

## Federal Communications Commission

DA 00-2172

FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

September 22, 2000

Mr. James W. Calloway  
Group President – SBC Services  
SBC Communications, Inc.  
175 E. Houston Street  
San Antonio, TX 78205

RE: *SBC/Ameritech Merger Order*, CC Docket No. 98-141, ASD File No. 99-49

Dear Mr. Calloway:

This letter addresses issues related to the development of uniform, electronic operations support systems (“OSS”) required under the *SBC/Ameritech Merger Order*.<sup>1</sup> As explained below, I direct SBC to implement the Plan of Record developed in the Phase 2 collaborative sessions, as filed on August 8, 2000, and supplemented on September 20, 2000 and September 22, 2000.

The *SBC/Ameritech Merger Order* requires SBC to develop and deploy uniform, electronic OSS throughout its region.<sup>2</sup> To accomplish this task, the *Merger Conditions* establish a phased-in approach that starts with SBC’s submission of an initial Plan of Record.<sup>3</sup> Then, in a series of collaborative sessions, SBC and interested competitive local exchange carriers (“CLECs”) discuss a broad range of OSS issues, including SBC’s OSS interfaces, enhancements, business requirements, a change management process, deployment schedule, and other issues related to SBC’s Plan of Record.<sup>4</sup> The final phase requires SBC to upgrade its OSS in accordance with the Plan of Record and the revisions made during the collaborative sessions.

SBC submitted its initial Plan of Record on March 6, 2000 and hosted collaborative sessions in the following months.<sup>5</sup> After a series of extensions, SBC submitted a revised Plan of Record on May 19,

<sup>1</sup> Applications of Ameritech Corp., Transferor, and SBC Communications, Inc., Transferee, For Consent to Transfer Control of Corporations Holding Commission Licenses and Lines Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90, 95, and 101 of the Commission’s Rules, CC Docket 98-141, *Memorandum Opinion and Order*, 14 FCC Rcd 14712 (1999) (“*SBC/Ameritech Merger Order*”), *appeal pending sub nom.* On August 3, 2000, SBC notified the Bureau that it appointed a new Compliance Officer, Mr. James W. Calloway, to oversee its implementation of, and compliance with, the *SBC/Ameritech Merger Order*. See Letter from Marian Dyer, Vice President, SBC Telecommunications, Inc., to Carol E. Matthey, Deputy Bureau Chief, Common Carrier Bureau, FCC (Aug. 3, 2000).

<sup>2</sup> *SBC/Ameritech Merger Order* at Appendix C, para. 28.

<sup>3</sup> *Id.* The *Merger Conditions* require SBC to submit a Plan of Record that provides an overall assessment of its existing OSS interfaces, business processes and rules, hardware capabilities, and data capabilities. The *Merger Conditions* also require the Plan of Record to contain SBC’s plan for developing and deploying uniform application-to-application and graphical user interfaces throughout its region.

<sup>4</sup> *Id.* at Appendix C, para. 28(b).

<sup>5</sup> See Letter from from Marian Dyer, Vice President, SBC Telecommunications, Inc., to Carol Matthey, Deputy

2000.<sup>6</sup> At that time, SBC indicated (and CLEC representatives orally confirmed) that the parties failed to reach written agreement on some issues.<sup>7</sup> However, throughout June and July 2000, SBC and the participating CLECs continued their discussions in order to further refine and narrow the disputed issues.

On August 8, 2000, SBC submitted a further revised Plan of Record.<sup>8</sup> In its submission, SBC also provides a revised list of the remaining issues on which SBC and the participating CLECs did not reach written agreement.<sup>9</sup> In a separate letter, the CLECs assert that SBC's Plan of Record is inadequate and that the collaborative sessions did not work properly.<sup>10</sup> Nonetheless, the CLECs request that the Bureau direct SBC to implement the further revised Plan of Record, with the exception of changes they assert SBC made unilaterally in violation of the *Merger Conditions*. The CLECs contend that the Bureau should direct SBC to implement the schedule contained in the Plan of Record filed on May 19, 2000 instead of the schedule contained in the further revised version submitted on August 8, 2000.<sup>11</sup> The CLECs noted at that time that they have chosen not to seek arbitration for the Phase 2 issues.<sup>12</sup>

On September 20, 2000, SBC submitted a revised deployment schedule that incorporates certain milestones from its May 19, 2000 submission while accounting for the lapse in time since that date.<sup>13</sup> As a result of the revised deployment schedule, SBC commits to completing its deployment of uniform and enhanced OSS interfaces by December 29, 2001.

I direct SBC to implement the Plan of Record in its entirety, as filed on August 8, 2000 and supplemented on September 20, 2000 and September 22, 2000, and the enhancements agreed upon in the Phase 2 collaborative sessions. As a result, Phase 3 starts on the release date of this letter. Pursuant to the *Merger Conditions*, Phase 3 ends on March 22, 2002, i.e., 18 months from the release of this letter.

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Bureau Chief, Common Carrier Bureau, FCC (Mar. 6, 2000).

<sup>6</sup> See Letter from Marian Dyer, Vice President, SBC Telecommunications, Inc. to Lawrence E. Strickling, Chief, Common Carrier Bureau, FCC (May 19, 2000) ("*SBC May 19, 2000 Letter*"); Letter from Carol E. Matthey, Deputy Chief, Common Carrier Bureau, FCC to Charles E. Foster, Group President, SBC Communications, Inc., DA 00-1125 (rel. May 19, 2000) (granting extension of time for collaborative sessions).

<sup>7</sup> *SBC May 19, 2000 Letter* at 2.

<sup>8</sup> Letter from Marian Dyer, Vice President, SBC Telecommunications, Inc. to Dorothy Attwood, Chief, Common Carrier Bureau, FCC (Aug. 8, 2000) ("*SBC August 8, 2000 Letter*").

<sup>9</sup> See *id.* at Attachment 8. SBC and the CLECs note that the parties failed to reach written agreement on the appropriate implementation schedule for enhancements arising out of the collaborative sessions, the joint testing environment, the level of integration between the pre-ordering and ordering Graphical User Interfaces, and several other issues. See Letter from Lisa R. Youngers, Associate Counsel, Worldcom, Inc. to Dorothy Attwood, Chief, Common Carrier Bureau, FCC at 2-3 (Aug. 8, 2000) ("*CLEC August 8, 2000 Letter*"); *SBC August 8, 2000 Letter* at Attachment 8.

<sup>10</sup> *CLEC August 8, 2000 Letter* at 1-3; but see Letter from Marian Dyer, Vice President, SBC Telecommunications, Inc. to Dorothy Attwood, Chief, Common Carrier Bureau, FCC (Aug. 21, 2000) (responding to CLEC allegations).

<sup>11</sup> *Id.* at 4.

<sup>12</sup> *CLEC August 8, 2000 Letter* at 1.

<sup>13</sup> See Letter from Christopher Heimann, Attorney, SBC Telecommunications, Inc. to Dorothy T. Attwood, Chief, Common Carrier Bureau, FCC (Sept. 20, 2000); see also Letter from Christopher Heimann, Attorney, SBC Telecommunications, Inc. to Dorothy T. Attwood, Chief, Common Carrier Bureau, FCC (Sept. 22, 2000).

In its August 8, 2000 letter, SBC asks us to clarify that the Plan of Record under the *Merger Conditions* cannot be modified as a result of subsequent federal or state regulatory actions during Phase 3, or that the Commission will waive or modify the deadlines to accommodate such changes. As indicated in the introductory paragraphs of the *Merger Conditions*, SBC's commitments adopted in the *SBC/Ameritech Merger Order* do not restrict, supersede, or otherwise alter state jurisdiction or authority.<sup>14</sup> The Commission also expressly noted that the *Merger Conditions* do not relieve SBC of complying with future Commission or state commission decisions that impose more stringent obligations.<sup>15</sup> State commissions are therefore not precluded by the *Merger Conditions* from adopting additional requirements that affect SBC's OSS beyond those that SBC must implement pursuant to the *Merger Conditions*. SBC's concerns that it would be impossible to meet the Phase 3 implementation timeline if a state were to order significant changes to its OSS plans are speculative at this time.<sup>16</sup>

SBC further suggests in the alternative that the Bureau should send any unresolved issues deemed appropriate to arbitration in order to provide SBC a forum for resolving any disputed OSS issues before implementing its Plan of Record.<sup>17</sup> The CLECs have indicated, however, that they are unwilling to pursue arbitration on the remaining open issues. Given my desire that Phase 3 starts today, I decline to adopt SBC's suggestion.

Finally, I direct SBC to provide me with weekly status reports, starting on October 2, 2000, on the timing of the commencement of the uniform business rule collaborative sessions.<sup>18</sup>

Please do not hesitate to contact me if I can be of further assistance. You may also contact Anthony Dale in the Common Carrier Bureau at (202) 418-2260 for further information on this matter.

Sincerely,

Carol E. Matthey  
Deputy Chief, Common Carrier Bureau

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<sup>14</sup> See *SBC/Ameritech Merger Order* at paras. 356-58, Appendix C.

<sup>15</sup> *SBC/Ameritech Merger Order* at Appendix C, n.2.

<sup>16</sup> As SBC notes, the *Merger Conditions* allow SBC to seek a waiver or modification of the Phase III timeline. In the *SBC/Ameritech Merger Order*, the Commission noted that SBC bears a "heavy burden of demonstrating good cause" when seeking an extension of time related to the *Merger Conditions*. See *SBC/Ameritech Merger Order* at para. 414.

<sup>17</sup> *SBC August 8, 2000 Letter* at 3.

<sup>18</sup> See *SBC/Ameritech Merger Order* at Appendix C, para. 31.