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AUG 4 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

August 4, 1999

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 Twelfth Street, S. W. – Room TWB-204
Washington, D. C. 20554

Re: Ex parte, CC Docket No. 96-98, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996

Dear Ms. Roman Salas:

On Tuesday, August 3, 1999, Maria Arias-Chapleau, Charlotte Field, John Finnegan, Mary Tribby and the undersigned, of AT&T, met with Michael Pryor, David Kirschner, Daniel Shiman, Andrea Kearney, Julie Patterson, William Agee, and John Stanley of the Common Carrier Bureau's Policy and Program Planning Division. The purpose of the meeting was to discuss the status of AT&T's local services market entry in US West territory. The attached presentation formed the basis of our discussions.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206 (b) of the Commission's rules.

Sincerely,

ATTACHMENT

cc: M. Pryor	John Stanley
D. Kirschner	A. Kearney
D. Shiman	W. Agee
J. Patterson	

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***U S WEST's Operational
Support Systems And
Performance Standards***

***John F. Finnegan
Senior Policy Witness
AT&T Western Region***

August 3, 1999

U S WEST OSS

No Order Flow Through

- No Flow-Through of Orders Placed Through the Electronic Data Interchange (“EDI”) or Interconnect Mediated Access (“IMA”) Interfaces.
 - “With respect to orders that flow through without human intervention, the result is presently ‘zero’ percent, because this type of order flow through is not possible at this time.” (U S WEST Witness Williams’ AZ 271 Affidavit, p. 38, March 1999)
- U S WEST Designed its Interfaces to Require That All CLEC Orders Submitted Through EDI or IMA Are Halted and Subjected to Either Manual Review or Retyping.
- Many Orders Submitted Through EDI Will Be Retyped.

U S WEST OSS

Discriminatory Access to OSS

- IMA Graphical User Interface (“GUI”) is Currently Incapable of Providing Equivalent OSS Access.
 - U S WEST Designed the IMA GUI to Prohibit Flow-Through of CLEC Orders.
 - IMA GUI Cannot Presently Be Electronically Linked to a CLEC’s Pre-Ordering, Ordering, Provisioning, and Maintenance and Repair Systems.
 - The Inability of U S WEST to Provide a Means to Electronically Link its Back Office Systems to the IMA GUI Requires CLEC Dual Entry of Orders (i.e., once into the CLEC Ordering Systems and once into IMA). When U S WEST Retypes the Order, There Will Be Triple Entry.

U S WEST OSS

Discriminatory Access to OSS (Cont'd.)

- IMA Graphical User Interface (“GUI”) is Currently Incapable of Providing Equivalent OSS Access (Cont'd.)
 - IMA GUI Only Available From 6:00 AM to 8:00 PM Monday through Friday
 - Pre-Order Query/Response Time For CLECs Using the IMA GUI is Significantly Longer Than a U S WEST Customer Service Representative Would Experience For the Same Query
 - 32.2 Seconds for CLEC to Schedule an Appointment for the Dispatch of a U S WEST Installation Technician and 2.2 Seconds for U S WEST to Perform the Same Task (January 1999 Results, U S WEST Witness Williams’ AZ 271 Affidavit, p. 32, March 1999)
 - “[T]he time for CLEC transactions and the U S WEST retail transactions can never be exactly the same.” (U S WEST Witness Miller, Colorado Public Utilities Commission Docket 97R-153T, Hearing Transcript, p. 57, July 9, 1999)

U S WEST OSS

Discriminatory Access to OSS (Cont'd.)

- IMA Graphical User Interface (“GUI”) is Currently Incapable of Providing Equivalent OSS Access (Cont'd.)
 - Discriminatory Integration of Pre-Ordering and Ordering Functions
 - Using Its Service Order Negotiation and Retrieval (“SONAR”) Interface, U S WEST Customer Services Representatives Can Check a Box to Order Services and Features.
 - A CLEC Using the IMA GUI Must Navigate Through Several Screens and Type Most of the Service Order Information to Order Services and Features.
 - Missing/Inadequate Functionality
 - Firm Order Confirmations (“FOCs”) via FAX or Email
 - No systematic provision of Jeopardy Notices
 - Some Order Rejection Notices Provided via FAX or Email
 - Completion Notices Sent Nightly in Batches Without Information on Services and Features Actually Installed

U S WEST OSS

Discriminatory Access to OSS (Cont'd.)

- IMA Graphical User Interface (“GUI”) is Currently Incapable of Providing Equivalent OSS Access (Cont'd.)
 - Inferior Access To Pre-Order Information
 - Customer Service Record (“CSR”) Obtained Through the IMA GUI Does Not Include the English Language Description of the Universal Service Ordering Code (“USOC”). U S WEST has Access to CSR Information Through Its SONAR Interface That Includes the English Language Description.
 - Using the IMA GUI, the Confirmed Telephone Number Assignment and Installation Due Date Information is Not Provided Until FOC is Received (Hours or Days Later). U S WEST Customer Service Representatives Receive Confirmed Telephone Number Assignment and Installation Due Date Information While The Customer is Still on the Line.



U S WEST OSS

CLEC Usage and Testing

- As of July 1999, Inadequate Interfaces Have Precluded Any CLEC From Using:
 - EDI for Pre-Ordering and Ordering Functions
 - Electronic Bonding - Trouble Administration (“EB-TA”) for Maintenance and Repair
 - IMA for Maintenance and Repair
- U S WEST Refused to Provide Third Party Test Results to State Commissions and CLECs.
- No Other True Third Party Testing. U S WEST Claims Third-Party Testing Has Been Done. However:
 - U S WEST Developed Test Plan
 - No Involvement of CLECs or Regulatory Commissions

U S WEST OSS (Cont'd.)

- **Internal U S WEST Testing So Far Has Been Inadequate.**
 - Capacity Testing of the Ordering Function Doesn't Include Considerations of the Manual Intervention Required on Every CLEC Order
 - No Apparent Capacity Testing of The Provisioning Processes
 - Test Criteria Are Unclear
 - Test Criteria Are Too Easy to Meet (i.e., 2 Minute Query/Response Time Is Acceptable Pre-Order Performance)
 - Provisioning Testing Is Limited To Very Few Orders and Shows Many Manual Work-Arounds
- **The TX Model Third-Party Test Model is Insufficient to Determine the Adequacy of U S WEST's Interfaces.**
 - Too Few Services Are Tested
 - Too Few Orders Are Tested
 - Much of Testing Process is Closed to CLECs

U S WEST Performance Standards

- **U S WEST Excludes Too Much Relevant Data From the Performance Results**
 - No Average Installation Interval Data Maintained When a Customer Requests a Due Date Beyond the U S WEST Standard Installation Interval
 - No Data Maintained on Permanent Number Portability Orders
 - No Order Status or Order Quality Data Maintained For Orders Submitted Via Non-Electronic Means
- **Very Little Data on U S WEST Performance to Itself or to its Affiliates**
 - No U S WEST Data on Order Status and Order Quality Measures
 - No U S WEST Maintenance and Repair Data for UNE analogues
 - No Billing Data for CLECs or U S WEST
- **No Data Demonstrating a “Meaningful Opportunity to Compete”**
 - U S WEST Considers Equal Treatment Between CLECs as a “Meaningful Opportunity to Compete”
 - No Data Provided to Demonstrate That CLECs Are Provided With a “Meaningful Opportunity to Compete” in the Ordering and Provisioning of Unbundled Loops

U S WEST Performance Standards (Cont'd.)

- **Data Reliability is Suspect**
 - No Performance System Readiness Audit
 - Data Collection Processes, Methods and Procedures are Ill-Defined or Non-Existent
 - In responding to a data request asking for all methods and procedures for collecting, analyzing and reporting performance data, U S WEST stated, “Exhibit B of the U S WEST Arizona SGAT contains the methods and procedures that instruct U S WEST personnel on how to collect, summarize and report performance results data.” (AZ 271 U S WEST Discovery Response ATMS 01-191). Exhibit B contains no such thing.
 - Many Results Data Were Produced Through Manual Processes as a one-time event
 - “...[T]he [Arizona and Montana] 271 filings referred to by the Joint Commentors were a one-time event. An exhibit was established in order to communicate the data; it was collected on an automated and manual basis. This is possible when you’re doing an infrequent report, a one-time report.) (U S WEST Witness Smith, Colorado Public Utilities Commission Docket 97R-153T, Hearing Transcript, p. 65, July 9, 1999)

U S WEST Performance Standards (Cont'd.)

- Available Data and Statistics for U S WEST and CLEC Results Demonstrate Discrimination
 - When U S WEST Fails a Statistical Test, It Fails the Test Badly
 - Test Failures Occur at Statistical Confidence Levels of 85%, 95%, and 99%.
 - Using a Modified Z-Statistic, U S WEST Statistical Results Demonstrate That U S WEST Fails to Provide Nondiscriminatory Retail Services For Many Measures .
- U S WEST's Performance Standards Proposals Are Not Part of Any Interconnection Agreement

U S WEST Performance Standards Self-Executing Enforcement Mechanisms

- **The U S WEST Self-Executing Enforcement Mechanisms Proposed in its Arizona SGAT Are Unreasonable and Unworkable**
 - **The Criteria for Failing Results is Subjective. Difference Between U S WEST and CLEC Results Must Be “statistically, operationally and materially significant (U S WEST AZ SGAT, p. 158).**
 - **“...operational and material significance shall be established by including for comparison only those results that have... a relevant comparison demonstrating a service performance difference of a magnitude that can reasonably considered to have a perceptible effect on end-user customers...” (AZ 271 U S WEST Discovery Response ATMS 01-208).**
 - **“U S WEST has not pre-defined for each performance indicator the precise differences that would represent a ‘perceptible effect on end-user customers or CLEC operations.’ ... a more reasonable approach is to address operational significance on a case-by-case basis.” (AZ 271 U S WEST Discovery Response ATMS 01-208).**
 - **Six Consecutive Months of Failing Results Before the Dispute Resolution Process Can Be Exercised. (U S WEST AZ SGAT, pp. 158-160).**
 - **No penalties or financial incentives.**

***STATUS OF U S WEST's
SECTION 271 CASES***

***Maria Arias-Chapleau
Chief Regulatory Counsel
AT&T Western Region***

August 3, 1999

Arizona Section 271 Case

I. Procedural Posture

- February 8th, 1999, case filed.
- June 4th, Procedural Schedule suspended.
- June 8th, Procedural Order soliciting comments on OSS workshop.
- July 13th, Staff's proposal for an OSS collaborative adopted by Commission:
 - » 3 workshops during 90 day period
 - » 3rd party testing contemplated
 - » Staff report due October 15th
- August 23rd, Staff and intervenors to file preliminary statements on status of checklist compliance.
- December 15th hearing date.

Arizona Section 271 Case

II. Parties

- AT&T and TCG, Sprint, MCI WorldCom, ELI, TRA, e.spire, COX, Rhythms Links Inc. (formerly ACI), RUCO, NEXTLINK and ACC.

III. Commission / Staff

- Turmoil at Commission
- Limited Staff
- Staff hired consultants for OSS

Nebraska Section 271 Case

I. Procedural Posture

- June 23, 1998, filed initial case.
- April 9, 1999, Order issued granting Partial Verification for 8 of the 14 checklist items:
 - » poles, ducts, conduits, rights-of-way
 - » 911 and E911
 - » directory assistance
 - » white pages and directory listings
 - » telephone numbers, databases and signaling
 - » number portability
 - » local dialing parity
 - » resale.

Nebraska Section 271 Case

I. Procedural Posture (Cont'd.)

- Found U S WEST did not meet five checklist items:
 - » interconnection
 - » UNEs
 - » loop
 - » transport
 - » switching.
- No decision on reciprocal compensation.

Nebraska Section 271 Case

I. Procedural Posture (Cont'd.)

- June 24, 1999, U S WEST filed Notice on 4 of the 5 remaining Checklist Items:
 - » 1 (interconnection)
 - » 4 (unbundled loops)
 - » 5 (unbundled transport)
 - » 6 (unbundled switching).
- July 9th, AT&T, MCI and Sprint filed a Joint Motion to Vacate the procedural schedule:
 - » Region-wide OSS Collaborative.
 - » U S WEST's refusal to provide interconnection and nondiscriminatory access to unbundled loops for Multiple Dwelling Units .

Nebraska Section 271 Case

I. Procedural Posture (Cont'd.)

- July 13th, Joint Motion summarily rejected briefing without argument.
- August 6th, U S WEST and the Commission Staff to file testimony.
- July 13th, the Commission opened a docket to establish procedures for consideration of U S WEST's SGAT.
- July 30th, U S WEST filed its SGAT.
- September 9th, Hearing Date.

Nebraska Section 271 Case

II. Parties

- Aliant is the only party with “full party status”- allowed to file discovery, testimony, and briefs and to cross examine witnesses.
- AT&T, MCI, and Sprint are the CLECs involved in the case and subject to “limited party status” - only allowed to cross examine and file briefs.
- Cox Cable will provide a witness for Staff.

Nebraska Section 271 Case

III. Commission/Staff

- Commission
 - » Unwilling to revisit “limited party status” of major CLECs.
- Limited Staff
 - » Consultants hired

Montana Section 271 Case

I. Procedural Posture

- March 30, 1998, case filed.
- June 15th, U S WEST submitted over 1400 requests on intervenors, forcing various intervenors to withdraw.
- June 4th, Procedural Schedule suspended.
- June 29th, the Commission issued an Order ruling that much of U S WEST's discovery was overly burdensome and not relevant.

Montana Section 271 Case

I. Procedural Posture (Cont'd.)

- November 23rd, U S WEST filed a Motion for Reconsideration of the June 29, 1998 discovery order and a Motion to Compel.
- December 14, 1998, the Commission denied U S WEST's Motion for Reconsideration on discovery.
- December 22nd, denied U S WEST's Motion to Compel.

Montana Section 271 Case

I. Procedural Posture (Cont'd.)

- January 7, 1999 (approximately 7 months after the first discovery order was issued), U S WEST filed a Petition for Judicial Review in the Montana First Judicial District Court seeking review of the discovery order.
- March 12th, U S WEST's Petition was dismissed by the court, holding that U S WEST's petition was not timely and that the court did not have jurisdiction to hear the appeal.
- March 26th, U S WEST filed Notice to Withdraw Proceeding.

New Mexico Section 271 Case

I. Procedural Posture

- June 5, 1998, case filed.
- June 22nd, Amended Procedural Order entered rejecting U S WEST's attempt to answer data requests by incorporating data request answers provided in other state 271 proceedings.
- July 13th, U S WEST served its first data requests and caused several intervenors to withdraw from this proceeding.
- July 23rd, Commission ordered U S WEST to respond to the majority of the data requests served by AT&T.

New Mexico Section 271 Case

I. Procedural Posture (Cont'd.)

- August 18th, Commission denied U S WEST's Motion for Appointment of a Special Master to oversee discovery and resolve discovery disputes.
- September 21st, Commission issued Order Relating to Outstanding Discovery Motions; AT&T sought information concerning internal testing by or for U S WEST of its OSS. U S WEST was ordered to provide the OSS documentation for in camera review.

New Mexico Section 271 Case

I. Procedural Posture (Cont'd.)

- September 23rd, U S WEST filed Notice to Withdraw.
- September 28th, the Commission issued an Order granting the withdrawal.

Wyoming Section 271 Case

I. Procedural Posture

- May 2, 1998, U S WEST filed an SGAT.
- May 12th, U S WEST filed a Section 271 “Track B” case.
- May 18th, Joint Intervenors (AT&T, McLeodUSA, and Sprint) filed a Motion to Dismiss.

Wyoming Section 271 Case

I. Procedural Posture (Cont'd.)

- May 28th, a hearing was held on Joint Intervenors' Motion to Dismiss. One Commissioner acknowledged U S WEST failed to establish essential elements of its case, but also was of the opinion the Commission lacked the general authority to grant a summary disposition of a case without an evidentiary hearing). Motion denied.

Wyoming Section 271 Case

I. Procedural Posture (Cont'd.)

- June 22nd, AT&T and McLeodUSA filed a Motion for Stay of the Procedural Schedule, Pending Conversion to Track A Proceeding (Silver Star, a facilities-based carrier, executed an interconnection agreement with U S WEST).
- June 24th, U S WEST notified the Commission of its commitment to pursue the case under Track B.

Wyoming Section 271 Case

I. Procedural Posture (Cont'd.)

- June 29th, 1998, U S WEST notified Commission that if SilverStar's contract is approved and provides competitive service by August 14th, U S WEST will convert its application to Track A.
- Ultimately, U S WEST filed a Notice of Withdrawal.

***STATUS OF NEGOTIATIONS
AND EXPERIENCES WITH
U S WEST***

***Charlotte Field
AT&T Regional Vice President
Local Services and Access Management
Western States and Major ICOs***

August 3, 1999

Where We Have Been With U S WEST

- **Challenges in negotiation and implementation are significant due to:**
 - » **Changing policy positions**
 - » **Lack of shared information**
 - » **Lack of agreed to performance methodologies**
 - » **Lack of committed SME resources**
- **AT&T Forced to accept U S WEST EDI OSS**
 - » **Limited functionality**
 - » **AT&T forced to bifurcate discussions to assure availability in 1999 of finite capabilities**
 - » **First Phase to address loop ordering, number portability and DL/DA**

Where We Have Been With U S WEST

- **Forced To Accept U S WEST EDI OSS (Cont'd.)**
 - » **Second Phase to focus on UNE-P, other UNEs, xDSL**
 - **U S WEST will not negotiate UNE-P or other UNE combinations systems capabilities until FCC remand is completed**
- **AT&T plans to test in October *as long as* U S WEST uses a “General Availability” transport protocol**
- **AT&T’s orders have steadily increased *despite* the lack of robust systems and processes *although* AT&T recognizes that scalability is not possible utilizing existing processes or systems.**

Status Of Several Key Local Issues

- **Collocations**
 - » **Slow application process for Condominium buildings**
 - » **Minor changes to applications restart the clock with new fees**
 - » **Cageless collocation first offered in May 1999, despite previous requests**
 - » **Insistence on ICA amendments for cageless collocations**
 - **rigid on their product offering**
 - **does not conform with the FCC Order on Advanced Services**
 - **AT&T's ICAs have language which supports cageless collocations**

Status Of Several Key Local Issues

- **Collocations (Cont'd.)**
 - » **Physical Collocations require at least 120 days to complete and U S WEST asks for extensions, but never provides AT&T any relief**
 - » **Denial of physical collocation and timeframe to negotiate subsequent walk-throughs**
 - » **Denial of request to identify those locations where U S WEST has no physical space available *prior* to filing applications**
 - **based on other denial**
 - **based on company records**

Loops With Number Portability

- **Current Loop and LNP processes insufficient to support wholesale customers**
 - » AT&T receives blind or fake Firm Order Confirmation (“FOC”)
 - » AT&T must supplement orders based on blind or fake FOCs
 - » U S WEST does not sufficiently check on architecture, facility availability, assignment detail, recovery plans or resources prior to FOC release
 - » Lack of translations causing out of service conditions for incoming calls
 - » Cut-back process currently inadequate, causing long outages for customers
- **Negotiation on critical issues affecting businesses who choose AT&T has occurred but at a snail’s pace**
 - » Out of Hours Cuts including Saturday and Sunday (7 to 7 CST)
 - » Coordinated Hot Cuts
 - » Unempowered U S WEST negotiators

Loops With Number Portability

- **Not in compliance with industry standards**
 - » **Location Routing Number**
 - **By Rate Center instead of by LATA**
- **Lack of Resources to resolve issues quickly causing customer outage conditions**
 - » **10 digit trigger failure**
- **No standardized operational performance measures**
 - » **Measure on time (against first FOC or last FOC)**
 - » **Time to restore (lost time in total from customer's perspective)**

“A not so uncommon event”

A Customer Experience

- **Multiple Supplements**
 - » **U S WEST could not meet T1 date causing multiple supplements**
 - » **U S WEST could not meet LNP date causing multiple supplements**
- **U S WEST disconnected customer twice; unfortunately it was not on the last LNP date**
- **Long outages due to no effective cutback process or support**
- **U S WEST changed the IXC carrier; although customer had chosen AT&T LD service and accused AT&T of slamming per the customer**

Net effect - U S WEST inhibited competition and caused AT&T's customer to have bad service experience: seven supplements, two out of service conditions, delay in provisioning service and incorrect accusation of slamming.