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OFFICE OF THE SECRETARY

November 10, 1999

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: **Ex Parte Statement**
Implementation of Line Sharing, CC Docket 98-147

Dear Ms. Salas:

The attached letter was sent to Mr. Lawrence Strickling on November 10, 1999. Please enter it into the proceeding of the above referenced docket.

Sincerely,

Attachment

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Mark Royer
Senior Counsel

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Dallas, November 10, 1999

Ex Parte Communication

Mr. Lawrence Strickling
Chief, Common Carrier Bureau
Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

Dear Mr. Strickling:

Re: Implementation of Line Sharing, CC Docket No. 98-147

This letter responds to proposals to implement line sharing for DSL services within a three to six month period after a Commission order requiring line sharing for such services. SBC Communications Inc. (SBC) believes the proposals to be contrary to the public interest because they would unnecessarily delay the delivery of DSL services to consumers.

Today, DSL services are provisioned for the most part through mechanized processes. SBC provides those services electronically through its normal retail channels and for competitive local exchange carriers (CLECs) through the channels used in providing unbundled loops.

SBC's Operation Support Systems (OSSs) are not currently capable of handling DSL orders on a multi-carrier or line-shared basis. Such sharing would require changes to SBC's service order system, loop inventory system, switch inventory system, and related databases. Telcordia estimates that changes to those systems to accommodate line sharing on a mechanized basis will take approximately 12 months to complete, which is the standard interval for making systems changes of this magnitude. Assuming the requirements for line sharing are released in November, 1999, line sharing could then be implemented on a *mechanized* basis in November, 2000.

An earlier (*e.g.*, six month) implementation date for line sharing would require manual processing until the mechanized processes are in place (*i.e.*, between May / June, 1999 and November, 2000). Manual processing for DSL orders, even for an interim period, is inefficient and is certain to delay significantly the provision of DSL services to both SBC and CLEC customers. The current volume of DSL orders makes manual processing impractical. In the SBC states, the number of retail orders on average runs over 1,100 per day. SBC estimates that to convert just those orders alone to manual processing would require the addition and training of more than 220 employees.[1] CLEC line-shared DSL orders would also have to be manually processed which would create an additional backlog and increased force requirements. Moreover, the problem is likely to be compounded as additional demand for DSL materializes.[2]

SBC believes that, rather than delaying and impeding the availability of DSL services to consumers, the Commission should postpone implementation of a line sharing requirement until such time as it can be handled by mechanized processing. Using an assumed six month implementation date and Telcordia's estimated 12 month mechanization time frame, that would only push back implementation by five or six months (from May / June, 2000 to November, 2000).

In the alternative, the Commission should give incumbent local exchange carriers (ILECs) the option to meet the CLEC concerns by offering surrogate line sharing charges and/or OSS discounts, such as those involved in the *SBC/Ameritech Merger Conditions*, as a substitute for manual processing until such time as the mechanized processes are in place (again, assuming Telcordia's 12 month period). This alternative will remedy the concerns of most CLECs (namely, the concerns about the price of data loops and delays in making system upgrades), while at the same time avoiding the reduction in quality of service levels and delays in DSL deployment that would be caused by prematurely implementing line sharing (*i.e.*, before the mechanized OSS changes are in place and with all the disruptions of manual processing).

Should you have any questions concerning this *ex parte*, please do not hesitate to contact me.

Sincerely,

Mark Royer

cc: Carol Mattey

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[1] This assumes that SBC could even find, hire, and would have time to train that number of employees, especially since most would only be needed on a temporary basis, and would be let go once SBC is able to implement a mechanized process for handling line-shared DSL orders.

[2] The number of DSL subscribers by the end of the second quarter 1999 was approximately 160,000 and by the end of the year 2000 was predicted to reach 1 million subscribers. *Source: "Broadband Today,"* Report by the FCC Staff's Cable Services Bureau. Clearly, such growth would be curbed and/or slowed by a line sharing requirement that involves manual processing.