

Condition	Para-graph	Target Audience	Training Message	Delivery Method	Date Completed
11	37	Space Planners, Representatives from Corporate Real Estate Managers; some Local Field Organization; Representatives from the Detail Engineering Center; NOC. Houston, TX. Austin, TX. Dallas, TX. Kansas City, MO. St. Louis, MO. Little Rock, AR. Oklahoma City, OK.	Central Office Security (MMP 99-05-001, Issue 1, 5/99); Collocation Installation (FCC 99-48 MMP training) in Train the Trainer sessions; Loaning of Equipment and Supplies; Methods and Procedures related to actual survey of a central office for collocation space.	Instructor Led by the Area Manager - NOC	6/1/99 6/3/99 6/4/99 6/9/99 6/15/99 6/17/99 6/21/99
11	37	Local Field Organization Mgrs. San Ramon, CA. Tustin, CA. Sherman Oaks, CA. Sacramento, CA. Sherman Oaks, CA. Reno, NV.	Cageless Collocation Training – Train the Trainer	Instructor Led by the General Manager - Network Operations	6/10/99 6/11/99 6/15/99 6/21/99 6/22/99 6/29/99
11	37 38	Collocation Services Account Team Dallas, TX.	FCC 99-48 Order Review	Instructor Led by the Area Manager – Unbundled Network Elements - Collocation	6/11/99
11	37	Network Operations Managers Richardson, TX.	Collocation Training	Instructor Led by the Manager - Supplier Conformance	6/16/99 6/17/99 6/18/99 6/22/99 6/23/99 6/30/99
11	37	Collocation Services Account Team San Francisco, CA.	SBC 8 State Application Review	Instructor Led by the Area Manager – Unbundled Network Elements Collocation	7/7/99
11	37	Collocation Managers	SBC 8 State Application Review	Instructor Led by the Associate Director - ITN Compliance Analysis and the Account Manager – Collocation	7/8/99
11	37 38	New and Existing Account Managers Dallas, TX.	Collocation (FCC 99-48 Key Issues)	Instructor Led by the Area Manager – Unbundled Network Elements Collocation	7/27/99

Condition	Para-graph	Target Audience	Training Message	Delivery Method	Date Completed
11	37	Common System Space Planners; IOF, LOOP, Switch, Transport, Data, CRE, and Power Planners; Sacramento, CA. Dallas, TX. Dallas, TX. Pasadena, CA. Pasadena, CA. San Ramon, CA. San Antonio, TX. Houston, TX. St. Louis, MO. New Haven, CT. San Antonio, TX. Kansas City, MO. Oklahoma City, OK. Pasadena, CA. Sacramento, CA.	Wire Center Planning Methods and Procedures Roll Out consists of the following key elements: a) Roles and responsibilities of the Space Planner b) How to keep the T-Base drawings updated c) How to do the actual survey of a CO for space utilization d) How to do use the "Wire Center Forecast Form" e) How to use the "Request for Space Assignment Form" f) How to use "Space Availability Form" g) How to do "Space Provisioning" h) How to identify "Active" and "Other" space in a CO i) What Space Reservation Period is used for different equipment technologies when reserving space for ILEC equipment growth j) How to identify "available space" or a "building exhaust" situation k) When to recommend a building addition.	Instructor Led by the Area Manager - Network Engineering Centralized Support	10/6/99 10/18/99 10/19/99 10/20/99 10/21/99 10/22/99 10/25/99 10/26/99 10/27/99 10/29/99 11/1/99 11/2/99 11/3/99 11/11/99 11/12/99
11	38	General Manager & Transmission Managers Chicago, IL	Overview on FCC Order 99-48, Rules and Compliance with DTE Practice Leaders	Led by Collocation Implementation Manager & NSS General Manager	6/14/99
11	38	Power Engineering Team Hoffman Estates, IL	Power Engineering team Overview of FCC Order 99-48, Rules and Compliance	Led by Collocation Implementation Manager	6/15/99
11	38	Engineering Vice President & General Managers Chicago, IL	Overview of FCC Order 99-48, Rules and Compliance for Engineering Senior Managers	Led by Collocation Implementation Manager & NSS -General Manager	6/21/99
11	38	Wisconsin/West Michigan Engineering General Manager, Space Planners, Engineers- Conference Call Outstate Illinois Engineering General Manager, Space Planners, Engineers- Conference Call Illinois Engineering Switch Manager, Space Planners, Transmission Engineers-meeting	Overview of FCC Order 99-48, Rules and Compliance for Wisconsin/West Michigan, Outstate Illinois Engineering Overview of FCC Order 99-48, Rules & Compliance for Illinois Engineering	Led by Collocation Implementation Manager	7/1/99 7/14/99

Condition	Para-graph	Target Audience	Training Message	Delivery Method	Date Completed
11	38	Ameritech approved Transport Cluster Vendor management-Conference Call	Overview of FCC Order 99-48, Rules and Compliance for Ameritech Transport Cluster Vendors	Led by Collocation Implementation Manager	7/7/99
11	38	Engineering: Space Planners, Engineers, Power, Construction, Design, Collocation Project Managers, Planners-Conference Calls	Collocation Training Overview Physical Guidelines Overview of FCC Order 99-48 – impacts)	Led by Collocation Implementation Manager, Methods & Procedures Staff, Operations Staff, Real Estate Program Manager, Security	7/13/99 7/14/99 7/15/99 7/20/99 7/21/99
11	38	Ameritech Account Managers (All States) – Chicago, IL	Collocation Requirements	Led by Senior Product Manager - Collocation	8/26/99
11	38	Operations Managers across 5 states-Conference Calls	Operations Collocation Overview on FCC Order 99-48 Rules & Compliance	Led by Collocation Implementation Manager; Operations Staff	8/30/99 9/9/99
11	38	Security posters sent to all Central Offices in the Ameritech region	Security Policies & Procedures - Poster	Poster created, developed & mailed by Unbundling Director-Operations	11/99
11	38	Collocation Project Managers-Chicago IL	Training Session for new Collocation Project Managers on FCC Order 99-48, rules and compliance	Led by Collocation Implementation Manager	11/15/99

Post-Merger: The T2G was formed to provide internal assurance of compliance and to support consistency across the merged companies. This group is comprised of decision-makers from all collocation related disciplines. The T2G met on a weekly basis to discuss issues related to ongoing compliance with the Commission's Collocation Orders and the SBC/Ameritech Merger Conditions.

The controls were sufficient to find some inconsistencies or shortfalls in documentation, and corrective action was taken.

5. Documentation

Documentation Table

Condition	Paragraph	Description of Document	Available
11	37, 38, 39	Network Operations Procedures, Internal/External Interconnector's Handbooks, Methods and Procedures, Floor Space Guidelines, MMP 99-05-001 and Collocation Provisioning Guidelines	Upon Request To Persons and Commissions, and on the terms, described above.
11	37, 38, 39	Tariffs and/or Amendments	"
11	39	Attestation/Assertion Reports	"
11	38, 39, 40	Letter filed with the FCC Secretary by Charles Foster	10/6/99
11	39	Letter filed with the FCC Secretary by Charles Foster	10/14/99
11	40	Letter to Anthony Dale, CCB, from Martin Grambow	11/23/99

CLEC Notification Table

Letter Number	Notification	Date
	Missouri, Oklahoma, Kansas, Arkansas, and Texas	
CLEC99-080	Collocation Space Availability Report – Missouri, Oklahoma, Kansas, Arkansas, And Texas	6/18/99
CLEC99-088	Revised Physical Collocation Application Form – Missouri, Oklahoma, Kansas, Arkansas, and Texas	7/12/99
CLEC99-118	Notification of Firm Order Confirmation ("FOC") & Service Order Completion ("SOC") Availability Via SWBT CLEC WEB Page - Missouri, Oklahoma, Kansas, Arkansas, and Texas	8/99
CLEC99-117	Notification of Address Correction for Submitting Collocation Applications - Missouri, Oklahoma, Kansas, Arkansas, and Texas	8/99
CLEC99-153	Revised Physical Collocation application Form and Instructions - Missouri, Oklahoma, Kansas, Arkansas, and Texas	10/99
CLEC99-151	Notification of CLEC Training Forum - Missouri, Oklahoma, Kansas, Arkansas, and Texas	10/99
CLEC99-148	Qualifying CLEC Certification Request - Missouri, Oklahoma, Kansas, Arkansas, and Texas	10/99
CLEC99-142	SBC/Ameritech Merger Completed - Missouri, Oklahoma, Kansas, Arkansas, and Texas	10/99

Letter Number	Notification	Date
CLEC99-141	Announcement of Change Management Process Website - Missouri, Oklahoma, Kansas, Arkansas, and Texas	10/99
CLEC99-138	Notification of Change in Usage of CIPP Panels - Missouri, Oklahoma, Kansas, Arkansas, and Texas	10/99
CLEC99-134	Final Minutes for September 14, 1999 Change Management Process Meeting - Missouri, Oklahoma, Kansas, Arkansas, and Texas	10/99
CLECA99-071	Notification of Requirement of Fire Retardant Cable for Physical and Virtual Collocation - Arkansas	11/99
CLEC99-178	Final Minutes for November 9, 1999 Change Management Process Meeting - Missouri, Oklahoma, Kansas, Arkansas, and Texas	11/99
CLEC99-176	Confirmation and Preliminary Agenda for December Change Management Process Meeting - Missouri, Oklahoma, Kansas, Arkansas, and Texas	11/99
CLEC99-172	Notification of Semi-Annual Forecast - Missouri, Oklahoma, Kansas, Arkansas, and Texas	11/99
CLEC99-171	Invitation to CLEC Users Group Forum - Missouri, Oklahoma, Kansas, Arkansas, and Texas	11/99
CLEC99-170	Final Minutes for October 12, 1999 Change Management Process Meeting - Missouri, Oklahoma, Kansas, Arkansas, and Texas	11/99
CLEC99-167	Agenda for Discussion of SBC/Ameritech 13-State Change Management Process - Missouri, Oklahoma, Kansas, Arkansas, and Texas	11/99
CLEC99-163	Notification of Correct Usage of Emergency Exit Doors in Central Offices - Missouri, Oklahoma, Kansas, Arkansas, and Texas	11/99
CLEC99-161	Re-Send of Invitation to Discussion of SBC/Ameritech 13-State Change Management Process - Missouri, Oklahoma, Kansas, Arkansas, and Texas	11/99
CLEC99-160	Invitation to Discussion of SBC/Ameritech 13-State Change Management Process - Missouri, Oklahoma, Kansas, Arkansas, and Texas	11/99
CLEC99-193	Confirmation and Preliminary Agenda for January Change Management Process Meeting - Missouri, Oklahoma, Kansas, Arkansas, and Texas	12/99
CLEC99-189	Permitted Use of Telecommunication Services by CLECs - Missouri, Oklahoma, Kansas, Arkansas, and Texas	12/99
CLEC99-187	Follow-up Status Call From CLEC User Forum - Missouri, Oklahoma, Kansas, Arkansas, and Texas	12/99
CLEC99-182	Notification of Process of Submitting Checks for Collocation - Missouri, Oklahoma, Kansas, Arkansas, and Texas	12/99
CLEC99-179	Confirmation and Final Agenda for December Change Process Management Meeting - Missouri, Oklahoma, Kansas, Arkansas, and Texas	12/99
	California	
CLECC99-200	Notification Making Cageless Collocation Available in California	5/28/99
CLECC99-225	Collocation Space Availability Report - California	6/18/99
CLECC99-247	Notification of Pacific Bell's Collocation Operations Forum in California	7/12/99

Letter Number	Notification	Date
CLECC99-249	Revised Physical Collocation Application Form - California	7/12/99
CLECC99-287	Notification of CLEC Collocation Website Updates and Changes - California	8/99
CLECC99-263	Announcement and Confirmation for August 9, 1999 Change Management Process Sidebar Meeting - California	8/99
CLECC99-313	CLEC Online Redesign and Change in WEB Functionality - California	9/99
CLECC99-296	Notification of New Address to Submit Collocation Requests - California	9/99
CLECC99-345	Collocation Notification of Floor Tile Drilling Training - California	10/99
CLECC99-340	Revised Physical Collocation Application Form and Instructions - California	10/99
CLECC99-338	Notification of CLEC Training Forum - California	10/99
CLECC99-337	Final Agenda and Working Documents for the 4Q99 Quarterly Change Management Process Meeting - California	10/99
CLECC99-332	Qualifying CLEC Certification Request - California	10/99
CLECC99-328	SBC/Ameritech Merger Completed - California	10/99
CLECC99-326	Announcement of Change Management Process Website - California	10/99
CLECC99-322	Notification of Change in Usage of CIPP Panels - California	10/99
CLECC99-386	OSS Accessible Letters Move To a New Location on CLEC Website - California	12/99
CLECC99-381	Permitted Use of Telecommunications Services by CLECs - California	12/99
CLECC99-371	Notification of Process Submitting Checks for Collocation - California	12/99
CLECC99-370	Final Minutes from October 27, 1999 Change Management Process Meeting - California	12/99
	Connecticut	
CLECCT99-002	Collocation Space Availability Report - Connecticut	6/18/99
CLECCT99-009	Revised Physical Collocation Application Form - Connecticut	7/12/99
CLECCT99-014	Confirmation of Change Management Process Meeting, August 25, 1999 and Working Documents - Connecticut	8/99
CLECCT99-013	Announcement of Change Process Committee Meeting, August 24, 1999 - Connecticut	8/99
CLECCT99-012	Announcement of Change Process Committee Meeting, August 24, 1999 - Connecticut	8/99
CLECCT99-011	Announcement of Change Process Committee Meeting, August 24, 1999 - Connecticut	8/99
CLECCT99-019	SNET CLEC website Address Change - Connecticut	9/99
CLECCT99-033	Revised Physical Collocation Application Form and Instructions - Connecticut	10/99
CLECCT99-032	Notification of CLEC Training Forum - Connecticut	10/99
CLECCT99-030	Qualifying CLEC Certification Request - Connecticut	10/99
CLECCT99-026	SBC/Ameritech Merger Completed - Connecticut	10/99
CLECCT99-025	Confirmation and Final Agenda for December Change Process Management Meeting, October 20, 1999, Prior Notification(s) - Connecticut	10/99

Letter Number	Notification	Date
CLECCT99-022	Notification of Change in Usage of CIPP Panels - Connecticut	10/99
CLECCT99-021	Confirmation and Preliminary Agenda for Change Management Process Meeting, October 20, 1999 - Connecticut	10/99
CLECCT99-047	Cancellation of November 30, 1999 Change Management Process Meeting	11/99
CLECCT99-041	Final Minutes for the October 20, 1999 Change Management Process Meeting - Connecticut	11/99
CLECCT99-040	Notification of Procedures for Requesting ID/Chip Access Cards - Connecticut	11/99
CLECCT99-037	Re-Send of Invitation to discussion of SBC/Ameritech 13-State Change Management Process, Prior Notification - Connecticut	11/99
CLECCT99-036	Invitation to Discussion of SBC/Ameritech 13-State Change Management Process - Connecticut	11/99
CLECCT99-050	Notification of Process for Submitting Checks for Collocation - Connecticut	12/99
	Nevada	
CLECN99-047	Collocation Space Availability Report - Nevada	6/18/99
CLECN99-053	Revised Physical Collocation Application Form - Nevada	7/12/99
CLECN99-077	CLEC Online Redesign and Change in WEB Functionality - Nevada	9/99
CLECN99-074	Notification of New Address to submit Collocation Requests - Nevada	9/99
CLECN99-095	Revised Physical Collocation Application Form and Instructions - Nevada	10/99
CLECN99-094	Notification of CLEC Training Forum - Nevada	10/99
CLECN99-093	Final Agenda and Working Documents for the 4Q99 Quarterly Change Management Process Meeting - Nevada	10/99
CLECN99-090	Reduction of Service-Order Charges to Meet SBC/Ameritech Merger Condition - Nevada	10/99
CLECN99-089	Qualifying CLEC Certification Request - Nevada	10/99
CLECN99-084	SBC/Ameritech FCC Merger Completed - Nevada	10/99
CLECN99-083	Announcement of change Management Process website - Nevada	10/99
CLECN99-081	Notification of Change in Usage of CIPP Panels - Nevada	10/99
CLECN99-079	Final Minutes from July 28, 1999, Change Management Process Meeting - Nevada	10/99
CLECN99-104	Notification of Procedures for Requesting ID/Swipe Access Cards - Nevada	11/99
CLECN99-103	Notification of Correct Usage of Emergency Doors in Central Offices - Nevada	11/99
CLECN99-101	Re-Send of Invitation to discussion of SBC/Ameritech 13-State Change Management Process, Prior Notification - Nevada	11/99
CLECN99-100	Final Minutes from July 28, 1999, Change Management Process Meeting - Nevada	11/99
CLECN99-117	Final Minutes from July 28, 1999, Change Management Process Meeting - Nevada	12/99
CLECN99-116	Final Minutes from July 28, 1999, Change Management Process Meeting - Nevada	12/99

Letter Number	Notification	Date
CLECN99-114	Final Minutes from November 17, 1999, Change Management Process Meeting - Nevada	12/99
CLECN99-111	Notification of Process for Submitting Checks for Collocation - Nevada	12/99
CLECN99-110	Final Minutes from October 27, 1999, Change Management Process Meeting - Nevada	12/99
	Ameritech: Illinois, Indiana, Michigan, Ohio, and Wisconsin	
CLEC External Website: https://aiis-tcnet.ameritech.com	Collocation - Table Of Contents: Added Proposed Generic Amendment Document	5/28/99
"	Collocation 3.0 Ordering Procedures: Changed Facilitator Contact and Fax Numbers	5/22/99
"	Collocation OH Stipulation - UNE and Collocation Information: New News Story	6/30/99
"	Collocation 3.0 Ordering Requirements/3.2 Order Form: Established New Link To Form	6/16/99
"	Collocation CO Space Constrained Offices - Entire Document: Regulatory Requirement To Update Within 10 Days Of Change In Status	6/9/99
"	Physical Collocation CO Space Exhausted Offices - New Document: Regulatory Requirement To Post On Website	6/9/99
"	Proposed Interconnection Agreement Collocation Amendment (706) - Entire Document: Regulatory Mandate (OMB) To Include Additional Collocation Offerings (706)	6/9/99
"	Collocation/Ameritech Physical Collocation Space Exhaustion Report: Updated Office Information	7/28/99
"	Physical Collocation Space Exhaustion Report - Wisconsin: Additional Ameritech Central Office Without Space For Collocation	8/31/99
"	Collocation Proposed Generic - Non Standard Collocation Request Form: "Check" Boxes Inadvertently Left Off Of Last Revision	9/13/99
"	Collocation - Proposed Genetic Amendment - Attachment B (Discussion Draft 8/31/99)/Shared Cage and Cageless/Recurring and Non-recurring Rate Elements: Incorrect Rates Inadvertently Posted Previously	10/1/99
"	Collocation Application Form: Replaced Entire Form and Instructions	10/18/99
"	Collocation 5.0 Installation and Maintenance/5.0.2 Maintenance/Collocation Application Order Form: Removed Form and Instructions From Product Information and Moved To Forms Section	10/20/99
"	Ameritech Physical Collocation Space Exhaust Report - Entire Document: FCC Requirement To Update As Necessary	12/22/99
"	Collocation Agreement - Entire Document: New Document Provided Due To Merger Requirement	12/10/99
"	Collocation Appendix - Entire Document: New Document Provided Due To Merger Requirement	12/10/99

Section 4: Corrective Action

During 1999, SBC/Ameritech had in place controls to identify variances between internal and external collocation requirements and day-to-day conduct in the field. Controls for both pre-merger and post-merger periods are described above. SBC/Ameritech's concern was not only to ensure consistency with (and adequate documentation of consistency with) what was prescribed in M&Ps, tariffs and/or amendments, but also to achieve as much consistency as reasonably possible among the SBC/Ameritech regions based on "best practices." Consistency was sought to improve efficiency via streamlined processes and reduced confusion.

SBC/Ameritech took significant action in 1999 to respond to customer requests, improve procedures, improve documentation, and establish additional controls. Examples of improvements made and corrective actions taken include:

- creating a single physical collocation application and a single virtual collocation application for SBC's 8 states before the merger, and creating and using 13-state applications after the merger;
- consolidating processes so that CLECs in the SWBT/Pacific Bell/Nevada Bell/SNET 8-states may submit applications for any of the states in these regions to a centralized support group that processes the applications and disseminates the information to network organizations and account teams throughout these regions and taking initial steps to incorporate the Ameritech region into this uniform application process during 2000;
- developing an improved process flow for CLEC space notification that includes the use of standardized letters for the denial of space that are sent to the CLEC, with a copy sent to the relevant state regulator. The standardized letters include collocation alternatives, if any, available at the premises in question;
- standardizing waiting lists procedures for CLECs who have received denials;
- standardizing processes to facilitate CLEC tours of the premises in question, with adjustments in these processes being made to accommodate state-specific requirements;
- establishing a 13-state policy permitting construction of collocation space for CLECs prior to finalization of agreements with those CLECs; and
- reviewing processes for establishing M&Ps and reorganizing the managers handling these processes on functional (rather than geographic) lines, thereby reducing confusion and increasing consistency.

In addition as noted in the Introduction (Section 5.3), the Corporate Compliance Officer or his delegates received an inquiry concerning this Condition in 1999. A CLEC complained that SNET had delayed the CLEC's entry by not accepting early applications, that SNET had not refunded fees for canceled applications and that particular collocation sites were flawed. Several conference calls were held with SNET, the CLEC and other SBC personnel to investigate and arrive at a course of action to be taken. After discussions, the flawed collocation sites were addressed and the CLEC retracted the complaint.

Condition Number: 12

Condition Name: Most-Favored Nation Provisions for Out-of-Region and In-Region Arrangements

Section 1: Summary

All commitments for Paragraphs 42 and 43 were met in 1999. A specialized organization consisting of 10 Area Managers and one Director was developed to ensure the Most Favored Nation ("MFN") provisions were implemented appropriately. Internal training sessions were held with Account Managers, Negotiators, and Product Managers to educate them on Condition 12. On going training sessions were developed in order to ensure continued education. Although not required by the merger commitments, the SBC and Ameritech CLEC websites were updated to inform CLECs about this Condition.

Section 2: Person Responsible

Name	Title
John Stankey	President - Industry Markets

Section 3: Implementation of Condition

1. Compliance

As of December 31, 1999, there were over 30 requests to MFN into in-region agreements.

Compliance Table

Condition	Paragraph	Milestone	Due Date	Date Completed
12	42	SBC website posting of Merger Conditions	10/25/99	10/15/99
12	42	TCNet website posting of Merger Conditions	10/25/99	10/18/99
12	42	Established the process to handle Out-Of-Region MFN Requests. (To date, no Out-Of-Region MFN Requests have been received.)	10/25/99	10/8/99
12	42	Identified and created process to handle special requests pursuant to Paragraph 42 for interconnection or UNE arrangements that have not previously been offered in an SBC LEC territory.	10/25/99	10/8/99
12	42	Established a website location to incorporate approved Out-Of-Region Interconnection Agreements. Website address is www.sbctelecom.com.	12/99	12/99
12	43	Established the process for handling In-Region MFN Requests. Informal process was completed on October 1, 1999.	10/25/99	10/1/99

2. Methods and Procedures

Methods and Procedures Table

Condition	Paragraph	Milestone	Due Date	Date Completed
12	42	Created Out-of-Region Process	10/8/99	10/8/99
12	43	Created informal MFN In-Region process.	10/8/99	10/8/99

3. Training

Training Table

Condition	Paragraph	Target Audience	Training Message	Delivery Method	Date
12	42, 43	Product Managers, Account Managers, Negotiators, Negotiation Support Staff and Legal (covering the 13 states)	Negotiations strategy meetings were organized and coordinated to cover policy differences among 13 states and to educate the attendees on the MFN Merger Conditions and how they apply in each state.	Formal Training – Five 1 hour sessions. Documentation can be provided on whom attended.	10/11/99 and 10/12/99
12	42, 43	New Product Managers in the CLEC Offering/ MFN Organization	Will provide updated MFN training manuals to new employees prior to formal training sessions.	Training Manual	Upon arrival of new employees
12	42, 43	New Product Managers in the CLEC Offering/ MFN Organization	A mentoring process will be implemented where new employees will be partnered with seasoned employees to receive on-the-job training.	Informal training	Upon arrival of new employees
12	42, 43	Product Managers, Negotiators, Account Managers	The CLEC Offering group will continue to utilize e-mail, weekly staff meeting and biweekly Wholesale Marketing calls to ensure information is appropriately disseminated.	Informal and On-going Training/ Updates	Weekly/ Biweekly

4. Internal Controls

Created a new organization of 10 Area Managers to handle MFN Requests and Multi-State Agreement requests in a timely manner. The Industry Markets Team established a project management process to ensure the timely completion of all Merger Conditions. This process consisted of specific detailed assignment of

tasks, as well as, a weekly reporting structure providing direct accountability and status reporting to upper management.

The project management process consisted of the following components:

- Identification and Assignment of Tasks
- Weekly Accountability and Status Review
- Group Coordinator Activities
- Project Manager Activities
- Escalation & Roadblock Management

On a weekly basis, the unbundled loop product manager, who has responsibility for implementing the offering of UNEs, reported the status to the departmental merger compliance manager.

The merger compliance manager consolidated all statuses for the organization and provided this information to senior management and the corporate compliance organization.

In addition, SBC/Ameritech had available an escalation process that is described on its two CLEC websites and is thus, available to all CLECs. Specific work groups are identified, responsible individuals are named, and telephone numbers are available for escalating issues. Any CLEC can take advantage of these escalation processes at any time.

5. Documentation

Documentation Table

Condition	Paragraph	Description of Document	Date
12	42	SBC website posting of Merger Conditions	10/15/99
12	42	TCNet website posting of Merger Conditions	10/18/99
12	42,43	List of Meeting/Training Dates	10/11/99 and 10/12/99
12	42,43	Training Material	10/11/99 and 10/12/99

Section 4: Corrective Action

Non-compliance with any Merger Condition was identified in the following ways:

- through our internal controls as described above, and
- through our CLEC customers communicating with Account Management.

Upon receipt of an issue, the account manager responded to the CLEC's issue. If the account manager was unable to resolve a CLEC's issue, it was forwarded to

the product manager for resolution. Using the product team process, the product manager attempted to resolve the issue and put corrective action in place to avoid similar problems in the future, as necessary. If the product manager was unable to resolve the issue in a timely manner, the issue was escalated to the appropriate level of higher management for resolution.

When the need for corrective action was identified, either through observations in day-to-day operations, project management oversight, or through our complaint resolution process, the appropriate management level was involved and revised processes were implemented to correct the problem. In order to ensure the timely and effective resolution of problems, the Merger Compliance Group was notified when problems were identified that related to compliance with this Merger Condition.

As a key internal control, complaint resolution may require more than resolving a unique problem for one of our CLEC customers. Thus, 1999 complaint resolution sometimes required the development or change of policy and/or procedures in other areas within the Company (e.g., network planning, maintenance, order processing, etc.), or the development or acquisition of new equipment or software to ensure permanent resolution. Account managers were required to escalate to the appropriate management level if assistance in resolution was required.

In addition, as noted in the Introduction (Section 5.3), the Corporate Compliance Officer or his delegates received an inquiry concerning this condition in 1999. A CLEC group raised concerns about the SBC advanced services affiliate's proposed interconnection agreement with Nevada Bell with respect to the language which they perceived as preventing other CLECs from exercising the Most Favored Nations "MFN" or "pick and choose" option for individual provisions of the agreement without choosing the entire agreement. SBC discussed the issues with the CLEC group and it was determined that there was no disagreement between SBC and the CLEC group regarding the "opt-into" provisions, but indeed there was confusion regarding SBC's standard MFN language in its generic agreements. SBC elected to revise that language in the generic agreement to remove any ambiguity. Additionally, SBC withdrew its proposed interconnection agreement in Nevada and subsequently refiled with its revised language.

Condition Number: 13

Condition Name: Multi-State Interconnection and Resale Agreements

Section 1: Summary

All 1999 commitments for Condition 13 were met. A specialized organization was developed to ensure the Multi-State Interconnection/Resale agreements were created and made available 60 days after the SBC/Ameritech Merger Close Date.

In order to meet this commitment, sessions were held with Product Managers or equivalent functional managers responsible for each state to discuss consolidation of region-wide policy. Immediately after the agreement was developed, internal training sessions were held with Account Managers, Negotiators, and Product Managers to educate them on the Condition and the material in the multi-state agreement. On-going training sessions were developed in order to ensure continued education.

The Multi-State Interconnection/Resale agreements were posted on the SBC and Ameritech CLEC websites. A SBC Accessible Letter was developed to educate CLECs on the website location. A flash e-mail was distributed to CLECs in Ameritech to educate CLECs of this commitment.

A process was developed to ensure the multi-state agreement's quality was maintained and updates were processed in a timely manner. The "What's New" section of the website was updated to reflect changes made to the agreement.

Section 2: Person Responsible

Name	Title
John Stankey	President- Industry Markets

Section 3: Implementation of Condition

1. Compliance

Compliance Table

Condition	Paragraph	Milestone	Due Date	Date Completed
13	44	SBC and TCNet website (Ameritech's CLEC website) posting concerning Merger Conditions	10/25/99	10/15/99
13	44	Begin offering the Multi-State Interconnection/Resale Agreement	12/7/99	12/7/99
13	44	TCNet website and SBC CLEC website posting of the availability of the multi-state agreement.	12/7/99	12/7/99
13	44	Ameritech sent a flash e-mail to CLECs stating the website had been updated to include the multi-state generic interconnection agreement.	12/7/99	12/7/99

Condition	Paragraph	Milestone	Due Date	Date Completed
13	44	Customer Guide, Interconnection Agreement section containing all appendices comprising the multi-state generic interconnection agreement was posted on the SBC CLEC website.	12/7/99	12/7/99

2. Methods and Procedures

Methods and Procedures Table

Condition	Paragraph	Milestone	Due Date	Date Completed
13	44	Training Material was developed for Product Managers to ensure the multi-state agreement compilation was completed appropriately.	10/99	10/99
13	44	Created Generic Change Authority ("GCA") process to maintain the agreement.	10/1/99	10/1/99

3. Training

Training Table

Condition	Para-graph	Target Audience	Training Message	Delivery Method	Date
13	44	Product Managers, Negotiators, Legal covering 13 states.	Trained on Products/Policies contained in the multi-state agreement.	Formal Training. Classroom style Led by Wholesale Product Managers	10/11/99 and 10/12/99
13	44	Product Managers	Trained on process for creating multi-state agreement.	Formal Training. Classroom style and conference call.	Mid 10/99
13	44	Product Managers, Negotiators, Legal	High level overview of format of the multi-state agreement. Began the first of a two month training program to train on each appendix of the multi-state agreement. Training will conclude the end of February.	Formal Training	12/17/99

On-going training related to the multi-state agreement is scheduled on a quarterly basis. SBC/Ameritech is also incorporating training in its Account Management Certification class and its Local/Wholesale Marketing class for new Account Managers, Negotiators and Product Managers.

4. Internal Controls

The Industry Markets Team has established a project management process to ensure the timely completion of all Merger Conditions. This process consists of specific detailed assignment of tasks, as well as, a weekly reporting structure providing direct accountability and status reporting to upper management.

The project management process consisted of the following components:

- Identification and Assignment of Tasks
- Weekly Accountability and Status Review
- Group Coordinator Activities
- Project Manager Activities
- Escalation & Roadblock Management

On a weekly basis, the unbundled loop product manager, who has responsibility for implementing the offering of UNEs, reported the status to the departmental merger compliance manager.

The merger compliance manager consolidated all statuses for the organization and provides this information to senior management and the Merger Compliance Group.

In addition, SBC/Ameritech had available an escalation process that is described on its two CLEC websites and is thus, available to all CLECs. Specific work groups are identified, responsible individuals are named, and telephone numbers are available for escalating issues. Any CLEC can take advantage of these escalation processes at any time.

5. Documentation

Documentation Table

Condition	Paragraph	Description of Document	Date
13	44	SBC and TCNet website posting concerning Merger Conditions	10/15/99
13	44	Hard copy of SBC and TCNet website pages	12/7/99
13	44	Hard copy of training material to product managers.	12/7/99
13	44	List of meeting and training dates and who attended.	12/7/99
13	44	Copy of multi-state Generic Agreement	12/7/99

Section 4: Corrective Action

In order to create the multi-state agreement within the requisite 60 days, additional staff was added to the SBC/Ameritech Industry Markets organization. This additional staff remains in place to maintain ongoing compliance.

Non-compliance with any Merger Condition was identified in the following ways:

- though the internal controls as described above, and
- through SBC/Ameritech CLEC customers communications with their respective Account Management personnel.

Upon receipt of an issue, the account manager responded to the CLEC's issue. If the account manager was unable to resolve a CLEC's issue it was forwarded to the product manager for resolution. Using the product team process, the product manager tried to resolve the issue and put corrective action in place to avoid similar problems in the future, as needed. If the product manager was unable to resolve the issue in a timely manner, the issue was escalated to the appropriate level of higher management for resolution.

When the need for corrective action was identified, either through observations in day-to-day operations, project management oversight, or through our complaint resolution process, the appropriate management level was involved and revised processes were implemented to correct the problem. In order to ensure the timely and effective resolution of problems, the Merger Compliance Group was notified when problems were identified that relate to compliance with this Merger Condition.

As a key internal control, complaint resolution may require more than resolving a unique problem for a SBC/Ameritech CLEC customer. Thus, 1999 complaint resolution has sometimes included the development or change of policy and/or procedures in other areas within SBC/Ameritech (e.g. network planning, maintenance, order processing, etc.) or the development or acquisition of new equipment or software to ensure permanent resolution. Account managers were instructed to escalate to the appropriate management level if they require assistance to resolve an issue.

In addition, as noted in the Introduction (Section 5.3), the Corporate Compliance Officer or his delegates received an inquiry concerning this Condition in 1999. A CLEC complained about the availability and delivery of the Multi-State Interconnection/Resale Agreement and the promptness of SBC's delivery of a copy of the Agreement to the CLEC for its review. By December 7, 1999 (60 days after merger closing), SBC had created generic interconnection and resale terms and conditions covering the SBC/Ameritech Service Area in all SBC/Ameritech States. SBC also posted a message on the publicly-available area of the two SBC websites stating that the Agreement was available to any requesting carrier. The message further stated: "[T]o obtain a copy of a Multi-State Interconnection/Resale Agreement, please contact your Account Manager." SBC believes that its business practices were in compliance with the Merger Conditions; nonetheless, SBC put the entire Multi-State Interconnection/Resale Agreement on a public, non-password protected website for review by any interested CLEC.

Condition Number: 14

Condition Name: Carrier-to-Carrier Promotions: Unbundled Loop Discount

Section 1: Summary

All 1999 Merger Conditions requirements were met in 1999.

Merger Condition 14 required that SBC/Ameritech offer a Promotional Discount Program, whereby a CLEC could purchase at a discount, a basic loop unbundled network element facility for use in providing residential telephone service to its customers.

This Condition required that 30 days after Merger Close, the combined SBC/Ameritech service areas begin the Promotional Discount Program. Each loop sold during the promotion would be allowed the promotional discount for a period of three years, unless the CLEC disconnected the loop. The amount of the discount was set as 25% below the lowest applicable monthly recurring price established for the same loop by the relevant state commission as of August 27, 1999. In computing the amount of discount, it was further assumed that the number of unbundled loops to be provided in each geographic area will be proportionate to the number of residential access lines in that same geographic area according to the Merger Conditions.

Several terms and conditions were specified for SBC/Ameritech, as well as the subscribing CLECs. With the Merger Closing on October 8, 1999, SBC/Ameritech proceeded to plan, and put in place the Promotional Discount Program effective November 8, 1999.

Section 2: Person Responsible

Name	Title
John Stankey	President - Industry Markets

Section 3: Implementation of Condition

1. Compliance

All 1999 requirements of this Condition were complete as of December 31, 1999, as follows:

- Began offering by November 8, 1999, promotional discounts on monthly recurring charges for unbundled loops used for local service to residential end user customers,
- Met CLEC certification obligations,
- Met the requirement for SBC/Ameritech auditing rights, and
- Met the ceiling number of promotional discounts per state.

Paragraphs 46 and 46a-d required that SBC/Ameritech offer during an “offering window” of at least 24 months a promotional rate for residential (only) loops beginning 30 days after Merger Close Date. The promotion will apply for three years to any qualifying installation. These paragraphs also identify the formula for determining the amount of the discount, the obligations before and after the promotional period, and specify that this discount may not be combined with any other Merger Condition requirement.

To implement this requirement, research was completed to identify the lowest applicable rate for a two-wire analog loop in each state jurisdiction. Formulas were created, using the Merger Condition requirements, and calculations completed to determine the discount to be applied for each geographical zone, in each state. Contract amendments were drafted to formally institute the promotional discount, and notification letters were sent, offering the discount amendments to the CLEC community.

Two teams, one for Ameritech and one for SBC, were formed to identify and implement the required changes to CLEC ordering procedures, service center ordering procedures and internal billing systems. Ordering and billing systems were modified in each region to allow the discounted rate to be applied and to track the three-year expiration period for each loop.

CLEC Certification

Paragraph 46e imposed requirements on CLECs ordering discounted UNE Loops. CLECs must use the discount for residential telephone exchange service. CLECs may not use the discounted loop to provide any “advanced service”, nor may they combine the discounted loop with the UNE Platform or other combination. Finally, the CLECs were required, on a quarterly basis, to certify to SBC/Ameritech and the appropriate state commission that they are using all unbundled local loops provided at a promotional discounted price in accordance with the Condition 14 requirements. In each of its communications to the CLECs, SBC/Ameritech has reminded the CLECs of these obligations. Account managers had procedures for receiving and logging communications from CLECs, including the self-certifications.

Auditing Rights

Paragraph 46e also specifies that SBC/Ameritech shall have the right to hire, at its own expense, an independent third-party auditor to perform all necessary audits and inspections needed to assure that unbundled local loops provided at a promotional discounted price are used in accordance with the Merger Conditions. Auditing procedures were considered, but have not been developed through the end of this annual report period. Paragraph 46f notes that CLECs who violate these terms may be denied discounts on lines identified to be in violation. This paragraph further states that continued violation may result in denial of further promotional discounts to an offending CLEC. There is no obligation for SBC/Ameritech to assert auditing rights.

Promotional Discounts per State

Paragraph 46g specified the maximum number of loops in each state that are required to be discounted during the term of the Promotional Discount Program. It noted that each loop order requesting the discount applied toward the given state's total obligation, whether the loop remains in service or not. SBC/Ameritech is also required to notify the CLECs when 50 percent and 80 percent of the line caps are reached in each state.

SBC/Ameritech initiated tracking methods to identify the composite number of loops sold in each state with the promotional discount. SBC/Ameritech has established plans to provide internet postings and/or CLEC Accessible Letter as the 50% and 80% levels are reached in each state.

As of December 31, 1999, 54 interconnection agreement amendments were either prepared or filed for the Promotional Discount on Unbundled Loops.

Compliance Table

Condition	Paragraph	Milestones	Date Completed			
			PB/NB	SWBT	SNET	AIT
14	45	SBC and TCNet postings offering discounts on unbundled local loops used for residential services	10/15/99	10/15/99	10/15/99	10/15/99
14	46a	Issues Clarified	7/29/99	7/29/99	7/29/99	7/28/99
14	46a	Service description issued	8/01/99	8/01/99	8/01/99	8/01/99
14	46a	Rates developed	8/10/99	8/10/99	8/10/99	8/5/99
14	46a	Rates approved	8/31/99	8/31/99	8/31/99	8/5/99
14	46a	Contract amendment completed	9/20/99	9/20/99	9/20/99	9/20/99
14	46a	SBC and TCNet websites updated	10/27/99	10/27/99	10/27/99	10/27/99
14	46a	Accessible Letter sent	10/27/99	10/27/99	10/27/99	Web Posting
14	46a	Accessible Letter posted to websites	10/27/99	10/27/99	10/27/99	10/27/99
14	45	Agreement Amendments received within the initial 10 business days to be filed simultaneously in the specific state commissions for approval	Various All completed 12/6/99			

CLECs were notified of the promotional offering using methods familiar to CLECs that were already in place within each geographic region. Within SBC, an Accessible Letter (notification letter) was sent to each CLEC via U.S. Mail, and

also placed on the CLEC website for reference. Specifically, these letters are: CLEC99-157 for SWBT; CLECC99-344 for Pacific Bell; CLECN99-097 for Nevada Bell; and CLECCT99-035 for SNET. Within the Ameritech Region, CLECs are accustomed to receiving notifications via the Ameritech website (only). Hence, the website was used exclusively to reach Ameritech CLECs.

2. Methods and Procedures

Ordering methods and procedures ("M&P") were put in place to enable a CLEC to identify unbundled loops qualifying for the promotional discount. In addition, all billing systems across the thirteen-state territory were updated to accurately bill the unbundled loop promotional price, track the number of promotional loops, and handle any errors that may occur. CLEC ordering guidelines were also placed on the CLEC website for easy reference.

Methods & Procedures Table

Condition	Paragraph	Milestones	Date Completed			
			PB/NB	SWBT	SNET	AIT
14	46a	Local Service Request (order) updates completed	11/1/99	11/1/99	11/1/99	11/1/99
14	46a	M&P's completed	11/1/99	11/1/99	11/1/99	9/3/99
14	46a	Order process completed	11/8/99	11/5/99	11/5/99	11/5/99
14	46a	Bill format completed	10/1/99	10/1/99	10/1/99	11/5/99
14	46a	Billing System updates completed	11/8/99	11/5/99	11/5/99	8/3/99

3. Training

Training for employees was and is an on-going project. As compliance issues arose, training for impacted employees was presented. As described more fully below, training took a variety of modes, depending on the breadth of the change. Training requirements were identified, developed and implemented to ensure compliance with this Merger Condition.

Training Table

Condition	Paragraph	Target Audience	Training Message	Delivery Method	Date
14	46a	Service Center Operations	Service Order Coding and Procedures	Training Flash	11/7/99
14	46a	Account Management-SWBT	Merger Requirements Overview	Training Seminar led by Product Management	8/24/99
14	46a	Account Management-Pacific Bell	Merger Requirements Overview	Training Seminar	8/31/99
14	46a	Account Management- All	Merger Requirements Details	Overview Session and Break-out Training	10/11/99 through 10/12/99
14	46a	Account Management- All Lead Negotiators	Merger Requirements	Conference call Questions & Answers	Weekly - (Each Monday)

4. Internal Controls

The Industry Markets Team established a project management process to ensure the timely completion of all Merger Conditions. This process consists of specific detailed assignment of tasks as well as a weekly reporting structure providing direct accountability and status reporting to upper management.

The project management process consists of the following components:

- identification and assignment of tasks,
- weekly accountability and status review,
- group coordinator activities,
- project manager activities, and
- escalation & roadblock management.

On a weekly basis the unbundled loop product manager, responsible for implementing this promotion, reported the status to the departmental merger compliance manager. As part of the reporting process, the product manager provided all significant milestones to be met, a scheduled completion date for each milestone, and a status of each milestone.

The merger compliance manager consolidated all statuses for the organization and provided this information to senior management and the Merger Compliance Group.

In addition, SBC/Ameritech had available an escalation process that is described on its two CLEC websites and is thus, available to all CLECs. Specific work groups are identified, responsible individuals are named, and telephone numbers are available for escalating issues. Any CLEC can take advantage of these escalation processes at any time.

5. Documentation

The following documentation was available to demonstrate compliance with this Merger Condition.

Documentation Table

Condition	Paragraph	Description of Document	Date Available
14	45	SBC and TCNet posting offering discounts on unbundled local loops used for residential services	10/15/99
14	45	CLEC Promotional Discount tracking report	10/15/99
14	46, 46a – 46g	CLEC Notification Letter (CLEC99-157) for Southwestern Bell Region, individualized and mailed to CLECs in Southwestern Bell in Arkansas, Kansas, Missouri, Oklahoma and Texas	10/27/99
14	46, 46a – 46g	CLEC Notification Letter for Pacific Bell Region (CLECC99-344), individualized and mailed to CLECs in California	10/27/99

Condition	Paragraph	Description of Document	Date Available
14	46, 46a – 46g	CLEC Notification Letter for Pacific Bell Region (CLECN99-097), individualized and mailed to CLECs Nevada Bell	10/27/99
14	46, 46a – 46g	CLEC Notification Letter for Southern New England Region (CLECCT99-035), individualized and mailed to CLECs in Connecticut	10/27/99
14	46, 46a – 46g	Contract Amendment posted to CLEC website offering the Loop Promotion – SBC Region	10/27/99
14	46, 46a – 46g	Contract Amendment posted to TCNet website offering the Loop Promotion – Ameritech Region	10/27/99
14	46, 46a – 46g	TCNet web page describing Merger Initiatives (including Loop Promotion)	10/27/99
14	46, 46a – 46g	Training Flash #205, Promotional Discount for Basic Unbundled Loop	11/7/99
14	46, 46a – 46g	Spreadsheet of CLECs who subscribed to the merger promotions	12/31/99

Section 4: Corrective Action

Non-compliance with any Merger Condition was identified in the following ways:

- though the internal controls as described above, and
- through the CLEC customers communicating with Account Management.

The account manager first responded to the CLEC's issue. If the account manager was unable to resolve a CLEC's issue, it was escalated to the product manager for resolution. Using the product team process, the product manager tried to resolve the issue and put corrective action in place to avoid similar problems in the future. If the product manager was unable to resolve the issue in a timely manner the issue was escalated to the appropriate level of higher management for resolution.

When the need for corrective action was identified, either through observations in day-to-day operations, project management oversight, or through the complaint resolution process, the appropriate management level was involved and revised processes were implemented to correct the problem. In order to ensure the timely and effective resolution of problems, the Merger Compliance Group was notified when problems were identified that relate to compliance with this Merger Condition.

As a key internal control, complaint resolution may require more than resolving a unique problem for one of the CLEC customers. Resolution may include development of policies and/or procedures in other areas within the Company (e.g., network planning, maintenance, order processing, etc.) or the development or acquisition of new equipment or software to ensure permanent resolution. Account managers were instructed to escalate to the appropriate management level if assistance in resolution is required. Resolutions of such issues were communicated to all CLECs.