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May 15, 2001

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MAY 16 2001

FCC MAIL ROOM

Ms. Magalie Roman Salas, Secretary
Office of the Federal Communications Commission
445 12th Street, S.W., Room TW-B2-4
Washington, DC 20554

RE: CC Docket No. 01-88 – In the Matter of Application of SBC Communications, Inc.
Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region,
InterLATA Services in Missouri

Dear Ms. Salas:

Enclosed for filing in the above-captioned case are an original and four (4) conformed copies of the **REPLY OF THE MISSOURI PUBLIC SERVICE COMMISSION and a computer diskette containing the filing.**

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

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**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

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In the Matter of)
)
Application of SBC Communications, Inc.)
Pursuant to Section 271 of the)
Telecommunications Act of 1996 To Provide)
In-Region, InterLATA Services in Missouri)

CC Docket No. 01-88

**REPLY OF THE
MISSOURI PUBLIC SERVICE COMMISSION**

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APPLICATION FOR REGISTRATION OF A FOREIGN LIMITED LIABILITY CORPORATION FILED WITH THE APPLICATION OF CHARTER FIBERLINK – MISSOURI, LLC IN MoPSC CASE NO. TA-2001-346

ATTACHMENT 2:

SOUTHWESTERN BELL TELEPHONE COMPANY’S RESPONSE TO AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.’S MOTION TO SUBMIT COMMENTS FILED DECEMBER 29, 2000 IN MoPSC CASE NO. TO-99-227

REPLY OF THE MISSOURI PUBLIC SERVICE COMMISSION

PRICING

Numerous commenters, including AT&T Corp. and the Department of Justice (DOJ), have addressed the rates offered in the M2A. This Commission points out that pricing has been a hotly contested issue in Missouri, and elsewhere, since inception of the Telecommunications Act of 1996. Litigation over pricing that has impacted the Missouri Public Service Commission includes *Iowa Utils. Bd. v. FCC*¹ where, among other things, the Eighth Circuit Court of Appeals held that the FCC was without jurisdiction to mandate the pricing methodology to be used by the states. This Eighth Circuit decision was brought before the United States Supreme Court in *AT&T Corp. v. Iowa Utils. Bd.*² where, on January 25, 1999, the Supreme Court held, among other things, that the FCC did have jurisdiction to mandate the pricing to be used by the states. The Supreme Court expressly noted that the merits of the methodology mandated by the FCC—the Total Element Long Run Incremental Cost (TELRIC) pricing based on the cost of operating a hypothetical network built with the most efficient technology available—was not before it.³

On remand, the Eighth Circuit addressed, among other things, the issue of the lawfulness of the TELRIC methodology mandated by the FCC. In its decision on remand entered on

¹ 120 F.3d 753 (8th Cir. 1997).

² 525 U.S. 366, 119 S. Ct. 721 (1999).

³ *Id.* at 374 n. 3.

July 18, 2000, the Eighth Circuit determined that the FCC's TELRIC methodology was unlawful.⁴ The Eighth Circuit stayed the mandate in that case and on January 22, 2001, the United States Supreme Court granted *certiorari*.⁵ The case is presently pending before the United States Supreme Court.

Additionally, the federal courts reviewed the prices this Commission set during arbitrations of interconnection agreements between AT&T Communications of the Southwest, Inc. (AT&T) and Southwestern Bell Telephone Company (SWBT) in Case Nos. TO-97-40 and TO-98-115. The first review was before the Missouri Federal District Court. That Court, on August 31, 1999, upheld our arbitration decisions.⁶ On appeal of the District Court's decision, the Eighth Circuit, on January 8, 2001, reversed our decisions in whole on the basis that pricing was integral to the agreement and that the Eighth Circuit had invalidated TELRIC pricing methodology in its July 18, 2000 decision entered in *Iowa Utilities Board v. FCC*.⁷ By order dated February 7, 2001, the Eighth Circuit stayed the mandate for this decision pending decision by the United States Supreme Court on its review of the Eighth Circuit's July 18, 2000 decision in *Iowa Utilities Board v. FCC*.

Although the Eighth Circuit spoke in terms of TELRIC in the order it issued on January 8, 2001 reversing our decisions in Case Nos. TO-97-40 and 98-115, a fair reading of that

⁴ *Iowa Utils. Bd. v. FCC*, 219 F.3d 744 (8th Cir. 2000).

⁵ *Verizon Communications, Inc. v. FCC*, ___ U.S. ___, 121 S. Ct. 877 (2001); *WorldCOM, Inc. v. Verizon Communications, Inc.*, ___ U.S. ___, 121 S. Ct. 877-78 (2001); *FCC v. Iowa Utils. Bd.*, ___ U.S. ___, 121 S. Ct. 878 (2001); and *AT&T Corp. v. Iowa Utils. Bd.*, ___ U.S. ___, 121 S. Ct. 878-79 (2001).

⁶ *AT&T Communications of the Southwest, Inc. v. Southwestern Bell Tel. Co.*, 86 F. Supp. 2d 932 (W.D. Mo. 1999).

⁷ *Southwestern Bell Telephone Company v. Missouri Public Service Comm'n*, Slip Op. No. 99-3908 (8th Cir. January 8, 2001).

decision in light of that same court's opinion in *Iowa Utilities Board v. FCC* and footnote 3 of the United States Supreme Court's opinion in *AT&T Corp. v. Iowa Utils. Bd.*,⁸ is that its holding is based on the Missouri Commission's use of TELRIC methodology, and not whether that methodology fully complied with the FCC's rules.

Despite the uncertainty caused by the ongoing litigation over the FCC's TELRIC rules, this Commission, over a period of slightly more than two years, in Case No. TO-99-227, received and considered much evidence and argument. Ultimately this Commission determined that the permanent rates it had set in Case No. TO-97-40 were TELRIC compliant. Further, as we pointed out in our written consultation filed with the FCC in this docket, this Commission is carrying through on its expressed intent to expeditiously determine permanent rates, terms and conditions for collocation, line sharing, line splitting, loop conditioning, and unbundled network elements by means of Case Nos. TT-2001-298 and TO-2001-438, 439 and 440.⁹ To that end the parties have filed direct testimony in both Case Nos. TO-2001-439 and 440.

METROPOLITAN CALLING AREA

Numerous commenters have addressed the Metropolitan Calling Area Plan (MCA) and Southwestern Bell Telephone Company's (SWBT) initial refusal to recognize competitors as participants in the MCA. Under the MCA, certain basic local telephone service subscribers have available to them expanded interexchange calling scopes without toll charges as part of their local basic service, or for an optional flat rate, depending upon where the subscriber resides. While the commenters accurately characterize SWBT's initial refusal to allow competitive entry

⁸ 525 U.S. 366, 374 n.3; 119 S. Ct. 721 (1999).

⁹ We will set permanent rates in Case No. TO-2001-438 for those UNEs for which we set interim rates in Case No. TO-98-115.

into the MCA, such commentary is limited to SWBT's call screening and ignores the many other contested MCA issues this Commission reviewed. At the core of these issues was whether the MCA was viable in the new competitive environment. SWBT's actions did not affect competition in the core metropolitan areas where MCA service is "mandatory." These are the geographic areas in Missouri where competitors first began offering services and where there is the most competition for subscribers. Moreover, SWBT's actions did not affect ported telephone numbers.

The Memorandum of Understanding that SWBT offered to competitors exemplifies the stance it took with respect to competitive entry into the MCA. SWBT made this offer while this Commission was reviewing the viability of the MCA in the competitive environment in Missouri. Basically, in the memorandum SWBT agreed to recognize competitors' NXX codes as MCA codes so long as they agreed to compensate SWBT 2.6 cents per minute for the return call feature of the MCA. SWBT did not seek this Commission's approval of that memorandum and we concluded it was unlawful.¹⁰

Additionally, when this Commission ordered that competitors could participate in the MCA, we gave them the independent options of: (1) choosing whether to participate in the MCA,¹¹ (2) expanding upon the MCA, (3) only serving business customers in the MCA, and (4) downward pricing flexibility. All of these options were opposed by SWBT and most of the other local exchange carriers who were required to provide MCA service.

¹⁰ Case No. TO-99-483, Report and Order at pp. 27 & 31.

¹¹ Indeed, the WorldCom family of companies has elected the option of not providing MCA service in Missouri.

One commenter, McLeodUSA Telecommunications Services, Inc. (McLeod), charges that, because SWBT's order system is rejecting McLeod's electronically submitted UNE-P orders for service in optional MCA areas, SWBT is continuing to illegally screen MCA calls. McLeod asserts that SWBT has not provided an explanation for why these electronic orders are being rejected. This Commission first learned of these assertions from McLeod's initial comments filed with the FCC in this docket. McLeod was an active participant in both the Missouri Commission's recent MCA case, Case No. TO-99-483, as well as the case in which we reviewed the section 271 application filed with the FCC in this case, Case No. TO-99-227. McLeod never indicated in these cases, or any other case before us, that SWBT was rejecting McLeod's electronically submitted MCA UNE-P orders. This Commission expects that electronically submitted MCA UNE-P orders should flow through SWBT's OSS. Although no other commenter has raised this issue, we believe that it should be investigated and, therefore, are instructing our staff to investigate McLeod's assertions.

McLeod also expresses as a concern that approximately 14 months elapsed after AT&T filed its complaint before this Commission and we issued our Report and Order that directed SWBT to stop screening MCA calls. From the onset of competition for local telecommunications service subscribers, this Commission has recognized competitors as full MCA participants. As stated by McLeod, this Commission first became aware that SWBT was screening MCA calls on July 13, 1999, when AT&T filed a complaint against SWBT. We established Case No. TO-2000-15 to address this complaint. As McLeod points out, this Commission resolved the issues AT&T raised in Case No. TO-2000-15 with our Report and Order issued September 7, 2000, in Case No. TO-99-483. There we ruled against SWBT, and

directed SWBT and other incumbents to offer their subscribers the full calling scope of the MCA service without regard to the identity of the called party's local service provider.¹² McLeod, however, is incorrect in insinuating that this Commission was taking no action during the approximately 14-month period between the time we first became aware that SWBT was screening MCA calls and the time that we ordered such activity cease.

Our Report and Order in Case No. TO-99-483 resulted from our analysis of numerous complex issues impacting the continued viability of MCA service in a competitive environment. Indeed, the issues list submitted by our staff in Case No. TO-99-483 was made up of ten specific issues, only one of which pertained to SWBT's call screening.¹³ MCA service in Missouri is nearly unique to the North American dialing plan, and is available to an estimated three-fourths of the population of the entire state of Missouri.¹⁴ The Missouri Commission wants this popular and widely-used service to remain available. While we understand the frustrations caused by

¹² This Commission established Case No. TO-99-483 to investigate many issues pertaining to the continued viability of MCA service in a competitive environment. We established Case No. TC-2000-15 in response to a formal complaint brought by AT&T Communications of the Southwest, Inc. wherein it alleged that SWBT was forcing SWBT customers to place toll calls to customers of AT&T who were receiving facility-based service. We established Case No. TO-98-379 to address a petition by two small incumbent local exchange carriers who requested that we examine certain aspects of the MCA in a competitive environment. Based upon a recommendation from our staff, we stayed action in these cases pending the holding of the industry-wide MCA technical conferences in Case TO-99-483.

¹³ Other issues included intercompany compensation, depletion of NXX codes associated with segregated MCA codes, use of MCA by Internet Service Providers, pricing flexibility, and SWBT transiting traffic to and from incumbent local exchange carriers and between competitive local exchange carriers, and the use of the Local Exchange Routing Guide for code administration purposes.

¹⁴ As correctly described by McLeod and other commenters, the MCA offers expanded interexchange calling for a low flat-rate monthly charge. The service uses a unique MCA NXX code to identify MCA subscribers in areas where MCA is an option to local calling scopes. Local exchange carriers rely on these unique MCA NXX codes to allow subscribers to call other subscribers to the plan. In this regard, calls to MCA subscribers are considered local calls and calls to non-subscribers are toll calls. Distinguishing between MCA subscribers and non-subscribers is accomplished by the use of unique, segregated NXX codes. Further information may be found at the Missouri Commission's website at www.psc.state.mo.us.

SWBT's MCA call screening, we disagree with McLeod's characterization of the events surrounding MCA call screening by SWBT in Missouri. In Case No. TO-99-483 there were two industry technical conferences (July 20 and August 24, 1999), a staff technical conference status report (September 7, 1999), a non-unanimous stipulation and agreement (filed on October 8, 1999 and opposed by SWBT), a protective order, five rounds of testimony, five local public hearings, an evidentiary hearing scheduled over five days, initial and reply briefs, proposed findings of fact and conclusions of law and lastly, numerous motions for rehearing and/or clarification.

McLeod became an active participant in Missouri on MCA matters on December 28, 1999, when it filed its untimely application to intervene in Case No. TO-99-483. Having already conducted a prehearing conference on January 6, 2000, we granted McLeod's untimely application on January 27, 2000. As can be seen from these preceding dates, the Missouri Commission was already well on its way to resolving the many MCA issues (including call screening by SWBT) before McLeod became a participant in Case No. TO-99-483. While we understand McLeod's criticism of SWBT's call screening tactics, the fact remains that we thoroughly and adequately examined this issue and ordered that such conduct cease less than nine months after McLeod notified us that SWBT's call screening tactics were impacting it. Moreover, given the many contested issues surrounding the MCA and the necessity of public hearings, 14 months was not an excessive amount of time within which to conduct all the proceedings necessary to take evidence, consider and decide the many issues that were before us.

Recognizing that unaddressed issues may remain regarding the continued viability of the MCA in the competitive marketplace, this Commission, in Case No. TO-2001-391, has charged

an industry task force with investigating MCA matters. Such issues include the use of the LERG (Local Exchange Routing Guide) as a proper code administration tool, expansion of the geographic area of the MCA, the effects on pricing of an expanded MCA, as well as any other matter any party deems appropriate. This Commission's further examination of MCA issues is currently being conducted by its staff and includes full participation by all industry participants so inclined, including McLeod. To date, there have been two technical conferences and, on April 18, 2001, our staff submitted to us a technical report based on these conferences. We anticipate that any further unresolved MCA issues identified by the parties will be addressed in a contested case proceeding this year.

In summary, we acknowledge that it took approximately 14 months to issue a Report and Order that condemned SWBT's call screening tactics. But as we have pointed out, call screening by SWBT was only one of 10 contested MCA issues presented to us in Case No. TO-99-483.

Call screening was brought to our attention by AT&T when it filed a complaint with us against SWBT. As with many other states, Missouri did not have an expedited dispute resolution procedure at the onset of local exchange competition. The lack of such expedited resolution procedure caused AT&T's complaint to be handled under traditional methods. During SWBT's Section 271 Hearing process in Missouri, we considered expedited dispute resolution processes. Such a process is now part of the M2A. We recognize the importance of customer affecting disagreements among local exchange carriers and are resolved to assuring that such disputes are expeditiously decided according to the procedures set forth in the M2A.

COMPETITION

The Missouri Commission appreciates the DOJ's analysis of actual competitive entry into the local exchange markets in Missouri. In examining the three modes of entry into business and residential markets, the DOJ's analysis supports that competitors market primarily to business customers in Missouri. As competitors are allowed to market exclusively to business customers in the state of Missouri, it is not surprising that Missouri competitors have chosen to focus their efforts towards these high volume customers.¹⁵ The DOJ's analysis appears to have relied upon various data gathering techniques employed by SWBT witness Tebeau as well as statistics gleaned from the FCC's Common Carrier Bureau. The DOJ's analysis generally falls in line with our staff's data collection results and our conclusion that, as of August 2000, competitors served approximately 12 percent of the access lines in SWBT's Missouri territory. Given the passage of time and our approval of SWBT's M2A and Section 271 application, we believe that by now it is likely that competitors serve considerably more than 12 percent of the access lines in SWBT's service area. Moreover, and as previously mentioned, given that competitors market primarily to large volume users, it is likely that competitors account for considerably more than 12 percent of SWBT's Missouri local exchange revenue.

In addressing facility-based residential competition in Missouri, the DOJ and AT&T Corp. point out that AT&T has offered to sell its cable television franchise in Missouri to Charter Communications, Inc. (Charter). While the future ownership of these properties may appear to be in doubt, if the AT&T/Charter cable telephony transaction has been consummated, this

¹⁵ Since the onset of local exchange competition, the Missouri Commission has never *required* competitors to serve residential customers.

Commission is unaware of that fact. We take little solace in AT&T Corp.'s statements that "Charter's web-site (www.charter.com) does not even mention local telephone service as one of the company's products."

As a matter of background, the announcement of AT&T's sale to Charter occurred on February 28, 2001, well after our proceedings in Case No. TO-99-227. To date, neither AT&T nor Charter have filed with us, as required by Missouri Statutes and our rules, an application for approval to transfer AT&T's cable telephony service to Charter. Further, neither company has indicated to this Commission or its staff that AT&T's residential cable telephony services will be discontinued upon the sale of AT&T's Missouri cable system.

In fact, on December 12, 2000, Charter Fiberlink - Missouri, LLC (Charter Fiberlink), an affiliate of Charter, filed an application to provide facility-based and resold basic local and interexchange telecommunications services in portions of Missouri that are currently served by SWBT, Sprint Missouri, Inc. and GTE Midwest, Inc. (now Verizon Communications, Inc.). We docketed the application in Case No. TA-2001-346. In the application Charter Fiberlink included a copy of its Application for Registration of a Foreign Limited Liability Company that it filed with the Missouri Secretary of State. In that application for registration Charter Fiberlink described the nature of the business that it will transact in Missouri as follows: "Ownership and operation of *cable telecommunications business*." (Emphasis added). A copy of Charter Fiberlink's application for registration with the Missouri Secretary of State is attached as Attachment 1. We granted Charter Fiberlink - Missouri, LLC's request for a certificate to provide basic local and interexchange telecommunications services on April 5, 2001. We anticipate that Charter will file its tariffs with us in the near future. Thus, any conclusion that

Charter or a Charter affiliate will not be providing facility-based competition for residential service in Missouri is, at best, speculation.

PERFORMANCE MEASURES

Although making reference to SBC, the DOJ raises concerns regarding SWBT's performance in provisioning high-capacity (DS-1) loops to competitors in Missouri.¹⁶ The DOJ specifically cites SWBT's poor performance results for three performance measures (PMs) related to the provisioning of high-capacity loops: PM 58-06, PM 62-06 and PM 69-05. Some perspective should be placed on these performance measurements.

Performance measure 58-06 captures the percentage of DS-1 loop installation due dates with test access that SWBT misses. The DOJ indicates SWBT has missed, on average, nearly one-quarter of the installation due date commitments it has made to competitors. While some parties may argue such performance is poor, the results for PM 58-06 do not suggest a significant disparity in impact on customers of competitors versus retail customers of SWBT. The percentage of due dates SWBT missed for DS-1 loop with test access for SWBT retail customers has ranged from 0% to 54.5% over the past twelve months. From a statistical perspective SWBT has achieved parity for PM 58-06 in eleven out of the last twelve months. Perhaps one of the most noteworthy aspects of the PM 58-06 results is a steady improvement in performance to competitors. The percentage of due dates SWBT missed for DS-1 loops with test access provided to its competitors has steadily improved since November of 2000.

¹⁶ Evaluation of the U.S. Department of Justice, p. 7, n. 23.

Performance measure 62-06 tracks the average number of days by which SWBT missed due dates for installing DS-1 loops when missing the installation date was caused by SWBT. The DOJ indicates that March 2001 data show that the average number of days by which SWBT missed due dates for installing DS-1 loops for competitors was four times as long as those for SWBT's retail customers. While such results suggest poor performance, caution should be given on placing too much emphasis on the results for one specific month. Instead, greater reliance should be given to trends and results over many months. The results for PM 62-06 over the last year indicate that SWBT achieved parity nine out of twelve months. In addition, over those twelve months, the average number days by which SWBT missed due dates for DS-1 loops was higher for SWBT retail customers, 11.42 days, than for the customers of its competitors, 8.24 days.

Performance measure 69-05 captures the percent of repeat trouble reports received within 30 calendar days of a previous customer report for DS-1 loops with test access. The DOJ states that the rate of repeat trouble reports for competitors has deteriorated from seven percent in January to 21.6 percent in March.¹⁷ Over the past twelve months, competitors experienced, on average, 33.33 trouble reports per month with approximately 4.75 repeat reports per month. These figures yield a twelve-month average of 14.3% which represents the average percentage of trouble reports made in a given month that are repeat trouble reports. SWBT retail customers, over the past twelve months, on average, made 14 trouble reports per month with approximately 2.42 repeat reports per month, yielding a twelve-month average of 17.3%. Statistical tests

¹⁷ Evaluation of the U.S. Department of Justice, p. 7, n. 23.

applied to the results for PM 69-05 do not suggest a significant difference in performance by SWBT to the customers of its competitors versus SWBT retail customers.

SWBT's performance measurement results, although not perfect, are reasonable. SWBT has successfully met parity or achieved benchmark levels for most performance measures. In January 2001 SWBT met 85.7% of all performance measures with a sample size of at least 10 or more and a z-score. In March 2001 SWBT met 87.5% of all performance measures. Although SWBT should strive to meet all of the performance measures, and improvement should be seen over time, it should not be expected that all measures will be met now. The performance measurement results of SWBT in Missouri are comparable to the results seen for other states where SWBT's performance is measured.

ERNST & YOUNG

This Commission, in Case No. TO-99-227, ordered that an independent consultant be hired to evaluate and verify that SWBT was appropriately capturing and processing the data it was using to generate performance measure results. We directed our staff to prepare a request for proposal following the procedures of the State of Missouri's Office of Administration and to evaluate the proposals received. Based on our staff's recommendation, this Commission ordered SWBT to enter into a contract with Ernst & Young, LLP that was consistent with the request for proposal. Ernst & Young filed an Interim Report with us on October 12, 2000 and a Final Report on November 2, 2000. Ernst & Young made a presentation to us regarding their work and, at our second question and answer session held in Case No. TO-99-227 on November 8, 2000, answered questions posed to them.

At our direction, our staff held a Technical Conference on January 30, 2001, to permit parties to make inquiry of Ernst & Young for the purpose of evaluating comments the parties had filed on the reports of Ernst & Young filed in Case No. TO-99-227. The agenda of the Technical Conference covered all aspects of Ernst & Young's work as contemplated by the request for proposal. In advance of the Technical Conference, the staff advised the parties that the Technical Conference would not be on-the-record and that, because the workpapers of Ernst & Young contained information proprietary to Ernst & Young and/or SWBT, they would not be available to the parties for inspection.

The forum of the Technical Conference allowed for open discussion of Ernst & Young's over-all methodology, OSS methodology, specific Performance Measurement Testing and other issues raised by those in attendance. In addition to Ernst & Young, the staff and SWBT, the Attorney General of the State of Missouri, Birch Telecom, Gabriel, ASCENT, Mpower, AT&T, MCLeod USA and Sprint were all represented at the conference. Seven employees of Ernst & Young involved in conducting the review and preparing the reports of Ernst & Young filed in this Commission's 271 proceeding were present and participated in providing responses to the questions raised by the parties. With the exception of questions that would have required divulging proprietary information or that pertained to matters beyond the scope of its engagement, Ernst & Young provided a full and detailed responses to each of the questions posed. Further, when responding to the questions that would require disclosure of proprietary information or pertained to matters beyond the scope of the engagement, Ernst & Young so indicated. Few questions fell into either of these categories. The staff and parties to the proceeding filed reports regarding the results of the Technical Conference on February 13, 2001.

On December 19, 2000, AT&T filed Supplemental Comments with the Commission regarding the Texas Public Utility Commission's (TPUC's) Southwestern Bell Performance Measurement Review Report and Reassessment of the Southwestern Bell Performance Measurements Data Control Analysis prepared by Telecordia. AT&T alleged that the results of the TPUC's Telecordia Reports called into question the work done by Ernst & Young.

The attacks by AT&T on the work of Ernst & Young have no basis and are intended only as collateral attacks on the integrity of the data reported in SWBT's performance measurements. AT&T's use of the aforementioned TPUC Telecordia reports is misguided and inappropriate. AT&T's use of generalized statements such as Ernst & Young's: "testing of performance data was limited to an extraordinarily small number of transactions" or the "two firms covered similar subject matters...many of the same performance measurements" is misleading. The simple fact is that AT&T has attacked the Ernst & Young report from the beginning because it does not support AT&T's position that SWBT's data was not "properly validated." This Commission believes that the issues raised by AT&T are solely designed to slow, if not stop, SWBT's entry into the Missouri long distance market.

Attachment 2 to this reply is SWBT's detailed and overwhelming response to AT&T's allegations regarding the Ernst & Young report filed in Case No. TO-99-227 and the Telecordia report. SWBT's response should put to rest any lingering doubt the FCC may have concerning the outstanding work of Ernst & Young.

This is the first state commission that has retained an independent consultant to verify and validate not only the CLEC data, but also SWBT's own data and processes for purposes of determining the degree of SWBT's compliance with the performance measure reporting

requirements. This extraordinary step was designed to provide the necessary assurances that an “apples-to-apples” comparison can be made. It is this Commission’s belief that the work of Ernst & Young provides the necessary assurances that an “apples-to-apples” comparison can be made for purposes of determining SWBT’s degree of compliance with the performance measurements.

LMOS

AT&T Corp. raises, at pages 44-47 of its comments, the issue of incorrect record updates in SWBT’s LMOS database, which is part of the system SWBT uses to manage trouble tickets. AT&T Corp. states that network facilities throughout SWBT’s five-state region are inventoried in the LMOS database and used when line testing and performing various maintenance and repair functions. It states that the identity of the carrier selling service to the subscriber on the line is included in the LMOS database and that SWBT admits that it has not correctly updated this “carrier identity” record in the past. It states that this failure has caused the rejection of electronically submitted trouble tickets forcing CLECs such as AT&T and Birch Telecom to orally submit trouble reports that SWBT then processes manually. AT&T states that in late March of 2001 SWBT instituted a process change to eliminate LMOS update errors, but asserted the change was untested and prospective in nature. By means of a memorandum to us dated April 25, 2001, made by members of our staff reporting on their attendance at the performance measure workshop conducted by the TPUC on April 4-5, 2001, we first became aware of this issue. Thus, although parties were freely allowed to raise issues by filings made in Case No. TO-99-227, this issue was never raised in that proceeding. According to our staff, at the time of the performance measure workshop on April 4-5, 2001, no one knew how much of the data in

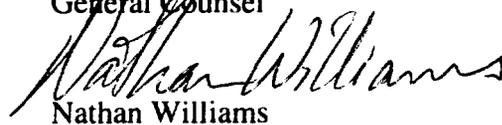
LMOS was corrupted or the impact this corrupted data was having on other SWBT systems and performance measure reports, past and future. Further, no party in Texas presented an efficient and effective means of correcting the corrupted data, but we understand they are continuing to work on the issue. We plan to stay abreast of developments in Texas on this issue and, if warranted, will take steps to assure that this issue is appropriately resolved.

CONCLUSION

The Missouri Public Service Commission continues to support the joint application of SBC Communications Inc., Southwestern Bell Telephone Company and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance to the FCC for authorization under Section 271 of the Telecommunications Act of 1996 to provide in-region, interLATA Services in Missouri.

Respectfully Submitted,

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 15th day of May 2001.



**Service List for
CC Docket No. 01-88
Verified: May 14, 2001**

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Corporations Division
P.O. Box 778, Jefferson City, MO 65102

James C. Kirkpatrick State Information Center
600 W. Main Street, Rm 322, Jefferson City, MO 65101

Application for Registration of a Foreign
Limited Liability Company
(Submit in duplicate with filing fee of \$105.00)

FILED AND CERTIFICATE
ISSUED

NOV 14 2000

Rebecca McDowell Cook
SECRETARY OF STATE

- (1) The name of the foreign limited liability company is:
Charter Fiberlink - Missouri, LLC
- (2) The name under which the foreign limited liability company will conduct business in Missouri is (must contain "limited company, "limited liability company", "LC", "LLC", "L.C.", or "L.L.C.") (must be filled out if different from line (1)):
Charter Fiberlink - Missouri, LLC
- (3) The foreign limited liability company was formed under the laws of Delaware on the date of July 31, 2000, and is to dissolve on N/A - Perpetual
(state or jurisdiction) (month/date/year or event)
- (4) The purpose of the foreign limited liability company or the general character of the business it proposes to transact in this state is:
Ownership and operation of cable telecommunications business

- (5) The name and address of the limited liability company's registered agent in Missouri is (this line must be completed and include a street address):

Leslie J. LePage, 10422 Rock Creek Road, Centertown, MO 65023
Name Address (P.O. Box may only be used in conjunction with a physical street address) City/State/Zip

The Secretary of State is appointed agent for service of process if the foreign limited liability company fails to maintain a registered agent. Note: failure to maintain a registered agent constitutes grounds to cancel the registration of the foreign limited liability company.

- (6) The address of the registered office in the jurisdiction organized. If none required, then the principal office address of the foreign limited liability company is:

12444 Powerscourt Drive, Suite 100, St. Louis MO 63131
Name Address (P.O. Box may only be used in conjunction with a physical street address) City/State/Zip

- (7) For tax purposes, is the limited liability company considered a corporation? yes X no

In affirmation thereof, the facts stated above are true.

Marcy Lifton Marcy Lifton, Vice President 11/8/00
(Authorized Signature) (Printed Name) (Date)

(Authorized Signature) (Printed Name) (Date)

(Authorized Signature) (Printed Name) (Date)

Paul G. Lane
General Counsel-Missouri

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December 29, 2000

FILED

DEC 29 2000

Missouri Public
Service Commission

The Honorable Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street, Suite 100
Jefferson City, Missouri 65101

Re: Case No. TO-99-227

Dear Judge Roberts:

Enclosed for filing with the Commission in the above-referenced case is an original and eight copies of Southwestern Bell Telephone Company's Response to AT&T Communications of the Southwest, Inc.'s Motion to Submit Comments.

Thank you for bringing this matter to the attention of the Commission.

Very truly yours,

Paul G. Lane /TM

Paul G. Lane

Enclosure

cc: Attorneys of Record

ATTACHMENT 2

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED

DEC 29 2000

Missouri Public
Service Commission

In the Matter of the Application of Southwestern)
Bell Telephone Company to Provide Notice of)
Intent to File an Application for Authorization to)
Provide In-Region InterLATA Services)
originating in Missouri Pursuant to Section 271)
of the Telecommunications Act of 1996.)

Case No. TO-99-227

**SOUTHWESTERN BELL TELEPHONE COMPANY'S
RESPONSE TO AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.'S
MOTION TO SUBMIT COMMENTS**

COMES NOW Southwestern Bell Telephone Company (SWBT) and submits its
Response to AT&T Communications of the Southwest, Inc.'s (AT&T's) Motion to Submit
Comments on Supplemental Telcordia Texas Performance Measure Review and Comments on
Supplemental Telcordia Texas Performance Measure Review Report (Supplemental Comments)
to the Missouri Public Service Commission (Commission):

I. INTRODUCTION

AT&T's December 19, 2000, Supplemental Comments regarding the accuracy and
reliability of SWBT's performance measurements data is yet another last ditch attempt to delay
SWBT's entry into long distance in Missouri by whatever means possible. Three months ago,
SWBT addressed in detail, and refuted, AT&T's testimony challenging the integrity of SWBT's
data.¹ Shortly thereafter, notwithstanding AT&T's propensity to "port" arguments from one
state to another, both the Oklahoma Corporation Commission and the Kansas Corporation
Commission recommended approval of SWBT's 271 applications in Oklahoma and Kansas (on

¹ SWBT previously addressed, and rebutted, the few data integrity criticisms lodged by AT&T.
See, Reply Affidavit of William R. Dysart, filed on September 20, 2000 ("Dysart Reply
Affidavit"), replying to AT&T, Direct Testimony of Eva Fettig, filed on August 28, 2000, Case
No. TO-99-227.

September 28 and October 4, 2000, respectively), despite AT&T's performance data integrity and other assorted performance-related claims.

In this latest effort to stall SWBT's Missouri 271 application, AT&T attempts to attack the integrity of the performance data audit work of the highly respected public accounting firm Ernst & Young ("E&Y") by touting the related work of another firm, Telcordia Technologies ("Telcordia"). AT&T reasons that since E&Y's report did not mention each of the matters mentioned in Telcordia's report, E&Y's report necessarily must be short of the mark, and thus, the integrity of SWBT's performance data remains unproven in Missouri. AT&T conveniently fails to mention that the very firm whose work it now elevates (Telcordia) has been the subject of AT&T's intense criticism in the past. AT&T also omits to point out that the report upon which it relies is generally quite favorable to SWBT, while AT&T blows far out of proportion certain issues that Telcordia identified that have since been resolved. Moreover, as discussed in detail below, many of these issues described in the Telcordia report are so inconsequential that there was simply no reason for E&Y to have dwelled on them. Finally, AT&T again questions SWBT's data integrity controls, though these matters have been laid to rest by both the Texas PUC and FCC.

Although AT&T's Supplemental Comments filing is clearly not contemplated under the procedural schedule in this case, SWBT has no objection to including in the record of these Missouri proceedings the Southwestern Bell Performance Measurement Review Report ("PM Review Report") and Reassessment of the Southwestern Bell Performance Measurements Data Control Integrity Analysis ("Data Control Integrity Reassessment") prepared by Telcordia and submitted to the Public Utility Commission of Texas ("Texas PUC"). However, these reports provide no basis for allowing AT&T to reopen or collaterally attack E&Y's extensive validation

work, or for deferring this Commission's consideration of SWBT's 271 application pending receipt of additional months of performance data, as AT&T requests. Doing so would not provide the Commission with answers to any legitimate questions. Rather, it would only permit AT&T to raise yet more questions designed to limit the entry of an additional long distance competitor in Missouri, while wasting the resources of the Commission and multiple parties.

II. TELCORDIA'S PM REVIEW REPORT

In the following sections, SWBT will first address the overall import of Telcordia's report. Next, SWBT categorizes the 34 issues identified by Telcordia, and highlighted by AT&T, and addresses each. More detailed information regarding these categories is attached hereto (Attachment A).

A. Overall Findings

Telcordia's report assessed whether sixteen newly implemented performance measurements met the Texas PUC-approved Business Rules applicable to SWBT's performance measurements system.² The findings in the report were generally positive and reflect a performance measurement data system that functions properly in accordance with the applicable business rules. Based on its overall analysis, Telcordia identified only six issues worthy of being "highlight[ed]."³ One issue, regarding incorrect manual procedures for PM 95, caused an effect which actually "worked against SWBT."⁴ In any event, the issue is irrelevant, because PM 95 has been eliminated from Version 1.7 of the Business Rules and was outside the scope of the E&Y audit. While the remaining five issues involved discrepancies in applying Version 1.7 of

² PM Review Report, at pp. 5-7, and Table 1.

³ Id., at p.6.

⁴ Id.

the Business Rules, they too have been resolved. As Telcordia stated, it “reviewed SWBT source code[s] and verified that SWBT corrected these problems.”⁵

Telcordia’s PM Review Report validated the integrity of SWBT’s performance data in several key respects. Furthermore, while Telcordia’s review was conducted for the benefit of the Texas PUC, the systems and processes used to generate SWBT’s Missouri performance data are the same as those utilized in Texas.⁶ Thus, Telcordia’s conclusions further validate the accuracy and reliability of SWBT’s Missouri performance data.

AT&T’s attempt to draw upon certain portions of the report to support its criticisms of E&Y (without fairly conveying the overarching features of the report that speak well of SWBT’s data processes) should be rejected. AT&T has in the past criticized, and continues to criticize, Telcordia’s performance measurements auditing work.⁷ Given this history, AT&T’s now touting limited portions of Telcordia’s PM Review Report is suspect at best.

In comparing the Telcordia and E&Y reports, it is important to understand the differences in both the scope of the reports and the time period from which data was validated. E&Y performed an extensive examination of performance measurements in Missouri for the period April 1, 2000 through June 30, 2000. E&Y’s examination consisted of control testing, program

⁵ Id.

⁶ Dysart Reply Affidavit, ¶ 23.

⁷ AT&T first questioned the results of Telcordia’s audit work in connection with SWBT’s Texas 271 application. *SBC Texas Order*, ¶¶ 57, 429, & n.1255. Two months after the FCC rejected AT&T’s argument that SWBT’s performance data are unreliable, *SBC Texas Order*, ¶ 429, AT&T nonetheless proceeded to file in this particular proceeding a litany of criticisms regarding the work of Telcordia. AT&T, Direct Testimony of Eva Fettig, filed on August 28, 2000, Case No. TO-99-227, at pp. 13-14 (e.g., “Telcordia’s review was too limited and too subjective....” “Telcordia did not independently test....” “Telcordia did not document....” “Telcordia did not compare....” “Telcordia made no attempt to assess or validate....”). In fact, AT&T’s present motion continues to criticize the very firm whose report it attempts to leverage against E&Y. AT&T Motion, at p. 2, n. 1 (“Telcordia’s supplemental PM review is subject to many of the same shortcomings as the larger performance measures review that was included in its final September 1999 report to the Texas Commission....”).

code review, recalculations and other procedures on a sample of 55 performance measurements to test that the reported performance measurement results were materially accurate in accordance with version 1.6 of the business rules. Telcordia reviewed the PM business rules 1.6 and corresponding interpretations by SWBT for 16 PMs only. The E&Y scope was more comprehensive as E&Y expressed an opinion on the accuracy of the PMs and corresponding data collection processes. Of the 16 PMs reviewed by Telcordia, 4 were tested by E&Y as part of a sample of 55 PMs, totaling 67 PMs tested by either firm of a total of 103 PMs (27 PMs were eliminated as part of business rules version 1.7).

B. Three “Version 1.7” Issues

Of the 34 issues identified by Telcordia, three (N32, N33 and N34) had to do only with Version 1.7 of the Business Rules, not Version 1.6.⁸ Yet, the scope of E&Y’s work was expressly limited to Version 1.6. Thus, it is quite understandable that E&Y did not discuss the three issues identified by Telcordia. Nothing in the Version 1.7 Issues identified by Telcordia indicates that E&Y did not properly review Version 1.6 Performance Data.

C. Nine “Informational-Purposes-Only” Issues

Nine issues (N2, N3, N5, N11, N24, N25, N26, N29, N30) are informative, but had no impact upon either the accuracy or reliability collected and reported. For example, it is of no consequence or wholly irrelevant to the integrity of SWBT’s data (1) that PM 55.2 data are drawn from Service Order Tracking (SOT) instead of Work Force Administration (WFA) (as indicated in the business rule) when WFA drives the SOT OSS (N3); (2) that SWBT excluded holidays and weekends from the data for PM 93, when the measure captures data expressed as percentages (N11); (3) that the term “CLEC” was misspelled as “CCLEC” (N24); or (4) that

⁸ PM Review Report, at pp. 34-35 (Tables 4 and 5).

Telcordia reviewed PM 70.1, PM 96 and PM 97 in Phase II (and “had no issue” as to any) rather than in Phase I (N25; N26; N29). AT&T does not allege that any of these matters concretely affected the accuracy or reliability of SWBT’s data and none of these matters had such an effect.

D. Two “PMs-Not-Yet-Implemented” Issues

Two issues involved Telcordia’s inability to review any data relative to PM 102 and PM 113 (N27;N28). These PMs were not reviewed by E&Y, and indeed would not have been reviewed since they had not been implemented during the April-June, 2000 time frame which was the subject of E&Y’s review. As SWBT previously disclosed when it supplemented its Missouri 271 application in June, 2000, PM 102’s implementation remains dependent “upon a software update not yet offered by switch manufacturers.”⁹ And, while SWBT then reported that it was “working toward developing data collection processes” for PM 113,¹⁰ this measurement was implemented only last month.

E. Twelve “Business Rule Wording” Issues

Twelve issues highlighted the need, within various Version 1.6 business rules, for more clear language, for more precise language, for resolution of internal inconsistencies presented by different portions of the same business rule, and like minor matters (N4; N6; N7; N9; N12; N14; N15; N16; N18; N20; N21; N23). However, in all cases, SWBT’s implementation of the business rules had no impact on the data reported, and the “wording” issues were all resolved with Version 1.7. Importantly, none of these “issues” criticize the manner in which SWBT implemented the measurement; indeed, SWBT’s implementation was validated by Version 1.7’s new rules. Such issues simply highlight the usefulness of “clean-up” efforts attendant to a

⁹ Affidavit of William R. Dysart, filed on June 28, 2000, ¶150.

¹⁰ Id.

regularly scheduled performance measurements review process. Nothing in these matters cast any doubt on the accuracy of the E&Y review.

F. Two “Exclusions-Not-Taken” Issue

Two issues involved SWBT’s having failed to exclude data that it was entitled to exclude from the reported results for PM 56.1 and PM 98 (N8; N13). But, in each case, the data reported cast SWBT’s performance for CLECs in a less attractive light than would have been the case had SWBT taken advantage of the exclusions. AT&T has no cause to complain of such consequences.

G. Three “Corrective Action” Issues Resolved Before E&Y’s Audit

Three issues identified as requiring corrective actions were fully implemented by the time that E&Y commenced its audit, and thus were not identified by E&Y (N1; N10; N22). In each case, Telcordia independently satisfied itself that SWBT actually implemented the required corrective action. Having done so, it “closed” the issue on each one.

H. Two “Company-Level-Reporting” Issues

Two issues involve PM 10.1 and PM 11.1, where SWBT reported data on a five-state basis, rather than a state-specific basis, as called for by the Version 1.6 Business Rules for these measurements (N17; N19). However, SWBT began state-specific reporting of data for each of these measurements six months ago with May data, and no CLEC has demonstrated any prejudice in SWBT’s not having done so earlier. Moreover, each of SWBT’s monthly Performance Measurement Tracking Reports provided to the Department of Justice and made available to CLECs openly disclosed SWBT’s company-level reporting. Again, nothing here raises any questions concerning SWBT’s performance measurement data or E&Y’s review of that data.

I. One “Fax-Timestamp” Issue

As noted above, one issue involved SWBT’s having employed incorrect manual procedures for PM 95 (N31). However, that circumstance “worked against SWBT” in that it “added an hour to the CLEC response time reported in the PM.”¹¹ In any event, the issue is moot because PM 95 has been eliminated from Version 1.7 of the Business Rules. Performance Measures that were eliminated in Version 1.7 of the Business Rules were not within the scope of the E&Y audit. Per Staff’s directions, the E&Y review appropriately focuses on those Version 1.6 measurements that continued in force under Version 1.7, and nothing in the Telcordia review casts doubt on the E&Y Report.

III. TELCORDIA’S DATA CONTROL INTEGRITY REASSESSMENT

AT&T’s discussion of Telcordia’s Data Control Integrity Reassessment is very limited. That is understandable, because Telcordia’s reassessment (like its PM Review Report) provides no support to AT&T’s attempt to demean the integrity of SWBT’s performance data. In fact, the reassessment is unequivocal in its endorsement of SWBT’s data integrity controls. AT&T’s single criticism is without merit and merely highlights the lack of any material issues regarding the integrity of SWBT’s data.

Specifically, Telcordia reviewed SWBT’s systems and general control mechanisms for handling performance measurement data in the new “Microsoft Access and VB Scripts” environment. As a result of that review, Telcordia concluded:

- that “SWBT’s PM team members were consistent and clear about the details of the PM process” and that “Telcordia is satisfied that the PM process is documented.”
- that “the absence of a key PM [team] member did not affect the overall PM process” and

¹¹ Id.

- that “Telcordia is satisfied that SWBT has more than one PM team member capable of completing all tasks.”
- that “[d]ata integrity throughout the PM process has been significantly improved.”
- that “the direction in which SWBT is developing the new PM processing system is appropriate.”
- that “SWBT has implemented 100% of the PM[s] into the PIP¹² tracking system.”¹³

In view of these highly complimentary conclusions, it is inconsequential that E&Y’s report does not specifically state that E&Y’s general controls review considered SWBT’s historic system (i.e., not its new system, utilizing Microsoft Access and VB Scripts, that is running “parallel” to its historic system). First, the scope of E&Y’s audit did not require that it consider the new system. Second, the Texas PUC recommended approval of SWBT’s Texas 271 application, and the FCC approved that application in June, 2000, on the basis of a record showing merely that SWBT had “agreed to” implement in the future many of the data control integrity measures referenced in Telcordia’s November 2000 reassessment.¹⁴ There was no record evidence of the type AT&T deems necessary. Third, even if E&Y’s Missouri engagement had included a review of the new system, there is no indication that E&Y’s review would have concluded anything other than did Telcordia, given that the systems and processes used to generate SWBT’s Missouri performance data are the same as those utilized in Texas. As discussed above, Telcordia expressly noted the improvement in data integrity throughout SWBT’s performance measurements system and did not call that data integrity into question.

¹² A “PIP” denotes an improvement in a SWBT data collection and/or reporting process which has been initiated and whose implementation is in progress, i.e., a “process improvement in progress.”

¹³ Telcordia Data Control Integrity Reassessment,” at p. 8.

¹⁴ *SBC Texas Order* (¶ 429) (“While Telcordia did make several recommendations regarding SWBT’s data control mechanisms, we note that SWBT has agreed to implement each of these measures.”).

IV. CONCLUSION

Both Telcordia's and E&Y's conclusions regarding the integrity of SWBT's data control measures refute AT&T's generalized concerns regarding the integrity of SWBT's data. AT&T's reliance on the Telcordia reassessment as a means to attempt to undercut E&Y's conclusions is unavailing. Consequently, there is no need to reopen the matter of E&Y's methodologies or procedures. Nor is there any need to await further performance data before concluding that SWBT's data reflect SWBT's continued compliance with the section 271 checklist.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE COMPANY

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Telcordia Technologies Southwestern Bell Performance Measurement Review Report Dated November 2000

Summary of Issues

During their review Telcordia examined the sixteen Performance Measures (“PMs”) which had not been implemented as of their initial audit during 1999. A detailed list of these PMs can be found in Table 1 of their Report.

As documented in Attachment A of their report Telcordia discovered 34 issues during their review. These 34 issues can be categorized as follows.

Version 1.7 issues	3
Informational issues	9
PMs not implemented	2
Minor business rule documentation/wording issues	12
Issues related to SWBT not taking valid exclusions	2
Issues where corrective actions were implemented prior to E&Y audit	3
Disaggregation issue where SWBT reported data by company rather than by state	2
Fax timestamp issue	<u>1</u>
Total issues	<u>34</u>

Version 1.7 Issues (3 Issues)

Version 1.7 Business Rules were explicitly excluded from the scope of the E&Y Missouri PM audit.

PR-N32	PM 96
PR-N33	PM 96
PR-N34	PM 97

Informational Issues (9 Issues)

Information issues are essentially observations made by Telcordia, which have no impact whatsoever on the calculation of the PMs or the reported results. For example, PR-N24 notes a misspelling in Version 1.6 of the business rules related to PM 57; PR-N29 makes the observation that Telcordia neglected to review PM 70.1 during the first phase of their review in April 2000. PM 70.1 was reviewed in July and Telcordia found no issues at that time. PR-N25 and PR-N26 both refer to PMs which had not been implemented as of Phase I (April 2000) but were reviewed without exception during Phase II (July 2000) by Telcordia.

PR-N2	PM 55.2
PR-N3	PM 55.2
PR-N5	PM 55.2
PR-N11	PM 93
PR-N24	PM 57
PR-N25	PM 96
PR-N26	PM 97
PR-N29	PM 70.1
PR-N30	PM 93

Issues Not Implemented at Time of Telcordia Review (2 Issues)

PR-N27	PM 113
PR-N28	PM 102

PM 113 – Percentage of Electronic Updates that Flow Through the DSR Process without Manual Intervention was implemented beginning in November 2000.

PM 102 – Average Time to Clear Errors (E-911) has not yet been implemented. A software patch from a vendor is required.

Minor Business Rule Documentation/Wording Issues Related to Implemented PMs (12 Issues)

<i>Issue Number</i>	<i>PM Number</i>	<i>Discussion</i>
PR-N4	PM 55.2	Telcordia found the Version 1.6 business rules did not list out the levels of disaggregation in the precise detail as that which was reported. Telcordia verified this was corrected in the Version 1.7 business rules.
PR-N6	PM 55.2	Interval start time was incorrect in the business rule. Telcordia verified this was corrected in the Version 1.7 business rules.
PR-N7	PM 55.2	Telcordia found a second issue for this PM where the Version 1.6 business rules did not list out the levels of disaggregation in the precise detail as that which was reported. Telcordia verified this was corrected in the Version 1.7 business rules.
PR-N9	PM 56.1	Business rule documentation issue. Telcordia verified the appropriate documentation was present in the Version 1.7 business rules.
PR-N12	PM 95	Telcordia noted the business rules failed to include an exclusion for weekends, nights and holidays. However, the benchmark did indicate "business hours". PM 95 was eliminated with Version 1.7.
PR-N14	PM 98	SWBT was taking an exclusion which Telcordia believed was inconsistent with the Version 1.6 business rules. This exclusion was explicitly added by Version 1.7.
PR-N15	PM 55.1	Telcordia noted the Version 1.6 business rules were drafted prior to the availability of mechanized loop qualification information. Telcordia verified that the Version 1.7 business rule wording does accurately describe SWBT's current processes.
PR-N16	PM 55.1	Telcordia observed an inconsistency in the definition of the Version 1.6 business rules for this PM. Telcordia verified this was corrected with Version 1.7.

<u>Issue Number</u>	<u>PM Number</u>	<u>Discussion</u>
PR-N18	PM 10.1	Telcordia noted SWBT implemented this PM on a "business hours" basis but the business rule documentation did not make this apparent. Telcordia verified the appropriate wording was present in the Version 1.7 business rules.
PR-N20	PM 11.1	Telcordia noted SWBT implemented this PM on a "business hours" basis but the business rule documentation did not make this apparent. Telcordia verified the appropriate wording was present in the Version 1.7 business rules.
PR-N21	PM 57	Telcordia noted only manual loop makeup requests were being included in this PM. The Version 1.6 business rule documentation did not make this apparent. Telcordia verified the appropriate wording was present in the Version 1.7 business rules.
PR-N23	PM 57	Telcordia noted SWBT excluded weekends and holidays in implementing this PM; however, the Version 1.6 business rule documentation did not support this treatment. Telcordia verified the appropriate wording was present in the Version 1.7 business rules.

- ❖ Those PMs which were eliminated with Version 1.7 were explicitly excluded from E&Y's scope for their Missouri audit. The MPSC Staff agreed with this treatment at the initial audit planning meeting in July 2000.

Issues Related to SWBT not Taking Valid Exclusions (2 Issues)

<u>Issue Number</u>	<u>PM Number</u>	<u>Discussion</u>
PR-N8	PM 56.1	Telcordia noted that SWBT was not taking a valid exclusion for NPAC caused delays. This still remains an open issue because SWBT is unable to obtain the information required to implement the exclusion. Telcordia moved this issue to a minor status in their final report because as they acknowledge, this failure to account for the exclusion only adversely affects SWBT.
PR-N13	PM 98	SWBT was not taking a valid exclusion because the source data did not include critical data fields. This exclusion was eliminated with Version 1.7.

Issues Where Corrective Actions Were Implemented Prior to E&Y Audit (3 Issues)

In the case of these three issues, Telcordia discovered errors which did impact the calculation and reporting of the PM results. Telcordia verified that SWBT had revised its programming code and corrected the problems. Implementation of the new programming began with April 2000 data which coincided with the start of the E&Y Missouri PM audit.

<i>Issue Number</i>	<i>PM Number</i>	<i>Discussion</i>
PR-N1	PM 55.2	Telcordia noted a programming error by SWBT in implementing this PM. Telcordia verified that SWBT had corrected this coding in April 2000.
PR-N10	PM 93	Telcordia noted an invalid calculation in implementing this PM. Telcordia verified that SWBT had corrected the programming in April 2000.
PR-N22	PM 57	Telcordia noted SWBT was not including the time of day in its implementation of this PM. Telcordia verified that SWBT had revised the programming code for this PM for reporting of April 2000 data.

Disaggregation Issue Where SWBT Reported Data by Company Rather Than by State (2 Issues)

As clearly identified by SWBT in its reporting, these measures were reported using Company data and could not be transitioned over to State specific until June 2000. This fact had been clearly communicated to the users of SWBT's PM reports.

<i>Issue Number</i>	<i>PM Number</i>	<i>Discussion</i>
PR-N17	PM 10.1	Telcordia noted that SWBT was reporting this PM on an aggregated company basis rather than by state. Telcordia verified that SWBT began reporting the disaggregation by individual State in June 2000.
PR-N19	PM 11.1	Telcordia noted that SWBT was reporting this PM on an aggregated company basis rather than by state. Telcordia verified that SWBT began reporting the disaggregation by individual State in June 2000.

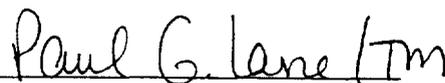
Fax Timestamp Issue (1 Issue)

This issue was also discovered by E&Y during their audit and appeared in the final E&Y report. SWBT has taken corrective action which should help ensure the correct fax timestamps are entered in the future. E&Y verified the implementation of this corrective action.

<u>Issue Number</u>	<u>PM Number</u>	<u>Discussion</u>
PR-N31	PM 95	Telcordia noted an incorrect fax timestamp was being entered on certain faxed orders. Although this particular PM was eliminated with Version 1.7 SWBT has stressed the importance of the correct timestamp to LSC personnel. SWBT has also implemented additional control procedures at the LSC to help ensure correct timestamps are entered.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing document were served to all parties on the Service List by hand or overnight delivery on December 29, 2000.


Paul G. Lane

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MISSOURI PUBLIC SERVICE COMMISSION
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