

Horst Reply Affidavit – Attachment A

Report of Independent Accountants

To Management of SBC Communications Inc.

We have examined management's assertions, included in the accompanying Report of Management on Total Competing Local Exchange Carrier (CLEC) UNE-P Line Activity Between the Loop Maintenance Operations System (LMOS) and Carrier Access Billing System (CABS) Database Comparisons (Report of Management), which are as follows:

1. Southwestern Bell Telephone Company (SWBT), a subsidiary of SBC Communications Inc. (SBC), conducts semi-monthly comparisons of unbundled network element loop and switch port combinations (UNE-P) records maintained in the CABS and the LMOS databases. At the time of each database comparison, any UNE-P line records found to be working in CABS but disconnected in LMOS are updated to working status in LMOS.¹ UNE-P records found to be disconnected in LMOS but working in CABS are updated regardless of whether the disconnection is an error, or whether the disconnection subsequently would have been updated through the normal functioning of SWBT's systems.
2. Each of the following activity types has the potential to result in a disconnected LMOS line record that would be updated in a subsequent LMOS/CABS database comparison:²
 - a. UNE-P New Connects;³

¹ In addition, the LMOS record is brought into agreement with the CABS fields necessary to update the LMOS record for trouble reporting purposes.

² The potential for a disconnected LMOS line record arises from the fact that these activity types involve both inward and outward activity. For example, on retail to UNE-P conversions, when the D ("disconnect") order posts to LMOS, the end-user line record is put into disconnected status – this is outward activity. When the C ("change") order subsequently posts, it establishes the new carrier as the service provider, and places the record into working status. This is inward activity. An improperly disconnected LMOS record may result if the inward and outward activity is not processed correctly on these transactions.

³ In the case of a UNE-P New Connect, there would be no outward activity associated with the order itself. However, the LMOS database maintains a disconnected line record for previously assigned telephone numbers. On a UNE-P new connect using a previously assigned telephone number, the disconnected LMOS line record is updated with the C-in order. Therefore, if the C-in order does not post, the CLEC could encounter an improperly disconnected LMOS line record if it attempted to open a trouble ticket electronically on that line. LMOS must build an entirely new line record for UNE-P new connects that use new, "previously unassigned" telephone numbers. Because line activity on a UNE-P new connect with a previously unassigned number cannot result in a disconnected record in the LMOS database, RBQ USOCs with Inward Action Codes on previously unassigned telephone numbers were excluded from the

- b. Conversions of service from SWBT retail or CLEC resale to UNE-P;
 - c. CLEC-to-CLEC UNE-P conversions;
 - d. CLEC UNE-P Billing Account Number (BAN) changes (i.e., the movement of UNE-P lines from one BAN to another);
 - e. CLEC UNE-P Outside Moves (i.e., movement of service to new address);
 - f. Changes to establish Hunting on existing UNE-P lines; and
 - g. Changes to Telephone Numbers on existing UNE-P lines.
3. In order to determine total CLEC UNE-P line activity resulting from each of the above activity types, SWBT reviewed the LMOS service order file⁴ for every nightly update cycle that occurred between the August 2, August 21, September 10 and September 18, 2001 LMOS/CABS database comparisons. This same review also was conducted for the June 6 and July 19, 2001 database comparisons for the Houston and San Antonio Market Areas.⁵
4. In each service order file, the UNE-P lines were identified through use of the Uniform Service Order Code (USOC) "RBQ." The activity types identified in ¶ 2 above were then identified by the presence of an Inward Action Code. All RBQ USOCs with an Inward Action Code since the last database comparison were then totaled. These totals are reflected in Attachment A to the Report of Management, under the heading "Total CLEC UNE-P Line Activity."
5. The numbers appearing under the heading "Percent Updated" on Attachment A to the Report of Management were calculated using the number of LMOS UNE-P line records updated in the specified database comparison (the "Number Updated" in Attachment E) by the "Total CLEC UNE-P Line Activity" occurring since the previous database comparison. As such, this percentage represents the relationship between the number of UNE-P line records updated in SWBT's LMOS/CABS database comparisons, and the total UNE-P line activity that could have resulted in the need for such an update at the time of the comparison.

denominator of the calculation used to compare the number of UNE-P line records updated in the LMOS/CABS database comparison to the total UNE-P line activity during the period in question.

⁴ File Name: LMOS@.BE40211A.PACKETOT

⁵ The LMOS@.BE40211A.PACKETOT service order files for the June 6 and July 19 database comparisons were not available for the other SWBT Market Areas.

To Management of SBC Communications Inc.

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SBC is responsible for the assertions. Our responsibility is to express an opinion on management's assertions based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting management's assertions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, management's assertions referred to above are fairly stated, in all material respects, based on the criteria set forth in the Report of Management.

This report is intended solely for the information and use of SBC and appropriate regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Ernst + Young

October 2, 2001

B

Horst Reply Affidavit – Attachment B



REPORT OF MANAGEMENT ON TOTAL CLEC UNE-P LINE ACTIVITY BETWEEN LMOS/CABS DATABASE COMPARISONS

Management of SBC Communications Inc. (SBC) asserts that:

1. Southwestern Bell Telephone Company (SWBT), a subsidiary of SBC, conducts semi-monthly comparisons of unbundled network element loop and switch port combinations (UNE-P) records maintained in the Carrier Access Billing System (CABS) and the Loop Maintenance Operations System (LMOS) databases. At the time of each database comparison, any UNE-P line records found to be working in CABS but disconnected in LMOS are updated to working status in LMOS.¹ UNE-P records found to be disconnected in LMOS but working in CABS are updated regardless of whether the disconnection is an error, or whether the disconnection subsequently would have been updated through the normal functioning of SWBT's systems.
2. Each of the following activity types has the potential to result in a disconnected LMOS line record that would be updated in a subsequent LMOS/CABS database comparison:²
 - a. UNE-P New Connects;³
 - b. Conversions of service from SWBT retail or Competitive Local Exchange Carrier (CLEC) resale to UNE-P;
 - c. CLEC-to-CLEC UNE-P conversions;
 - d. CLEC UNE-P Billing Account Number (BAN) changes (i.e., the movement of UNE-P lines from one BAN to another);
 - e. CLEC UNE-P Outside Moves (i.e., movement of service to new address);

¹ In addition, the LMOS record is brought into agreement with the CABS fields necessary to update the LMOS record for trouble reporting purposes.

² The potential for a disconnected LMOS line record arises from the fact that these activity types involve both inward and outward action. For example, on retail to UNE-P conversions, when the D ("disconnect") order posts to LMOS the end-user line record is put into disconnected status – this is outward activity. When the C ("change") order subsequently posts, it establishes the new carrier as the service provider, and places the record into working status. This is inward activity. An improperly disconnected LMOS record may result if the inward and outward activity is not processed correctly on these transactions.

³ In the case of a UNE-P New Connect, there would be no outward activity associated with the order itself. However, the LMOS database maintains a disconnected line record for previously assigned telephone numbers. On a UNE-P new connect using a previously assigned telephone number, the disconnected LMOS line record is updated with the C-in order. Therefore, if the C-in order does not post, the CLEC could encounter an improperly disconnected LMOS line record if it attempted to open a trouble ticket electronically on that line. LMOS must build an entirely new line record for UNE-P new connects that use new, "previously unassigned" telephone numbers. Because line activity on a UNE-P new connect with a previously unassigned number cannot result in a disconnected record in the LMOS database, RBQ USOCs with Inward Action Codes on previously unassigned telephone numbers were excluded from the denominator of the calculation used to compare the number of UNE-P line records updated in the LMOS/CABS database comparison to the total UNE-P line activity during the period in question.

- f. Changes to establish Hunting on existing UNE-P lines; and
 - g. Changes to Telephone Numbers on existing UNE-P lines.
3. In order to determine total CLEC UNE-P line activity resulting from each of the above activity types, SWBT reviewed the LMOS service order file⁴ for every nightly update cycle that occurred between the August 2, August 21, September 10 and September 18, 2001 LMOS/CABS database comparisons. This same review also was conducted for the June 6 and July 19, 2001 database comparisons for the Houston and San Antonio Market Areas.⁵
 4. In each service order file, the UNE-P lines were identified through use of the Uniform Service Order Code (USOC) "RBQ." The activity types identified in ¶ 2 above were then identified by the presence of an Inward Action Code. All RBQ USOCs with an Inward Action Code since the last database comparison were then totaled. These totals are reflected in Attachment A, under the heading "Total CLEC UNE-P Line Activity."
 5. The numbers appearing under the heading "Percent Updated" on Attachment A were calculated using the number of LMOS UNE-P line records updated in the specified database comparison (the "Number Updated" in Attachment E) by the "Total CLEC UNE-P Line Activity" occurring since the previous database comparison. As such, this percentage represents the relationship between the number of UNE-P line records updated in SWBT's LMOS/CABS database comparisons, and the total UNE-P line activity that could have resulted in the need for such an update at the time of the comparison.


Van Taylor
Sr. Vice President-
Network Services Staff

October 2, 2001

⁴ File Name: LMOS@.BE40211A.PACKETOT

⁵ The LMOS@.BE40211A.PACKETOT service order files for the June 6 and July 19 database comparisons were not available for the other SWBT Market Areas.

LMOS / CABS Comparison and Update Process

Line Records Updated as a Percentage of Total CLEC UNE-P Line Activity

	June 6 Comparison	July 19 Comparison	August 2 Comparison	August 21 Comparison	September 10 Comparison	September 18 Comparison †	Total
Missouri							
Number Updated			39	70	28	56	193
Net growth from last comparison			1037	1155	671	392	3255
Total CLEC UNE-P line activity			2298	3101	2503	1247	9149
Percent Updated			1.70%	2.26%	1.12%	4.49%	2.11%
Total order activity factor			2.22	2.68	3.73	3.18	2.81
Arkansas							
Number Updated			7	21	11	2	41
Net growth from last comparison			1042	932	339	325	2638
Total CLEC UNE-P line activity			1283	1254	674	529	3740
Percent Updated			0.55%	1.67%	1.63%	0.38%	1.10%
Total order activity factor			1.23	1.35	1.99	1.63	1.42
Kansas							
Number Updated			48	47	40	15	150
Net growth from last comparison			615	575	672	436	2298
Total CLEC UNE-P line activity			1707	1810	1864	828	6209
Percent Updated			2.81%	2.60%	2.15%	1.81%	2.42%
Total order activity factor			2.78	3.15	2.77	1.90	2.70
Oklahoma							
Number Updated			15	28	9	4	56
Net growth from last comparison			565	814	633	374	2386
Total CLEC UNE-P line activity			1415	1709	1467	756	5347
Percent Updated			1.06%	1.64%	0.61%	0.53%	1.05%
Total order activity factor			2.50	2.10	2.32	2.02	2.24
MOKA							
Number Updated			109	166	88	77	440
Net growth from last comparison			3259	3476	2315	1527	10577
Total CLEC UNE-P line activity			6703	7874	6508	3360	24445
Percent Updated			1.63%	2.11%	1.35%	2.29%	1.80%
Total order activity factor			2.06	2.27	2.81	2.20	2.31

LMOS / CABS Comparison and Update Process

Line Records Updated as a Percentage of Total CLEC UNE-P Line Activity

	June 6 Comparison	July 19 Comparison	August 2 Comparison	August 21 Comparison	September 10 Comparison	September 18 Comparison †	Total
Texas							
Number Updated			2996	1603	5936	3376	13911
Net growth from last comparison			8636	14667	12704	9440	45447
Total CLEC UNE-P line activity			39460	73045	53443	40721	206669
Percent Updated			7.59%	2.19%	11.11%	8.29%	6.73%
Total order activity factor			4.57	4.98	4.21	4.31	4.55
Dallas							
Number Updated			1357	414	530	2805	5106
Net growth from last comparison			2866	4325	3720	2293	13204
Total CLEC UNE-P line activity			10037	21825	15344	8081	55287
Percent Updated			13.52%	1.90%	3.45%	34.71%	9.24%
Total order activity factor			3.50	5.05	4.12	3.52	4.19
Houston							
Number Updated	635	2231	414	674	3363	113	7430
Net growth from last comparison	9878	8262	4512	7027	6644	2395	38718
Total CLEC UNE-P line activity	29007	45391	16920	25938	18892	14535	150683
Percent Updated	2.19%	4.92%	2.45%	2.60%	17.80%	0.78%	4.93%
Total order activity factor	2.94	5.49	3.75	3.69	2.84	6.07	3.89
San Antonio							
Number Updated	659	3215	1225	515	2043	458	8115
Net growth from last comparison	5540	6225	1258	3315	2340	4752	23430
Total CLEC UNE-P line activity	30400	46225	12503	25282	19207	18105	151722
Percent Updated	2.17%	6.96%	9.80%	2.04%	10.64%	2.53%	5.35%
Total order activity factor	5.49	7.43	9.94	7.63	8.21	3.81	6.48
SWBT							
Number Updated	1294	5446	3105	1769	6024	3453	21091
Net growth from last comparison	15418	14487	11895	18143	15019	10967	85929
Total CLEC UNE-P line activity	59407	91616	46163	80919	59951	44081	382137
Percent Updated	2.18%	5.94%	6.73%	2.19%	10.05%	7.83%	5.52%
Total order activity factor	3.85	6.32	3.88	4.46	3.99	4.02	4.45

† Reflects data from September 24, 2001 for San Antonio. Due to difficulties encountered in obtaining the correct CABS extract file for the September 10 comparison, SWBT conducted a San Antonio only comparison and update on September 24.



C



Horst Reply Affidavit – Attachment C

Southwestern Bell Telephone Company

Scope and Approach For Testing
Southwestern Bell Telephone Company's
REPORT OF MANAGEMENT ON TOTAL CLEC
UNE-P LINE ACTIVITY BETWEEN LMOS/CABS
DATABASE COMPARISONS

October 2, 2001

Background

At the request of Southwestern Bell Telephone Company (SWBT), a subsidiary of SBC Communications Inc. (SBC), Ernst & Young (E&Y) was requested to perform an attestation examination and report on the methodology utilized by SWBT to calculate total Competing Local Exchange Carrier (CLEC) unbundled network element loop and switch port combinations (UNE-P) line activity during the periods between comparisons (see Assertion 3 below) of the Loop Maintenance Operations System (LMOS) and the Carrier Access Billing System (CABS).

Specifically, E&Y examined the following assertions made by SWBT:

1. SWBT conducts semi-monthly comparisons of UNE-P records maintained in the CABS and the LMOS databases. At the time of each database comparison, any UNE-P line records found to be working in CABS but disconnected in LMOS are updated to working status in LMOS.¹ UNE-P records found to be disconnected in LMOS but working in CABS are updated regardless of whether the disconnection is an error, or whether the disconnection subsequently would have been updated through the normal functioning of SWBT's systems.
2. Each of the following activity types has the potential to result in a disconnected LMOS line record that would be updated in a subsequent LMOS/CABS database comparison:²
 - a. UNE-P New Connects;³
 - b. Conversions of service from SWBT retail or CLEC resale to UNE-P;

¹ In addition, the LMOS record is brought into agreement with the CABS fields necessary to update the LMOS record for trouble reporting purposes.

² The potential for a disconnected LMOS line record arises from the fact that these activity types involve both inward and outward activity. For example, on retail to UNE-P conversions, when the D ("disconnect") order posts to LMOS, the end-user line record is put into disconnected status – this is outward activity. When the C ("change") order subsequently posts, it establishes the new carrier as the service provider, and places the record into working status. This is inward activity. An improperly disconnected LMOS record may result if the inward and outward activity is not processed correctly on these transactions.

³ In the case of a UNE-P New Connect, there would be no outward activity associated with the order itself. However, the LMOS database maintains a disconnected line record for previously assigned telephone numbers. On a UNE-P new connect using a previously assigned telephone number, the disconnected LMOS line record is updated with the C-in order. Therefore, if the C-in order does not post, the CLEC could encounter an improperly disconnected LMOS line record if it attempted to open a trouble ticket electronically on that line. LMOS must build an entirely new line record for UNE-P new connects that use new, "previously unassigned" telephone numbers. Because line activity on a UNE-P new connect with a previously unassigned number cannot result in a disconnected record in the LMOS database, RBQ USOCs with Inward Action Codes on previously unassigned telephone numbers were excluded from the denominator of the calculation used to compare the number of UNE-P line records updated in the LMOS/CABS database comparison to the total UNE-P line activity during the period in question.

Background (continued)

- c. CLEC-to-CLEC UNE-P conversions;
 - d. CLEC UNE-P Billing Account Number (BAN) changes (i.e., the movement of UNE-P lines from one BAN to another);
 - e. CLEC UNE-P Outside Moves (i.e., movement of service to new address);
 - f. Changes to establish Hunting on existing UNE-P lines; and
 - g. Changes to Telephone Numbers on existing UNE-P lines.
3. In order to determine total CLEC UNE-P line activity resulting from each of the above activity types, SWBT reviewed the LMOS service order file⁴ for every nightly update cycle that occurred between the August 2, August 21, September 10 and September 18, 2001 LMOS/CABS database comparisons. This same review also was conducted for the June 6 and July 19, 2001 database comparisons for the Houston and San Antonio Market Areas.⁵
 4. In each service order file, the UNE-P lines were identified through use of the Uniform Service Order Code (USOC) "RBQ." The activity types identified in ¶ 2 above were then identified by the presence of an Inward Action Code. All RBQ USOCs with an Inward Action Code since the last database comparison were then totaled. These totals are reflected in Attachment A, under the heading "Total CLEC UNE-P Line Activity."
 5. The numbers appearing under the heading "Percent Updated" on Attachment A were calculated using the number of LMOS UNE-P line records updated in the specified database comparison (the "Number Updated" in Attachment E) by the "Total CLEC UNE-P Line Activity" occurring since the previous database comparison. As such, this percentage represents the relationship between the number of UNE-P line records updated in SWBT's LMOS/CABS database comparisons, and the total UNE-P line activity that could have resulted in the need for such an update at the time of the comparison.

⁴ File Name: LMOS@.BE40211A.PACKETOT

⁵ The LMOS@.BE40211A.PACKETOT service order files for the June 6 and July 19 database comparisons were not available for the other SWBT Market Areas.

Objective and Procedures

Objective

To determine, in all material respects, the accuracy of management's assertions noted above.

Procedures

1. Reviewed the procedures performed relative to SWBT's comparison of the CABS and LMOS databases in the previously filed Attestation Scope and Approach document dated August 14, 2001.
2. Interviewed SBC personnel in Network Services and Information Technology to validate and understand the different types of service orders that have the potential to result in a disconnected LMOS line record.
3. Judgmentally selected a sample of 25 UNE-P C service orders and validated that the activity types included in Paragraph 2 of SWBT's assertion have the potential to result in a disconnected LMOS line record.
4. Obtained the total UNE-P line activity results of SWBT's queries of the LMOS service order file ("LMOS@.BE40211A.PACKETOT") for each of the dates listed in Attachment A to SWBT's assertion. Subtracted the number of "previously unassigned telephone numbers" described in footnote 3 above from the total UNE-P line activity results and then compared this total to the total CLEC UNE-P line activity results listed in Attachment A.
5. Obtained the program code used to query and total CLEC UNE-P line activity for each period and determined that the logic of the program code is consistent with Paragraph 4 of SWBT's assertion.
6. Recalculated the Percent Updated results on Attachment A to SWBT's assertion and determined the calculation was consistent with Paragraph 5 of SWBT's assertion.