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Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
)
Application by SBC Communications, Inc.) CC Docket No. 00-217
for Authorization to Provide In-Region,)
InterLATA Services in Kansas and Oklahoma)
_____)

**JOINT DECLARATION
OF TERRI MCMILLON AND SHERRY LICHTENBERG
On Behalf of WorldCom, Inc.**

Based on our personal knowledge and on information learned in the course of our duties, we, Terri McMillon and Sherry Lichtenberg, declare as follows:

1. My name is Terri McMillon. Since June 2000 I have been employed as Manager on the Southwestern Bell ("SWBT")/Southern New England Carrier Management Team of Western Financial Operations for WorldCom. From February 1999 until June 2000 I was Operations Support Systems ("OSS") Project Manager for the same team. I had responsibility for project management of OSS-related issues, including third party testing, OSS change management, and OSS-related support for section 271 activities in the Southwestern Bell and Southern New England Telephone regions of SBC. I continue to have oversight over those areas. Prior to February 1999, I worked at WorldCom for one and a half years. My duties included representing WorldCom with the SWBT Account Team on billing and usage exchange

issues and negotiations for Local Financial Operations. I also represented WorldCom on ATIS's Ordering and Billing Forum on the Message Processing Committee.

2. My name is Sherry Lichtenberg. I am Senior Manager for Operations Support Systems Interfaces and Facilities Testing and Development in the Mass Markets unit of WorldCom, Inc ("WorldCom"). My duties include working with the incumbent local exchange carriers ("ILECs") and WorldCom's technical and Information Technology organizations to establish commercially viable OSS. This includes participating in the design and implementation of local service customer testing and in third party testing. I also help design, manage, and implement WorldCom's local telecommunications services to residential customers on a mass market basis nationwide. I have nineteen years experience in the telecommunications market, four years with WorldCom and fifteen years with AT&T. Prior to joining WorldCom, I was Pricing and Proposals Director for AT&T Government Markets, Executive Assistant to the President, and Staff Director for AT&T Government Markets.

INTRODUCTION AND OVERVIEW

3. The purpose of this Joint Declaration is to respond to the contentions of SWBT that it is today providing timely, reliable, nondiscriminatory access to its OSS functions in Kansas and Oklahoma. In this Joint Declaration, we will explain why the evidence SWBT relies on is insufficient to show operationally ready OSS in Kansas and Oklahoma. We will also demonstrate that important deficiencies remain with SWBT's OSS systems, interfaces, and processes.

4. To begin with, there is not sufficient reason to believe that SWBT's OSS in Kansas and Oklahoma is ready to process commercial volumes of orders efficiently and accurately. SWBT appears to have no experience processing UNE-P orders via Electronic Data Interchange ("EDI") – the only method capable of supporting ubiquitous residential competition. SWBT therefore relies primarily on its experience in Texas. But SWBT provides little evidence that its OSS is identical in Texas, Kansas and Oklahoma. Moreover, SWBT's OSS in Texas has defects that must be corrected. SWBT returns too many jeopardy notifications and returns them too late, SWBT returns Service Order Completions ("SOCs") too late, SWBT returns inaccurate information on SOCs and Firm Order Confirmations ("FOCs"), SWBT rejects orders for invalid reasons, and SWBT's three service order process results in loss of dial tone on too many orders.

5. This Joint Declaration is in two parts. In Part I, we present a general background on OSS functions, their development, and the role they play in providing local exchange service. In Part II, we explain the ways in which SWBT is failing to provide adequate, nondiscriminatory access to basic OSS functions.

I. BACKGROUND ON OSS.

A. Automated Access to the Basic Operations Support Systems and Functions is Critical to a CLEC's Ability to Compete.

6. OSS are all of the systems, databases, business processes, and personnel needed to ensure that a local exchange carrier can satisfy the needs and expectations of its customers. The fundamental importance to a CLEC of having nondiscriminatory access to the Bell Operating Company's ("BOC") OSS is well established. The Commission has emphasized

that “nondiscriminatory access to these systems, databases, and personnel is integral to the ability of competing carriers to enter the local exchange market and compete with the incumbent LECs.”^{1/} It has added that “without nondiscriminatory access to the BOC’s OSS, a competing carrier ‘will be severely disadvantaged, if not precluded altogether, from fairly competing in the local exchange market.’”^{2/}

7. Because of the importance of OSS, the BOC must show that CLECs have access of the same quality, reliability, accuracy, and timeliness to the same OSS functionalities as the BOC and that the BOC can sustain the requisite level of performance while supporting commercial volumes of CLEC transactions. A BOC must show both that CLEC access to OSS is

^{1/} In re Application of BellSouth Corporation, BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc., for Provision of In-Region, InterLATA Services in Louisiana, CC Docket No. 98-121, Memorandum Opinion and Order, 13 F.C.C.R. 20599, ¶ 83 (1998) (“LA II Order”). See also In re Application of BellSouth Corporation, et al. Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in South Carolina, CC Docket No. 97-208, Memorandum Opinion and Order, 13 F.C.C.R. 539, ¶ 82 (1997) (“SC Order”); In re Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in Michigan, CC Docket No. 97-137, Memorandum Opinion and Order, 12 F.C.C.R. 20543, ¶ 129 (1997) (“MI Order”).

^{2/} In re Application by Verizon New York for Authorization Under Section 271 of the Communications Act to Provide In-Region InterLATA Service in the State of New York, CC Docket No. 99-295, Memorandum Opinion and Order, 15 F.C.C.R. 5413, ¶ 83 (1999) (“NY Order”) (quoting LA II Order, 13 F.C.C.R. at 20652). See also In re Application by SBC Communications Inc., Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Services in Texas, CC Docket No. 00-65, Memorandum Opinion and Order, FCC No. 00-238, ¶ 92 (2000) (“TX Order”).

nondiscriminatory on its face and that its OSS functions are operationally ready as a practical matter. LA II Order ¶ 85.

8. It is customary and useful to distinguish among five basic OSS systems: pre-ordering, ordering, provisioning, billing, and repair and maintenance. In order to access these basic OSS functions, a CLEC must establish a connection with the BOC to exchange information and conduct transactions.

9. In theory, the connection and processing of these transactions could be manual or automated. A manual connection means that the CLEC's access is mediated in some way by human intervention. A CLEC might, for example, place orders with a BOC via fax or monitor the status of orders by placing a phone call to the BOC.

10. Ordinarily, manual access arrangements are not compatible with WorldCom's needs as a new entrant. Every manual intervention causes delay, sometimes substantial delay, and creates a significant risk of error. By relying on manual intervention, a BOC makes its competitors dependent on the efficiency and accuracy of the BOC's own employees – including their incentive or lack of incentive to be efficient and accurate. Manual arrangements also increase a CLEC's costs of managing and monitoring the BOC's process. The FCC has recognized, therefore, that reliance on manual processing generally results in poor BOC performance as commercial volumes increase.^{3/}

^{3/} See, e.g. LA II Order ¶ 110; SC Order ¶ 107; In re Application of BellSouth Corporation, et al. Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in Louisiana, CC Docket No. 97-231, Memorandum Opinion and Order, 13 F.C.C.R. 624, ¶ 28 (1998) ("LA I Order"); MI Order ¶ 173.

11. In order for an OSS interface to work as planned, the interface itself, the business processes, and the training and documentation must all function appropriately. Ensuring that this occurs is a lengthy process and requires careful planning and testing. The BOC must engage in a Quality Assurance process which includes testing of both software and documentation and then must test its interfaces with the CLECs. Even after testing, it is often the case that actual competitive use will reveal design and operating flaws that had escaped detection up through integration testing, thus requiring further trouble-shooting and system modification. The FCC has therefore appropriately recognized that “[t]he most probative evidence that OSS functions are operationally ready is actual commercial usage.” TX Order ¶ 102. In the absence of such commercial usage, the Commission has said that, in some circumstances, a BOC may rely on a third party test. TX Order ¶ 98. Here, however, SWBT has insufficient commercial experience and there was no third party test.

II. SWBT’S OSS IS NOT YET READY.

A. SWBT Has Not Demonstrated That Its OSS Is Operationally Ready.

12. SWBT cannot rely on its commercial experience in Kansas and Oklahoma to show that its OSS is ready. SWBT has very little commercial experience in those states. Indeed, this is apparent from SWBT’s own discussion of its performance reports. On most of its performance measures, SWBT does not report any results in Kansas and Oklahoma because it has insufficient data. Moreover, the data SWBT does present reveal discriminatory performance. SWBT repeatedly excuses its poor performance by pointing to the low volume of CLEC orders. For the same reason, SWBT cannot rely on those data where they show good performance.

13. In Kansas, SWBT met the performance measures for only 88% of measures in August and 87% in September, numbers that would be even lower if SWBT had included reconciled data showing failures on measures related to missed due dates (discussed below). Dysart/Noland/Smith Aff. Att. B. For OSS measurements, SWBT met the performance standards only 83.1% of the time during June through August and only 80.3% of the time during July through September – even using SWBT’s 2 out of 3 month standard. Dysart Aff. ¶ 68; Dysart/Noland/Smith Aff. ¶ 22.

14. Similarly, in Oklahoma, SWBT met the performance standards for only 88.1% of its performance measures in August and 82.9% in September. Dysart/Noland/Smith Aff. Att. AA-1. For the OSS measurements, SWBT met the performance standards for only 86.1% of the measurements during the July-September 2000 period – even using SWBT’s method of including only measures SWBT failed for 2 out of 3 months and applying the z test to all measures. Dysart/Noland/Smith Aff. ¶ 11.

15. SWBT’s performance data not only show a high failure rate; they also show SWBT’s inexperience. SWBT reports data for only 246 of 678 measures for Kansas in September. Dysart/Noland/Smith Aff. Att. B-12. SWBT reports data for only 232 of 678 measures in Oklahoma in September. Dysart/Noland/Smith Aff. Att. A-12.^{4/}

16. SWBT’s experience is particularly limited with respect to UNE-P. SWBT has received in total only 17,048 UNE-P orders in Kansas and only 6,288 in Oklahoma. SWBT

^{4/} SWBT also met only 88.7% of the performance standards for unbundled loops, transport and switching in Oklahoma for two of the last three months and only 87.9% of those standards in Kansas. Dysart/Noland/Smith Aff. ¶ 28.

Comments at 15, 18. SWBT received only 3,906 UNE-P orders in Kansas in its highest volume month and only 1,444 UNE-P orders in Oklahoma in its highest volume month.

Dysart/Noland/Smith Aff. Att. AA-7, BB-7. As far as we can tell from SWBT's filing, none of these UNE-P orders were placed over EDI. In fact, it appears that in August SWBT received only 61 EDI orders of any sort in Kansas and only 256 in Oklahoma. Ham Aff. ¶ 29. But ordering UNE-P over EDI is the only method by which CLECs can provide ubiquitous residential competition in the near term. That is the method WorldCom has used to provide competition elsewhere and is the method WorldCom will continue to use as it enters additional markets. SWBT appears to have no experience with this method of service in Kansas or Oklahoma.

17. SWBT therefore relies on its experience in Texas. SWBT conveys the impression that its OSS for Kansas and Oklahoma is identical to its OSS for Texas, but that is not so. We acknowledge that the OSS in Kansas and Oklahoma is likely quite similar to that in Texas because SWBT has long provided local service in all three states – unlike other regions where local service was formerly provided by different companies that have now merged. In that respect, SWBT may be able to show operational readiness with less state specific evidence than is required elsewhere.

18. However, the OSS in Kansas and Oklahoma is not identical to the OSS in Texas. The regulations governing telecommunications services, the products SWBT offers, the prices SWBT charges for products and features, and the mixture of types of switches all vary from state to state. These differences result in differences in the OSS. Both CLECs and SWBT

must program their OSS to handle these differences. For example, in Kansas and Oklahoma, SWBT offers a product that enables customers to prevent their accounts from being migrated unless they personally call their existing carrier. SWBT does not offer this product in Texas. This results in the need for different programming in Texas than in Oklahoma or Kansas.

19. In Verizon's region, when WorldCom and other CLECs worked with Verizon to create uniform interfaces (including business rules) throughout its former Bell Atlantic region, product and regulatory differences resulted in an approximate 20% variance in the business rules among states. Product and regulatory differences likely result in similar variance in SWBT's region.

20. SWBT also claims that its interfaces and business rules are uniform from state to state. But the business rules necessarily incorporate product and regulatory differences. A business rule may be technically uniform while setting forth different requirements depending on the origin of the order. For example, it may state that a certain field must be populated if the order is placed in Texas but cannot be populated in Kansas. Or it may require different values to be populated depending on the origin of the order. Indeed, such differences do exist between Texas, Kansas and Oklahoma. Although WorldCom has not done any detailed analysis of the business rules for Kansas and Oklahoma (because WorldCom does not intend immediately to enter those states), WorldCom has noticed different Universal Service Ordering Codes ("USOCs") and valid values in these states from those in Texas. These differences require different programming on the CLECs' side of an interface, as well as on SWBT's side. A CLEC cannot simply use an interface developed for Texas in Oklahoma or Kansas. Moreover, if SWBT

has not properly documented the differences among the states or has not programmed its side correctly, a CLEC that develops an interface in Kansas or Oklahoma will not be able to successfully submit orders over that interface even if the CLEC could do so in Texas.

21. In addition, there is at least one difference in the back-end systems between OSS in Kansas and Oklahoma and OSS in Texas. Orders in Kansas and Oklahoma are processed by SWBT's back-end SORD processor in St. Louis. Orders in Texas are processed by SWBT's back-end SORD processor in Dallas – which is also the processor that was used in the Texas third-party test. SWBT's Response to WorldCom's Oklahoma Discovery Request No. 1-III.D(13) (Att. 1 hereto); SWBT's Response to Sprint's Oklahoma Discovery Request No. 1 (Att. 2 hereto). Although SWBT claims the hardware and software for the two SORD processors is identical, the software could easily be out of synch at certain times, such as after updates. SWBT may fail to update the two processors simultaneously, for example, or may err in updating one of the processors. If this occurred, OSS that worked in Texas would not work in Kansas or Oklahoma.

22. There are quite likely other differences in the OSS of which WorldCom is unaware. SWBT's evidence for its claim that the OSS is identical consists of its own assertion and that of Ernst and Young. Ernst and Young was hired by SWBT, not the state commissions, and has a long historical relationship with SWBT. More important, Ernst and Young performed its analysis without any input from CLECs. It provides no explanation of the methodology it used, it apparently did not evaluate SWBT's business rules at all, and, most important, Ernst and Young did not conduct any analysis to determine that a CLEC in Kansas and Oklahoma could

build operational interfaces despite the differences in the OSS (such as those caused by product and regulatory differences) that do exist.

23. As for SWBT's own assertion that its OSS is identical, that assertion is not sufficient. The Commission has always required real evidence that OSS works; it has not been content to rely on a BOC's own assertion that its OSS works. Moreover, SWBT's assertion is too general. As we have discussed, the fact that interfaces and business rules and processors are the same does not mean the OSS is identical. Product and regulatory differences are necessarily incorporated into the OSS. For example, Qwest claimed that its OSS was identical across its 13 state region, yet KPMG's evaluation of Qwest's OSS has found a multitude of differences. Similarly, Verizon claimed that its OSS in Massachusetts was nearly identical to that in New York, yet Verizon's discovery answers revealed important differences in the OSS between these states, including differences in the tables set up in the processors to handle product and regulatory differences.

24. Despite Verizon's claim that its OSS was nearly identical in New York and Massachusetts, the Massachusetts Department of Telecommunications and Energy employed KPMG to test Verizon's OSS to ensure that it worked in Massachusetts.^{5/} And, although that test had significant limitations, it nonetheless identified a multitude of problems in Massachusetts

^{5/} WorldCom has explained to the Commission that the KPMG test in Massachusetts was itself inadequate. A more rigorous test was needed in Massachusetts than is needed here as a result of greater differences between OSS in Massachusetts and New York than between OSS in Texas, Oklahoma and Kansas. But the point here is that, despite Verizon's claim of a large degree of uniformity, at least there was a third party test.

that had to be fixed before the conclusion of the test. Here, there was no test to determine whether the OSS works in Kansas and Oklahoma.

25. We are not claiming that SWBT's OSS experience in Texas is irrelevant to an evaluation of its OSS in Kansas and Oklahoma. Because there are probably more similarities between the OSS in Texas and that in Kansas and Oklahoma than there are between the OSS in states where the OSS has been derived from different legacy systems, there may not be the need for the same level of commercial experience and testing as in most other states. But there must be some real verification that the OSS works. Here, there has not been. There is no commercial experience for UNE-P orders placed via EDI in Kansas and Oklahoma and there has been no third party test.

B. SWBT's OSS In Texas Is Itself Deficient.

26. In any event, the Texas OSS on which SWBT places so much emphasis is itself far from perfect. Although the OSS is working well enough for WorldCom to submit a significant number of orders, WorldCom has experienced a number of problems that in the aggregate impede WorldCom's ability to compete. These problems primarily stem from two defects in SWBT's OSS: the high level of manual processing and SWBT's decision to divide every UNE-P order into three service orders in its back-end systems – the "N" order, "C" order and "D" order. SWBT has managed to mask some of the problems associated with manual processing by hiring additional employees and retraining existing employees, but these manual solutions are unlikely to work if order volumes increase significantly through expansion of competition in Kansas and Oklahoma.

i) SWBT Returns Too Many Jeopardies And Returns Them Too Late.

27. To begin with, SWBT is placing too many WorldCom orders in jeopardy status and then is returning those jeopardies far too late. As WorldCom began transmitting a significant volume of orders in Texas, it realized that SWBT was not returning timely completion notifications (“SOCs”) on many of its orders. WorldCom then began transmitting weekly lists of missing SOCs to SWBT. SWBT eventually returned jeopardies, rather than SOCs, on many of these orders. It thus became apparent that SWBT was placing many orders in jeopardy status but failing to notify WorldCom.

28. In August 2000, for example, SWBT returned 4,281 jeopardies to WorldCom. This is a jeopardy rate of 8.7%, calculating jeopardies as a percentage of total orders (including migration orders, new installation, change orders, disconnect orders and outside moves) that WorldCom sent in August.^{6/} In September, SWBT returned 3,531 jeopardies to WorldCom for a jeopardy rate of 6.8%, and in October, SWBT returned 3,663 jeopardies to WorldCom for a jeopardy rate of 6.0%. A 6.0 to 8.7% jeopardy rate is far too high especially since many of those jeopardies were transmitted for unacceptable reasons.

29. SWBT’s high jeopardy rate is even more apparent when order types are disaggregated. In the August through September period as a whole, SWBT returned 4,726 jeopardies to WorldCom on new installation orders for a jeopardy rate of 21.5% (calculated as a

^{6/} This is actually an understatement the jeopardy rate. Most of the jeopardies WorldCom received in August were on orders sent in prior months when order volumes were significantly lower. Moreover, this calculation is based on the total number of orders WorldCom transmitted, including multiple versions of orders transmitted to correct rejects. The jeopardy rate is much higher if multiple versions of the same order are factored out.

percentage of all versions of UNE-P installations WorldCom transmitted).^{7/} Even more alarming is the number of jeopardies SWBT transmitted on UNE-P migration orders. In August through September, SWBT transmitted 5,313 jeopardies on UNE-P migrations for a jeopardy rate of 4.3% (calculated as a percentage of all versions of UNE-P migrations WorldCom transmitted).^{8/} SWBT should be transmitting very few, if any, jeopardies on UNE-P migrations.

30. The fact that SWBT is transmitting too many jeopardies on UNE-P migrations is apparent simply from the types of jeopardies it is transmitting. More than 20% of the jeopardies SWBT transmitted in August, September and October were to notify WorldCom of a new due date and 61.8% of these were on UNE-P migration orders – 1,451 orders. SWBT has no justifiable reason to change the due date on UNE-P migrations because WorldCom requests due dates of no less than the standard interval for such orders. Moreover, by placing these orders in jeopardy status, SWBT is changing due dates to which it has already committed on the FOCs it returns. The problem appears to be that orders are hanging up in SWBT's systems (often as a result of a manual error made by SWBT representatives in typing information on one of the three service orders SWBT creates from every UNE-P order), are falling into error status, and then are not being manually worked by the due date. SWBT's manual processing and

^{7/} Calculated as a percentage only of unique UNE-P new installation orders (factoring out orders on which multiple versions were transmitted as a result of rejects etc.), the jeopardy rate is 36.5%.

^{8/} Calculated as a percentage only of unique UNE-P migration orders, the jeopardy rate is 5.0%.

three service order process thus both seem to be contributing to the jeopardies for “Notification of New Due Date.”

31. Many of the other jeopardies SWBT returns also appear unacceptable on their face. In August through September, 9.6% of the jeopardies SWBT returned were to “Verify address or provide nearby TN” of which 13.5% were for UNE-P migration orders (149 orders). But since May, CLECs have not been required to transmit addresses on UNE-P migrations and SWBT strips off the addresses when CLECs do transmit them. SWBT populates the address on CLEC orders from its own internal databases. Thus, there is no reason SWBT should be placing orders in jeopardy status in order to verify addresses.

32. Another 2.9% of the jeopardies SWBT returned from August to October were for “NSP missed appointments” of which 73.4% were UNE-P migrations (243 orders). 3.6% of the jeopardies SWBT returned were for “Field visit determined address invalid” of which 41.7% were for UNE-P migrations (173 orders). SWBT also returned 72 jeopardies for “End user not ready,” 30 jeopardies for “Facility shortage,” and 18 jeopardies for “No access to end user premises” on UNE-P migration orders. UNE-P migration orders do not require appointments, field visits, ready end users, facilities, or access to end user premises. SWBT should not be returning jeopardies for these reasons.

33. Finally, 6.0% of the jeopardies SWBT returned in August through September were for “Account not eligible for conversion” of which 95.9% were on UNE-P migration orders (659 orders). All accounts should be eligible for migration. As discussed

below. SWBT has now acknowledged that rejects it returns for “Account not eligible” are in many cases erroneous. The same is almost certainly true for jeopardies.

34. In total then, in August through September, SWBT returned 2795 jeopardies on WorldCom’s UNE-P migration orders for reasons that are either completely inexplicable or clearly SWBT’s fault. Thus, it seems that at a minimum, SWBT is placing 2.9% of WorldCom’s UNE-P migration orders into jeopardy status without any justification (calculated as a percentage of all versions of UNE-P migrations WorldCom transmitted).

35. SWBT is also returning jeopardies far too late. WorldCom recently analyzed the timeliness of the jeopardies it received in August. Of the 4,281 jeopardies WorldCom received in August, SWBT returned 3,727 of them after the due dates on these orders had already passed. It returned 1,223 of these late jeopardies more than 60 days after the due date. Regardless of whether SWBT or WorldCom causes an order to be placed in jeopardy status, SWBT should not be returning jeopardies after the due date. Returning jeopardies more than 60 days after the due date is simply inexcusable.

36. When SWBT places an order in jeopardy status and fails to notify WorldCom of this fact, WorldCom does not know to notify its customers that there is a new due date. This is a particular problem on many new installation orders when WorldCom is unable to notify customers that they should not wait at home for service to be installed.

37. Additionally, when SWBT places orders in jeopardy status, the customers continue to be billed by their current provider even though they have long since requested to switch to WorldCom. In some instances, customers may refuse to pay their SWBT bills because

they believe they have already migrated to WorldCom. SWBT may then cut off their telephone service for non-payment. Of course, even if this does not happen, WorldCom loses all of the revenue from the time the customer's migration should have been completed to the time the migration is actually completed.

38. When SWBT finally transmits the jeopardy to WorldCom, this does not complete the migration process. In most instances, WorldCom must submit a supplemental order after it receives the jeopardy. Moreover, if WorldCom receives the jeopardy more than 60 days after the original due date, the customer cannot be migrated until WorldCom repeats the third party verification process to make sure that the customer still wishes to migrate. Not surprisingly, customers who expected to be switched to WorldCom 60 days earlier are not always likely to agree to switch when informed 60 days later that they have not yet been migrated.

39. SWBT's poor performance with respect to jeopardy notifications has not, for the most part, been captured in its performance measures. SWBT is not yet reporting any data on metrics explicitly designed to measure jeopardy performance. In its filing, SWBT does provide some data showing a high number of jeopardies, *Dysart Aff.* ¶ 68, but it attributes almost all of them to CLEC causes with the exception of some jeopardies related to lack of facilities. *Id.* ¶ 69. This is inconsistent with the jeopardies WorldCom is receiving, many of which appear to be caused by SWBT for reasons other than lack of facilities.

40. SWBT is reporting data on SWBT-caused changed due dates which, to some extent, serve as a surrogate for evaluating jeopardy performance. If accurate, this data would capture orders SWBT placed in jeopardy status as a result of its own failures. The data

would not provide any information on orders placed in jeopardy status due to CLEC failures, however, even if SWBT took months to return those jeopardies. Moreover, SWBT now acknowledges that it has been misreporting this data. Noland/Smith Aff. ¶ 76. SWBT has been incorrectly attributing some changed due dates to CLEC causes when they were actually caused by SWBT.

41. SWBT has now reexamined its data, but even the new data show far fewer SWBT-caused changes in due dates than WorldCom is experiencing. SWBT reports that it causes a change in due date in approximately 0.5% of CLEC UNE-P orders that do not require field work, Dysart/Noland/Smith Aff. Att. AA-7, and less than 0.1% in the WorldCom specific data SWBT is reporting in Texas; yet WorldCom received jeopardies on 2.9% of UNE-P migrations that appear on their face to be SWBT's fault (4.3% in total). There is no reason to trust SWBT's new data since no one has examined that data and SWBT has admitted its prior data was wrong.

42. In any event, SWBT's new data do show worse performance for CLECs than for SWBT retail customers in each of the last four months for UNE-P orders that do not need field work in Oklahoma, and ten times worse performance in September for missed due dates of more than 30 days. Dysart/Noland/Smith Aff. Att. AA-7, AA-15. SWBT does not present the new data on these measures for Kansas. As for UNE-P orders that do need field work, SWBT acknowledges out-of-parity performance in Kansas in two of the last three months. Id. ¶ 53. SWBT's reconciled data also show worse performance for CLECs than for SWBT retail customers for two of the last three months in Oklahoma. Id. Att. AA-7.

43. SWBT's own data also reflect problems with respect to changed due dates for orders other than UNE-P. First, in Oklahoma, SWBT's data show that SWBT has fallen substantially short of parity for SWBT-caused missed due dates for 8.0 db loops without field work in the last two months. Dysart/Noland/Smith Aff. Att. A-7; Dysart Decl. ¶ 78. In September SWBT changed due dates on 7.1% of CLEC orders for such loops but only 0.3% of its own retail orders. Dysart/Noland/Smith Aff. Att. A-7. Second, in both Kansas and Oklahoma, SWBT performed significantly worse for CLECs than for its retail customers with respect to missed due dates on DSL orders in each of the last three months. Id. Att. A-7, B-7. In September in Oklahoma, for example, SWBT caused missed due dates for 12.7% of CLEC DSL orders as opposed to 1.3% of retail DSL orders. Id. Att. A-7. Third, SWBT performed significantly worse for CLECs than for its retail customers with respect to missed due dates for analog line ports in Oklahoma in both August and September – the first months there was sufficient data to report on this measure – and also in Kansas. Dysart/Noland/Smith Aff. ¶ 31, Att. A-7, B-7. Fourth, SWBT missed the performance measure for missed due dates (business, no field work) for 5 of the last 12 months in Oklahoma and missed the same measure for Kansas in the last two months. Dysart/Noland/Smith Aff. ¶ 69, 71, Att. A-3, B-3. Finally, in Kansas, SWBT did not meet the measure for SWBT-caused missed due dates (business, field work) for 2 of the last 3 months. Dysart/Noland/Smith Aff. ¶ 70. Thus, SWBT's own data reflect problems with changed due dates, although fewer problems than WorldCom is experiencing in Texas.

44. WorldCom is participating with SWBT in a jeopardy subcommittee task force to review SWBT's jeopardy process and determine how the process can be improved.

However, key SWBT representatives have failed to show up at several meetings. At least partly as a result, no solutions have yet been identified. SWBT continues to return too many jeopardies and to return them too late.

ii) SWBT Has Not Ensured Timely Return of SOCs.

45. In addition to returning jeopardies too late, SWBT has also returned SOCs too late. This problem developed as WorldCom ramped up after launching commercial residential service in Texas in April 2000. As of July 6, SWBT had failed to return SOCs on 1,936 orders for which SOCs were past due. Many of the SOCs were long past due. WorldCom had transmitted 233 of these orders to SWBT in May, 1,677 of these orders in June and 26 of these orders in July. (This does not seem consistent with SWBT's performance data which ostensibly show that SWBT returns SOCs to WorldCom in less than 1 hour on average.) In June, WorldCom began submitting weekly lists of outstanding SOCs to SWBT. SWBT worked with WorldCom to transmit missing SOCs but took a long time to convey many of them. It is unclear to us why this was so – it may be that SWBT had a systems problem it did not explain to WorldCom. In any event, as of August 6, WorldCom was still missing SOCs on 6 orders it had transmitted in May, 49 orders it had transmitted in June, 212 orders it had transmitted in July and 849 orders it had transmitted in August.

46. WorldCom repeatedly asked SWBT to explain the root cause of the missing SOCs but SWBT never provided a full explanation. SWBT has told WorldCom that part of the problem, as with jeopardies, is that SWBT representatives made manual mistakes in processing WorldCom orders, causing the orders to drop into error status. SWBT representatives

then failed to manually correct these errors quickly enough – or accurately enough – to transmit the SOC's on time. The inaccuracies were increased by the fact that representatives often had to correct all three service orders, not just one, thus magnifying the potential for mistakes.

47. At present, SWBT appears to be more rapidly returning the SOC's WorldCom had listed as missing on the weekly reports it provides to SWBT. SWBT has never provided WorldCom a full explanation of what, if any, improvements it has made. WorldCom has surmised that SWBT's solution was to hire more representatives to work the orders that fell into error status. This is not an acceptable long term solution, however. While SWBT's current representatives appear trained to transmit missing SOC's relatively effectively, employee turnover could easily lead to renewed problems since the fix is purely a manual one. In addition, if the volume of orders were to escalate rapidly again, as it would if CLECs began submitting commercial volumes of orders in Kansas and Oklahoma, SWBT's performance would likely deteriorate again. Manual processes are not generally capable of handling rapid increases in order volumes. That is apparent simply from WorldCom's experience when it increased the order volumes it was transmitting in Texas.

48. Moreover, even today, SWBT does not meet the benchmark for timely return of SOC's via EDI. In Kansas, in three of the last four months, SWBT failed to meet the 97% benchmark for return of SOC's via EDI within one day of work completion. SWBT failed by a significant amount – 7.3% in June, 4.4% in August and 18.3% in September, returning only 78.7% of SOC's within one day of work completion in September. *Dysart/Noland/Smith Aff.* Att. B-2. As in Kansas, SWBT failed to meet the benchmark in Oklahoma in September,

returning only 85.6% of EDI SOC's within one day of work completion. Id. SWBT attributes the Kansas results to a low volume of orders. Noland/Smith Aff. ¶ 89. But the problem is likely to worsen, not improve, if volumes increase significantly.

49. SWBT's deficient performance with respect to return of SOC's is also reflected in its measurement for billing completeness which reflects the percentage of orders that post to billing prior to the carrier's billing period. Noland/Smith Aff. ¶ 93. SWBT failed to provide parity on this measure in any of the last three months in Kansas and Oklahoma. Dysart/Noland/Smith Aff. Att. A-2, B-2. In Kansas, the difference between retail bills and CLEC bills has averaged 0.9% for the last three months; in Oklahoma, it has averaged almost 1.9%. WD Att. B-2. SWBT's failure to post orders to billing on time is at least partly responsible for its failure to return SOC's on time. The SOC's are only returned after the orders have posted to billing.

50. Late return of SOC's has a significant impact on WorldCom. Until WorldCom receives the SOC, it does not begin billing the customer. Thus, WorldCom loses significant revenue if the SOC is returned late. Moreover, without the SOC, WorldCom records show the customer as pending completion status. As a result, if the customer calls WorldCom to report a trouble, WorldCom records do not show that WorldCom is authorized to respond to the customer's trouble.

iii) SWBT Is Returning Incorrect C Order Numbers to CLECs.

51. A third problem with SWBT's OSS is that it is transmitting incorrect information to CLECs on many FOCs and SOC. SWBT is transmitting incorrect C order numbers to WorldCom on FOCs and SOC for CLEC-to-CLEC migrations – orders to migrate customers from another CLEC – and some other types of orders. This prevents WorldCom from accessing order status information and from submitting accurate trouble tickets.

52. For months, on a number of orders, WorldCom has been unable to access SWBT's function for obtaining order status information in Texas. When WorldCom entered the C order number into SWBT's Order Status application in Toolbar, WorldCom received the message that it could not access order status information. After providing examples of such orders to SWBT, SWBT responded that almost all of these orders involved migration of customers from another CLEC to WorldCom. On such CLEC-to-CLEC migrations, SWBT said it was often returning the incorrect C order number to WorldCom. Because CLECs use the C order number to check order status, SWBT's transmission of the incorrect C order number prevented WorldCom from accessing status information on these orders and hence from checking the features on customers' lines.

53. WorldCom needs to obtain order status information when a customer calls to complain that a feature has not been provisioned properly. WorldCom must be able to check whether SWBT's records show that the feature was to be provisioned on the line. WorldCom also uses the order status function for auditing purposes, to make sure SWBT is provisioning WorldCom orders correctly.

54. WorldCom uses the C order number for another purpose as well. When WorldCom submits trouble tickets on orders that have not yet posted to billing (generally trouble tickets submitted within 48 hours of when WorldCom receives a SOC), WorldCom must place the C order number on the trouble ticket. WorldCom must also place the C order number on all trouble tickets related to provisioning problems – such as when a customer does not receive call waiting. If WorldCom does not receive the proper C order number, it cannot submit a proper trouble ticket.

55. SWBT's failure to return proper C order numbers on CLEC-to-CLEC migrations will become increasingly important as competition increases. Both the number and the percentage of CLEC-to-CLEC migrations will increase as CLECs increase their base of customers. Moreover, SWBT's failure to return proper C order numbers appears to extend beyond CLEC-to-CLEC migrations. One of the examples WorldCom provided SWBT was not a CLEC-to-CLEC migration. Further, in a change management meeting on November 1, one CLEC remarked that when any CLEC order falls out for manual processing after SWBT has transmitted a SOC, SWBT representatives create a new number for the C order – different from the one already transmitted to the CLEC on the FOC and SOC. SWBT seemed to agree that this sometimes occurs and that the CLEC could not then access order status information using the C order number the CLEC had received.

56. WorldCom's Carrier Management Organization continues to work this issue. But so far SWBT has not agreed to fix whatever defect is causing it to return improper C order numbers. SWBT stated that WorldCom could obtain the correct C order number through

an alternative process. WorldCom could retrieve the orders by telephone number, find the related N order, use that to pull up the appropriate C order, and use the C order to check order status. This is an unacceptable way of retrieving this information, adding multiple steps to a process that is already manually intensive and time consuming due to slow SWBT system response time. CLECs should not be forced to make up for SWBT's inadequate OSS processes using time-intensive manual processes and slow GUI systems that make a competitive environment hard to achieve.

57. The extremely slow time to access SWBT's order status function is a significant OSS problem in and of itself. In WorldCom's experience, the average response time of the order status application is 7-15 minutes. As we have explained, order status is an important function that WorldCom uses both for auditing purposes and to check individual customer orders when customers call. Yet it takes far too long to access this information – especially when a customer is on the phone expecting a response. SWBT must fix this problem as well – a problem not captured by SWBT's current performance measures.

iv) SWBT Issues Invalid Rejects.

58. Yet another defect in SWBT's OSS is that SWBT continues to reject orders for unacceptable reasons. Each month, SWBT rejects hundreds of WorldCom orders in Texas on the basis that the customers' accounts are ineligible for conversion. SWBT rejected 357 of WorldCom's August orders, 358 of WorldCom's September orders, and 471 of WorldCom's October orders for this reason. (It placed another 232 orders in August, 203 orders in September and 250 orders in October in jeopardy status for this reason.) Although SWBT

offered several different explanations for these rejects over the past months, it has now acknowledged that the orders were eligible for conversion and it should not have rejected them. SWBT has explained that these accounts were once suspended by SWBT and then improperly restored and that this somehow causes problems when SWBT receives orders to migrate these accounts.

59. To date, SWBT has not agreed to any fix for this problem, however. Instead, SWBT has said that when CLECs receive rejects for account not eligible, they should call the Local Service Center (“LSC”) and provide the LSC with the order numbers. The LSC will then investigate the reject to determine whether it is valid or not. This is entirely unacceptable. It allows SWBT to reject orders for invalid reasons and then forces the CLEC to spend resources to correct SWBT’s mistake through an entirely manual process that significantly extends the time by which an order is completed. This process is particularly difficult because the LSC generally requires a C order number to work a reject and SWBT does not provide the C order number when it rejects an order. CLECs must therefore use the cumbersome Order Status function to obtain the C order number before they can manually work the reject. This is true for all rejects CLECs must work with the LSC.

60. SWBT also rejects orders for a second reason that is often invalid: “New TN is already Working.” When SWBT places CLEC orders in jeopardy status, CLECs generally must submit supplemental orders before the original orders are completed. But when CLECs submit these supplemental orders, SWBT frequently rejects these orders because the telephone number has already been migrated to the CLEC. Indeed, SWBT rejected 418 of WorldCom’s

August orders, 471 of its September orders and 554 of its October orders in Texas because the “New TN is Already Working.” However, in approximately 75% of these cases the number had not in fact been migrated to the CLEC. SWBT’s systems erroneously concluded that the accounts had already been migrated because one of the three service orders SWBT creates from every UNE-P order, the N order, had completed.

61. When SWBT places a CLEC order in jeopardy status, the SWBT representatives are supposed to push out the due date on all three service orders. If the N order has already completed, they are supposed to remove the completed service order from SWBT’s databases. They do not always do so, however. When they do not, and CLECs submit a supplemental order, SWBT’s systems read the order as having completed because they look only to the status of the N order. SWBT therefore erroneously rejects the supplemental order. At that point, WorldCom’s only recourse is to work the order manually with the LSC.

62. Once again, SWBT has not offered any systems fix to eliminate this problem. Instead, it is attempting to better train its service representatives to ensure that when an order is placed in jeopardy status, none of the three service orders proceeds to completion. It is doubtful that this will provide a successful long term solution, however. Retraining cannot continually prevent mistakes in a process that contains many opportunities for error especially when new representatives are added to the LSC due to turnover and increased volume.

v) SWBT Takes Too Long to Return Manually Processed Rejects.

63. SWBT not only rejects orders for invalid reasons, it takes too long to return those rejects it processes manually. In Texas, SWBT has missed the performance measure for percentage of manual rejects received electronically and returned within 5 hours for each of the last 12 months. It has also missed this measure for each of the last 12 months in both Oklahoma and Kansas. Dysart Aff. ¶ 59, 69; Dysart/Noland/Smith Aff. Att. A-2. SWBT's performance is worsening. In Oklahoma, SWBT returned only 80.2% of these rejects within 5 hours in August and 82.9% in September after returning 93.6% in July. Dysart/Noland/Smith Aff. Att. A-2. In Kansas, SWBT returned only 75.1% of these rejects within 5 hours in August and 82.9% in September after returning 87.4% in July. Dysart/Noland/Smith Aff. Att. B-2. Finally, in Texas, SWBT returned only 76.9% of these rejects within 5 hours in August and 80.6% in September after returning 90.3% in July.

64. SWBT states that its average time for returning manually processed rejects is within what the FCC deemed acceptable in its Texas order. Dysart Aff. ¶ 60, 70. The FCC concluded that SWBT's performance was acceptable because SWBT manually processed rejects in an average of five to eight hours and its performance was improving. TX Order ¶ 175. Here, in contrast, SWBT's performance is deteriorating – the average time to return manual rejects in Oklahoma jumped from 3.1 hours in July to 6.8 hours in August and 10.7 hours in September. Dysart Aff. ¶ 60; Dysart/Noland/Smith Aff. Att. A-2. In Kansas, it jumped from 3.7 hours in July to an average of 8.3 hours in August and 8.7 hours in September. Dysart/Noland/Smith Aff.

Att. B-2. (In Texas, it jumped from 4.9 hours in July to 9.0 hours in August and jumped further to 9.2 hours in September.)

65. SWBT attempts to excuse its increasingly poor performance by attributing it to a LASR GUI outage it experienced in August and to increased volumes of CLEC orders. Noland/Smith Aff. ¶ 43; Dysart/Noland/Smith Aff. ¶ 15. But SWBT also says that it takes “full responsibility” for the LASR GUI problem. Noland/Smith Aff. ¶ 43. If SWBT truly took full responsibility for the LASR GUI problem, however, it should have waited to apply for section 271 authority until it demonstrated that this was really a one-time problem. As for SWBT’s attempt to blame increased CLEC order volumes, SWBT’s inability to handle increased volumes through existing manual processes is exactly why SWBT needs to further automate those processes.

vi) SWBT’s Three Service Order Process Causes Loss of Dial Tone.

66. Finally, SWBT’s OSS is deficient because CLEC customers continue to lose dial tone too frequently when the three service orders that SWBT creates from every UNE-P order become disassociated. WorldCom recently conducted a reconciliation of data with SWBT regarding lost dial tone between August 1 and September 5. Initially, SWBT claimed that WorldCom submitted only 249 total trouble tickets for UNE-P orders in that time period. WorldCom explained that it had submitted 1,353 trouble tickets for lost dial tone and that the three service order process contributed to this high number. After the reconciliation, the parties agreed that 1,208 WorldCom customers lost dial tone in this time period.

67. The parties then attempted to determine how many of these trouble tickets were associated with the three service order process. WorldCom concluded that the number was 179; SWBT has not yet provided a final number. WorldCom's conclusion is an estimate based on the closure reasons that SWBT provided on trouble tickets. It is impossible for WorldCom to know with certainty the cause of lost dial tone because it is not always obvious whether the reason SWBT has provided for closure of a trouble ticket is related to the three order process. In addition, WorldCom has no way of knowing that SWBT has ascribed the correct reason for closure in the first place.

68. For example, SWBT closed 252 of the lost-dial-tone trouble tickets WorldCom submitted between August 1 and September 5 with disposition codes between 1200 and 1400 – most of which relate to customer premises equipment (“CPE”). (SWBT excludes these tickets from its performance reports because it is not responsible for problems with CPE.) Yet WorldCom checks for CPE problems before submitting a trouble ticket. WorldCom runs an MLT test after telling the customer to unplug his phone; WorldCom also instructs the customer to plug his phone into the NID. If the circuit tests bad when the CPE is not plugged in, there is no CPE problem. Thus, few of the trouble tickets WorldCom submits should be related to CPE and SWBT should not be closing tickets by attributing them to CPE. When SWBT closes a ticket for the wrong reason, the customer inevitably calls back with the same problem – in this case lost dial tone – and WorldCom must then submit another ticket. The customer must therefore wait much longer before dial tone is restored.

69. Although SWBT appears to be closing far too many SWBT trouble tickets by attributing them to CPE, WorldCom has not presumed that these tickets are related to the three service order process. Instead, WorldCom made its best estimate on the assumption that SWBT's disposition codes are accurate and arrived at a figure of 179. This is far too much. No UNE-P customer should lose dial tone as a result of migration to a CLEC. The impact of lost dial tone on consumers and on WorldCom's reputation is obviously severe.

70. Indeed, SWBT makes a similar argument in discounting differences in SWBT performance for retail and wholesale customers with respect to trouble reports for loops. SWBT explains that SWBT feature change orders, unlike CLEC new installation orders, should not result in trouble reports. *Dysart Aff.* ¶ 93. UNE-P migration orders should also not result in trouble reports, let alone trouble reports for lost dial tone.

vii) SWBT's OSS Problems Are Related To Manual Processing And The Three Service Order Process.

71. Many of SWBT's OSS problems are tied to its high level of manual processing and to its three service order process. SWBT's transmission of late jeopardies and SOC's at least partly results from manual errors made by SWBT representatives that cause orders to fall out of SWBT's systems after they have reached SORD and then manual mistakes or delays in correcting these errors. The potential for such problems is magnified by SWBT's creation of three service orders. Manual errors in processing any of these orders can result in late jeopardies or SOC's. Manual failures in processing the N order can also sometimes result in erroneous rejects when the N order is allowed to proceed to completion even after issuance of a jeopardy.

Such failures also can lead to the loss of dial tone if the three service orders become disassociated. Finally, SWBT's transmission of inaccurate C order numbers would not occur if SWBT did not use the three service orders in the first place.

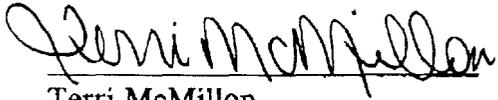
72. It is important to note that when we talk about SWBT's high level of manual processing we are not, in general, talking about orders that fall out of SWBT's systems before they reach SORD. Most of the problems we are seeing stem from manual processing after orders reach SORD. Manual processing at this stage is not captured by SWBT's performance measures. We know of SWBT's high level of manual processing simply because such processing appears responsible for many of the problems WorldCom has experienced and because SWBT's response to such problems has often been to hire additional employees.

73. Again we want to underscore that SWBT's performance in Texas has not been disastrous. But its performance there continues to demonstrate defects that should be corrected before SWBT gains section 271 approval in additional states. Moreover, despite the similarities between OSS in Texas and Kansas and Oklahoma, there needs to be real evidence that differences among the states will not cause the OSS to fail in Kansas or Oklahoma. No such evidence exists for UNE-P orders placed via EDI.

CONCLUSION

74. This concludes our joint declaration on behalf of WorldCom.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.


Terri McMillon

Dated: November 15, 2000

I declare under penalty of perjury that the foregoing
is true and correct to the best of my knowledge and belief.



Sherry Lichtenberg

Dated: November 14, 2000