

event, even if, as a result of the low volume of orders placed to date and other barriers in SWBT's systems, no CLECs were yet in a position to avail themselves of parsed CSRs, this would not excuse SWBT's failure to provide such important functionality so that it is available when CLECs need to use it. See NY Order ¶ 136 (explaining that where CLECs have not yet chosen to access a particular function which the BOC has an obligation to provide, the BOC must show that it is "presently ready to furnish the item" (quotation omitted)).

SWBT also argues that parsed CSRs are not necessary because CLECs can take the unparsed address obtained from the CSR and verify it by using the address validation function. Ham Aff. ¶ 184. But this still would require retyping the address. McMillon & Sivori Decl. ¶¶ 55-56. Moreover, use of the address validation function itself adds significantly to the time CLECs must expend at the pre-order stage while the customer is on the line. Id. ¶ 57. On migration orders, when CLECs can obtain an address from the CSR, they should not have to use the address validation function. Id. Based on MCI WorldCom's volumes in New York, SWBT's proposal would require re-typing of thousands of addresses a day and an equal number of additional pre-order transactions. Id. In addition, the address validation function is likely to be unavailable on almost 20% of orders. Id. ¶ 58.

As explained previously, SWBT's systemic flaws with respect to service addresses also add significantly to the number of rejected orders. SWBT experiences reject rates of over 30%. Id. ¶ 71. Unlike Bell Atlantic, see NY Order ¶ 167, SWBT cannot blame these rejects on CLECs. SWBT simply has not offered CLECs a means of obtaining address information from the CSR and using it to successfully populate an order; CLEC mistakes in populating orders

could be significantly reduced if SWBT provided such a capability. Mismatches in SWBT's databases are also responsible for a number of rejects. The additional rejects, delays, and costs experienced by CLECs as a result of SWBT's systemic deficiencies related to addresses, as well as SWBT's failure to prove that it offers CLECs the capability of integrating any other pre-order and order functionality in and of itself warrants rejection of SWBT's application under the standards set forth in the Commission's prior orders.

b. SWBT's Back-end Processes Create an Unnecessary Risk of Lost Dial Tone and Double Billing for Customers.

SWBT divides each Local Service Request (LSR) submitted by a CLEC for UNE-Platform or a UNE-Loop into three separate service orders, a disconnect order (D order), a new order (N order) and a change order (C order). McMillon & Sivori Decl. ¶ 95. These orders must remain coordinated or significant customer-impacting problems can result. If the disconnect orders is processed before the new order, the customer can lose dial tone. Id. If the new order is process before the disconnect order, the customer may be double billed. Id.

The possibility of the orders becoming disassociated is high. LSC representatives are responsible for generating the N, C and D orders on many LSRs and are also responsible for updating all N, C and D orders when a CLEC submits a supplementary LSR to ask for a new due date (something customers request rather frequently). Id. ¶¶ 97, 103-04. If an LSC representative successfully changes the due date on one or two of the service orders but not on all three, or fails to input the proper codes to coordinate the orders, the service orders will be completed at different times. Id. ¶ 103.

The service orders can also become disassociated if one of the orders is rejected and the other two are accepted. Id. ¶ 98. The possibility of this problem is also high because, rather than simply transferring the address from the LSR to each of the three service orders, SWBT transfers the address from the LSR to the C order but populates the N and D orders with addresses obtained from a database lookup. Id. If the address on the LSR does not exactly match the address obtained from the database lookup, either because of mismatches in SWBT's databases (as described above) or simply because the CLEC made a mistake in populating the LSR, then one or two of the service orders may be rejected while others are completed -- leading to lost dial tone or double billing of the customer. Id. ¶¶ 99-102. SWBT has previously acknowledged some instances of lost dial tone as resulting from address mismatches in its databases. Id. ¶ 100.

SWBT has acknowledged the existence of other problems related to the three- service-order process as well. During a User Forum meeting in December, many CLECs criticized the three-service-order process, and SWBT responded that it had set up a team to examine that process. Id. ¶ 112 & att. 11 (Final Minutes for December 7, 1999 CLEC User Forum). At a second User Forum meeting, SWBT "identified seven areas that represent potential processing problems" associated with the three-service-order process. Id. ¶ 112 & att. 10 (Minutes from December 21, 1999 CLEC User Forum Follow-Up Conference Call). It then listed problems including "Discrepancy of End User Address on CSR," "Due Date Changes/Supps," and "Completion/Posting Service Orders." Id. It stated that the team will be "providing a more timely ordering process and incorporating a process that will ensure that all orders remain

synchronized through posting.” Id. But SWBT did not even explain many of the problems it had identified, much less its proposed solutions. Indeed, it reported that for many of these problems, the solution was “under investigation.” Id. Paper promises of future performance cannot demonstrate compliance with the requirements of § 271. NY Order ¶ 37.

It may be that the only realistic solution is to eliminate the three-service-order process. Indeed, for resale orders, SWBT moved away from a multiple service order process after determining that it caused loss of dial tone. Thus, SWBT has stated that:

In the early days of local service, two orders were required to convert residence and small business customers, which did result in a customer losing dial tone if the order for new service was not referenced to the disconnect order. To prevent such problems, SWBT created a special type of change order to handle new conversions, so that only one order was issued to accomplish the conversion. This change had a great impact on seamless conversions in the residence and simple business orders.

Sur-rebuttal Testimony of Linda Kramer, Case No. TO-99-227, at 19 (Mo. PSC Feb. 1999) (McMillon & Sivori Decl. att. 12).

SWBT’s failure to make a similar change for UNE orders (or implement some equally effective fix) has repeatedly caused customers to lose dial tone (although this is impossible to tell from SWBT’s performance measures, which do not specifically track lost dial tone). AT&T has previously reported that up to 6% of its UNE-P customers were losing dial tone. Comments of AT&T Communications of the Southwest, Inc. Regarding United States Department of Justice Evaluation of the Application of Bell Atlantic, Project No. 16251, at 12 (Texas PUC Nov. 3, 1999) (SWBT App. C, Tab 1960). Birch has also reported that a substantial number of its

customers were losing dial tone. McMillon & Sivori Decl. ¶ 107. In contrast, in New York, customers are not losing dial tone when they switch to MCI WorldCom. Id. ¶ 110.

SWBT is likely to respond that lost dial tone and other problems associated with the three-service-order process have decreased in recent weeks. However, even if this is so, SWBT has not identified any systems fix it has put into place to preclude future problems. Id. ¶ 111. Indeed, SWBT acknowledged at the December User Forum that it is still seeking long term solutions. The fact that SWBT may have been able to reduce lost dial tone for a short period of time by hand-holding relatively low volumes of orders (many of which are resale conversions), should not be enough to enable SWBT to obtain section 271 authority using a process that is fraught with the possibility of causing substantial numbers of customers to lose dial tone, that has done so in the past, and that will have to operate successfully at much higher volumes of orders to support local competition.

c. SWBT's Process for Enabling CLECs to Update LIDB is Severely Deficient.

Unlike every other Bell Operating Company, SWBT does not allow CLECs to update its Line Information Database (LIDB) by submitting an LSR. As a result, it is significantly more difficult for CLECs to change a customer's Primary Interexchange Carrier (PIC). In addition, SWBT's new process for updating LIDB on initial CLEC orders has not yet been proven to work.

LIDB is the database that includes the information enabling a customer to receive collect calls and make credit card calls. McMillon & Sivori Decl. ¶ 80. It also contains the customer's PIC designation and the information that triggers the branding on a customer's directory

assistance and operator calls. Id. When a customer migrates service to a CLEC, LIDB must be updated. LIDB must also be updated whenever a customer changes his or her PIC, a frequent occurrence in today's highly competitive market for long distance services. Id.

Until January 15 (subsequent to the date of SWBT's application), when a CLEC submitted an LSR to migrate a customer, that LSR did not trigger an update of LIDB. Id. ¶¶ 82-83. Instead, SWBT required the CLEC to fill out a separate order for a LIDB update and to submit that order via fax, via a GUI, or via a batch process the CLEC was required to develop for just this purpose. Id. ¶¶ 82-83. This was extremely inefficient. Id. ¶ 83. In addition, using these processes, a CLEC could not update LIDB until SWBT had issued a service order completion on the LSR, a process which takes time. Id. Until then, customers would be unable to receive collect calls, would receive SWBT branding on operator or directory assistance calls (which would in turn likely prompt confused calls from customers to the CLEC), and would retain their prior PICs even if they had asked for PIC changes as part of their orders. Id. Moreover, when the CLEC did submit a separate LIDB order, it would not receive any notification back from SWBT informing it of the status of that order. Id. If customers called to complain that they could not receive collect calls or that they were receiving SWBT branding, the CLEC would have no visibility into the status of the LIDB updates. Id.

The January 15 systems change with respect to LIDB was designed to eliminate these problems only with respect to initial CLEC orders. As of that time, SWBT began allowing SWBT to update LIDB on initial orders by submitting an LSR. However, the effectiveness of that systems change has not been proven. MCI WorldCom tested a few orders with SWBT prior

to implementation of the LIDB change but SWBT processed these orders somewhat differently than it will process live orders. Id. ¶ 85. There has not yet been any significant commercial experience with the new process. The likelihood that the process will work as intended is very much in doubt. In response to a series of MCI WorldCom questions about the new process, SWBT explained that “under normal no error conditions and no down time at the LRAF, the order may be completed within 24 to 48 hours” and that “a migrated TN will have the potential for reflecting the new owner’s brand when LIDB is updated by the migration order.” Id. ¶ 86, att. 7 (emphasis added). SWBT’s noncommittal and vague answers to MCI WorldCom questions about the change do not leave MCI WorldCom with any confidence that the process will work as it should.

More fundamentally, the new LIDB process cannot be used for LIDB updates requested by CLECs subsequent to an initial order. Id. ¶ 88. When, for example, customers who have already migrated to a CLEC request a change in their PICs, the CLEC cannot place an order for the PIC changes through the LSR process. Id. ¶ 89. The CLEC will instead have to use one of the means discussed above – a fax process, a GUI, or a separately developed batch process. Id. Using any of these processes, a CLEC will be unable to transmit a PIC change request from a customer until it has received a completion notice on the initial order, creating potentially significant delays for the customer. Id. ¶ 90. When the CLEC does submit the PIC change request, it will have to enter the information both into its own systems and into the GUI, fax, or batch process, adding to CLEC costs and increasing the chance of errors. Id. ¶ 92. Moreover, after transmitting a request, the CLEC will not receive any response from SWBT informing it

that the request has been received or that it has been completed. Id. ¶ 91. The only way CLECs will know that a PIC change request was not processed is when a customer calls to complain. Id.

These problems will significantly affect the competitive entry of MCI WorldCom. In New York, MCI WorldCom receives approximately 1,500 PIC change requests a month from its local customers. Id. ¶ 89. MCI WorldCom fully expects that it would have the same number of PIC change requests in Texas when it has the same number of local customers. Until SWBT implements an LSR process for PIC changes, it would be a poor business practice for CLECs to ramp up to true commercial volumes. SWBT's inadequate process with respect to LIDB will therefore significantly reduce the number of orders that MCI WorldCom would be willing to transmit if and when it is able to launch UNE-P service. Id. ¶ 94.

d. SWBT Is Unable to Receive Electronic Trouble Tickets Until Orders Have Posted.

SWBT's maintenance and repair interfaces have a major systemic flaw that will impede competition: CLECs cannot submit a trouble ticket electronically until an order has posted to SWBT's downstream billing systems. Id. ¶ 192. Such posting generally does not occur until 24-48 hours or more after an order has been completed. Id.^{5/} Until then, CLECs will have to submit troubles manually via phone calls. Id. ¶ 193.

SWBT's failure to implement a fix for this maintenance and repair problem is a severe obstacle for MCI WorldCom. A high percentage of trouble reports occur in the first 24-48 hours

^{5/} Indeed, the delay could be even longer. Telcordia identified several possible reasons why an order might get hung up before posting to billing. Ham Aff. att. A at 25. If this occurred, not only would there be significant problems with billing the customer, but the CLEC would be unable to submit trouble tickets electronically.

after an order is placed. Id. This is also a period when customers are most carefully judging their new provider. Id. Submitting troubles manually increases the risk of error and delays response to the troubles, a problem that new customers will blame on the CLEC. Submitting troubles manually also raises CLECs' costs. Id. ¶¶ 194-99.

Delay is inherent in a process that requires CLECs to call SWBT to submit troubles. CLECs will not know when an order has posted to billing (no notice is sent by SWBT at this stage). McMillon & Sivori Decl. ¶ 195. Thus, a CLEC will first have to submit a trouble electronically, receive an error message, and then determine that the trouble ticket was submitted prior to posting of the initial order. Id. As KPMG found when discussing a similar problem in New York, the result of this manual process is that “[t]he CLEC’s customer suffers an extended time delay in getting service problems resolved.” McMillon & Sivori Decl. ¶ 195 (att. 24). This delay is exacerbated in SWBT’s case by the lengthy time period that CLECs have to wait to reach a SWBT representative in the LOC. Id. ¶ 195. Moreover, until the original order has posted to billing, the representative may believe the CLEC's customer remains SWBT's customer and be unwilling to resolve the trouble. Id. ¶ 196.

The use of manual processes also precludes CLECs from conducting MLT tests on customers’ lines, a function the Commission has described as “the most common maintenance and repair function.” NY Order ¶ 219. As a result, CLECs will be unable to determine when troubles originate on the customer’s side of the line and resolve those troubles without SWBT’s involvement; they will also be unable to determine the source of troubles on SWBT’s side of the line and advise SWBT of the source of the trouble, thus helping to ensure quicker and more

accurate resolution of the customers' troubles. McMillon & Sivori Decl. ¶ 194. This significantly impedes the CLECs' ability to compete. As the Commission has explained, "[a] new entrant that is unable to provide such instantaneous trouble resolution services to its customers cannot compete effectively with [the incumbent] which has the capability of resolving many trouble complaints while their customers are still on the line." LA II Order ¶ 157.

In addition, when CLECs submit trouble tickets manually, they generally will be unable to advise customers of what progress has been made in resolving their troubles. When customers call to ask about such progress, CLECs will be unable able to check the status of the troubles electronically. McMillon & Sivori Decl. ¶ 197. Unless SWBT has called to advise the CLEC of that status, the CLECs will have to inform their customers that they do not know what, if anything, has been done to resolve the troubles. Id. This will result in extremely dissatisfied customers.

The manual process of trouble resolution will also increase CLEC costs. Because of the time consuming nature of reporting troubles manually, CLECs will have to hire additional personnel. Id. ¶ 195. In addition, when SWBT calls CLECs to report on the status of troubles (including the closure of trouble tickets), the CLECs will then have to type this information into their own systems -- a process that is avoided with an electronic bonding interface in which status information is returned electronically. Id. ¶ 197.^{6/}

^{6/} Moreover, SWBT's systemic failure is made worse by a failure of its personnel. CLECs are likely to have to manually enter SWBT's status reports on trouble tickets even after a customer's order has posted to billing. During the Telcordia test, SWBT employees repeatedly responded to trouble tickets submitted via the electronic bonding interface with phone calls back to MCI WorldCom. McMillon & Sivori Decl. ¶ 201. This defeats the purpose of the electronic

SWBT's inability to accept trouble tickets electronically until service orders have posted to billing thus significantly impedes CLECs' ability to compete. Although Telcordia documented the systemic problem, Readiness Report at 25 (Ham Aff., att. A), SWBT has not yet fixed it or even agreed to do so in the future. In contrast, in New York, this Commission specifically found that "Bell Atlantic permits competing carriers to open trouble tickets immediately on recently-completed service orders. In light of an early exception noted by KPMG, Bell Atlantic implemented a function in RETAS in April that permits competing carriers to enter a trouble ticket immediately after completion of a service order." NY Order ¶ 216 (emphasis added). SWBT's failure to implement any similar functionality should result in rejection of its application.

e. SWBT Relies on Far Too Much Manual Processing During Ordering and Provisioning.

It is well established that manual processes lead to delay and increased likelihood of errors. See LA II Order ¶¶ 107-116; MI Order ¶¶ 172-73, 186-88 196; SC Order ¶¶ 104-08. This is driven home by the Telcordia Report which repeatedly lists mistakes by SWBT employees as the source of SWBT errors. SWBT continues to rely on far too much manual processing in its ordering and provisioning processes.

SWBT Manually Processes Too Many Rejects. SWBT manually processes 37% of orders that it ultimately rejects. McMillon & Sivori Decl. ¶ 157. This substantially delays the return of

interface, requiring MCI WorldCom to manually enter the information received back into its own systems. Id. SWBT has not shown that it has now adequately trained its employees to avoid this problem.

these rejects. While the performance standard for the return of electronically processed rejects is one hour, the standard for the return of manually processed (or manually transmitted) rejects is five hours. Id. ¶ 158. SWBT has consistently failed even this standard. In December, SWBT failed this standard by over thirty hours. On average, SWBT returned manually processed rejects in 35.65 hours in December, continuing a trend of deteriorating performance – SWBT had return times of 6.20 hours in August, 8.13 hours in September, 10.10 hours in October, 14.94 hours in November, culminating in the 30-hour miss in December. Id. ¶ 159. In contrast, in New York, the Commission found that Bell Atlantic’s reject time was steadily improving prior to filing, with the average time for rejects (manual and mechanized combined) reaching a low of 6.2 hours in the month before filing. NY Order ¶¶ 164 & n. 506, 169. Bell Atlantic’s on-time performance increased with increasing volumes of orders.^{7/}

Manual processing of rejects also increases the number of erroneous rejects and erroneous explanations of the reason for rejects. During the Telcordia test, Telcordia repeatedly pointed to errors made by LSC representatives in processing orders and processing rejects. In concluding that a high percentage of rejects during the test were the fault of CLECs, Telcordia ignored its own findings. It did so based on an erroneous assumption that rejects transmitted in an automated fashion cannot have been SWBT’s fault. McMillon & Sivori Decl. ¶ 74. Moreover,

^{7/} In its brief, SWBT claims only that it is able to process mechanized rejects on time. SWBT Br. at 89; Dysart Aff. ¶ 133. Under the relevant business rules, however, mechanized rejects do not include manually processed rejects. SWBT also disingenuously compares its return time for rejects that are processed and returned in a mechanized fashion with what the Commission found to be Bell Atlantic’s average time for return of all rejects, including manually processed rejects. See Ham Aff. ¶ 149; NY Order ¶ 164 n. 506.

the fact that CLEC reject rates have varied significantly says little about whether rejects are the fault of CLECs or SWBT without further analysis of the type of orders the CLECs submitted; for example, one would expect AT&T's orders for resale conversion to experience almost no rejects since all appropriate pre-ordering information is already in AT&T's own systems. Id. ¶ 73. This Commission has no basis on which to conclude that SWBT's manual processing of rejects will not significantly impact timeliness and accuracy of reject returns; indeed, the evidence is that it will have such an effect.

Timely and accurate return of rejects "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 SWBT. LA II Order ¶ 118. The delays and errors caused by manual processing of rejects are particularly important at the early stages of competition, when the number of rejects is very high. Given that SWBT rejected 37.2% of the orders it receives through its LEX interface and 30.7% of the orders it receives via EDI, manually processing of 37% of these rejects is a substantial problem and should lead to rejection of SWBT's application. McMillon & Sivori Decl. ¶ 156; LA II Order ¶ 119 (relying on manual processing of rejects as one reason to reject BellSouth's application); MI Order ¶¶ 186, 188 (same). Here, in contrast to what the Commission found to be the case in New York, NY Order ¶ 169 (Bell Atlantic has shown its ability to manually process orders in a timely and accurate fashion), manual processing of rejects is directly correlated with poor performance even at the relatively low volumes of orders currently transmitted to SWBT.

SWBT Manually Processes Too Many Orders. Moreover, manual processing of rejects is coupled with a related problem: manual processing of most of the supplemental orders CLECs transmit to correct rejects. If SWBT has created service orders in its back-end systems from the original LSR transmitted by a CLEC, then a supplemental order to correct a reject of that LSR (or for any other reason) will not flow through SWBT's systems. McMillon & Sivori Decl. ¶ 121. This includes all supplemental orders to correct rejects that were manually processed. In addition, SWBT has informed MCI WorldCom that rejects for invalid service address occur after service orders have been created, and thus supplements for these rejects, one of the main categories of rejects, will not flow through. Id. ¶ 121. Lack of flow through of most supplemental orders will in and of itself reduce flow through to unacceptably low levels.

SWBT also engages in manual processing of other important order types:

- No orders for coordinated cutovers flow through. Id. ¶ 123. Indeed, only 29.63% of UNE orders (other than UNE-P) flowed through in October. Ham Aff. ¶ 134. Given the high number of manual errors MCI WorldCom experienced on such orders during the Telcordia test, the manual processing of these orders is likely to make it extremely difficult for CLECs to compete using a loop strategy. McMillon & Sivori Decl. ¶ 123. In New York, in contrast, coordinated cutover orders are designed to flow through and this Commission relied on KPMG's finding that 85% of loop orders designed to flow through could indeed flow through. Id.; NY Order ¶ 168.
- Orders for partial migrations also do not flow through. McMillon & Sivori Decl. ¶ 120. Such orders are particularly important during early stages of competition when customers are likely to migrate a second line to a CLEC to determine whether the CLEC's service is satisfactory. Id. ¶ 120; MI Order ¶ 179 (relying in part on Ameritech's failure to provide for flow through of resale orders for partial migrations as one reason for rejecting Ameritech's section 271 application).
- Orders to suspend a customer's service for non-payment and then to restore the customer's service once payment is received are another important category of

orders that do not flow through. McMillon & Sivori Decl. ¶ 124. If a suspension order is improperly processed as a result of manual handling, the customer may lose dial tone altogether rather than retaining the ability to make 911 calls. Id. ¶ 124. If a restoration order is delayed as a result of manual handling, the CLEC may fail its obligations under state law to restore service within a certain period of time. Id.

Even within categories of orders that ostensibly flow through, there are almost certainly important exceptions. In New York, the PSC staff conducted a careful order by order analysis to determine the primary causes of manual intervention. Id. ¶ 126. Some of the causes it found were entirely unanticipated, and Bell Atlantic agreed to eliminate almost all of these sources of manual intervention. Id. No similar analysis has even been conducted in Texas. Id. The known and unknown flow through problems are yet another barrier to MCI WorldCom offering residential service in commercial volumes.

SWBT's Folders Process Exacerbates the Impact of Manual Processing. SWBT's overall dependence on manual processing is exacerbated by a unique component of SWBT's back-end systems called folders. In response to repeated MCI WorldCom inquiries, SWBT has provided ambiguous and inconsistent explanations of the folders process and resisted any detailed analysis by Telcordia of that process. Id. ¶¶ 128-29. Nonetheless, it is clear that the folders process has the potential to be a significant bottleneck in SWBT's systems. Based on SWBT's prior representations and its explanation in this application, either every order must be reviewed by a SWBT representative in folders before it passes downstream in SWBT's systems, or, at a minimum, orders that are manually processed or rejected must be reviewed in folders. Id. ¶ 129. Even if the latter is the case, folders can pose a significant bottleneck if representatives do

not quickly and accurately identify those orders in folders that need to be reviewed and then complete this task. Id. ¶ 129. Otherwise, the orders will simply sit in folders. During MCI WorldCom's small-scale UNE-P trial, SWBT informed MCI WorldCom that some of its orders were "hung up in folders"; Birch Telecom recently reported that this same problem had arisen in commercial operation with a high percentage of its orders. Id. ¶ 130, Birch Informal Complaint in Docket 21,000, Sept. 7, 1999, at 4-12 (SWBT App. C, Tab 1789).^{8/} "Folders" therefore remains an insufficiently explained aspect of SWBT's systems and one with a significant potential to cause problems.

SWBT's Claimed "Flow Through" Rates Do Not Show That Manual Processing is Low.

SWBT responds to criticisms of the high level of manual processing it employs by asserting that its overall flow through rate is high – even higher than the flow through rate for its retail orders. SWBT Br. at 88. But SWBT's flow-through rate for UNEs other than UNE-P is less than 30%. McMillon & Sivori Decl. ¶ 116. Moreover, a measure of orders that flow through without manual processing does not capture problems caused by manual review of orders in folders or by manual processing of rejects. In any event, SWBT's data do not support its claim. In its performance reports, SWBT only reports the flow through of orders designed to flow through, not numbers for all order types. McMillon & Sivori Decl. ¶ 115. For the first time in its application, SWBT claims to provide true flow through numbers. Id. ¶ 116. But these last-minute numbers have not been audited by Telcordia, by the PUC, or by CLECs and are extremely

^{8/} This problem is likely not captured by any performance metrics, since no FOCs, rejects, or completion notices are actually returned on these orders.

dubious in light of the high level of manual processing that MCI WorldCom experienced during the Telcordia test and that other CLECs have experienced.^{9/} Id. ¶ 117. In any event, even SWBT's last minute numbers do not report true flow through. SWBT appears to be calculating flow through only for initial orders, not supplemental orders placed in response to rejects (likely the primary source of manual processing);^{10/} SWBT considers orders to flow through even if they drop out for manual processing after reaching SWBT's back-end system SORD;^{11/} finally, SWBT inflates the number by counting service orders (each N, C, or D) that flow through, rather than each LSR. Id. ¶¶ 117-118.

SWBT may also contend that under the NY Order, manual processing is unimportant. However, while this Commission found Bell Atlantic's use of manual processing was not causing poor performance, NY Order ¶ 169, that is not the case with SWBT. SWBT's high manual processing of rejects has caused delays and errors in return of rejects. Its high manual processing of orders resulted in a significant number of errors during the Telcordia test.^{12/} And

^{9/} During the retest, Telcordia found that 37.68% of orders had a missing customer due date as a result of manual errors, 2% had an incorrect purchase order number, and others orders had a variety of different errors. Readiness Report at 90-91. Thus, during testing at least 37.68% of orders were manually processed.

^{10/} Given the high percentage of LSRs that SWBT rejects and on which CLECs must then submit a supplemental order, it is hard to understand how SWBT's flow through numbers could be as high as it claims they are if it is including such orders.

^{11/} Although SWBT claims that CLEC orders and retail orders are treated identically at this stage, Ham Aff. ¶ 125, no one has audited this claim, and SWBT does not establish that retail orders and CLEC orders fall out at equivalent rates at this stage.

^{12/} In addition, during the UNE-L test, Telcordia found 17 manual errors on the 152 LSRs submitted. Readiness Report, att. A.

its use of the folders process has caused the loss of a significant number of Birch's orders (and the impact of the folders process may not be captured by performance standards in any event). Moreover, the potential harm from manual processing is higher in Texas than in New York. As discussed above, because SWBT's process of creating three service orders is manual in some instances, manual errors by SWBT employees can cause loss of dial tone. Finally, SWBT has not shown that it is capable of handling vastly increased volumes of orders with its current levels of manual processing. Telcordia's capacity test and scalability analysis are not to the contrary. The capacity test only included orders which flowed through the systems, and the scalability analysis made no effort to ascertain the number of likely additional errors caused by increased volumes. McMillon & Sivori Decl. ¶¶ 252-53. In contrast, in New York, the Commission had reason to believe that Bell Atlantic could accurately process manual orders even at higher volumes. NY Order ¶ 163.

SWBT must reduce the number of rejects and order types that are manually processed and eliminate the folders process before gaining approval to offer long distance service.

f. SWBT Is Unable to Successfully Coordinate Cutovers.

SWBT has not yet shown that it can successfully provision loops to CLECs. MCI WorldCom's experience with loop provisioning during the Telcordia test was one of complete frustration. Even though a small number of UNE-L orders were tested, multiple MCI WorldCom customers lost dial tone as a result of mislabeled circuits, a technician erroneously pulling down a circuit, incorrect provisioning of a tie pair, and other reasons. McMillon & Sivori Decl. ¶ 170-79. Other customers were never transferred to MCI WorldCom, were erroneously disconnected

after obtaining service, or erroneously switched to a different CLEC. Id. ¶¶ 180-82. Even Telcordia acknowledged in its final report that, “coordination problems do occur during cutovers.” Readiness Report at 23 (Ham Aff. att. A).

Telcordia concluded that the issues surrounding coordination “are manual in nature and speak to SWBT policies regarding SWBT missed commitments and their impact on subsequent CLEC cutovers scheduled for a particular due date. This issue does not impede the functionality of the orders, but it can impact the timeliness of how orders are processed and provisioned.” Readiness Report at 53 (Ham Aff. att. A (emphasis added)). It is hard to fathom how Telcordia could view a loss of dial tone as not impeding the functionality of the orders or how it could regard issues of timeliness as something to mention but then ignore.

To MCI WorldCom’s knowledge, SWBT has not implemented any systemic fixes to avoid continued problems with coordinated cutovers. McMillon & Sivori Decl. ¶¶ 187-89. AT&T has reported that data it has reconciled with SWBT show that outages occurred on at least 13-15% of AT&T’s September orders for UNE loops with and without number portability, some of which lasted up to three days. Id. ¶ 174; SWBT App. C, Tab 1960, Comments of AT&T Communications Regarding United States Department of Justice Evaluation of the Application of Bell Atlantic, at 7 (Texas PUC Nov. 3, 1999). Even SWBT’s contrary data (SWBT Br. at 99-100) shows a relatively high percentage of outage of between one and two hours. In addition, SWBT’s performance data reveal consistently poor performance on return of FOCs on loop and loop/LNP orders. McMillon & Sivori Decl. ¶¶ 147-55.

MCI WorldCom currently orders loops via the Access Service Request process but would prefer eventually to switch to the LSR process for ordering loops. However, SWBT's problems in provisioning loops, which MCI WorldCom itself experienced during the Telcordia test, make MCI WorldCom reluctant to do so. McMillon & Sivori Decl. ¶ 190. Certainly, the problems make it difficult for any CLEC to compete using a loop strategy.

g. SWBT Cannot Successfully Relate Orders for CLECs.

SWBT fails to provide any means for CLECs to relate orders downstream. Customers frequently request both migration of a line from SWBT and installation of an additional line. CLECs should be able to ensure that these requests are filled simultaneously. McMillon & Sivori Decl. ¶ 137. This ensures that the customer does not have to be home for two separate visits to the premises. Id. It also enables CLECs to properly coordinate their billing. If a customer issues two related orders, MCI WorldCom will not bill the customer until both orders are completed. Id. If SWBT completes the orders at different times, however, it will begin billing MCI WorldCom as soon as it completes the first order. Id. ¶ 137. Thus, any SWBT gap between completion of the first and second orders causes MCI WorldCom to lose revenue. Id.

The industry standards have long provided a means for CLECs to relate orders. Id. ¶ 138. CLECs simply fill out two LSRs and indicate in a standard field that they wish the orders to be related. Id. Nonetheless, SWBT refuses to relate CLEC orders.^{13/} In contrast, SWBT does relate orders on its retail side. Id.

^{13/} SWBT claims to relate CLEC orders that do not flow through SWBT's systems, but SWBT does not seem to relate these orders all the way through to provisioning – the point at which relationship is important for CLECs. McMillon & Sivori Decl. ¶ 139.

Even though SWBT does not relate CLEC orders, MCI WorldCom will fill in the field requesting related orders on those orders that should be related. This is because MCI WorldCom must relate the orders in its systems. But this leads to another problem. If CLECs request that two LSRs be related and one of the two LSRs is rejected, SWBT will then reject the second LSR for “related order not found.” Id. ¶¶ 140-41. If the CLEC has corrected the first LSR in the interim and re-transmitted it, that order will then be rejected for the same reason. Id. ¶ 141. During the Telcordia test, MCI WorldCom had orders repeatedly rejected for related order not found – even though SWBT would not have related the orders through to provisioning in any event. Id. ¶¶ 140-41.

The danger of a vicious cycle of rejects could be avoided if SWBT relied on the process used by other BOCs, such as Bell Atlantic and Ameritech, of holding an order for a fixed period of time when a related order is not found. Id. ¶ 142. CLECs would then have time to re-transmit the related order. Id. ¶ 142. In conjunction with adopting such a change, SWBT should also begin relating all orders downstream when the CLEC requests them to do so.

h. SWBT’s OSS Suffers From Other Systemic Deficiencies.

In addition to the fundamental deficiencies discussed above, SWBT’s systems suffer from a series of more minor deficiencies which in combination significantly hinder a CLECs’ ability to compete.

First, SWBT’s systems are unavailable for too many hours each day. SWBT takes its OSS out of service for several hours each day, precluding CLECs from using those systems. Id. ¶ 225. MCI WorldCom would like to be able to work rejects throughout the day and night, as it

does in commercial operation in New York, to ensure that all orders are completed in a timely fashion. Id. ¶ 226.^{14/} It will not be able to do this in Texas. It will also be unable to submit troubles electronically for several hours per day. If a customer reports a trouble during the time when SWBT's systems are down, MCI WorldCom will have to report that trouble by phone -- with all of the incumbent disadvantages discussed above. Id. ¶ 229. SWBT thus precludes MCI WorldCom from doing business in an efficient manner.

SWBT's decision is entirely unnecessary. There is no reason for its systems to be down each day for as many hours as they are. In New York, for example, Bell Atlantic's systems are scheduled to be available almost all of the time.^{15/} See NY Order ¶ 155 ("Bell Atlantic measures EDI interface availability 24 hours a day"); McMillon & Sivori Decl. ¶ 225. Although this Commission found that Bell Atlantic's OSS was non-discriminatory with an availability of 97.01 percent of non-prime time hours in September, NY Order ¶ 156, SWBT deliberately makes its interfaces unavailable for far longer.

Second, SWBT relies on a deficient process of loss notification. When a CLEC customer migrates to another carrier, CLECs must be informed quickly so that they know to stop billing

^{14/} In a phone call last week, SWBT informed MCI WorldCom that even when its front-end systems are accepting orders, its back-end systems are sometimes down for maintenance. At these times, CLEC orders are placed in a queue. McMillon & Sivori Decl. ¶ 228. This has the potential to create significant problems, however. If the capacity of the queue is too small, CLEC orders can be lost during peak periods.

^{15/} SWBT contends its systems are available a higher percentage of the time than Bell Atlantic's, Ham Aff. ¶ 50, but this comparison is of hours actually available as a percentage of hours the systems are supposed to be available. It ignores the fact that the systems are intended to be available for far fewer hours in Texas than in New York.

the customer. McMillon & Sivori Decl. ¶ 170. Rather than relying on the industry standard method of transmitting loss notifications via EDI, however, SWBT relies on a data stream which it transmits once a day, the day after the loss occurs. Id. ¶ 171. This leads to the possibility of double billing the customer for that day of service. Id. Moreover, because CLECs such as MCI WorldCom receive all other provisioning notices via EDI, it is more difficult to track notices received via the data stream. Id.^{16/} It is also more difficult to decipher the loss notification messages, because the data stream contains a mixture of order status information, not just loss notifications. Id.

Finally, SWBT's pre-order interfaces lack some useful functionality they should include. They lack any functionality related to DID numbers, functionality that is part of the industry standard. Id. ¶ 76. They lack the ability to select a due date and schedule any outside work for anything other than POTS-like services, something that SWBT does not define and which may mean the functionality is not available for ISDN or DSL orders. Id. ¶ 77. The interfaces also do not give CLECs the ability to obtain vanity numbers in an automated fashion. Id. ¶ 78.

2. SWBT's OSS Is Not Operationally Ready

In addition to vital systemic deficiencies, SWBT's OSS is not operationally ready. Rather than demonstrating SWBT's readiness, as SWBT claims, SWBT Br. at 27, both the Telcordia

^{16/} SWBT provides FOCs, rejects, and completion notices via EDI. It also has begun providing jeopardy notifications via EDI. However, SWBT provides no evidence that the jeopardy process is operational. McMillon & Sivori Decl. ¶¶ 165-68. Unlike Bell Atlantic, NY Order ¶ 186, SWBT does not even show that it is providing active jeopardy notices on hot cut orders. The only jeopardy MCI WorldCom received during the Telcordia test was sent after MCI WorldCom specifically requested it. McMillon & Sivori Decl. ¶ 169.

test and SWBT's performance data show that SWBT must make further progress before it can claim to have met the requirements of the Act. Certainly neither is sufficient to demonstrate that SWBT is ready.

a) SWBT's Performance Data Does Not Show That Its Systems Are Ready.

SWBT's performance data cannot show the readiness of its systems, because (i) the volume of orders SWBT is processing is far too small to be a reliable basis for assessing readiness; (ii) the data has not been sufficiently audited; and (iii) the data does not capture key functional deficiencies. As explained above, SWBT is not processing a high volume of UNE-P or UNE-L orders in any given month. McMillon & Sivori Decl. ¶¶ 237-38. Moreover, it is MCI WorldCom's understanding that AT&T placed most of the UNE-Platform orders received by SWBT and that almost all of those were orders to convert AT&T's resale base to UNE-P. Id. ¶ 239. Migrating a CLEC resale customer to UNE-P is far easier than migrating a SWBT customer. Id. The CLEC already has all of the customer data such as the customer's address and features in its own systems. Thus, there is no need for the CLEC to use SWBT's pre-order systems to obtain this information and no need to re-type the information. Id. Because the customer is already the CLECs, the CLEC presumably has continual access to electronic systems to submit trouble reports. Id. SWBT also does not have to switch billing from itself to the CLEC and thus may not use the three service order process on these orders. Id. In addition, it is MCI WorldCom's understanding that SWBT treated AT&T's resale conversion as a "project,"

deliberately hand holding each order. Id. Such hand holding will not be possible at higher volumes. Id.

SWBT's data also has not been sufficiently audited. The Texas PUC, Department of Justice, this Commission and the CLEC industry all rely heavily on SWBT's performance reporting, yet SWBT has every incentive to distort those numbers. The solution is careful auditing of SWBT's performance reporting. Unfortunately, Telcordia only audited the raw data underlying SWBT's reports for only a portion of the metrics, and for some key measures – those implemented after the Telcordia test – Telcordia did not even audit whether SWBT had correctly applied its business rules to the underlying measures. The measures not audited at all included, among others:

PM 10.1 - Percent Manual Rejects Received Electronically and Returned within 5 hours;

PM 11.1 - Mean Time to Return Manual Rejects that are Received Electronically via LEX and EDI;

PM 55.1 - Average Installation Interval - DSL;

PM 55.2 - Average Installation Interval for Loop with LNP;

PM 96 - Percentage Premature Disconnects for LNP Orders.

SWBT's performance data also does not capture key functional deficiencies. SWBT's data does not measure SWBT's change management performance or time on hold at the LOC. It measures flow through only of orders designed to flow through and, even for these orders, does not measure flow through after the orders have reached SWBT's SORD system.