracts and the terms and conditions for the transfer of goods and services from the RBOC to the interLATA carrier were provided. All parties also received hard copies of the Internet postings. SWBT agreed to provide more descriptive detail at the beginning of its website so that a CLEC wishing to review contracts for specific services, those contracts could be more easily identified.

CLECs' Comments:

The CLECs acknowledged that SWBT had increased the information provided on the Internet website. However, AT&T continued to state its position that the disclosure was incomplete. AT&T's position on this matter is based on AT&T's interpretation of the FTA and FCC orders that detailed transactions be provided for review on the website.

Staff Recommendation:

This recommendation has been met.

Follow-Up:

No follow-up is required.

Supplemental Staff Recommendation:

Staff believes the FCC's Second BellSouth Louisiana decision has a direct impact on Section 272 Recommendation Nos. 3, 4, 5, and 8, as discussed below. These recommendations all address disclosure of information on transactions between the BOC and the interLATA affiliate either on the SBLD's internet website or at SWBT's headquarters.

Internet Posting and Public Access at SWBT Headquarters (BellSouth Decision, FCC 98-271, ¶¶ 332 - 338)

During the collaborative sessions, agreement was reached on what would be posted on the Internet. SWBT agreed to post on the internet complete copies of all contracts with its long distance affiliate. This posting would include the rates, terms, and conditions of the transaction.

In the FCC's Second BellSouth Louisiana decision (¶ 337), the FCC stated the following:

- 1) *a summary of the transactions between the BOC and the long distance affiliate is inadequate;*
- 2) *the final contract price alone is inadequate to evaluate compliance;*
- 3) *disclosure must include a description of the rates, terms, and conditions as well as the frequency of recurring transactions and the approximate date of completed transactions;*
- 4) *for services, the BOC will disclose the number and type of personnel assigned to the project, the level of expertise of the personnel, any special equipment necessary, the length of time required to complete the task;*
- 5) *the BOC will disclose whether the hourly rate is fully loaded and whether the rate includes the cost of materials and all direct or indirect miscellaneous and overhead costs;*
- 6) *for asset transfers, the quantity and, if relevant, the quality of the transferred asset should be disclosed; and*
- 7) *the internet posting procedures should be clearly stated including the anticipated duration of the posting on the internet site.*

SWBT's internet posting, as defined in the collaborative sessions, was in line with the FCC guidelines issued prior to the FCC's Second BellSouth Louisiana decision. SWBT demonstrated that it has disclosed the description of the final contract on its internet site rather than the summary of transactions. However, it is not clear whether SWBT's disclosures contain the additional details required in the FCC's Second BellSouth Louisiana decision. In light of the additional requirements identified in the FCC's Order regarding public disclosure of transactions, the decisions and agreements on public disclosure on the internet and the principal place of business evolved from the collaborative sessions may not be sufficient to establish compliance under §272 of the FTA. Therefore, our recommendation must be extended to include the following:

SWBT shall file with this Commission, by December 1, 1998, detailed information demonstrating how SWBT intends to meet the additional public disclosure requirements of the FCC's Second BellSouth Louisiana decision. The filing should address how the information will be made available for public disclosure and when the information will be made available.

Commission Recommendation No. 6:

There is insufficient information to evaluate if transactions are fairly and accurately valued. SWBT shall provide such additional information, so the Commission can determine which of the posted services and assets would be available on an equal pricing basis to a competitor of SBLD.

SWBT's Proposal:

SWBT will annotate its contract index, available for public inspection at the RBOC headquarters, to provide the basis for pricing pursuant to FCC accounting safeguards. The pricing categories are identified as tariffed rate, prevailing price, fair market value, and fully distributed cost. SWBT reports this is consistent with the Accounting Safeguards Order and the Cost Allocation Manual (CAM). SWBT stated that the prices reflected on the pricing addenda to the contracts posted on the Internet and on file for review at the RBOC headquarters are the same rates paid by SBCS.

CLECs' Comments:

AT&T has questioned the adequacy of SWBT's completed and proposed actions.

Staff Recommendation:

This recommendation has been met. Staff believes that the biennial audit would be the appropriate monitoring mechanism for SWBT's transactions. Staff notes that SWBT has posted the contracts and the pricing addendums to those contracts on the Internet. These comprise the services and goods which would be available on an equal pricing basis to CLECs.

Follow-Up:

None required.

Commission Recommendation No. 7:

Transactions between February 1996 and the date of approval to initiate interLATA services shall be disclosed and made subject to true-up.

SWBT's Proposal:

SWBT has met the requirements established by the FCC in its rulings in that it is not necessary for a BOC to implement accounting orders for the period prior to the orders being placed in effect. SWBT has stated that contracts prior to August 12, 1997, are available for review at its corporate offices.

CLECs' Comments:

AT&T reiterated its position that some transactions were at rates different from the posted or contracted rates. There was no evidence that these instances occurred in the period prior to August 12, 1997. Such transactions would be subject to biennial audit investigation.

Staff Recommendation:

Met. SWBT has made the data is available for review and has met the accounting requirements for the period prior to August 12, 1997.

Commission Recommendation No. 8:

SWBT shall provide additional information to enable the Commission to evaluate if transactions are arms-length between the affiliates.

SWBT's Proposal:

SWBT states that they are in compliance with the FCC's definition of arms-length transactions in that SWBT complies with the Accounting Safeguards Order, the "transactions" are reduced to writing, the information is posted on the Internet, and that the information is also available at the RBOC headquarters. This latter filing includes pricing methodology for the specific rate.

CLECs' Comments:

AT&T questions if SWBT will comply with the FTA directives.

Staff Recommendation:

This recommendation cannot be completed until outstanding issues relating to Recommendation No. 272-2 are resolved, because the separation and independence of officers and directors has a direct impact on the nature of transactions.

Follow-Up:

Same as Recommendation No. 272-2.

Supplemental Staff Recommendation:

This recommendation will be met if Section 272 Recommendation No. 2 is met and SWBT files with this Commission, by December 1, 1998, detailed information demonstrating how SWBT intends to meet the additional public disclosure requirements of the FCC's Second BellSouth Louisiana decision. The filing should address how the information will be made available for public disclosure and when the information will be made available.

Staff believes the FCC's Second BellSouth Louisiana decision has a direct impact on Section 272 Recommendation Nos. 3, 4, 5, and 8, as discussed below. These recommendations all address disclosure of information on transactions between the BOC and the interLATA affiliate either on the SBLD's internet website or at SWBT's headquarters.

Internet Posting and Public Access at SWBT Headquarters (BellSouth Decision, FCC 98-271, ¶¶ 332 - 338)

During the collaborative sessions, agreement was reached on what would be posted on the Internet. SWBT agreed to post on the internet complete copies of all contracts with its long distance affiliate. This posting would include the rates, terms, and conditions of the transaction.

In the FCC's Second BellSouth Louisiana decision (¶ 337), the FCC stated the following:

- 1) *a summary of the transactions between the BOC and the long distance affiliate is inadequate;*
- 2) *the final contract price alone is inadequate to evaluate compliance;*
- 3) *disclosure must include a description of the rates, terms, and conditions as well as the frequency of recurring transactions and the approximate date of completed transactions;*
- 4) *for services, the BOC will disclose the number and type of personnel assigned to the project, the level of expertise of the personnel, any special equipment necessary, the length of time required to complete the task;*
- 5) *the BOC will disclose whether the hourly rate is fully loaded and whether the rate includes the cost of materials and all direct or indirect miscellaneous and overhead costs;*
- 6) *for asset transfers, the quantity and, if relevant, the quality of the transferred asset should be disclosed; and*
- 7) *the internet posting procedures should be clearly stated including the anticipated duration of the posting on the internet site.*

SWBT's internet posting, as defined in the collaborative sessions, was in line with the FCC guidelines issued prior to the FCC's Second BellSouth Louisiana decision. SWBT demonstrated that it has disclosed the description of the final contract on its internet site rather than the summary of transactions. However, it is not clear whether SWBT's disclosures contain the additional details required in the FCC's Second BellSouth Louisiana decision. In light of the additional requirements identified in the FCC's Order regarding public disclosure of transactions, the decisions and agreements on public disclosure on the internet and the principal place of business evolved from the collaborative sessions may not be sufficient to establish compliance under §272 of the FTA. Therefore, our recommendation must be extended to include the following:

SWBT shall file with this Commission, by December 1, 1998, detailed information demonstrating how SWBT intends to meet the additional public disclosure requirements of the FCC's Second BellSouth Louisiana decision. The filing should address how the information will be made available for public disclosure and when the information will be made available.

Commission Recommendation No. 9:

SWBT shall limit its use of "CONFIDENTIAL" and "PROPRIETARY" classifications to those transactions that meet the FCC guidelines for such protections.

SWBT's Proposal:

SWBT stated that it would not use these restrictive handling instructions on its contracts and pricing addendums and that these documents would be posted in full on the internet and be available at the San Antonio office. In the discussion during the collaborative process, SWBT asserted that individual bills between SWBT, SBCS, and the CLECs would continue to be treated as confidential and proprietary.

In response to AT&T's questions regarding full disclosure of detailed affiliate transactions between SWBT and SBCS, SWBT offered to provide access to transactional data, but that this access would be limited to those areas in which AT&T would contract with SWBT.

Supplemental Information:

SWBT made two proposals. First, SWBT agreed to post on the Internet complete contracts with its long distance affiliate including price/rate information. Second, SWBT proposed a protective agreement that would allow signatories access to information SWBT has designated as CONFIDENTIAL and/or PROPRIETARY.

CLECs' Comments:

AT&T stated its position that all affiliate transactions between SWBT and SBCS should be fully disclosed.

Supplemental Information:

CLECs reviewed the proposed protective agreement and made some wording recommendations, which SWBT agreed to.

Staff Recommendation:

This recommendation needs further discussion in the collaborative process. Staff recognizes SWBT has made substantial efforts to comply with this recommendation by agreeing to forego the use of restrictive handling instructions on its contracts and pricing addendums and that these documents would be posted in full on the internet and be available at the San Antonio office. However, further discussion is needed on the issue of public disclosure of detailed affiliate transactions between SWBT and SBCS and the extent to which access to transactional data is available. One issue to be explored is the extent these details, while treated as confidential and proprietary, could still be made available for review pursuant to protective agreements.

Follow-Up:

This recommendation should be discussed in a future collaborative session.

Supplemental Staff Recommendation:

In the BellSouth decision, the FCC provided additional guidance on the scope of information that must be publicly disclosed; specifically, the additional data found in ¶ 337 of the BellSouth decision. Therefore, the protective agreement proposed by SWBT may no longer be applicable.

Staff believes SWBT will meet this recommendation if it agrees to the following:

SWBT shall file with this Commission, by December 1, 1998, a response indicating whether the information that SWBT proposed to restrict to review pursuant to the protective agreement should now be publicly disclosed without a protective agreement per the BellSouth decision, or whether the requirement for a protective agreement is still valid. If SWBT believes a protective agreement is still necessary, SWBT shall indicate in detail the types of information that should remain protected.

Commission Recommendation No. 10:

The record shall be developed further as to SWBT's practices regarding the use of "CONFIDENTIAL" and "PROPRIETARY" restrictions on documents. If contracts between SWBT and its interLATA affiliate are improperly so marked, then, the Commission's position is that SWBT does not meet the public disclosure requirements of Section 272.

SWBT's Proposal:

SWBT stated that it would not use these restrictive handling instructions on its contracts and pricing addendums and that these documents would be posted in full on the internet and be available at the San Antonio office. In the discussion during the collaborative process, SWBT asserted that individual bills between SWBT, SBCS, and the CLECs would continue to be treated as confidential and proprietary.

In response to AT&T's questions regarding full disclosure of detailed affiliate transactions between SWBT and SBCS, SWBT offered to provide access to transactional data, but that this access would be limited to those areas in which AT&T would contract with SWBT.

Supplemental Information:

SWBT made two proposals. First, SWBT agreed to post on the Internet complete contracts with its long distance affiliate including price/rate information. Second, SWBT proposed a protective agreement that would allow signatories access to information SWBT has designated as CONFIDENTIAL and/or PROPRIETARY.

CLECs' Comments:

AT&T stated its position that all affiliate transactions between SWBT and SBCS should be fully disclosed.

Supplemental Information:

CLECs reviewed the proposed protective agreement and made some wording recommendations, which SWBT agreed to.

Staff Recommendation:

This recommendation needs further discussion in the collaborative process. Staff recognizes SWBT has made substantial efforts to comply with this recommendation by agreeing to forego the use of restrictive handling instructions on its contracts and pricing addendums and that these documents would be posted in full on the internet and be available at the San Antonio office. However, further discussion is needed on the issue of public disclosure of detailed affiliate transactions between SWBT and SBCS and the extent to which access to transactional data is available. One issue to be explored is the extent these details, while treated as confidential and proprietary, could still be made available for review pursuant to protective agreements.

Follow-Up:

This recommendation should be discussed in a future collaborative session.

Supplemental Staff Recommendation:

In the BellSouth decision, the FCC provided additional guidance on the scope of information that must be publicly disclosed; specifically, the additional data found in ¶ 337 of the BellSouth decision. Therefore, the protective agreement proposed by SWBT may no longer be applicable.

Staff believes SWBT will meet this recommendation if it agrees to the following:

SWBT shall file with this Commission, by December 1, 1998, a response indicating whether the information that SWBT proposed to restrict to review pursuant to the protective agreement should now be publicly disclosed without a protective agreement per the BellSouth decision, or whether the requirement for a protective agreement is still valid. If SWBT believes a protective agreement is still necessary, SWBT shall indicate in detail the types of information, that should remain protected.

Commission Recommendation No. 11:

The audit report to Texas must report on transactions from all three SBC BOCs, summarizing the total support services from each BOC, reporting the specific services received by the long distance affiliate from each BOC, and reporting on the allocation of expenses within the SBCS organization by subsidiary and by d/b/a title.

SWBT's Proposal:

SWBT proposed a pre-audit survey conference between SWBT and PUC audit staff to address affiliate transactions. This conference would include review of the Accounting Safeguard Order, review of SWBT's methods and procedures for affiliate billing, provide the PUC with a copy of all contracts with SBCS, provide the PUC Audit Staff with a complete explanation of SWBT's pricing mechanisms for these contracts, and provide a presentation on the audit trail for these transactions.

CLECs' Comments:

AT&T wished to participate in the pre-audit conference proposed between SWBT and the Texas PUC Staff. As a compromise, AT&T agreed to submit a list of issues and questions to the PUC Staff for review during the biennial audit.

Staff Recommendation:

This recommendation has been met. SWBT has proposed a pre-audit survey with the Texas PUC staff to discuss affiliate issues.

The Biennial audit will serve as the means to review the detailed affiliate transactions that Staff believes do not have to be posted to the Internet as requested by AT&T. As a matter of course in these audits, affiliate transactions will be tested against posted terms and conditions of the contracts (as posted on the Internet).

Follow-Up:

PUC Staff should participate in a pre-audit conference with SWBT. Prior to this conference, the PUC Staff should solicit comments and issues from CLECs for consideration in developing an audit plan. The PUC should be an active participant in all audits of SWBT relating to affiliate transactions with SBCS.

Commission Recommendation No. 12:

The Commission has concerns regarding marketing, but recognizes the FCC's decision in Bell South/South Carolina. The Commission, nonetheless, has concerns that the strong recommendation of its affiliate by SWBT and the warm-hand-off to the affiliate would not pass any arms-length test. If a customer truly does not readily state a long distance company choice, then random assignment of a carrier is preferable.

SWBT's Proposal:

SWBT states in its affidavit that it is following FCC decisions as made in the Bell South/South Carolina order. SWBT believes there is no need for this specific recommendation.

CLECs' Comments:

As this item was not discussed at a collaborative session, there were no comments from CLECs. In pre-hearing filings and at the hearing, the CLECs expressed concern about competitive advantages being gained by the interLATA carrier as the RBOC would be able to provide virtual "one-stop" shopping for local and interLATA services with one bill for the customer. The CLECs did concur with Staff's decision to forward the issue on to the FCC for action as stated in the recommendation.

Staff Recommendation:

This recommendation has been met.

Follow-Up:

None required.

Project 16251 - Collaborative Process
SOUTHWESTERN BELL
PERFORMANCE MEASUREMENTS

Attachment - A

I. RESALE POTS, RESALE SPECIALS AND UNES

A. Pre-Ordering/Ordering

1. **Measurement** - Average Response Time For OSS Pre-Order Interfaces.

Definition - The average response time in seconds from the SWBT side of the Remote Access Facility (RAF) and return for pre-order interfaces (Verigate and DataGate) by function:

- Address Verification
- Request For Telephone Number
- Request For Customer Service Record (CSR)
- Service Availability
- Service Appointment Scheduling (Due Date)
- Dispatch Required.

Calculation - $\Sigma[(\text{Query Response Date \& Time}) - (\text{Query Submission Date \& Time})]/(\text{Number of Queries Submitted in Reporting Period})$.

Report Structure - Reported on a company basis by interface for DATAGATE *and* VERIGATE, *and for EDI gateway preorder interface when implemented.*

2. **Measurement** - EASE Average Response Time.

Definition - Average screen to screen response from the SWBT side of the Remote Access Facility (RAF) and return.

Calculation - $\Sigma[(\text{Query Response Date \& Time}) - (\text{Query Submission Date \& Time})]/(\text{Number of Queries Submitted in Reporting Period})$.

Report Structure - Reported for all CLECs and SWBT by division name(CPU platform).

3. **Measurement** - OSS Interface Availability.

Definition - Percent of time OSS interface is available compared to scheduled availability.

Calculation - $((\text{\# scheduled system available hours} - \text{unscheduled unavailable system hours}) \div \text{scheduled system available hours}) * 100$.

Report Structure - Reported on a company basis by interface e.g. EASE, DATAGATE, VERIGATE, LEX, EDI and TOOLBAR. The RAF will be reported by CLEC.

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PERFORMANCE MEASUREMENTS

4. **Measurement** - % Firm Order Confirmations (FOCs) Received Within "X" Hours.
Definition - Percent of FOCs returned within a specified time frame from receipt of service requests to return of confirmation to CLEC.
- All Res. And Bus. < 24 Hours
 - Complex Business - Negotiated
 - UNE Loop (1-49 Loops) < 24 Hours
 - UNE Loop (> 50 Loops) < 48 Hours
 - Switch Ports < 24 Hours.
- Calculation** - (# FOCs returned within "x" hours ÷ total FOCs sent) * 100.
Report Structure - Reported for CLEC and all CLECs. This includes mechanized from EDI and LEX and manual (FAX or phone orders). The FOC for EASE is considered to be at the time the due date is negotiated and is not included in the calculation.
5. **Measurement** - Average Time To Return FOC.
Definition - The average time to return FOC from receipt of service order to return of confirmation to CLEC.
Calculation - $\Sigma[(\text{Date and Time of FOC}) - (\text{Date and Time of Order Acknowledgment})]/(\# \text{ of FOCs})$.
Report Structure - Reported for CLEC and all CLECs.
6. **Measurement** - Percent Mechanized Completions Returned Within 1 Hour Upon The Successful Execution Of The SORD (BU340) Batch Cycle Which Updates The Order Status, Indicating A Completion Notice. The batch process executes at the following times: 9:00 am, 12:00 noon, 3:00 pm, 6:00 pm, 10:30 pm.
Definition - % mechanized completions returned within 1 hour for EDI and LEX.
Calculation - (# mechanized completions returned to CLEC within 1 hour ÷ total completions) * 100.
Report Structure - Reported for CLEC and all CLECs for the electronic interfaces (EDI and LEX). The 1 hour interval above is subject to change as the EDI polling time frame changes.
7. **Measurement** - Average Time to Return Mechanized Completions.
Definition - Average time required to return a mechanized completion.
Calculation - $\Sigma[(\text{Date and Time of Notice Of Completion Issued to the CLEC}) - (\text{Date and Time of Work Completion})]/(\# \text{ of Orders Completed})$.
Report Structure - Reported on CLEC and all CLECs for the electronic interfaces (EDI and LEX). The standard interval for returning completion will be >97% received within 1 hour of order completion. The 1 hour interval is subject to change as the EDI polling time frame changes.

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8. **Measurement - Percent Rejects.**
Definition - The number of rejects compared to the issued orders for the electronic interfaces (EDI, RMI and LEX).
Calculation - (# of rejects ÷ total orders issued) * 100.
Report Structure - Reported on CLEC and all CLECs for the electronic interfaces (EDI and LEX).

9. **Measurement - Percent Mechanized Rejects Returned Within 1 Hour Of The Start Of The EDI/LASR Batch Process.**
Definition - Percent mechanized rejects returned within 1 hour of the start of the EDI/LASR batch process. The EDI and LASR processes execute every two hours between 6:00 A.M. and 12:00 A.M.
Calculation - (# mechanized rejects returned within 1 hour ÷ total rejects) * 100.
Report Structure - Reported for CLEC and all CLECs for the electronic interfaces (EDI and LEX). The standard interval to send a reject will be 97% within 1 hour of PON.

10. **Measurement - Mean Time to Return Mechanized Rejects.**
Definition - Average time required to return a mechanized reject.
Calculation - $\sum[(\text{Date and Time of Order Rejection}) - (\text{Date and Time of Order Acknowledgment})]/(\# \text{ of Orders Rejected})$.
Report Structure - Reported on CLEC and all CLECs for the electronic interfaces (EDI and LEX).

11. **Measurement - Mechanized Provisioning Accuracy.**
Definition - Percent of mechanized orders completed as ordered.
Calculation - (# of orders completed as ordered ÷ total orders) * 100.
Report Structure - Reported by individual CLEC, CLECs and SWBT.

12. **Measurement - Order Process Percent Flow Through.**
Definition - Percent of orders or LSRs from entry to distribution that progress through SWBT ordering systems excluding rejects.
Calculation - (# of "good" orders that flow through ÷ total orders) * 100
LASR orders that flow through are those orders that go to the mechanized order generation (MOG). Total orders are the sum of orders that go to the MOG and those that go to folders for manual handling. EASE orders that flow through are those orders that are issued by using the PF11 key and do not go to the error queue. The total orders are all PF11 issued orders.
Report Structure - Reported by individual CLEC, CLECs and SWBT for CLEC typed orders and LSC typed orders.

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B. Billing

13. Measurement - Billing Accuracy

Definition - SWBT performs three bill audits to ensure the accuracy of the bills rendered to its customers: CRIS, CABS and toll/usage. A sample of customer accounts is selected on the basis of USOCs and Classes of Service using CIDB. The purpose of this audit is to assure that the monthly bills sent to the CLECs whether it is resale or unbundled services is accurate according to the rating of the USOCs and classes of service. For all accounts that are audited, the number of bills that have been released prior to correction are counted as an error.

Calculation - (# of bills not corrected prior to bill release ÷ total bills audited) * 100.

Report Structure - Reported for aggregate of all CLECs and SWBT for the CRIS, CABS and Usage bill audits.

14. Measurement - Percent of Accurate And Complete Formatted Mechanized Bills

Definition - Measures the percent of monthly bills sent to the CLECs via the mechanized EDI process that are accurate and complete. If an error is found, a decision must be made to correct the error before the bill is rendered and jeopardize timeliness or to send the bill out on time and in error.

Calculation - (Count of accurate and complete formatted mechanized bills via EDI ÷ total # of mechanized bills via EDI.) * 100.

Report Structure - Reported for CLEC and all CLECs.

15. Measurement - Percent Of Billing Records Transmitted Correctly

Definition - Measures the % of billing records transmitted correctly on the usage extract feed. Usage records are sent to the CLEC each day containing information to enable the CLEC to more promptly bill their own customers. Controls and edits within the billing system uncover certain types of errors which are likely to appear on the usage records. When these errors are uncovered, a new release of the program will be written to insure that the error does not occur again. Thus, an error that is reported in one month should not occur the next month because the billing program error would have been fixed by the next month.

Calculation - (Count of billing records transmitted correctly ÷ total billing records transmitted) * 100.

Report Structure - Reported for CLEC and all CLECs.

16. Measurement - Billing Completeness

Definition - Percent of service orders that are posted in the CRIS or CABS billing systems prior to the customers bill period.

Calculation - (Count of service orders included in current applicable bill period ÷ total service orders in current applicable bill period) * 100.

Report Structure - Reported for CLEC, all CLECs and SWBT.