

**DECLARATION OF
NANCY DALTON and SARAH DEYOUNG
ON
BEHALF OF AT&T CORP.**

ATTACHMENT 31

Accessible



SOUTHWESTERN BELL – Clarification of Receipt of Error Reject and Jeopardy Notices

Date: November 1, 1999

Number: **CLECSS99-145**

Contact: Southwestern Bell Account Manager

This Accessible Letter provides a clarification to LSOR Version 3.6 regarding SWBT Responses in Section 5 – Error Reject Notices and Jeopardies.

1. A sentence will be added to Error Reject Notices, Section 5.5, with the next LSOR update that states:

“Error Reject Notices (e.g. LSXXXX, MRxxxx or SDXXXX error numbers) may be sent mechanically to the CLEC for resolution.”

2. A sentence will be added to Jeopardy Notices, Section 5.3, with the next LSOR update that states:

“Jeopardy Notices may be sent to CLECs mechanically during the provisioning and/or installation process.”

The request for additional Jeopardy Notices and for the CLEC to only receive Jeopardy Notices after receipt of confirmation will continue to be handled via the Change Management Process.

Questions should be directed to your Account Manager.

**DECLARATION OF
NANCY DALTON and SARAH DEYOUNG
ON
BEHALF OF AT&T CORP.**

ATTACHMENT 32

1 sir, it is.

2 MS. MASEWICH: If it's 30
3 lines hunting.

4 MS. HAM: But it's manual
5 for our retail sites. We don't have an
6 OSS.

7 Now, if they're using LEX, it's
8 over 30 lines. It's 999 lines. So they
9 could do a resale business in LEX and
10 convert an account that has 999 lines. Is
11 that correct?

12 MS. BALDWIN: I have a
13 question. Rebecca Baldwin, American Telco.

14 Along with what's being discussed
15 currently with Business EASE -- and you
16 indicated that LEX is able to process more
17 on an account that has more than 30 lines.
18 Again, I'd like to hear from one of you as
19 to what type of orders that can and cannot
20 be processed through Business EASE. It has
21 been our experience at American Telco that
22 only simple orders, such as hunting lines
23 and single lines, are processed through
24 Business EASE. And, in addition, when you
25 have a complex order with a simple order

KENNEDY REPORTING SERVICE, INC.

(512) 474-2233

1 customer falls under the complex scenario,
2 what is the process that we would take as
3 CLECs to be able to accomodate that
4 customer for conversion?

5 MS. HAM: Nancy can explain
6 that.

7 MS. LOWRANCE: You'd contact
8 the single point of contact that we have
9 for American Telco, for instance, to
10 process that order.

11 MS. BALDWIN: So, in other
12 words, it's like manual fax with the
13 instructions?

14 MS. LOWRANCE: Yes.

15 MS. BALDWIN: Okay. Well,
16 just for the record, I just wanted to point
17 out to you that American Telco's experience
18 has been that we have manually faxed all of
19 our orders, whether simple or complex, to
20 the LSC, and the reason for that is because
21 we have had numerous challenges with the
22 OS2 system and access violations that I've
23 been working through with Kevin Tillotson
24 (phonetic) of the IS center in St. Louis,
25 and it has been our experience, going to

KENNEDY REPORTING SERVICE, INC.

(512) 474-2233

1 criteria that falls into that, we have
2 experienced that we can convert only the
3 simple side of it, but not the complex side
4 of it, and hence we are provided with two
5 different due dates, which means it affects
6 the way that the customer, meaning us, the
7 CLEC, is going to be billed, and also it
8 creates workload at our end to be able to
9 make sure that the customer gets converted
10 at the same time. Okay? So I'd like to
11 hear what types of orders cannot be
12 processed through Business EASE.

13 MS. MASEWICH: Okay. I'll
14 take that one. Again, in Business EASE, we
15 don't do a lot of complex. We do the POTS
16 line, again, one through 30 hunting. We do
17 a basic Plexar 1, and we have just -- well,
18 it's been in there probably about eight or
19 nine months -- a modified version of ISDN,
20 new connect, non-design. So -- and that
21 really encompasses Business EASE. I mean,
22 we don't do trunks, circuits, ISDN

23 designed. We don't do service changes on
24 ISDN, DID, PBX or any of those complex --

25 MS. BALDWIN: So if a

KENNEDY REPORTING SERVICE, INC.

(512) 474-2233

1 the error rate situation, that, first of
2 all, 50 percent of our orders fall into
3 complex. So we do have to manually fax
4 everything to Southwestern Bell, and of
5 those, I have tracked and seen that the
6 error rate is quite high. I pulled up an
7 order status report on all of our errors
8 that were made, and we had 820
9 negotiations, meaning orders. Of that, 550
10 were in error status.

11 MS. HAM: Well, what are you
12 doing to fix those?

13 MS. BALDWIN: Well,
14 basically -- I'm basically calling our
15 representatives at the LSC center that
16 handle our account to find out what's going
17 on there, but really it's a question to
18 Southwestern Bell since Southwestern Bell
19 is negotiating our orders for us since we
20 are not going into Business EASE to
21 negotiate them ourselves.

22 MS. HAM: Let's make a ver:
23 clear distinction here. Southwestern Bell
24 does not negotiate your orders. You
25 negotiate your order with your customer.

KENNEDY REPORTING SERVICE, INC.

(512) 474-2233

1 We may be inputting your order for you, but
2 we're not negotiating.

3 MS. BALDWIN: Well, that's
4 what I mean.

5 MS. HAM: Okay. There is a
6 big distinction, and I guess I'd ask what
7 you're doing to work with the LSC.
8 Certainly you're calling the right person
9 on the system error piece of it, and your
10 50 percent market share that you've chosen
11 to serve isn't served by any OSS. That
12 same market share that we serve in our
13 retail side has no OSS. So I would expect
14 that whoever your LSC contact is is working
15 closely with you because we don't want the
16 errors. We want our money. So making it
17 easier for us to get our money from you is
18 just as important as it is for you to get
19 your money from the end user.

20 MS. BALDWIN: That is
21 correct.

22 MS. HAM: So I would have to
23 say we're working as diligently as you are
24 to get those errors corrected. So I
25 appreciate the comments.

KENNEDY REPORTING SERVICE, INC.
(512) 474-2233

1 them?

2 MS. BALDWIN: We should get
3 a call from them.

4 CHAIRMAN WOOD: Okay. So
5 that was Commissioner Walsh's question,
6 Nancy, to you a moment ago. What's the
7 process, and what internally have you-all
8 set up so that -- when you get an error on
9 the manual fallouts, how is that contact
10 made back to the LSP?

11 MS. LOWRANCE: First of all,
12 we attempt to correct the error ourselves.
13 So that could be somewhat of the delay is
14 that we're trying to correct that error
15 ourselves. The next step -- if we find
16 that we can't do that, then we go back to
17 the CLEC, and there are several ways by
18 which we do that, and one of them is the
19 telephone call, and one of them is a
20 disposition log where we actually turn it
21 back around and say, in a choice of very
22 standard verbiage, "Here's what we believe
23 to be the problem." Okay? And we turn
24 that back around to them. That's really
25 determined based on the CLECs themselves

KENNEDY REPORTING SERVICE, INC.
(512) 474-2233

1 MS. BALDWIN: Just
2 basically, to represent that, the orders
3 were being input by Southwestern Bell at
4 100 percent, and out of 100 percent, we
5 were looking at anywhere from 50 to 60
6 percent of our orders in error status.

7 MS. HAM: Okay. But our
8 point is that doesn't mean we created the
9 error. The error may have been on the
10 information you provided us. So there is a
11 distinction.

12 MS. BALDWIN: I can agree to
13 an extent, but I think that would be
14 basically an isolated situation or types of
15 situations. A conversion as-is is a
16 conversion as-is, and that's what we're
17 basically experiencing. It's just no
18 changes, just conversion as-is, and we're
19 still finding the error rates.

20 MS. HAM: Okay. Thank you.

21 CHAIRMAN WOOD: Wait.
22 Let me follow up on that. When do you get
23 notification from them that there's an
24 error? Do you have to call and just look
25 on your screen, or do you get a call from

KENNEDY REPORTING SERVICE, INC.
(512) 474-2233

1 and whether they want telephone calls,
2 which they do in some cases, or whether
3 they want it on a disposition log in
4 writing.

5 CHAIRMAN WOOD: I mean, is
6 that the kind of thing where we're talking,
7 like, an hour or a day or a week? What's
8 kind of -- is there an expectation out on
9 your floor that, when her folks send a fax
10 to you, how quickly that has to be input
11 and turned around?

12 MS. LOWRANCE: Yes, sir.
13 Certainly the intent and the way the
14 process is designed out here is as soon as
15 we have notification and it's something
16 that we cannot fix, then they are to go to
17 the CLEC to get that resolved. That's just
18 the standard process by which we utilize.

19 CHAIRMAN WOOD: Just say
20 there's a time stamp on the top of her fax
21 that says 2:00 in the afternoon. Does that
22 -- is there someone that -- I mean, I know
23 this is tedious, but is there someone that
24 sits by the fax and --

25 MS. LOWRANCE: Let me walk

KENNEDY REPORTING SERVICE, INC.
(512) 474-2233

**DECLARATION OF
NANCY DALTON and SARAH DEYOUNG
ON
BEHALF OF AT&T CORP.**

ATTACHMENT 33

266-7

OPEN MEETING

DOCKET NO. 16251

PUBLIC UTILITY COMMISSION

OCTOBER 20, 1999 VOL. 1

KENNEDY REPORTING SERVICE, INC.

(512) 474-2233

KENNEDY

REPORTING

SERVICE

a record of excellence

500 Brazos • Suite 340 • Austin, Texas 78701 • 512-474-2233

Page 9

1 One of the things that people have said
2 is that we basically didn't deal with
3 provisioning. Now, it's true that the focus of
4 the OSS readiness is on the systems that are
5 directly involved in OSS readiness. That's the
6 preordering and ordering systems that are
7 handling LSRS. However, there was great concern
8 and great -- great concern about how things
9 would actually be provisioned through the LSR
10 process into Southwestern Bell's service order
11 process and how the provisioning actually worked
12 out.

13 What we did in the initial test for UNE
14 loop was we looked at SOCs and said, okay, if
15 the SOC appeared and if there was no input to
16 the contrary, we expected that the order was
17 provisioned. After some discussion at the end
18 of the initial test, we decided that it would be
19 better -- this is a joint decision between us
20 and some of the CLECs and the Commission -- that
21 it would be better if we could verify both the
22 Southwestern side, which we did for all testing;
23 initial, retest, all testing, as well as some of
24 the operations on the CLEC side so we could be
25 sure if something has occurred that we would be

Page 10

1 able to see it in all different aspects, and the
2 same thing is true with UNE-P except for the
3 difference that in the case of UNE-P there are
4 "friendlies," and that's a little bit different
5 from the EDL case. We're dealing strictly with
6 the UNE-L CLEC. Next viewgraph.

7 Manual handling, manual processing was
8 of great concern to us, and we looked at it
9 thoroughly throughout the process of our
10 analysis, and so we don't want that not to be
11 emphasized here in this report or in this talk.

12 We looked at error messages to see that
13 they were accurately reflecting whatever the
14 condition might have been that caused the error,
15 the timely return of them and the training
16 processes. We looked at both LSC and CSB to see
17 how order handling were different -- manual
18 handling an order between retail and the CLEC.
19 and one of the things that's in the Southwestern
20 Bell five-state flow-through document is a
21 specification of which orders can be manually
22 handled and which orders can be mechanically
23 handled; i.e., are eligible for processing
24 through MOG. Next viewgraph.

25 We also looked at the impact of -- on

Page 11

1 service of the various things that happened
2 during the test. One of the issues that has
3 been probably mentioned and that we were very
4 anxious to get to the bottom of was claims of
5 lost dial tone. We did find one in UNE-L and
6 that was identified as a technician error by a
7 Southwestern Bell person. You can read the
8 explanation of the UNE-P. Basically what we're
9 showing is that there was no detected problem in
10 the Southwestern Bell OSSs for this.

11 Now, in addition to loss of dial tone,
12 there was also a claim of delayed dial tone, and
13 we think the effect of these are captured in the
14 performance measures, and we also observed them
15 directly. So we know in our control testing
16 exactly how many of these are -- when something
17 happened, one of the things that we also would
18 look at is methods and procedures to make an
19 independent judgment of whether the methods and
20 procedures that were in place would in fact have
21 led to a resolution of the issues sometimes had
22 they been followed. Other times, they were
23 assessed, and, yes, they were followed, and,
24 yes, things worked out, so both in the positive
25 case and in the error case.

Page 12

1 One last thing that I want to say about
2 this is sometimes during the test we didn't get
3 evidence of direct CLEC proactive measures for
4 some of the problems that were occurring. I
5 don't want to go into this at this point, but
6 I'm sure that will be something that will want
7 to be aired later. Basically, if there is a
8 problem, we would expect people to be very
9 proactive in applying resolution to it.

10 Okay. Now, I'm on to -- the report is
11 in. You have all seen the report. One thing I
12 would want to make sure is we did publish an
13 erratum, and what the erratum did in terms of
14 the issues list is the numbers are changed a
15 little bit. So hopefully you're all in
16 possession of an issues list that shows 38 items
17 yet to be closed. That would be from the
18 erratum.

19 Besides the final report, there was
20 also a change management report that was part of
21 a separate but time -- same-time Telcordia
22 effort, and that's available also on the Web
23 site in case some of you have not seen it. In
24 that report, there are five issues that were
25 also pending, and I'll talk about the status of

**DECLARATION OF
NANCY DALTON and SARAH DEYOUNG
ON
BEHALF OF AT&T CORP.**

ATTACHMENT 34

OCT 22 1999

266-7

OPEN MEETING

DOCKET NO. 16251

PUBLIC UTILITY COMMISSION

OCTOBER 20, 1999 VOL. 1

KENNEDY REPORTING SERVICE, INC.

(512) 474-2233

KENNEDY
REPORTING
SERVICE

a record of excellence

500 Brazos • Suite 340 • Austin, Texas 78701 • 512-474-2233

Page 33

1 doing commercial volume of xDSL to test that at
2 a level high enough so we have statistically
3 valid results, and I think that test should
4 include a look at how Southwestern Bell is
5 provisioning its own DSL loops, what system it's
6 using now, and also a review of the electronic
7 process, which I understand that they are about
8 to implement that would have an electronic
9 process to get loop make-up information, and
10 that then having looked at the retail and then
11 looked at the CLEC side, to come to some
12 conclusion on the result of that test.

13 The second area of concern that I have
14 that I think is critical before I could go
15 wholeheartedly forward is that the -- somewhat
16 tied up in No. 1 and somewhat in No. 7, and it
17 has to do with the issue of scalability, and
18 that feeds into the issue of Southwestern Bell's
19 personnel understanding and implementing all the
20 different various methods and procedures and
21 what-have-you that are in the documentation, and
22 my specific concern really relates to the level
23 of fallout to manual handling as compared to the
24 number of test orders that were put through here
25 and the level of human area -- human error that

Page 34

1 was service affecting in terms of the size of
2 this test.

3 In my private briefing, I asked
4 Telcordia whether they stepped back and looked
5 at the level of manual fallout and the number of
6 human errors compared to the test orders and
7 how, if that's statistically valid, then it's
8 scaled up if you do commercial volume. It's
9 manageable if you only have 1,000 orders and you
10 have enough around to handle some, but if you
11 have 30,000 orders and you have the same
12 statistically valid level, you're not going to
13 be able to provision with a response time that
14 won't cause the CLECs to look like they don't
15 know what they're doing in the market, and they
16 said they really did not look at that issue that
17 way.

18 So I think that in terms of looking at
19 the scalability, I would like to have that
20 looked at, and one of the other things that
21 concerned me about the human error is that in
22 terms of clearing that, it appeared that if an
23 individual made a mistake, then that individual
24 sort of had the process explained to them, and
25 then in the retest it was in fact executed

Page 35

1 properly, but to me the real issue is with the
2 documentation that's there, if there's a
3 percentage of human error that occurs, it scales
4 up. Does that level of human error at
5 commercial volumes really cause big problems in
6 terms of scalability? So that, I think, we need
7 to take a look at and see whether it really does
8 affect whether or not this thing is scaled, and,
9 also, to couple that in with, if it is a
10 problem, the issue of making sure that this
11 training and what-have-you is sufficient or the
12 changes in process, if it was a faulty process,
13 really gets out there to all the employees and
14 particularly as you scale up and you have new
15 employees who. I would assume, would have more
16 difficulty in getting up to speed on these
17 things.

18 So that kind of covers 1 and 7 that I
19 think really do need to be looked at and get a
20 little bit more comfort level that we're okay on
21 those.

22 The third issue has to do with the
23 performance measurement. I guess there's a
24 general concern and then two subsets of that,
25 and the general concern is that from the very

Page 36

1 outset we've always said that we have to have
2 three months of satisfactory data before we can
3 get the yes, and I think that this -- we've had
4 just an insurmountable amount of data, and I
5 know that the staff has now said they don't have
6 the manpower to actually do Tier-1, but I think
7 in looking at whether or not the MOU
8 requirements of 90 percent on Tier-2 have been
9 met, they just need more time to look at this
10 data. They need to assess how to look at it and
11 evaluate it, both quantitatively and
12 qualitatively. I think it would help if they
13 had an opportunity to perhaps get some CLEC
14 input and then, you know, spot check and
15 cross-check some of the data. I think it would
16 be helpful.

17 September is another month. So you
18 have more data points to look at and can really
19 see whether or not the performance measures have
20 been satisfied. I think as two subsets of that
21 would be to really think about critical measures
22 and just going back to the whole issue of manual
23 handling, not only manual fallout and human
24 error, which certainly the Telcordia tests
25 looked at at some level, but also the area of

1 But when you are talking about response
2 time sort of depending on back office systems, I
3 want to understand that better, too, but to look
4 at if you extrapolated from that the error and
5 manual problems that you had on the test and you
6 sort of extrapolated that up to whatever volumes
7 you are talking about and that it would
8 replicate itself, what exactly would that do to
9 response time -- and whether, in fact, you could
10 say that the increase in number of people and
11 just the whole difficulty of taking things and
12 processing them manually in volumes -- it's sort
13 of like if five people can build a house in a
14 100 days, can 100 people build it in five I
15 guess? And I don't know whether Telcordia wants
16 to undertake that evaluation or not, but I think
17 it is something that I am interested in.

18 COMM. PERLMAN: Let me ask a
19 question about that. How much of that was
20 looked at under this for staffing model? It
21 seems to me when you evaluated the ability to
22 scale to meet demand, did you consider the
23 manualness of the process in terms of how you
24 scaled and looked at Southwestern Bell's ability
25 to bring people in to handle that volume and

1 quickly staffing up. And what we found was that
2 there was capability for handling this sort of a
3 thing.

4 One way you can look at this -- of
5 course, we are looking at historical data at
6 this point and existing procedures. One way you
7 can look at this, which we did, was we also
8 asked Southwestern what would the response be in
9 terms of disaster recovery. We in no means
10 consider that what we are talking about here to
11 be a disaster. But, again, what happens in a
12 disaster is either you have a great deal of
13 additional demand unanticipated right away or
14 you could even have physical damage or whatever
15 to the facility that provides support.

16 And we found that Southwestern's
17 procedures were adequate in these areas. Now,
18 that's an area for if we are dealing with a
19 situation where all of a sudden there is an
20 unexpected peak in demand. The other aspect
21 that we are dealing with is over time if
22 business expands, what is going to happen in
23 terms of hiring new people on some sort of a
24 regular growth basis?

25 We did not look at regular growth in

1 what the impact of additional people would be?
2 Is that considered in the force model that you
3 did or somewhere else within the test?

4 MR. SIEGEL: Jon, we can also try
5 to get Anthony on the phone if he can give a
6 little more detail.

7 MR. RYDER: Let me respond to
8 Commissioner Perlman, and we will see how that
9 goes. One thing that we were concerned about in
10 terms of looking at Southwestern Bell
11 scalability on the staffing front was what would
12 happen in case there was an unexpected surge in
13 demand. And it is very easy to see how there
14 could be such an unexpected surge in demand
15 because a CLEC might run a massive sales
16 campaign or whatever, focus on, let's say, a
17 particular area in Southwestern Bell. And this
18 could cause the volume to go from some steady
19 level up to a higher level on a relatively short
20 time frame.

21 We looked at the provision that
22 Southwestern Bell had for handling these kinds
23 of things, and this is in terms of their
24 documentation done also with the staff who would
25 actually be involved in bearing the brunt of

1 employment in Southwestern Bell. We
2 concentrated on the issue of if there was an
3 unexpected demand, and as I said before, we
4 found that to be adequate. We thought that was
5 the most important issue.

6 CHAIRMAN WOOD: So the responses
7 that you are giving relate to the ability of
8 you-all to upgrade the hardware to handle
9 increased volumes through the mechanical
10 ordering system. Correct?

11 MS. CULLEN: Correct.

12 CHAIRMAN WOOD: And, Jon, you had
13 just mentioned that you-all had found that it
14 was adequate and I believe you also mentioned in
15 your report today for the unexpected increase in
16 demand. Does that account for the fact also
17 that X percent of this stuff just has to be
18 handled manually either from the get-go or
19 because of normal fallout percentages?

20 MR. RYDER: One of the questions
21 that Commissioner Walsh was very interested in
22 pursuing -- let me make sure I get it correct; I
23 think I will -- is, okay, you observed in the
24 test that there were manual errors of various
25 sorts. And obviously as you scale up from test

Page 73

1 volumes or low commercial volumes to higher
2 volumes, if the error rate stayed the same, then
3 you would be very concerned about can we handle
4 this very high error rate as well as the total
5 volume. I think that's a reasonable --
6 COMM. WALSH: I asked whether
7 you-all had evaluated that, taken all the errors
8 and looked at them in the aggregate, and you
9 said no.
10 MR. RYDER: That's correct.
11 COMM. WALSH: And my question
12 really went to at volume -- I mean, you can
13 scurry around and hit your response time if
14 things fall out that shouldn't or if human
15 errors are made. But if that scales up, too, I
16 don't think that there has been any evaluation
17 of how that will affect response time and what
18 it will do and whether you can really say unless
19 the error rate is such that the CLECs could
20 count on this thing as being scaled on the sense
21 of their customers' perception on the quality of
22 the service.
23 CHAIRMAN WOOD: The types of
24 things that fall out to manual or start out
25 manual are what? I have seen a list before, but

Page 74

1 kind of refresh me on what those are.
2 MR. RYDER: Judy, or, Mike, do you
3 want to -- who is going to talk? This is Mike
4 Hall from Telcordia.
5 MR. HALL: Hello. I will speak
6 for UNE loops. In that particular case,
7 coordinated loops are the first that require
8 manual handling.
9 CHAIRMAN WOOD: What is a
10 coordinated loop?
11 MR. HALL: A coordinated loop is a
12 loop where the CLEC and Southwestern Bell both
13 must participate in the provisioning of that
14 service. When the order is issued, the
15 coordinated hot cut on the field is marked on
16 the local service request, and from that point
17 forward, it goes into a manual processing design
18 flow.
19 Other criteria that constitute manual
20 handling would be loops that are 20 or greater
21 that must be provisioned, loops where there are
22 two fatal rejects and a third order is issued.
23 So if there are two fatal rejects, then it will
24 fall out to manual handling. Others are
25 candidates or orders that are not MOGable such

Page 75

1 as outside loops. Suspends and restores, as
2 Judy Nix from Telcordia told me, are also in
3 that category.
4 So there are a set of criteria or there
5 are a set of conditions that automatically say
6 certain loops are not or will fall out to manual
7 handling. That is the starting point that you
8 use if you are trying to evaluate what is the
9 effort that is going to be required.
10 CHAIRMAN WOOD: And for things
11 other than UNE loop, Judy --
12 MS. NIX: Basically those that are
13 not MOGable.
14 CHAIRMAN WOOD: Which would
15 include what type of things?
16 MS. NIX: If there is a conversion
17 order, some types of conversion orders that are
18 not as is, that have additions to them, your
19 suspends and restorals.
20 CHAIRMAN WOOD: Tell me what that
21 is.
22 MS. NIX: If you have a customer
23 that hasn't paid a bill, you suspend their
24 service, and then once the bill is paid, you
25 restore. That would be another issue.

Page 76

1 CHAIRMAN WOOD: So that would be
2 handled manually then.
3 MS. NIX: Yes, yes.
4 CHAIRMAN WOOD: Conversions with
5 additions, if you're a customer and you've got
6 service with call waiting. When you switched to
7 the CLEC, you want to drop call waiting and add
8 caller ID. Is that a manual or is that --
9 MS. NIX: You caught me off guard
10 here.
11 MR. HAM: Liz Ham for Southwestern
12 Bell. No, that's MOG eligible. The orders that
13 don't flow through, are in this manual process,
14 are generally complex orders and then those
15 issues that Mike talked about. The Centrex type
16 or the orders over a certain amount, 30 lines,
17 those types that don't flow.
18 COMM. WALSH: There were some that
19 fell out that you didn't expect to fall out. I
20 think. I would also like for you to comment for
21 me on the hot cuts. For a CLEC you have a hot
22 cut where you are trying to coordinate
23 Southwestern Bell and the CLEC people where you
24 get everything coordinated so you don't lose
25 dial tone and everything happens at the same

FINAL ORDERS/OPEN MEETING

TELEPHONE ISSUES

PUBLIC UTILITY COMMISSION

OCTOBER 21, 1999 (VOL. 2)

(A.M.)

(P.M.)

KENNEDY REPORTING SERVICE, INC.

(512) 474-2233

KENNEDY

REPORTING

SERVICE

a record of excellence

800 Brazos • Suite 340 • Austin, Texas 78701 • 512-474-2233

Page 445

1 Model by doing special studies which are geared
2 towards these, you know, special
3 introductions -- you know, market introductions,
4 things of that nature.
5 As far as the overview, that's about
6 what I would like to say for now. I covered the
7 monitoring of the LSC briefly. I covered the
8 scalability and Force Model briefly. At this
9 point I'll stop for a moment. Perhaps you can
10 collect your thoughts. If you have questions, I
11 would be happy to answer them at this time.
12 CHAIRMAN WOOD: If we were to
13 take the recent performance --
14 MR. STALGAITIS: I'm sorry. I
15 can't -- I couldn't hear you there.
16 CHAIRMAN WOOD: If we were to
17 take the recent performance and extrapolate that
18 per the Southwestern Bell algorithm or formula
19 or whatever, to the next three to six months,
20 would you be able to -- and assuming, of course,
21 an increase in CLEC traffic, is there a way to
22 generate an actual number as to how many new
23 people -- I mean, Ms. Ham, you-all may have
24 that, too.
25 Was that done in the context of the

Page 4-

1 that's required by line of business, and in the
2 calculations -- the calculations are quite
3 detailed. The calculations are backed up by
4 historical data. There are factors in there,
5 adjustments in there for many, many things.
6 Some of the factors in the
7 adjustments -- for example, an order comes in,
8 and it may generate one or more service orders.
9 So there's factors in there that -- for a type
10 of business, you know, would predict that one
11 request may generate multiple service orders.
12 There's factors in there that account for
13 percent of mechanization. There's factors in
14 there that account for error rates. There's
15 factors that account for error rates on the part
16 of the CLECs, error rates on the part of the
17 LSC. There's minutes per pass or --
18 CHAIRMAN WOOD: I think I got
19 what I needed. Can you-all --
20 COMM. WALSH: I have a question
21 related.
22 CHAIRMAN WOOD: Go ahead.
23 COMM. WALSH: In terms of the
24 experience in the test and in the historical
25 data as well, I guess, where you have manual

Page 446

1 test, or, I mean, did you-all model some real
2 scenarios or just confirm that the formula
3 generates the appropriate --
4 MR. STALGAITIS: Well, if I could
5 just speak for a bit about the 1999 Force Model
6 -- and I looked at two quarterly updates and the
7 monthly data that supports that. The
8 information is quite detailed. I have paper
9 copies. I myself don't have the -- you know,
10 the systems -- the automated systems or the
11 tools that are used to generate. So I
12 personally couldn't plug numbers in and give you
13 an answer, but I'm sure Southwestern Bell could,
14 but with respect -- and I'll talk about the LSC
15 here for a moment.
16 There's similar procedures and
17 processes and tools in place for the LOC, but in
18 terms of the LSC, the Force Model looks at
19 actual performance over, you know, recent
20 history. You know, for example, one of the
21 sheets I have in front of me here is -- you
22 know, this sheet is going back to the beginning
23 of the year. So there's six months of history,
24 and there's projections out for another six
25 months in terms of the specific head count

Page 44

1 fallout, and we also have human error issues, my
2 question initially on this was that if you go to
3 full commercial volumes and if you have this
4 same sort of statistical experience on those
5 kind of issues, whether or not, even if you add
6 additional people, that it truly is possible
7 then to deal with all that manual processing and
8 not so much whether it can be done, but to
9 project what the magnitude of that would be and
10 to evaluate what effect it might have on
11 response time in terms on how the CLECs
12 experience quality of service.
13 MR. STALGAITIS: I'm not sure I
14 heard a question in there. Could you repeat the
15 question?
16 COMM. WALSH: Yes. In terms of
17 the experience that occurred in the test and
18 also in just the historical experience as to the
19 amount of manual fallout and the amount of human
20 error that's being experienced now, that if you
21 assume that that is statistically valid and that
22 would continue to occur when you get to
23 commercial volumes, that -- even with modeling
24 of adding additional people, whether the
25 magnitude of that type of manual handling would

**DECLARATION OF
NANCY DALTON and SARAH DEYOUNG
ON
BEHALF OF AT&T CORP.**

ATTACHMENT 35

OPEN MEETING/FINAL ORDERS

TELEPHONE ISSUES

PUBLIC UTILITY COMMISSION

NOVEMBER 4, 1999

KENNEDY REPORTING SERVICE, INC.

(512) 474-2233

KENNEDY

REPORTING

SERVICE

a record of excellence

800 Brazos • Suite 340 • Austin, Texas 78701 • 512-474-2233

TRANSCRIPT OF PROCEEDINGS
BEFORE THE
PUBLIC UTILITY COMMISSION OF TEXAS
AUSTIN, TEXAS

IN THE MATTER OF THE OPEN MEETING)
OF THURSDAY, NOVEMBER 4, 1999)

OPEN MEETING
THURSDAY, NOVEMBER 4, 1999

BE IT REMEMBERED THAT AT 9:30 a.m., on
Thursday, the 4th day of November 1999, that the
above-entitled matter was heard at the Offices
of the Public Utility Commission of Texas,
William B. Travis Building, 1701 North Congress
Avenue, Commissioners' Hearing Room, Austin,
Texas, before CHAIRMAN PATRICK HENRY WOOD III
and COMMISSIONERS JUDY WALSH and BRETT PERLMAN;
and the following proceedings were reported by
Lou Ray, William C. Beardmore, Nancy Salinas and
Michelle Bulkley, Certified Shorthand Reporters
as:

TABLE OF CONTENTS		Page
AGENDA ITEM NO. 6		
PROJECT NO. 20956 - IMPLEMENTATION OF SB 560		255
AGENDA ITEM NO. 7		
PROJECT NO. 21166 - REPORT TO THE 77th LEGISLATURE ON THE AVAILABILITY OF ADVANCED SERVICES IN RURAL AND HIGH COST AREA; PROJECT NO. 21167 - REPORT TO THE 77th LEGISLATURE ON THE SCOPE OF COMPETITION IN THE TELECOMMUNICATIONS MARKET; PROJECT NO. 21168 - REPORT TO THE 77th LEGISLATURE ON INTRASTATE SWITCHED- ACCESS RATES		258
AGENDA ITEM NO. 8		
PROJECT NO. 20935 - IMPLEMENTATION OF HB 1777		Not Heard
AGENDA ITEM NO. 9		
PROJECT NO. 17709 - REVIEW AND REPEAL OF SS23.95 RELATING TO VOTING PROCEDURES FOR PARTIAL DEREGULATION OR REVERSAL OF PARTIAL DEREGULATION OF TELEPHONE COOPERATIVES AND PROPOSED NEW SS26.172 TO REPLACE SS23.95		Consented
AGENDA ITEM NO. 10		
PROJECT NO. 21163 - RULEMAKING TO AMEND TEXAS UNIVERSAL SERVICE FUND RULES TO COMPLY WITH SENATE BILL 560		274
AGENDA ITEM NO. 11		
PROJECT NO. 21174 - RULEMAKING TO ADDRESS COA/SPCOA SWITCHED ACCESS RATES		274
KENNEDY REPORTING SERVICE, INC. (512)474-2233		

TABLE OF CONTENTS		Page 2
PROCEEDINGS, THURSDAY, NOVEMBER 4, 1999 9		
AGENDA ITEM NO. 1		
PROJECT NO. 16251 - INVESTIGATION INTO SOUTHWESTERN BELL TELEPHONE COMPANY'S ENTRY INTO IN-REGION InterLATA SERVICE UNDER SECTION 271 OF THE TELECOMMUNICATIONS ACT OF 1996; PROJECT NO. 19000 - RELATING TO THE IMPLEMENTATION OF SBBT'S INTERCONNECTION AGREEMENTS WITH AT&T AND MCI; PROJECT NO. 20000 - OPERATIONS SUPPORT TESTING RELATING TO THE INVESTIGATION INTO SOUTHWESTERN BELL TELEPHONE COMPANY'S ENTRY INTO THE InterLATA COMMUNICATIONS MARKET IN TEXAS; PROJECT NO. 21000 - INFORMAL DISPUTE RESOLUTION FOR ISSUES RELATING TO OPERATIONAL SUPPORT SYSTEMS		10, 335
AGENDA ITEM NO. 2		
PROJECT NO. 18515 - COMPLIANCE PROCEEDING FOR IMPLEMENTATION OF THE TEXAS HIGH COST UNIVERSAL SERVICE PLAN		250
AGENDA ITEM NO. 3		
PROJECT NO. 18516 - COMPLIANCE PROCEEDING FOR IMPLEMENTATION OF THE SMALL AND RURAL ILEC SERVICE PLAN		250
AGENDA ITEM NO. 4		
PROJECT NO. 19655 - IMPLEMENTATION OF P.U.C. SUBST. R. 23.150(f) AND (g)		250
AGENDA ITEM NO. 5		
INFORMATIONAL NOTICE FILINGS MADE PURSUANT TO SB 560		Not Heard
KENNEDY REPORTING SERVICE, INC. (512)474-2233		

TABLE OF CONTENTS		Page 4
AGENDA ITEM NO. 12		
DOCKET NO. 21011 - COMPLAINT OF MCI WORLDWIDE AGAINST SOUTHWESTERN BELL TELEPHONE COMPANY REGARDING REVERSE DIRECTORY ASSISTANCE		Not Heard
AGENDA ITEM NO. 13		
DOCKET NO. 15101 - COMPLAINT OF PLEXNET, INC., AND DFW DIRECT AGAINST GTE SOUTHWEST, INC.; DOCKET NO. 15116 - COMPLAINT OF VIRTUAL COMMUNICATIONS, INC., AGAINST GTE SOUTHWEST, INC.		275
AGENDA ITEM NO. 14		
PROJECT NO. 18438 - NUMBER CONSERVATION MEASURES IN TEXAS; PROJECT NO. 20316 - RELATING TO THE ACTIVITIES OF THE NORTH AMERICAN NUMBERING PLAN ADMINISTRATION (NANPA); PROJECT NO. 16091 - IMPLEMENTATION OF LOCAL NUMBER PORTABILITY		Not Heard
AGENDA ITEM NO. 15		
PROJECT NO. 20126 - IMPLEMENTATION OF AREA CODE RELIEF IN PROJECT NO. 16901; PROJECT NO. 20057 - NUMBERING PLAN AREA RELIEF PLANNING FOR THE 409 AREA CODE; PROJECT NO. 20699 - NUMBERING PLAN AREA RELIEF PLANNING FOR THE 817 AREA CODE		Not Heard
AGENDA ITEM NO. 16		
DOCKET NO. 21191 - APPLICATION OF UNIVERSAL ACCESS, INC., FOR A SERVICE PROVIDER CERTIFICATE OF OPERATING AUTHORITY		Consented
KENNEDY REPORTING SERVICE, INC. (512)474-2233		

Page 37

with an agenda, with things that you want to look at and you want to assure that there's a mechanism in place.

Now, mechanism is a series of things. It's not just one thing. So you look at the item under question from many different aspects, and that's what we did. One of the first things we did was we -- as I mentioned earlier, we wanted to make sure that the Force Model included all the manual activities of the job functions and it included the various and -- the adjustment factors that would be needed.

For example, how are rejects -- manual processing of rejects handled? Are all manual processes handled that, you know, occur within the local service center, LSC? Are error processing handled or supplemental orders handled? And we confirmed, in fact, that those factors and manual processes were included in the model that's used routinely, monthly and quarterly as well as in the special studies.

The second thing we did was to confirm that the process standards and the estimation -- the estimations of adjustment factors were based on sound techniques. We investigated to see

KENNEDY REPORTING SERVICE, INC.
(512)474-2233

Page 39

appropriate and mathematically correct? We actually looked at the model standing over someone's shoulder looking at the calculations and, you know, performed some "what if" scenarios and certain of the calculations to see if the results were appropriate and mathematically correct.

We also looked to see that there's a continual monitoring and refinement of the estimates over time, you know, based on historical data or time studies. You know, as we're doing this, we're establishing some basics as far as the model is concerned. I mean, is the model strong? Does it include everything that it should? Does it have the necessary adjustment factors? Is there attention paid to, you know, trends or adjustments made over time?

So, you know, once we've confirmed that, we want to get -- start getting to the bottom line, if you will. You know, can the model identify the resource requirements that are needed based on a forecast given the current availability of staff and the resource need based on those forecasts? You would be able to identify a resource requirement. You have so

KENNEDY REPORTING SERVICE, INC.
(512)474-2233

Page 38

what there were, you know, sound engineering concepts used for estimating the manual labor standards and any adjustment factors.

Once we confirmed that that in fact was the case, if there were any questions, we identified some additional follow-up questions. For example, if there were changes in process standards and adjustment factors over time, we selected those standards and adjustment factors that we had additional questions on. We asked Southwestern Bell to provide us some additional information and we probed that information in detail.

For example, if there's, you know, changes in mechanization rates or error rates, minutes per pass to process an order, we took a look at the history, the historical data that existed in the model, as well as the projections, and compared long-term over the course of the model that was presented history, as well as recent history to the projections moving out into the planning horizon in the next three or six months, for example.

We also took a look at the Force Model calculations. You know, are the calculations

KENNEDY REPORTING SERVICE, INC.
(512)474-2233

Page 40

many people on staff, your volume predicts you need so many people, there's a gap. Can you identify that gap and are the numbers that result from the model realistic in terms of the trends that we see?

Finally, this is -- gets directly to the Commission request. Before a given CLEC order volume, an LSC error reject rates scenarios that were requested, can Southwestern Bell adequately, you know, predict the staffing levels required and can they apply their stated resourcing techniques to fill those gaps?

That in summary is what our approach was. We had a lot of detailed questions that basically embodied this basic approach. There were difficult analysis points that really contributed to each of these questions.

One thing we did not do is we did not make an assessment of the local Dallas-Fort Worth job market. So I know in the past that's been asked, what did you do, what didn't you do? We basically took a look at the model and, you know, could it predict, you know, based on the various scenarios that were presented, and that's what we accomplished.

KENNEDY REPORTING SERVICE, INC.
(512)474-2233

**DECLARATION OF
NANCY DALTON and SARAH DEYOUNG
ON
BEHALF OF AT&T CORP.**

ATTACHMENT 36

OCT 22 1999

266-4

OPEN MEETING

DOCKET NO. 16251

PUBLIC UTILITY COMMISSION

OCTOBER 20, 1999 VOL. 1

KENNEDY REPORTING SERVICE, INC.

(512) 474-2233

KENNEDY
REPORTING
SERVICE

a record of excellence

500 Brazos • Suite 340 • Austin, Texas 78701 • 512-474-2233

Page 181

1 at the report is, you know, we order testing and
2 that testing really should be accepted until we
3 have a --
4 COMM. PERLMAN: I think that's
5 right, and that's the conclusion of the
6 consultant. So the question is then, if that's
7 the conclusion and if the Commission reaches
8 that conclusion, then what do we do in terms of
9 developing this factual record? Then the other
10 alternatives to the company are to go to the FCC
11 on the basis of some independent -- rather, some
12 internal testing or carrier-to-carrier, which I
13 don't think they could do carrier-to-carrier
14 because there is not sufficient for commercial
15 volume.
16 So the other only option, I guess, is
17 to agree to test or to agree to go up on the
18 factual record that's developed today and for
19 the Commission to express no opinion. And I
20 think those are the alternatives.
21 UNIDENTIFIED SPEAKER: With the
22 one condition, Comm. Perlman, that we would take
23 to the FCC, various conditions that we worked
24 out with the FCC as part of the Ameritech
25 merger, which are critical to this entire

Page 182

1 process and which we will rely on quite heavily
2 at the FCC.
3 COMM. PERLMAN: And I think that's
4 your decision. I think for the purposes of 251,
5 we have the authority to require non-
6 discriminatory access. And I think any sort of
7 issue that we have going forward with whether
8 this access -- the record we develop today is
9 non-discriminatory, we could take up within the
10 context of the arbitration and have the
11 authority under 251 to do that.
12 CHAIRMAN WOOD: Yes, I think
13 that's fair. I mean, they're got a
14 recommendation -- and there are some
15 recommendations that support the overall big
16 two. I acknowledge that. We're the ultimate
17 decisionmakers here. I think the point you're
18 making is, we could give a letter that's not
19 unqualified support. I think we --
20 COMM. PERLMAN: We could express
21 no opinion on it, is I guess what I'm
22 suggesting.
23 CHAIRMAN WOOD: Well, I mean, I'll
24 be honest. I mean, it's been teed up for us to
25 look at by our own test plan. I am -- I don't

Page 183

1 think disturbed is enough. But, you know, I'm
2 mad, honestly, that we had -- we depended on
3 carriers to participate in the test, and we got
4 a less than robust set of data. And we don't
5 play the blame game here, but it's unfortunate
6 that we had -- and, you know, I think the CLECs
7 have participated on UNE-L and UNE-P. sometimes
8 didn't want to do exactly what we wanted them to
9 do; and, yet, they did it and we got some data
10 that says various and sundry things, and that's
11 good, and I appreciate that for AT&T and MCI who
12 were the leads on the UNE-P and UNE-L test.
13 What's unfortunate here is, we've moved
14 forward here by not building a pseudo-CLEC.
15 expecting that we would have a commercial
16 interface through which we could place certain
17 order types and, you know, learn if that stuff
18 worked or didn't work. And, you know, I think
19 it just -- just the sense of fairness to me
20 about this thing is, these people are not in the
21 market on this deal. They've had interim
22 arrangements through the arb since Kathy --
23 when, sometime this summer?
24 JUDGE FARROBA: Right.
25 CHAIRMAN WOOD: -- at least on

Page 184

1 rates and conditions and all that, and have --
2 you know, I don't know how much bigger the
3 welcome mat can be. But, you know, at some
4 point -- you know, it's just a fairness issue
5 for me, Judy, on this. It's like should --
6 because the CLECs didn't participate in this as
7 robustly as they were asked to by the testing
8 company -- and, you know, whether it's a manual
9 process or mechanized, I think the issue is --
10 and we've got to make a parity cut here, and I'm
11 hearing some issues there that make me want to
12 ask more questions if I really cared to -- but,
13 you know, there is just a fundamental question
14 of: Should that foot-dragging or just
15 non-readiness, which is fair, too, really be a
16 deal-breaker here?
17 The recommendation of the -- Telcordia
18 said, "Additional volume is needed to
19 demonstrate effectiveness of these procedures
20 either through observing commercial activity or
21 through additional controlled tests."
22 Brett, I think we would all agree that
23 the commercial activity option isn't one that's
24 very inviting if we're looking at a relatively
25 short timeline here.

**DECLARATION OF
NANCY DALTON and SARAH DEYOUNG
ON
BEHALF OF AT&T CORP.**

ATTACHMENT 37

JUL 28 1999

TELEPHONE CONFERENCE - VOL. 1

PUC PROJECT NO. 20000

COMPRESSED TRANSCRIPT

MONDAY, JULY 26, 1999

KENNEDY REPORTING SERVICE, INC.

(512)474-2233

KENNEDY

REPORTING

SERVICE

a record of excellence

800 Brazos • Suite 340 • Austin, Texas 78701 • 512-474-2233

TRANSCRIPT OF PROCEEDINGS
BEFORE THE
PUBLIC UTILITY COMMISSION OF TEXAS
AUSTIN, TEXAS

OPERATIONS SUPPORT TESTING)
RELATING TO THE INVESTIGATION)
INTO SOUTHWESTERN BELL TELEPHONE) PUC PROJECT NO.
COMPANY'S ENTRY INTO THE) 20000
INTERLATA TELECOMMUNICATIONS)
MARKET IN TEXAS)

TELEPHONE CONFERENCE WORKSHOP
MONDAY, JULY 26, 1999

BE IT REMEMBERED THAT AT approximately
3:45 p.m., on Monday, the 26th day of July 1999,
the above-entitled matter came on for telephone
conference before the Public Utility Commission
of Texas, 1701 North Congress Avenue, William B.
Travis State Office Building, Austin, Texas
78701, before HOWARD SIEGEL, Administrative Law
Judge; and the following proceedings were
reported by William C. Beardmore and Aloma J.
Kennedy, Certified Shorthand Reporters of:

VOLUME 1 PAGES 1 - 286

Page 3

1 JUDGE SIEGEL: Let's go ahead and just
2 do this for the record.
3 MS. MUDGE: Okay. Thank you. This is
4 Katherine Mudge, on behalf of Northpoint.
5 JUDGE SIEGEL: Anyone else for
6 Northpoint, besides yourself?
7 MS. MUDGE: No, sir.
8 JUDGE SIEGEL: Okay. At the Commission
9 is myself. Roger Stewart is sitting in for a portion,
10 Kathleen Hamilton is sitting in for a portion. Nara
11 Srinivasa has not, but may attend at any time.
12 If anyone other than those three join
13 me, I will state that for the record. Sarita, if you
14 could go forth and -- well, before you state for the
15 record all your people, I'm sure that Kennedy
16 Reporting would love to get faxes from everyone with
17 the names of the people and spelling everything out.
18 Is that correct, Will?
19 THE REPORTER: Yes, that's right. Let
20 me give you that number, if I can.
21 JUDGE SIEGEL: Certainly.
22 THE REPORTER: It's 512 -- area
23 code -- 255-4088. If everybody could fax me their
24 names and everybody representing their party.
25 JUDGE SIEGEL: Okay. Sarita, can you

Page 2

1 PROCEEDINGS
2 MONDAY, JULY 26, 1999
3 (3:45 p.m.)
4 JUDGE SIEGEL: Well, if there is no
5 objection, we will start plowing forward.
6 So let's go back on the record and
7 reconvene this telephone conference, which the first
8 approximate hour and 10 minutes or so was not on the
9 record, in Project No. 20000, operation support system
10 testing relating to the investigation into
11 Southwestern Bell Telephone Company's entry into the
12 interLATA telecommunications market in Texas.
13 As you-all know, my name is Howard
14 Siegel, and I'm kind of presiding over this telephone
15 call today. Let's try doubly hard to state our names
16 for the record as we speak; otherwise, this will be
17 very difficult for the Court Reporter to track us.
18 MS. MUDGE: Howard, this is Katherine
19 Mudge. Is there any way -- I know that when they were
20 doing the conference call initially they took all of
21 our names. Is there any way we can ensure that the
22 appearances -- so that we know who's on the call,
23 because, frankly, I don't know everyone who's on the
24 call other than the people who have spoken up to this
25 point. Is there any way that we can know that or --

Page 4

1 handle your folks?
2 MS. KHURANA: Yes. I will give the team
3 leads, and then I have about 20-odd people here with
4 me at Telcordia. We have a couple of people down in
5 Dallas as well.
6 What I'll do is, I'll announce the team
7 leads and then send the names via fax over to you
8 guys. Over here with me is -- I'm Sarita Khurana --
9 Linda Feerick is here with Mike Slomin and Gail
10 Linnell. I have Anthony Stalgaitis. Judy Nix is in
11 Dallas, and we will fax you the names of the -- and
12 Geneva McDonald -- I'm sorry -- and Jon Ryder. And I
13 will fax the names of the rest of the people.
14 MS. McMILLON: Howard, this is Terri
15 McMillon, with MCI WorldCom. We will also fax the
16 names of everyone who's on the call to expedite the
17 time.
18 MS. HAM: And, Howard, this is Liz Ham,
19 for Southwestern Bell, and I'll do the same.
20 MS. HARTLINE: This is Rina Hartline, on
21 behalf of the CLEC Coalition, and I will as well.
22 MS. LaVALLE: This is Kathleen LaValle,
23 for AT&T, and we will do the same. We'll fax the list
24 of those participating.
25 JUDGE SIEGEL: Katherine Mudge, is that

1 exactly which data, but I believe that came from some
2 production data, some historical production where that
3 as a range of other state information that we were
4 receiving, but I can't specify to that.
5 Forty-one has been answered already.
6 MS. KHURANA: Howard, I'm sorry. Just
7 one moment.
8 JUDGE SIEGEL: Well, moving on ahead, I
9 think 42 was done.
10 MS. DALTON: Howard --
11 JUDGE SIEGEL: Yes?
12 MS. DALTON: -- I have another question
13 on the Executive Summary.
14 JUDGE SIEGEL: Uh-huh.
15 MS. DALTON: Should we do that while
16 we're looking at 40 or do you want to come back to it.
17 JUDGE SIEGEL: Let's do it now.
18 MS. DALTON: Okay. There is a statement
19 at the top of Page ES-14 that says that, "The capacity
20 test is the realization of an agreed-upon process."
21 And I would like to request that that be modified and
22 corrected. I don't believe that we ever agreed on the
23 actual process used for the capacity test. I think
24 that's pretty evident in all the public comments that
25 we filed.

1 JUDGE SIEGEL: Do you believe that,
2 Linda?
3 (Strange equipment sound)
4 CONFERENCE CALL OPERATOR: We're coming
5 towards the original end, so maybe that was just a
6 warning. Hopefully they won't cut us off.
7 UNIDENTIFIED SPEAKER: Is everyone
8 there?
9 UNIDENTIFIED SPEAKER: We're here.
10 MS. FEERICK: Yes, Howard, that will be
11 fixed.
12 JUDGE SIEGEL: And, I mean, I think the
13 reference there is intended to mean that agreement had
14 to be made on executing the process in terms of AT&T
15 had to send theirs, a certain arrival on a certain
16 day, and MCI had to do that. I don't think it was the
17 overall test planning referenced to but it's talking
18 about the process for executing. We could still add a
19 clarification, but I know that concerns have been
20 raised about that before. I think that --
21 UNIDENTIFIED SPEAKER: Nancy, can you
22 give me that reference again? I'm sorry; I didn't
23 catch it.
24 MS. DALTON: Sure. It's at the top of
25 Page ES-14.

1 And I'm not for sure what you're saying,
2 Howard. I just think the way in which it's
3 characterized now is misleading.
4 JUDGE SIEGEL: And have you seen that
5 reference anywhere else in relation to capacity tests
6 so far?
7 MS. DALTON: I believe we have, Howard,
8 in versions of the test plan, and we've commented each
9 time accordingly.
10 JUDGE SIEGEL: I mean, but do you know
11 if it's anywhere else in this interim report?
12 MS. DALTON: Not that I've noted.
13 JUDGE SIEGEL: Well, if you do notice,
14 just share that with me.
15 MS. DALTON: Will do. Thank you.
16 Thank you, Linda.
17 MS. KHURANA: Okay. We're on to No. 40.
18 Ed, can you address that?
19 MR. COHEN: This is Ed Cohen from
20 Telcordia.
21 The question, "How was a 1.25 workload
22 factor for other states arrived at?"
23 First all, what the load factor means in
24 general is that there is a forecast basically for the
25 first quarter of Year 2000, and it was multiplied by a

1 factor in order to come up with a final workload,
2 among other factors. "Where did the number of 1.25
3 come from," is this question?
4 And this is saying that the workload
5 increased 25 percent because it was estimated that --
6 first of all, the original forecast was assumed to be
7 the State of Texas, and the 25 percent was an estimate
8 of the workloads for the additional states within
9 Southwestern.
10 MS. McMILLON: And this is Terri. I
11 think that's the question. What was that estimation
12 based on?
13 MR. COHEN: The estimation was based on
14 a system for Commission input.
15 JUDGE SIEGEL: Which I think was based
16 on our review of some historic data, largely.
17 MS. DALTON: Howard, is that based on --
18 is the five-state -- is this five-state related or
19 seven?
20 JUDGE SIEGEL: Five.
21 MS. DALTON: Thank you.
22 MS. KHURANA: No. 41 I believe was
23 already addressed.
24 JUDGE SIEGEL: That would be way off if
25 it was seven, wouldn't it?

**DECLARATION OF
NANCY DALTON and SARAH DEYOUNG
ON
BEHALF OF AT&T CORP.**

ATTACHMENT 38

DEPOSITION OF CARL O. THORSEN

SWB INVESTIGATION

COMPRESSED TRANSCRIPT

3/26/98 - No. 16251

KENNEDY REPORTING SERVICE, INC.

(512)474-2233

KENNEDY
REPORTING
SERVICE

a record of excellence

800 Brazos · Suite 340 · Austin, Texas 78701 · 512-474-2233

TRANSCRIPT OF PROCEEDINGS

BEFORE THE

PUBLIC UTILITY COMMISSION OF TEXAS

AUSTIN, TEXAS

INVESTIGATION OF SOUTHWESTERN)
BELL TELEPHONE COMPANY'S) DOCKET NO.
ENTRY INTO THE TEXAS INTERLATA) 16251
TELECOMMUNICATIONS MARKET)

ORAL DEPOSITION OF CARL O. THORSEN

(Thursday, March 26, 1998)

ANSWERS AND DEPOSITION OF CARL O. THORSEN,

a witness produced at the instance of AT&T, taken between the hours of 10:10 a.m. and 5:24 p.m., on Thursday, the 26th day of March 1998, at the Offices of Southwestern Bell Telephone Company, 1616 Guadalupe, Room 600, Austin, Texas 78701; and the following proceedings were reported by Aloma J. Kennedy, a Certified Shorthand Reporter of:

Page

APPEARANCES (continued)

1

2

3 ALSO PRESENT

4 SEAN MINTER, Staff Manager, S.W. Region LSC, 5501

5 LBJ Freeway, Dallas, Texas 75240, (972)778-5441; and

6 MS. NICOLE E. PAOLINI, Consultant, Competitive

7 Strategies Group, Ltd., 70 East Lake Street, 7th Floor, Chicago,

8 Illinois 60601, (312)236-0401, appearing on behalf of AT&T

9 COMMUNICATIONS OF THE SOUTHWEST.

10

11 MS. BEVERLY GROGAN, Area Manager - Provider

12 Resource Center, and MS. NANCY LOWRANCE, Director - Alternate

13 Service provider, One Bell Plaza, Room 730, Dallas, Texas

14 752-2-4208, (214)268-7700; and

15 MR. RICHARD SCHANEN, Three Bell Plaza, Room 1011,

16 Dallas, Texas 75202, appearing on behalf of SOUTHWESTERN BELL

17 TELEPHONE COMPANY.

18

19

20

21

22

23

24

25

Page 2

APPEARANCES

1

2

3 MS. KATHLEEN M. LAVALLE, Cohan, Simpson, Cowlishaw

4 & Mulff, L.L.P., 2700 One Dallas Centre, 350 North St. Paul Street,

5 Dallas, Texas 75201-4283 (214)969-0430, appearing on behalf of

6 AT&T COMMUNICATIONS OF THE SOUTHWEST.

7

8 MESSRS. ALFRED R. HERRERA and STEPHEN F. MORRIS,

9 701 Brazos, Suite 600, Austin, Texas (512)495-6727, appearing on

10 behalf of MCI TELECOMMUNICATIONS.

11

12 MS. MERRIE M. CAVANAUGH, 1616 Guadalupe, Room 600,

13 Austin, Texas 78701 (512)870-2733; and

14 MS. AMY WAGNER, 800 North Harvey, Suite 310,

15 Oklahoma City, Oklahoma 73102 (405)291-6754, appearing on behalf

16 of SOUTHWESTERN BELL TELEPHONE COMPANY.

17

18 MR. JESUS SIFUENTES, Bickerstaff, Heath, Smiley,

19 Pollan, Keever & McDaniel, 1700 Frost Bank Plaza, 816 Congress

20 Avenue, Austin, Texas 78701-2443, (512)472-8021, appearing on

21 behalf of TCI TELEPHONE SERVICES, CABLE PLUS/MTS, INTERMEDIA

22 COMMUNICATIONS, INC., and TIME WARNER COMMUNICATIONS.

23

24

25

Page

TABLE OF CONTENTS

1

2

3 PROCEEDINGS - THURSDAY, MARCH 26, 1998

4 DEPOSITION OF CARL O. THORSEN

5 - Cross (LaValle)

6 - Cross (Herrera)

7 JURAT

8 REPORTER'S CERTIFICATE

9 * CONFIDENTIAL PAGES 95 - 107

10 and 111 - 151

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

PAGE NO

IDENTIFIER

1. Affidavit of Gerald J. Mulcahy on behalf of Bell Atlantic - New York, in New York Public Service Commission Case 97-C-0271 35

Page 153

1 about eight of us were on site constantly.
 2 For the update in August, I believe two
 3 people were on site intermittently, and for
 4 the update in December-January, two people
 5 for a total of about, I think, six days to
 6 collect and analyze information.
 7 Q Do you have any plans scheduled
 8 for additional testing of the Southwestern
 9 Bell OSS?
 10 A No, I do not.
 11 Q Have you been consulting with
 12 Southwestern Bell on any of the change
 13 management process controls being
 14 negotiated between AT&T and Southwestern
 15 Bell?
 16 A No, we have not.
 17 Q Did you do any review of the
 18 adequacy of the communication of business
 19 rules in evidence from Southwestern Bell to
 20 CLECs who are testing or planning to test
 21 with the EDI interface?
 22 A No, we did not review the
 23 adequacy of that.
 24 Q Would the same be true for LEX?
 25 A Yes.

Page 154

1 Q Do you know of any difference in
 2 the capacity of the Southwestern Bell OSS
 3 systems from state to state within the
 4 five-state region?
 5 A My understanding is that the EDI,
 6 LEX, VeriGate and DataGate systems are
 7 statewide or, rather, region-wide; and,
 8 therefore, there would be no distinction
 9 state to state.
 10 Q Were you drawing any distinction
 11 with any other OSSs you were familiar with
 12 that you thought were not region-wide or
 13 centralized in their administration?
 14 A No, I'm not, no.
 15 Q And where do you understand
 16 physically the administration to be
 17 conducted from? Where is the LSC?
 18 A Oh, the LSC? There are two of
 19 them. One is in Fort Worth at the Alliance
 20 Center, and one is in downtown Dallas.
 21 Q You had indicated in some portion
 22 of your documentation, the public part,
 23 about an 80 percent CPU utilization rate.
 24 Do you recall that?
 25 A Yes, I recall that.

Page 155

1 Q In the event of a disaster if the
 2 LSC goes down in Fort Worth, do you know
 3 whether the systems typically are running
 4 at 80 percent utilization?
 5 A The 80 percent utilization was a
 6 factor we used in calculating EASE
 7 capacity. The design criteria were such
 8 that it was possible that, once you got to
 9 80 percent utilization, you would have
 10 response time deterioration and need a
 11 relief deck. So in calculating capacity,
 12 the 80 percent factor became a limitation.
 13 Q In fact, though, in use, would it
 14 not be dangerous to be running at 80
 15 percent in the event of one of those
 16 centers going down?
 17 A I don't think there's a
 18 relationship between a center going down
 19 and EASE being up.
 20 Q Well, the EASE at a center going
 21 down.
 22 A I think that if EASE went down,
 23 it would go down in its entirety, but I'm
 24 not certain about that. There are six
 25 locations in which the servers are located.

Page 15

1 Q Do you know at what capacity it
 2 does run?
 3 A Yes, I can calculate that.
 4 This capacity calculation would
 5 be based on the single highest day of use,
 6 which was 109,000 negotiations, which was
 7 in December of '97. We calculated the
 8 total capacity to be 180,000 negotiations a
 9 day. So one hundred nine divided by the
 10 hundred and eighty would be the current
 11 utilization, if you will.
 12 MS. WAGNER: As of the date
 13 that information was taken?
 14 A As of the date this information
 15 was taken, yes.
 16 Q Do you have any reason to believe
 17 that the utilization is different today?
 18 A The utilization varies by day.
 19 We saw the peak day in this analysis.
 20 Q Do you have any reason to believe
 21 that the peak day in the 1998 analysis
 22 would be different than it was for 1997?
 23 A Only time will tell.
 24 Q Do you have any reason to believe
 25 it's higher or lower this year?

**DECLARATION OF
NANCY DALTON and SARAH DEYOUNG
ON
BEHALF OF AT&T CORP.**

ATTACHMENT 39

FINAL ORDERS/OPEN MEETING

TELEPHONE ISSUES

PUBLIC UTILITY COMMISSION

OCTOBER 21, 1999 (VOL. 2)

(A.M.)

(P.M.)

KENNEDY REPORTING SERVICE, INC.

(512) 474-2233

KENNEDY

REPORTING

SERVICE

a record of excellence

Page 313

1 Just to let you -- I'll give you a
2 little background. After the meeting broke
3 yesterday, we broke up into some working groups
4 so that we could, in parallel, be trying to get
5 a lot of these different pieces taken together.
6 We had one group that focused on the system
7 scalability issue that we'll discuss first. We
8 had another one that worked on Next Steps 4 and
9 5 and reviewing the action plan. We had another
10 one that worked on the RPON language in the
11 handbook issue. And then we had a manual group
12 that looked at manual issues including the
13 broader RPON issue as it was in the hot button
14 list.
15 And so each of these -- well, at least
16 1, 4 and 5, I think we're going to assess those
17 first, should have resulted in action plans that
18 have been reviewed and discussed with
19 Southwestern Bell, the CLEC community and
20 Telcordia.
21 Ed, do you want to go ahead and start
22 with No. 1?
23 MR. COHEN: Item No. 1 -- this is
24 Edward Cohen from Telcordia Technologies --
25 MS. SILVERSTEIN: Microphone,

Page 314

1 please?
2 CHAIRMAN WOOD: Pull it close.
3 MR. COHEN: I'm Edward Cohen from
4 Telcordia Technologies.
5 Regarding the item for scalability
6 related to OSS forecasting, Telcordia has
7 reviewed the language regarding this
8 recommendation and we agreed it is acceptable
9 and agrees with the work plan. The proposed
10 work plan was agreed to by the attendees, and
11 that included attendees from AT&T and the CLEC
12 Coalition.
13 MR. HUDSON: Commissioners, just
14 to clarify real quick, I don't want to speak for
15 Kathleen LaValle; I don't think she would use
16 the word "agreed to." They did have some input
17 into the process last night. They also
18 expressed some concerns about the timing of how
19 quickly this would be implemented.
20 MS. LaVALLE: And I would be
21 happy to address what our concerns are. This is
22 Kathleen LaValle for AT&T.
23 CHAIRMAN WOOD: Your concerns
24 are?
25 MS. LaVALLE: First of all, I

Page 315

1 wanted to say that we're very pleased with the
2 movement in the direction of the tightening of
3 the interval for forecast planning. It had been
4 every six months. Southwestern Bell has now
5 agreed to every quarter and we appreciated that
6 movement. We think it's a movement in the right
7 direction. We think the interval should be at
8 least that frequent given the changing
9 competitive environment involving CLECs.
10 The area where we have continuing
11 concern has to do and is specifically related to
12 a recommendation Telcordia made, and that has to
13 do with what kind of reporting back on CPU
14 utilization rate, specifically on line
15 transaction utilization, how it correlates with
16 CPU utilization rate, should be provided in the
17 interim before the metric that Southwestern Bell
18 has now agreed to implement is actually
19 implemented.
20 According to the Southwestern Bell
21 proposal they will, starting in January of 2000,
22 be implementing a new metric that correlates
23 on-line transaction utilization and batch
24 utilization with response times on-line, which
25 is obviously something that we're very concerned

Page 316

1 about. In the interval, we think it's important
2 that Southwestern Bell report to the Commission
3 what their on-line response time experience is.
4 The grounds for that concern are this:
5 What we learned in the discussion last night,
6 which was very helpful, was that the design
7 threshold for the MVS processor is 85 percent.
8 During the six hours of capacity testing that
9 Telcordia monitored, the CPU utilization rates
10 for one hour were in excess of 99 percent, for
11 three hours were in excess of 96 percent.
12 Obviously there can be an interrelation between
13 CPU utilization rate and response time and also
14 in application failure occurrences.
15 Because of that, until the metric is
16 in place, until the metric is validated and
17 until we see that they have accurately defined a
18 busy period and are using that for
19 forward-looking forecasting, we think every step
20 should be taken to ensure that there is not an
21 undue risk in the ordering systems on which
22 CLECs rely.
23 CHAIRMAN WOOD: Did you bring
24 this issue up last night in the discussion?
25 MS. LaVALLE: Yes, Chairman Wood,

**DECLARATION OF
NANCY DALTON and SARAH DEYOUNG
ON
BEHALF OF AT&T CORP.**

ATTACHMENT 40

customers, they wouldn't experience, right, if they're retail representative?

MS. HAM: No.

MR. SRINIVASA: How about if a CLEC is getting a new customer? Would they experience the delay?

MS. HAM: I'm sorry, if it's a new customer they don't have any bill-ons. They create them as they go.

MS. SRINIVASA: Okay. So access is the same as what you would --

MS. HAM: Yeah. That's right.

MR. SRINIVASA: That's all I have.

MS. HAM: Okay. Any others? Howard?

MR. SIEGEL: When an order is put in hold status, they decide not to issue it through, and I think y'all said it will stay on the system for two weeks before it gets canceled, are the telephone number -- is that reserved as part of that? So that stays reserved the whole two weeks?

MS. HAM: Yes, it does.

KENNEDY REPORTING SERVICE, INC.

(512) 474-2233

average.

MS. HERMANN: It depends upon the day of the week. Sometimes we may have 80,000; like Monday, Tuesday is typically very busy. We've had over 100,000 in one day. We could have -- I mean, I've seen as few as 45,000, 30,000. It just depends upon the time of the year and day of the week.

MS. NELSON: How many EASE residential orders can be processed in one hour?

MS. HAM: Well, on average we can do 65,000 a day, and like Judy said it's seasonal --

MS. NELSON: I mean by one representative.

MS. HAM: Oh, by one representative.

MS. NELSON: For instance -- right.

MS. HAM: Well, it depends on the mix, Donna. A new connect certainly on the retail side takes longer because of the negotiation. And I've seen a new

KENNEDY REPORTING SERVICE, INC.

(512) 474-2233

MR. SIEGEL: Is terminal emulator a separate software or is that an add-on to Windows?

MS. HAM: I'm sorry, what was the -- oh, terminal. J.D. will speak to that.

MR. McFARLAND: J. D. McFarland. Terminal emulation is an application that can be purchased over the counter, and it runs on top of the Windows operating system. And what it does is it gives you the capability to emulate the old style lead datas that were used prior to the intelligent work stations.

MR. SIEGEL: Okay.

MS. HERMANN: And our reps still use lead data a lot of them. So that's why we have Consumer EASE the way it is, and eventually we will be rewriting Consumer EASE to be a GUI interface the same as what Business EASE is.

MR. SIEGEL: Do y'all know approximately how many EASE orders a day Southwestern Bell does for itself?

MS. HAM: About 65,000 on an

KENNEDY REPORTING SERVICE, INC.

(512) 474-2233

connect negotiation take as long as 30 minutes, depending on what they're selling. If the customer is adding a custom calling feature, it's very quick. So it just depends on the mix of calls coming in. I don't think we have an average service rep, you know, call handled.

MS. NELSON: Okay.

MS. HERMANN: I mean, we could get that information if you need that. Because we do track how many service orders that each do, but it really does depend upon what Liz says. A disconnect may be two minutes or three minutes.

MS. NELSON: Right. But if you could do it by category, I think that would be useful, like new service and disconnect.

And I know that you indicated y'all provide training of four days for CLECs?

MS. HAM: For the Consumer EASE product.

MS. NELSON: Right. And four-and-a-half for Business EASE?

KENNEDY REPORTING SERVICE, INC.

(512) 474-2233

**DECLARATION OF
NANCY DALTON and SARAH DEYOUNG
ON
BEHALF OF AT&T CORP.**

ATTACHMENT 41

SWB employs computer-based OSSs to support its pre-order and order activities, Unix¹-based Datagate and Verigate systems, and MVS-based EDI, LASR and SORD ordering systems. Telcordia analyzed whether SWB has adequate procedures for scaling these systems so that they will have adequate capacity to handle CLEC loads.

- Principal Conclusions and Results of system Scalability

SWB controls the mixture of hardware, software and facilities used to support its pre-order and order activities. For purposes of this report, Telcordia has assumed that the present mix of the hardware, software and facilities that were analyzed will be unchanged, except for those system elements addressed in the scalability analysis, (CPU, memory and storage). Based on this assumption, and its analysis of SWB's forecasting and scaling procedures, Telcordia's principal conclusions are:

- SWB appears to have a well-defined process for collecting measurements, identifying changes in long-term demand and new applications, and tracking changes in existing applications to determine and budget for computer requirements.
- The twice a year CPU forecasts for the MVS environment and quarterly assessment of Unix capacity are in Telcordia's view insufficient to address the changing environment of CLEC competition. Telcordia recommends that such forecasts be prepared monthly. It should be noted that much of the needed data is already collected monthly.
- SWB states that it has historically kept its systems in line with utilization and that it will continue to do so. SWB appears to be implementing its stated practices.
- For their MVS computer systems, SWB practices use an average hour over the business-day metric to measure MVS utilization, allowing multi-hour busy periods with utilization approaching 100 percent. (Based on Telcordia's extensive experience with MVS systems, Telcordia recommends that SWB utilize a time-consistent busy period (e.g., four hours) that does not exceed 85 to 90 percent utilization, to provide a margin of additional capacity to handle unexpected increases in loading. (A time-consistent busy period is the identical interval each day during which, over a period of days, the highest average workload is measured.)
- SWB appears to have the capability of increasing its computer resources when analysis determines it is necessary. If they make such determinations timely (we recommend monthly assessments) and if they implement increases in a timely fashion, Telcordia concludes that they can do so to meet anticipated CLEC ordering loads – subject to our overall assumptions that the hardware, software and facilities we considered will be used in the future. This conclusion is buttressed in the case of the Unix systems by SWB's provision for handling short-term workload bursts through load sharing, and would be buttressed in the case of MVS by adoption of the

¹ Unix is a trademark of the Open Group in the United States and other countries.

availability of potential transferees, its ability to attract skilled or trainable new hires could be affected by job market conditions beyond its control. In the opinion of Telcordia, SWB's volume contingency plans would also tend to mitigate the impact of adverse job market conditions through the use of the existing SWB workforce made available through the contingencies.

Based on its validation of SWB's Force Model, contingency plans, and other forecasting and estimation activities, Telcordia concludes that SWB addresses the following objectives of the MTP:

- SWB demonstrates that it has a process in place for providing scalability of manual support functions, so that increased future volumes will not adversely affect system service levels.
- SWB demonstrates that it has a process in place for developing forecasts containing reliable data.

6.3.2 System Scalability

Telcordia has no control over the mixture of hardware, software and facilities that SWB might employ to implement and support Pre-Order and Order in the future. In order to evaluate system scalability for these computer systems, Telcordia must assume that the present mix of these will be unchanged except for those system elements that are specifically addressed in our scalability analysis (*e.g.*, CPU, memory and storage). Based on this assumption, Telcordia concludes that:

- SWB appears to have a well-defined process for collecting measurements, identifying changes in long-term demand and new applications, and tracking changes in existing applications to determine and budget for computer requirements. The twice a year CPU forecasts for the MVS environment and quarterly assessment of UNIX capacity are, in the view of Telcordia, insufficient to address the changing environment of CLEC competition, and should be prepared more often. Since much of the needed data is collected monthly, this should be relatively easy to implement.
- SWB appears to be implementing its stated practices and shows a history of keeping its systems in line with utilization.
- For their MVS computer systems, SWB practices use an average hour over the business-day metric to measure MVS utilization. We recommend that this be augmented with a practice that uses a time-consistent busy-period (for example, four hours) that does not exceed 85 to 90 percent, to provide a margin of safety. For their UNIX systems, SWB uses a busy hour metric.
- SWB appears to have the capability of increasing its computer resources when analysis determines it is necessary. If they make such determinations timely (Telcordia recommends monthly assessments) and if they implement the increases in a timely fashion, consistent with SWB's stated procedures, Telcordia concludes that they can do so to meet anticipated CLEC ordering loads – subject to the

**DECLARATION OF
NANCY DALTON and SARAH DEYOUNG
ON
BEHALF OF AT&T CORP.**

ATTACHMENT 42



Rian J. Wren
Regional President - Southwest States
Local Services Organization

Suite 800
5501 LBJ Freeway
Dallas, TX 75240
972 778-2595
FAX: 972 778-2215

June 28, 1999

Ms. Sandy Kinney
President - Industry Markets
SBC Telecommunications, Inc.
One Bell Plaza, Suite 5705
Dallas, TX 75202

Subject: AT&T UNE Market Entry Concerns

Dear Sandy:

As I am sure you are already aware, 27 out of 28 AT&T customers lost outbound dialing capabilities within the last 10 days upon SWBT's completion of its service order processing activities necessary to convert AT&T customers from Resale to UNE. This is the problem that I called about last Wednesday and described to you via voice mail. Six days after reporting her trouble, we have a customer that is still not able to place outbound calls. In general, it seemed to take between 2 and 4 days to restore service after reporting such via the repair and maintenance process. In light of the customer-affecting problems that have been identified through AT&T's Service Readiness Testing (SRT) and AT&T's initial conversion of a limited number of customers from Resale to UNE, I am very concerned that SWBT's Operational Support Systems (OSSs) do not have the level of electronic processing capabilities necessary to support commercial volumes.

Sandy, as I shared with you during our January 26, 1999, and March 23, 1999, meetings, it was AT&T's intent to convert its embedded base of approximately 64K customers from Resale to UNE in the July/August timeframe with order volumes on the magnitude of 4K per day. As we discussed, AT&T would assess the results of the conversion process to determine how quickly AT&T could ramp its commercial entry volumes. At this time, we are very concerned that SWBT's systems and processes are not capable of supporting the volumes we previously discussed. As a result, I am requesting a detailed description and audit of SWBT's end-to-end process in order to further evaluate capabilities and next steps. Where manual processes are performed, we would like to understand SWBT's mechanization plans. Although we understand that manual processes will negatively impact performance measurement results, we

are more concerned with providing quality customer service than receiving financial benefits due to poor performance.

We were surprised to learn on Friday for the first time that SWBT implemented a manual process to relate the SWBT generated "D" and "N" orders for purposes of migrating customers to UNE. We are very troubled by the fact that these manual processes apparently worked during the TX PUC OSS test but failed during our testing and conversion efforts.

Moreover, not only did the manual processes to install-service fail, the trouble ticketing process also failed in that it did not result in root cause identification and resolution. AT&T received responses to trouble tickets ranging from "no trouble found" to "bad pairs". We had to refer this issue to the account team in order to receive the attention necessary to research and resolve the problems experienced by AT&T's customers. Additionally, once a dispatch was requested by AT&T's work center, SWBT's technicians began contacting AT&T's customers directly as opposed to working the customer contact through AT&T.

As we understand the issue based on our discussions with the account team, the manual process implemented by SWBT will impact all UNE migration orders, e.g., SWBT existing retail to CLEC orders, CLEC to CLEC orders, etc., and it is not scheduled to be replaced with an electronic process until "mid-August". This has put AT&T's Resale embedded base conversion and market entry plan in jeopardy. We are disappointed that this was never described to AT&T and/or other industry participants by SWBT despite the numerous flow through discussions that have taken place.

On a related note, the lack of electronic flow through to SWBT's back office systems is causing a tremendous problem in the area of repair and maintenance in general. Upon completion of an AT&T customer LSR, AT&T cannot access its customers via toolbar to perform MLT and/or to issue trouble tickets upon receipt of customer trouble reports. We have found that it is taking more than 3, 10, 20 and even 50 days before SWBT's systems are updated. It is essential that customer information be available on completion of customer service provisioning as it is the time when service performance is most vulnerable.

Please let me know by end of business Thursday, July 1, 1999, as to when we can perform a detailed audit and analysis of the end-to-end process as well as discuss improvement plans. We will use this information to re-evaluate AT&T's conversion and market entry plans.

Sincerely,



Rian J. Wren