BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Notice of Intent to File Section 271 Application of SBC Communications Inc., Pacific Bell and Pacific Bell Communications Inc., for provision of In-Region, InterLATA Services in California	A._____

JOINT AFFIDAVIT OF SARAH DeYOUNG

AND EVA FETTIG

ON BEHALF OF

AT&T COMMUNICATIONS OF CALIFORNIA, INC.

Redacted Version

Topic Addressed: Unbundled Loops and

Local Number Portability

Section 271 Reference: Checklist Items (iv) and (xi)

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I. INTRODUCTION AND QUALIFICATIONS

1. My name is Sarah DeYoung. My business address is 795 Folsom Street, San Francisco, California. I am Division Manager – Local Services for AT&T's Southwestern/Pacific Region Local Services and Access Management Organization. In this position, I have responsibility for the business relationship with SBC Communications ("SBC") to support AT&T's plans for local service market entry and for negotiations with Southwestern Bell ("SWBT"), Pacific Bell ("Pacific"), and Southern New England Telephone ("SNET") to facilitate such market entry. Among the matters I have personally focused on is Pacific's unbundled network element ("UNE") Loop "Coordinated Hot Cut" processes and related UNE Loop performance. In that capacity, I am actively involved with various Pacific teams that are responsible for working with AT&T as a local service provider. Among the teams or organizations at Pacific with which I and members of my organization have frequent – sometimes daily – contact are:

- Pacific's AT&T account team;
- systems representatives;
- Pacific's Local Service Centers (Resale Local Service Center ["RLSC"] and Facilities Local Service Center ["FLSC"]);
- the Local Operations Center ("LOC"); and
- project teams implementing various system, operational and engineering changes at Pacific.

Through Pacific's AT&T Account Team I am also in frequent contact with policy makers at Pacific's parent corporation, SBC, regarding a multitude of local issues that bear on activities in our region.

2. I hold a Bachelor of Arts degree from the University of Michigan in Ann Arbor, and a Master of Management degree from the Kellogg School of Business at Northwestern University, Chicago, Illinois.

3. I joined AT&T in 1982. Subsequently, I worked in various local exchange supplier management positions and in a wide variety of engineering and finance positions. In 1995, I managed AT&T's Total Services Resale and Loop Resale operational discussions with Ameritech. In 1996, I was Program Manager - Negotiations Support in AT&T's Central States region. In that position, I was responsible for supporting the executive team that led AT&T's interconnection negotiations with Ameritech and provided subject matter expertise on a number of local issues. Since late 1996 and continuing to the present, I have also acted as AT&T's Single Point of Contact with Pacific on all Operations Support System ("OSS") and operational issues associated with AT&T's market entry in the state of California.

4. My name is Eva Fettig. My business address is 795 Folsom Street, San Francisco California. I am Manager for AT&T's Southwestern/Pacific Region Local Services and Access Management Organization. In my capacity at AT&T, I am working on a number of

activities including leading a joint Pacific/AT&T task force that is reviewing the possible use of Pacific's 4-wire DS1 Loops to provide service to AT&T's mid to large business customers.

5. I hold a Bachelor of Science degree from the University of Vermont and a Master of Business Administration degree from the University of Illinois at Urbana – Champaign.

6. I joined AT&T in 1999. Previously, I spent five years in a variety of product management capacities at Ameritech, including UNE - Transport and UNE - Loops. In 1996, I developed Ameritech's UNE – Transport product line. From 1997 until earlier this year, I was product manager UNE – Loops. In that capacity, I was responsible for delivering all pre-ordering, ordering, provisioning, and billing functions relating to loops.

II. PURPOSE AND SUMMARY OF AFFIDAVIT

7. The purpose of this Affidavit is to discuss Pacific's claim that it has met the requirements of Sections 251 and 271 of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 ("Act"), with respect to Unbundled Loops. It is our view that Pacific has failed in a number of key respects to meet the statutory requirements for nondiscriminatory access to local loop transmission from the central office to the customer's premises, unbundled from local switching or other services, as explained in detail below.

8. Our affidavit details various deficiencies of Pacific's UNE Loop offer and associated ordering and provisioning processes and the effects of these deficiencies on AT&T's efforts to serve its customers. Section III describes the way that competitive local exchange carriers ("CLECs") use an unbundled loop to serve customers, and summarizes how the UNE Loop with Local Number Portability "Coordinated Hot Cut" process works. Section IV describes the shortcomings of Pacific's UNE Loop ordering and provisioning processes experienced by AT&T even after full or partial implementation of the many compliance items discussed in last year's workshops and ordered by the Commission. Section V describes the delays and difficulties associated with AT&T's attempts to transition from the obsolete CESAR interface to LEX. These limitations of Pacific's OSS interfaces and provisioning processes are also discussed in the Affidavit of Sarah De Young on Operations Support Systems, and the Joint Affidavit of Sarah De Young and Grace Yee on Performance Measurements. Finally, Section VI describes barriers to using Pacific's 4-wire DS1 UNE Loop to serve the medium to large business market.

III. BACKGROUND ON UNE LOOPS AND "COORDINATED HOT CUT" PROCESSES

9. One of AT&T's principal entry strategies to serve small and medium-sized business customers in California has been the use of the UNE Loop. The UNE Loop entry strategy utilizes AT&T's switching capabilities in conjunction with Pacific's unbundled loop. The viability of the UNE Loop

strategy is dependent upon Pacific's ability to perform coordinated hot cuts in a timely and accurate fashion.

10. AT&T, through its subsidiary TCG, has long attempted to enter the small and medium-sized business market segment. Yet, AT&T cannot enter this market on a large-scale basis because of Pacific's ability to manage and provision orders. With respect to loops that require the porting of a customer's number, experience shows that even with AT&T's current modest volumes Pacific does not follow on a regular basis the established provisioning processes and cannot yet perform coordinated loop hot cuts on a commercially reasonable basis.

11. A "coordinated hot cut" refers to the two separate processes that must be undertaken to transfer the loop and to port the number successfully. First, the loop must be physically disconnected from Pacific's Main Distribution Frame ("MDF") and connected to the appropriate cable pair that will serve the customer migrating to AT&T. Second, software changes are forwarded to the Number Portability Administration Center ("NPAC") to permit the appropriate routing of the call using the customer's existing telephone number.

12. The cutover of the loop and the loading of the software changes into the number portability database must be properly coordinated. The timing of the loop cutover is established in the Firm Order Confirmation ("FOC") received from Pacific, and the transfer of the loop and software

changes must take place at the same time to minimize service disruption to the customer.

13. The loop cutover process requires appropriate coordination between Pacific and AT&T. Once the loop has been transferred from Pacific's MDF to connect with AT&T's facilities, Pacific notifies AT&T that the cutover has occurred. AT&T then informs the NPAC to activate the software with the service provider and call routing information for inclusion in the Local Number Portability ("LNP") database. If these steps are not completed at the appropriate time, or in the appropriate order, the customer can experience a total loss of service, or be unable to receive incoming calls.

14. The next Section of this affidavit describes the effects of Pacific's still inadequate systems and unreliable processes on CLECs that choose to order UNE Loops from Pacific.

IV. PROBLEMS EXPERIENCED WITH PACIFIC'S COORDINATED HOT CUT PROCESSES

15. In February, 1999 AT&T began ordering UNE Loops with LNP from Pacific through our Sacramento, California center. At that time, problems arose with the provisioning of the UNE Loop orders submitted by AT&T, and daily conference calls between the Pacific FLSC, the LOC Provisioning Center, and AT&T's Sacramento center were established to track a number of operational issues. These issues included:

- premature LNP disconnects by Pacific erroneously performed prior to the requested and confirmed cutover time;

- long hold times in accessing both the FLSC and LOC Provisioning Center; and
- Pacific's chronic inability to complete all of the hot cuts scheduled for that evening, when order volume exceeded 100.

16. One significant process problem that arose immediately was Pacific's use of "blind" FOCs, which are FOCs sent by Pacific without knowledge of its facilities and/or labor constraints. An accurate FOC is crucial to AT&T because it allows AT&T to confirm with its customer the date and time of the cutover. A "blind" FOC provides no assurance, however, that the cutover will take place at the assigned time, and if the facilities or Pacific personnel are not available, it is necessary to re-schedule the cutover date even though AT&T has already provided that cutover date to its customer. Such reschedulings have a negative customer impact and undercut AT&T's reputation with its customer, even though the need to reschedule is solely Pacific's fault.

17. In conjunction with its use of "blind" FOCs, Pacific would also confirm a higher number of coordinated "hot cut" orders than it was able to complete each evening. As a result, AT&T was forced to reschedule or "build back" significant percentages of customer accounts. Pacific has repeatedly informed AT&T representatives seeking to get status on an order, that Pacific had scheduled too many orders for a particular day, hour, or

collocation cage. Even when AT&T agreed to implement a supplemental fax confirmation process which effectively re-confirmed FOC dates 48 hours in advance of each cutover, Pacific continued to be unable to complete the number of 5:00 p.m. cutovers scheduled each evening. As was the case with the "blind" FOC problem, Pacific's overscheduling of cutovers forced AT&T to reschedule cutovers with our end users multiple times. AT&T's customers were inconvenienced and annoyed by these problems and blamed AT&T for the problems. This market degradation was especially troublesome to AT&T's small business customers who were unwilling or unable to schedule cutovers during regular business hours and so needed to remain at their business premises after hours to perform acceptance testing with AT&T before a cutover could be declared complete. In some cases, AT&T's end user customers remained on premise until 10:00 or 11:00 p.m. at night, several nights in a row, before conversions could be successfully completed due to Pacific's apparent resource and load balancing problems.

18. These missed cuts and the additional problem of being unable to obtain definite feedback from Pacific as to when the cut actually would occur created a need for AT&T to schedule an average of 20 agents and managers for overtime each evening. AT&T pays over *** ***proprietary information*** *** per month in overtime for these process failures alone. Furthermore, these problems required AT&T personnel to engage in significant numbers of escalations with Pacific. During this same period, AT&T agents were experiencing an average of 15 to 30 minute hold times

waiting to speak with both the FLSC and the LOC Provisioning Center to obtain status about delayed cutovers and to reschedule missed cutovers.

19. Pacific's failure to meet its commitments is chronic. As one illustration, on Friday, February 26, 1999 Pacific was able to complete only *** ***proprietary information*** *** of the *** ***proprietary information*** *** cutovers that it had confirmed through a mechanized FOC and again through a manual fax confirmation. More recently, as described in more detail in paragraphs 32 and 33 below, Pacific was not able to complete *** ***proprietary information*** *** coordinated hot cuts at a *** ***proprietary information*** *** collocation facility until 3 a.m., thus requiring 7 AT&T personnel to work through the night due to Pacific's scheduling problems.

20. The high percentage of missed cutovers has had a domino effect on AT&T's ability to operate efficiently and serve its customers effectively. AT&T representatives have been forced to spend significant periods of time escalating due dates which were in jeopardy or already missed, rescheduling cutovers with end user customers, and preparing supplemental orders to reschedule each missed cutover. AT&T's reputation with its end user customers has also been harmed, as these problems have negatively affected the customer's perception of AT&T's ability to provide reliable and timely service. Further, this process has clearly increased our end-user's costs, as it requires significant expenditures of time and money of our customers to schedule their employees and vendors for on-premise support of rescheduled cutovers.

21. A vital early step in the provisioning process is the preparation of a timely FOC by Pacific that provides accurate information to AT&T. The problems outlined above could be mitigated by Pacific if it were to provide a reliable, not "blind" FOC. This goal could be achieved by Pacific's use of a mechanized reservation process, similar to one employed by Pacific's parent company, SBC. A reservation process would avoid overbooking Pacific's limited labor and equipment resources on any given day, at any given time. AT&T and our end users would benefit by enjoying reduced operational costs and more reliable service intervals.

22. Another problem that AT&T has experienced since February, 1999 is "premature cuts" by Pacific's FLSC which have a devastating customer impact because they put the customer out service. In such instances, FLSC agents have failed to properly associate the "C", or "conversion" orders with the "D", or "disconnect" orders necessary in Pacific's SORD system to disconnect the end user from Pacific service and convert them to CLEC service. Without this manual association, disconnect orders have been processed *prior* to the reconnection order, thus causing the customer to be without service for hours at a time. Despite the confident assertion in Mr. Tenerelli's affidavit that "there were no reports of premature cut" (Affidavit of Samuel Tenerelli in Support of Pacific's Application ("Tenerelli Aff."), at 32), six (6) orders, or 8%, on the Post Mortem report

for April 13 (discussed below) were classified by both Pacific and AT&T as Premature Cut problems.[1]

23. To assist in tracking problems, AT&T created and developed with Pacific a "Post Mortem" tracking report of orders that had encountered problems and required monitoring and corrective action by the joint AT&T and Pacific teams. (See Exhibit 1 hereto). This Post Mortem tracking report documents a number of the problems discussed above that AT&T has experienced with Pacific's loop provisioning, including premature cuts (6 orders noted above), missed due date commitments, defects in the loop as originally provisioned, and matters that require escalation. These problems as documented on the Post Mortem report demonstrate the serious process failures that Pacific has yet to correct in connection with its coordinated hot cut provisioning.

24. In light of the importance of the UNE loop to AT&T's business strategy to enter the local exchange market, AT&T has sought to assist Pacific in improving its coordinated hot cut processes. Pacific offers two alternative processes for hot cuts: the To Be Called Cut, or TBCC, which AT&T has, to date, elected to use for all UNE Loop with LNP orders

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[1] This same problem was a major source of customer outages in AT&T's early market entry efforts using Total Services Resale in 1996-1997, and was also one of the problems brought before the Commission in by MCI, AT&T, and Sprint in 1997, *AT&T et al. v. Pacific Bell,* C.96-12-026/C.96-12-044/C.97-02-021. It was therefore surprising to find that the same type of manual fix and retraining needed to be implemented for UNEs that had been implemented for Resale over two years ago. The facts are clear that Pacific did not institute reforms or apply the knowledge learned from its Resale operations to its wholesale Facilities operation.

regardless of the number of lines involved, and Pacific's Frame Due Time ("FDT") process which provides for less coordination between Pacific and AT&T. At Pacific's request and to assist Pacific in better managing LOC Provisioning Center workloads, AT&T agreed to trial Pacific's FDT process on a small number of UNE Loop orders. Pacific and AT&T agreed that AT&T would not send large or commercial numbers of orders under the FDT process but would instead send a small and hopefully manageable number of orders to be carried out using that process. Because the FDT process requires a lesser degree of coordination, both AT&T and Pacific hoped to eliminate Pacific's inability to balance its workload that was the apparent bottleneck in processing even small nightly volumes of hot cuts. AT&T also proposed a number of enhancements to Pacific's FDT process that would improve the process to better meet the needs of AT&T and its end users, including extending the FDT window of available cutover times from 6:00 a.m. to 6:00 p.m. (vs. 8:00 a.m. to 5:00 p.m.).

25. On March 26, 1999 AT&T sent orders for a total of 15 lines to Pacific, specifying two Frame Due Times (11:00 a.m. or 3:00 p.m.) and following a pre-negotiated process developed by AT&T and the Pacific LOC. Of the seven (7) lines scheduled for 11:00 a.m., three (3) were completed at 2:15 p.m., one (1) line was completed at 1:05 p.m., and three (3) lines were completed between 2:00 and 2:10 p.m. Of the seven (7) lines scheduled for 3:00 p.m., one (1) line was completed at 3:10 p.m., one (1) line was completed early at 9:00 a.m., and six (6) lines were not completed until 6:40

p.m. These last six (6) lines belonged to a single customer, who was out of service for over 3 hours. When the customer contacted Pacific to report the outage, Pacific's representative retorted that the customer was no longer with Pacific and then hung up on the customer rather than transferring them to AT&T.

26. A "post mortem" analysis of this trial indicated that these disastrous results were caused by a number of factors: Pacific's translating the wrong FDT time from the order, a frame fire alarm event, a switch translation breakdown within Pacific, and continued workload/resource issues similar to those experienced with the TBCC process. AT&T has understandably been reluctant to use the FDT process with live customer orders again.

27. As the Commission will recall, the deficiencies of Pacific's FDT process were the subject of significant discussions in the Collaborative Workshops. CLECs protested the need to incur additional charges for TBCC processing to mitigate the customer-impacting problems associated with the FDT process. Following days of discussions identifying improvements to the FDT process, and on finalizing when TBCC charges would apply, the Commission's Final Order required Pacific to do the following:

> "Until three months after California's largest MSAs are converted to LNP (March/April, 1999), FDT shall be monitored, and Pacific shall demonstrate that it performs adequately."

As Mr. Tenerelli explains in his affidavit, Pacific has narrowly interpreted this requirement to focus only on "the elapsed time between the FDT on the order and the actual switch activation" (Tenerelli Aff. at 21). AT&T's disastrous experience with the FDT process was not captured in data collected on this elapsed time issue because the outages were in great part caused by failures in coordinating the UNE loop and LNP elements of the conversion, and not with the LNP portion alone.

28. But even using the LNP-only FDT process, AT&T end users have experienced outages for single line residence orders. For example, on Friday, July 10, 1999, eight (8) residence customers in Fremont, California were scheduled to convert to AT&T's "telephony over cable" service. At approximately 3:00 p.m., AT&T contacted the LOC to request the postponement of all the number port requests. The LOC agent assured us there would be no problems completing our request. However, on Sunday, July 12, 1999 AT&T received calls from six of the customers that they were without dial tone. When AT&T called Pacific's LOC Maintenance Center, we were informed that LNP problems, even those which are service affecting, must be addressed by the LOC Provisioning Center which was closed for the weekend. AT&T's customers therefore had to wait until mid-morning on Monday, July 13, 1999 to have their service restored. Pacific has since verified that the LOC Maintenance Center should open trouble tickets and

work with AT&T to restore service to end users when the LOC Provisioning Center is not open.

29. Clearly AT&T's experience with the FDT process indicates that it is not a process that a CLEC can rely upon to complete UNE Loop and LNP conversions without risking disruptions to end user service. AT&T is in fact incurring an additional *** ***proprietary information*** *** per month (approximately *** ***proprietary information*** *** on a per loop basis) in TBCC charges to minimize service disruptions to its end users. AT&T should not be obligated to pay for TBCC coordination until Pacific can demonstrate in the third party OSS test that the FDT process is capable of processing UNE Loop with LNP orders for small to mid-size business customers (less than 20 lines) at commercial volumes.

30. As a result of these problems, and problems experienced by AT&T with other incumbent local exchange carriers ("ILECs"), AT&T initiated discussions with SBC at the executive level to request a number of enhancements to Pacific's UNE Loop with LNP Hot Cut processes. Correspondence between AT&T executives and SBC executives on April 12, April 19, June 16, and June 30 are attached hereto Exhibits 2-5. In addition to the pre-testing of CLEC dial tone and ANI (Automatic Number Identification) 24 hours prior to each cutover, AT&T and Pacific jointly documented each step of the Hot Cut process in a detailed process flow in Exhibit 6, including processes for joint acceptance testing. The "build-back" process by Pacific's LOC Provisioning Center was documented as the last

step; the LOC Provisioning Center opens pseudo trouble tickets for problems during the provisioning process and the associated restoration of service that the end user is likely to experience in the event of an extended outage.

31. AT&T continues to experience provisioning problems associated with the processing of TBCC UNE Loop with LNP orders. During the first two weeks of July (July 4 – July 17), AT&T logged *** ***proprietary information*** *** lines with out-of-service or service-affecting problems (out of a total *** ***proprietary information*** *** lines) that were found to be caused by Pacific. The root causes of these problems included the following:

- Loop was wired on the wrong facilities
- Loop was wired incorrectly at the CO
- Loop was wired incorrectly at the customer's premises
- LNP Translation Problems
- Loop and LNP was cut prematurely or late
- Pacific provisioning errors

Two AT&T logs as well as narrative descriptions of each provisioning problem are contained in Exhibit 7 attached hereto.

32. As discussed in the Affidavit of Sarah De Young and Grace Yee on Performance Measures, one of the compliance requirements in the Commission's December order was to provide three months of performance data that demonstrated that the TBCC process is performing at acceptable levels.

The data integrity problems alone in the performance data submitted in Attachment D of the Affidavit to Gwen Johnson are sufficient to prove Pacific's failure to meet this requirement. However, coupled with the significantly below-parity performance specific to UNE Loops also described in that affidavit. and the problems recently experienced by AT&T, the Commission should have no doubt that this process is in no way performing at the acceptable levels envisioned by the Commission in D.98-12-069.

33. Both new and old problems have arisen as AT&T has tried to order and provision slightly higher volumes of orders than before. For example, on July 13, 1999 Pacific confirmed *** ***proprietary information*** *** lines for coordinated hot cuts, with *** ***proprietary information*** *** of them scheduled out of one of the *** ***proprietary information*** *** end offices. Although Pacific provided both mechanized FOCs and follow-up fax confirmations for each of the lines, they have admitted that these FOCs are delivered "blindly," without the ability to factor in workload, equipment or force limitations. Because of its own internal processes, Pacific was only able to complete all of the cutovers by requesting AT&T to schedule six (6) agents and one (1) supervisor to work overtime until 3:00 a.m. the following morning. While AT&T was informed early in the day by Pacific that it would have trouble completing the workload that evening, it did not provide enough information to determine that AT&T and its end users would need to stay through the middle of the night to complete the orders.

34. Following the cutover, AT&T was advised by Pacific that the *** *proprietary information* *** lines requested out of the *** *proprietary information* *** central office could not be handled by their TBCC process, and that we would need to contact them in advance the next time we wanted to schedule that many cutovers out of a single collocation cage. This change in position was directly contrary to Pacific's earlier confirmation by mechanized FOC, and again by fax confirmations 48 hours in advance of all requested cuts, that the cuts would proceed as scheduled. This communication by Pacific echoed the problems and discussions earlier this year, and caused us again to recommend that Pacific clearly identify the constraints on its TBCC processes and to implement a mechanized workload scheduler that will prevent Pacific FLSC representatives from confirming too many cutovers for a single day, hour or collocation cage. Furthermore, this discussion raises serious doubts regarding Pacific's assertions in its filing as to the ease with which it can carry out thousands of cutovers each night.

V. PROBLEMS WITH TRANSITIONING FROM THE CESAR TO LEX INTERFACES

35. AT&T's Sacramento center was originally trained to use CESAR to order UNE Loops with LNP, but Pacific refused to provide access to the Verigate pre-ordering interface until we negotiated an amendment to the TCG Interconnection Agreements. At that point, AT&T also would have transitioned to the higher degree of ordering functionality afforded by LEX,

but was aware of two major enhancements which prevented the effective use of LEX for UNE Loops with LNP.

36. The first problem involved Pacific's inability to return the circuit identification (ECCKT ID) assigned by the FLSC back on the FOC notice to the CLEC. This problem had inadvertently been created by Pacific's November, 1998 fix to the ECCKT ID problems discussed in the August, 1998 Section 271 collaborative workshops. Following a number of discussions with Pacific at Quarterly Change Management meetings and special conference calls, Pacific confirmed that the circuit identification information would begin to appear on the FOC notices to CLECs between May 1 and July 1, 1999 as a supplement to the so-called LASR GUI fix for manual reject and jeopardy notices.

37. The second problem involved a glitch identified in the SORD to LEX processing that prevented the FLSC from correctly populating the revised due date field on FOC notices back to the CLEC on all supplemental UNE Loop orders. Following discussions, Pacific advised that this problem would be fixed in its 2Q99 EDI/LSR release, originally scheduled for June 26, 1999.

38. Based on the anticipated fix dates for both of these problems, AT&T obtained copies of LEX software and registered trainers from our Sacramento center for LEX classes in June. However, on May 28, CLECs received notice that the 2Q release would be delayed until August 14 due to problems primarily identified in SBC's SWBT region and the desire to provide

additional cooperative testing time for that release. See the Affidavit of Sarah DeYoung on OSS for a full discussion of the problems associated with the delays of this release.

39. Even though AT&T's Sacramento trainers would now not be able to use and implement the training material for several ***months***, Pacific's training policies prevented AT&T from canceling or postponing the class without incurring a financial penalty. Further, AT&T representatives could not be trained on updating the listing portions of the orders, since that functionality had been delayed in the release and Pacific's trainers cannot provide training on LEX enhancements until *after* the enhancements have been implemented.[2] AT&T representatives were incorrectly trained and instructed by Pacific that the ECCKT ID field must be populated from a block of circuit identifications. Similar to procedures in effect for the SWBT territory these identifications were manually provided to each CLEC. AT&T and Pacific were unable to correct the misinformation during the training, and AT&T negotiators had to obtain and distribute corrected training material to all representatives who had attended the class.

40. On July 21, CLECs were informed of another delay in the implementation of the 2Q release, which has now been rescheduled for August 21 due to problems Pacific has encountered in internal software testing. Given this delay, and the lack of certainty with regard to

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[2] *See* Affidavit of Sarah De Young addressing Operations Support Systems for more information on the deficiencies of Pacific's training on LEX.

implementation of this release and correction of the two UNE loop system problems described above, it is unclear how soon AT&T can transition from CESAR to LEX. At this point, retraining of the Sacramento trainers, whose understanding of LEX functionality is in "cold storage" and diminishing over time, will be required but will not be possible until at least October 1, 1999, the first training date after the release has gone into production. As a result, AT&T has incurred both unnecessary delays and expenses, in that we must pay for subsequent training to clear up the inaccuracies presented at the previous training session, refresh training on the ordering of UNE loops and LNP, and obtain training on listing updates. Furthermore, AT&T will need to establish a rigorous follow through process to ensure that the incorrect information presented at the previous training session is not passed on to those working on current orders. Indeed, this event demonstrates the importance of coordination between the change control process and the training function, and Pacific can effectively impose significant costs on CLECs when it fails to live up to announced schedules.

41. Finally, even when AT&T is able to transition to the LEX interface, it will still be subject to the inconsistencies and learning curves associated with the manual handling of all TBCC orders in the FLSC. While AT&T has agreed that it is not feasible for TBCC orders, which require a high level of manual coordination, to flow through from the LEX or EDI interfaces without manual intervention, the significant problems which Pacific attributes to large numbers of new employees in both the FLSC and LOC Provisioning

Centers continue to cause problems. For example, during recent weeks AT&T has identified and discussed with Pacific a number of orders for which cutover dates or times are transposed (e.g., a 10:00 p.m. requested cuts was scheduled for 10:00 a.m. the following morning).

VI. BARRIERS TO USING PACIFIC'S 4-WIRE DS1 UNE LOOPS

42. Although AT&T presently provides service to medium and large-sized business through its own loop facilities, to increase its service offerings to this market, AT&T needs to use 4-wire DS1 UNE Loops and AT&T switches.[3] Here, there is virtually no evidence that Pacific can or will provision such loops successfully, even in small volumes. If able to hurdle process issues between AT&T and Pacific, AT&T would expect to place substantial orders for unbundled 4-wire DS1 loops from Pacific. The only AT&T experience to date has been with ordering access services in the DS0, DS1, and DS3 varieties. Performance data provided with Pacific's Gwen Johnson Affidavit suggests that other CLECs have also not yet been successful in removing the barriers to ordering any significant volumes of 4-wire DS1 UNE Loops.

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3 In addition to the obvious capital and time constraints CLECs face in building alternative facilities, CLECs also face significant rights of way problems (both public and private), physical limitations, and other impediments to service. It will take substantial time for CLECs to overcome these problems and extend alternative facilities. Further, these problems may be so burdensome as to prohibit service offerings by CLECs if unbundled loops are not made available.

43. Pacific offers a wide variety of unbundled loops to CLECs, but has limited the ways in which a CLEC might gain access to the end users to be served with those loops. While Pacific offers CLECs the connections to end users in a single tenant home or office, it will not connect these UNE Loops to those same end users that are located in multi-tenant buildings. By limiting the ability of CLECs to gain access to these end users, Pacific is preventing AT&T from providing ubiquitous service to these markets. In this way, Pacific has established a barrier to entry and limited the availability of alternative providers to its own monopoly service. End users located in multi-tenant buildings remain a captive market for Pacific.

44. AT&T's solution to reach these customers is to purchase intrastate access DS1 services instead of 4-wire DS1 UNE Loops. Today, Pacific offers two vehicles by which AT&T may gain access to these customers with the purchase of Special Access DS1 loops (sometimes called channel terminations or local distribution channels). AT&T can either purchase the connection from the building's telecommunications closet to the end user's office suite (i.e., inside wire) under contract from Pacific or refer Pacific's inside wire group to the end user.

45. In negotiations with Pacific, AT&T has been notified that these two alternatives are not available in conjunction with Pacific's UNE Loop offering. There is no ability to negotiate for the referral option or to purchase inside wire services under contract with the purchase of 4-wire DS1 UNE Loops. This circumstance makes such loops practically unavailable. In order