

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)

Application by BellSouth Corporation For)
Authorization Under Section 271 Of The)
Communications Act To Provide In-Region,)
InterLATA Services In The States Of Georgia And)
Louisiana)

CC Docket No. 01-277

**DECLARATION OF BERNADETTE SEIGLER
ON BEHALF OF AT&T CORP.**

1. My name is Bernadette Seigler. My business address is 1200 Peachtree Street, Atlanta, Georgia. Currently I am employed by AT&T Corp. (“AT&T”) as District Manager, AT&T Local Services Access Management for Local Interconnection in AT&T’s Southern Region. I am responsible for ensuring that AT&T is able to successfully send and complete orders sent to BellSouth Telecommunications, Inc. (“BellSouth”) for the provision of local exchange service. My testimony relates to AT&T’s efforts to make available UNE P/Switched Combinations of Unbundled Network Elements¹ to business customers. As part of the Georgia 1000 Residential

¹ As used in this declaration, “UNE” refers to unbundled network elements ordered by AT&T from BellSouth; and “UNE-P” refers to the unbundled network element platform, which is the combination of unbundled loop and port.

UNE test this past year, between 8% and 12% of UNE-P orders experienced outages or troubles, and even at today's low levels of volumes, approximately 6 to 8 percent of AT&T's Georgia business customers are losing service or experiencing troubles during and after conversion as a result of problems with BellSouth's UNE-P offering. This level of problems does not allow AT&T to compete effectively for small business customers. One problem in particular is BellSouth's use of separate disconnect and new service orders that causes loss of dial tone by AT&T customers and service problems after conversion of service. As part of the package of staff recommendations relating to BellSouth's Section 271 application, the Georgia staff recognized the importance of UNE-P and these problems by requiring BellSouth to upgrade its OSS system and implement by January 5, 2002 the proposed "C" order to prevent the loss of dial tone. Both at the meeting and in a follow-up letter, BellSouth told the Georgia Commission that it could not meet that deadline and thus could not eliminate this substantial barrier to competition until later in 2002. Without this "C" order, greater provisioning accuracy, and other improvements to Bell South's OSS systems, BellSouth does not offer nondiscriminatory access to network elements.

I. BACKGROUND AND SUMMARY OF TESTIMONY

2. I received a Bachelor of Arts Degree in Psychology from Rutgers University, New Brunswick, New Jersey in 1984. In addition, I have attended many business-related courses offered by AT&T and BellSouth. Following my graduation from college, I worked for 6 years in the medical products industry, and I have been employed for the last 10 years in the telecommunications industry.

3. I joined AT&T in 1990 as an Account Executive selling services to business customers in northern New Jersey. From 1992 until 1995, I worked in various AT&T sales, marketing and customer support units. In 1995, I became a member of the AT&T Local Cross Strata organization as a Product & Offer Manager. I was on the team responsible for the planning and implementation of AT&T's strategy for entering the Local Services market throughout the United States. In late 1996, I relocated to Atlanta, Georgia to join AT&T's Regional Local Product Management & Delivery organization. From 1996 until early 2001, I held various positions relating to AT&T's ordering systems and interconnection with BellSouth. I also participated in many negotiation sessions with BellSouth as AT&T's Subject Matter Expert on AT&T's efforts to enter the local business market. My last assignment was to lead AT&T's Business Market Entry into Georgia and Florida using UNE-P. In April 2001, I was promoted to District Manager, AT&T Local Services Access Management for Local Interconnection in the Southern Region.

4. This Declaration discusses AT&T's efforts to provide service to small business customers and BellSouth's failure to provide the level of service necessary to allow AT&T to compete fully at high volumes for those customers. The Declaration begins with a description of the services AT&T seeks to provide and the needs of small business customers. It then describes AT&T's current All in Onesm service that makes use of BellSouth's UNE-P offering to serve business customers. I then detail BellSouth's OSS and other shortcomings that have hampered AT&T's efforts to compete effectively. Many of these problems were initially identified in the Georgia 1000 Residential UNE-P test that ran from February 2000 to February 2001.

Although a number of problems highlighted in that test have been resolved, many remain, including BellSouth's use of separate disconnect ("D") and new service ("N") orders. All too frequently, those separate orders are not processed properly, and AT&T customers suffer loss of dial tone and other service problems (*e.g.*, noise on the line) when those orders are not processed or provisioned properly. Today, AT&T customers continue to experience high levels of outages and service disruptions in converting to AT&T's local service offering. In recent months, even at low levels of volumes, approximately 6 to 8 percent of AT&T's Georgia business customers experience outages and service disruptions caused by BellSouth's flawed processes and provisioning. In addition, the instability of the LENS ordering system used by AT&T to place UNE-P orders significantly undermines the reliability of the service that AT&T is able to offer customers. These various problems with BellSouth's UNE-P offering have both delayed and made more difficult AT&T's effective entry into the business market using UNE-P, and they have caused disruption and inconvenience to business customers who choose to use AT&T as their local carrier.²

² In the course of reviewing prior Section 271 applications, both the Federal Communications Commission (FCC) and the Department of Justice have stressed that "it is critical that competitive LECs have the ability to enter the local exchange market through the use of combinations of UNEs." *Application of BellSouth, et al. for In-Region, InterLATA Relief Pursuant to Section 271 for Louisiana*, CC Docket 98-121, ¶ 141 (1998) (citing Department of Justice Evaluation, at 36). As with any checklist item, an ILEC has the burden of demonstrating that combinations of UNEs are available "as a *practical and legal* matter." *Id.* ¶ 163 (emphasis added).

II. THE IMPORTANCE OF THE BUSINESS MARKET AND AT&T'S EFFORTS TO SERVE THAT MARKET

5. Business customers require a broader range of products, services, and features than residential customers. Moreover, telephone service is critically important to the success of many small businesses, and any disruption or threat to that service is a matter of utmost concern to them. These business customers therefore tend to be sophisticated purchasers of telecommunications services, sensitive to both price and quality considerations. Accordingly, to compete effectively for these customers, it is essential that AT&T offer a broad range of products at the highest quality of service – particularly in terms of reliability – at a competitive price.

6. The small business customer is an important market segment for AT&T. If AT&T does not establish itself as a substantial and reliable supplier of business-oriented telephone services in addition to serving residential customers, it will have a difficult time gaining the credibility and critical mass necessary to compete successfully over the long term. For this reason, AT&T has focused heavily on the delivery of local telecommunications services to small (and large) businesses.

7. AT&T is using a combined service as its principal offering to small businesses.³ AT&T's All in Onesm service enables AT&T to combine local, intraLATA, long distance, calling card, toll free, and World Net services into a billing plan that

³ AT&T has also rolled out its AT&T Digital Link (ADL) service, which enables large business customers (those with T1.5 access) to add local calling capabilities to their AT&T service. AT&T first offered ADL in Georgia, then rolled the product out in Florida and thereafter in other BellSouth states.

- includes a simple pricing structure and a discounted monthly rate. This service involves the use of a combination of BellSouth's port and switching functionality, interoffice transport, and a voice-grade loop to provide local service, along with various AT&T facilities to provide the intraLATA , toll free, long distance, and internet services.
8. Upon receipt of a request for service from a customer, an AT&T representative will access the customer's information in the Customer Service Record ("CSR") using BellSouth's Local Exchange Navigation System ("LENS") interface. The address information provided by the customer and submitted by the AT&T representative is validated by BellSouth, and then the AT&T representative uses the LENS interface to submit the order for a combination of UNEs from BellSouth for UNE-P service along with the features requested by the customer. BellSouth processes the order, and if accepted, a Firm Order Confirmation is issued to AT&T that includes the date for the conversion of service from BellSouth to AT&T. At the time of conversion, BellSouth processes two separate orders, an "N" order that governs the establishment of the new service, and a "D" order that causes the customer's BellSouth service to be disconnected. Once the service has been converted, BellSouth issues a Completion Notice informing AT&T that the conversion of the customer's service is complete. Receipt of this Completion Notice allows AT&T to begin billing the new customer for service. As discussed in detail below, BellSouth's use of separate "N" and "D" orders and its failure to adhere rigorously to OSS procedures creates an unstable provisioning environment that routinely causes outages and service disruptions.

9. The success of AT&T's All in Onesm service offering relies heavily on the BellSouth's prompt and reliable provisioning of wholesale UNE-P services to AT&T. AT&T cannot begin to advertise its service on a full scale basis until it is assured that BellSouth can offer a seamless transition for the business customer to AT&T service. In marketing, one cannot base an advertising campaign on whether or not BellSouth is properly handling UNE-P orders. Until BellSouth is in a position to promptly and reliably provision UNE-P on a consistent basis, AT&T cannot go forward with a broad marketing campaign for its All in Onesm service.

III. BELLSOUTH'S HAS PROVEN ITSELF UNABLE TO OFFER PROMPT AND RELIABLE UNE-P SERVICE ON A CONSISTENT BASIS.

10. To date, BellSouth's UNE-P offer has been plagued with serious problems. Some AT&T customers have lost dial tone during the conversion, others have not received the features that they requested from AT&T or previously enjoyed with BellSouth, and some have suffered from significant noise on the line that they did not experience as BellSouth customers. These negative customer experiences are a problem for AT&T, which is held responsible for the service degradation by the customer even though it is BellSouth, and not AT&T, that is the source of the problem.

A. The Georgia 1000 Test Revealed Significant Problems with BellSouth's Ability to Handle UNE-P Orders.

11. Many of the problems with BellSouth's UNE-P offering were highlighted during the Georgia 1000 test, a test of BellSouth's Residential UNE-P offering and supporting

OSS systems that was conducted by BellSouth and AT&T between February 2000 and February 2001.⁴ This test evaluated BellSouth's ability to provision UNEs to AT&T residential customers using BellSouth's unbundled network element platform under real-world production conditions.⁵ BellSouth created 1000 test lines that were then provisioned with fictitious customer orders testing a variety of scenarios and customer order patterns. In this way, the test did not simply simulate real-world production conditions in a segregated test environment but made service requests for live phone line accounts, testing BellSouth's ability to handle these accounts as if real AT&T customers were involved.

12. The Georgia 1000 test consisted of three phases of testing. BellSouth and AT&T agreed on the metrics (some of which were proposed by the Georgia Public Service Commission) that measured BellSouth's performance in the Georgia 1000 test for Phase II and III (Phase I was never completed). Taken as a whole, the metrics measured BellSouth's ability to handle and provision AT&T customer service requests in a real world production environment and then produce the necessary records to allow that service to be billed to the customers. The metrics are set forth in Exhibit 1 (showing BellSouth's performance during Phase II) and in Exhibit 2 (showing BellSouth's performance during Phase III).

⁴ Although the Georgia 1000 test was directed toward residential customers and used the EDI interface, the OSS processes that were tested were the same as those for UNE-P business customers.

⁵ The test was modeled after a test conducted by AT&T of BellAtlantic-North's OSS in New York and was conducted on a "friendly" basis with BellSouth pursuant to test agreements signed by the parties.

13. The Phase II test that ran between May and July 2000 revealed significant problems with BellSouth's performance. In this phase, BellSouth failed to meet performance benchmarks for important metrics relating to BellSouth's capacity to receive and process orders. For example, over one-fifth of LSRs were rejected, and over half of these service request rejections were spurious, i.e., erroneously rejected by BellSouth (AT&T-GA-OR-10). Less than two-thirds of orders eligible to flow through BellSouth's systems received a written confirmation within four hours (AT&T-GA-OR-7). See Exhibit 1.

14. BellSouth also missed significant benchmarks for provisioning. Most significantly, over 8 percent of orders were not provisioned correctly (BST-GA-PR-6), meaning that one in twelve customers experienced an error or trouble in provisioning. Over 9 percent of the orders were not completed by the LEC committed due date (ATT-GA-PR-1-1), and just under 9 percent were not completed by the customer desired due date (ATT-GA-PR-1-2). For 6.8 percent of customers, AT&T received no completion notice, which means that AT&T could not begin to bill customers for its services on a timely basis. See Exhibit 1.

15. During the Phase II testing, problems arose with BellSouth's business rules and telephone number reservation system. The business rules prevented AT&T from ordering the blocking function that prevents parties from making international calls. After AT&T raised this issue with BellSouth, BellSouth made this blocking feature available two months later. BellSouth business rules stating that the telephone number reservation system would hold unassigned telephone numbers for 30 days

failed to work properly, and numbers assigned to AT&T were subsequently granted to other CLECs during the 30-day period. BellSouth stated that it corrected this problem during the Phase II testing. GA1000 Phase II Exception Report, attached as Exhibit 3, p.1-2.

16. The following are some of the problems with BellSouth's OSS that were identified and documented during the Phase II testing:

- Problems with Conversion: Loss of Dial Tone

17. Customers lost dial tone due to a system design flaw that allowed the customer's BellSouth local service to be disconnected without ensuring that AT&T service was established. As noted above, BellSouth creates separate "D" and "N" orders when it converts a customer from its service to a CLEC. For the scenarios in which customers requested AT&T service but then changed their minds, AT&T would issue an LSR requesting the UNE-P service and then forward a supplement canceling the order. BellSouth would issue both the "N" and "D" orders and then, upon receipt of the supplement, correctly cancel the "N" order but would incorrectly provision the "D" order. This resulted in disconnection of phone service altogether. AT&T learned that the cause of this problem was that the "N" and "D" orders were processed by different work groups, so that each order was processed independently of the other. See Exhibit 4, p. 1, 3-4, 10-11; Exhibit 3, p.1.

- Poor Flow Through To Provisioning Center

18. BellSouth had significant flow-through problems during Phase II. Only 78.14 percent of the LSRs eligible to flow through actually did flow through. See Exhibit 1, p. 2

(metric BST-GA-OR-4). Moreover, only 8 percent of the LSRs sent by AT&T were designed to "fall out" of BellSouth's computer systems for manual handling by BellSouth's service representatives, but 39 percent of AT&T's orders did not flow through to the provisioning center. BellSouth determined that 63 percent of the 1500 LSRs that comprised that deficiency fell out because of BellSouth system problems. See Exhibit 3, p. 3; Exhibit 5, p. 2. Decreased flow through means increased manual handling of LSRs, which increases the risk of delay or errors by BellSouth's service representatives as discussed below.

- Mistakes By BellSouth Representatives

19. More than 14% of the improper LSR rejections received by AT&T were a result of mistakes by BellSouth's service representatives. See "Invalid Rejects by Reject Type," attached as Exhibit 6.

- Late and Missing Timestamps

20. BellSouth was consistently unable to send timestamps to AT&T on a timely basis as a result of various system problems. See Exhibit 3, p. 1-2 (noting various failures to send timestamps and BellSouth's explanations of the cause of the problem). For example, AT&T did not receive Completion Notices on 157 LSRs between June 15 and July 19, 2000, id., p.2, and BellSouth failed to meet several timestamp metrics. Late timestamps are especially damaging when the delayed timestamp involve

- Completion Notices, see Exhibit 4, p. 1-2, because AT&T cannot begin to bill a customer until it receives confirmation that the LSR has been provisioned.⁶
21. The results of Phase II demonstrated that BellSouth had serious problems with its UNE-P offering. The loss of dial tone by AT&T customers, BellSouth's inability to provide certain services and features to AT&T customers, the back office problems with flow through, the high level of manual handling of orders, and the frequent mistakes by service representatives all indicated that BellSouth's UNE-P offering was not available on a nondiscriminatory basis.
22. The Phase III test ran from October 25, 2000 through February 22, 2001. Although some of the problems identified in Phase II were resolved by BellSouth, a number of the same problems remained, and some new problems emerged. In Phase III, BellSouth again missed several benchmarks regarding its capacity to handle LSRs. For example, the percentage of orders rejected declined to 10.69%, but the number of erroneous rejections increased from approximately 50% to 64.71%. In provisioning, as was the case in Phase II, the service order accuracy was poor, and the percentage of orders that experienced outages or troubles increased from the Phase II level of 8% to over 12% in Phase III (BST-GA-PR-6). BellSouth improved the timeliness of its provisioning performance for the LEC committed due date from 90% to 95%, but the

⁶ In the case of late billing, the customer eventually gets a "back-bill" that records all charges for the period after the LSR was provisioned. Late billing is particularly troubling to customers.

- provisioning timeliness in meeting the customer desired date decreased sharply from 91.05% to 75.61% (ATT-GA-PR-1-2). See Exhibit 2.
23. During the Phase III testing, BellSouth had problems capturing data related to the test. For example, during November 2000, BellSouth was not able to record data relating to the test and as a result missed hundreds of LSRs, Firm Order Confirmations, Completions, Rejections, and Completion Notices. BellSouth was experiencing systemwide problems with its data during this period, and these problems did undermine confidence in its data and the conclusions based on that data. See AT&T Georgia BellSouth Data Reconciliation—November 2000 Report, attached as Exhibit 7.
24. Phase III revealed both new and continuing problems with BellSouth's OSS:
- Cancelled Conversions
25. As was the case in Phase II, AT&T ran scenarios in which a customer requested AT&T service but then changed his mind and elected to remain with BellSouth. Under this scenario, AT&T placed an LSR with BellSouth to convert the customer to AT&T service, and then promptly placed a Supplement to cancel the conversion. In Phase II, this scenario sometimes resulted in the customer losing dial tone altogether because BellSouth canceled the conversion or New ("N") order but not the disconnect ("D") order, which was still processed and caused the loss of dial tone. In Phase III, an additional problem arose in which the customer was converted to AT&T service notwithstanding the Supplement to cancel. See Exhibit 8, p.1. BellSouth required the Supplement to cancel to be processed manually, and the conversion order was

provisioned before the Supplement to cancel was processed by the provisioning center. As a result, a customer would be switched to AT&T service even after he had cancelled his order.

- Delayed Postings

26. BellSouth sent out Completion Notices for work that it had not yet provisioned to AT&T's customer. See Item Nos. P-10, P-11, P-12, P-13, P-14, P-17, and P-19 of the Phase III exception report. AT&T thus received Completion Notices for work that was not yet available to the customer. As a result, AT&T might tell customers that they had features that were not in fact available, resulting in customer dissatisfaction and extra expense for AT&T. See GA1000 Phase III Exception Report, attached at Exhibit 8, p.16-19.

- Completion Notices For Unperformed Work

27. AT&T also received Completion Notices for work that had not been performed. For example, BellSouth sent Completion Notices to AT&T stating that a blocking function would prevent any "900" or "976" calls (a popular feature among business customers), but the work had not been done. Exhibit 8, p.20.

- Mistakes By Service Representatives

28. Mistakes by BellSouth service representatives continued during Phase III, particularly during the manual handling of LSRs. See Item Nos. O-5, O-7, O-8, O-9, O-10, O-16, O-17, O-23, O-24, O-30 (two errors), O-43, O-44, P-3, P-4, P-5, P-6, and P-7 of the Phase III exception report (Exhibit 8, p. 1-16). BellSouth's service representatives plainly had not mastered BellSouth's business rules and procedures for providing

UNEs to CLEC customers. This continues to be a significant issue in light of the large volume of CLEC orders that fall out of BellSouth's systems for manual processing.

- Understaffed Service Centers

29. BellSouth admitted in the Phase III exception report that understaffing at the service center was the cause of at least one mistake (an inadvertent switching problem). See Exhibit 8, p.1. This understaffing raises important questions about BellSouth's ability to handle the LSR volumes when AT&T and other CLECs are aggressively marketing local service in Georgia and generating large volumes of orders.

- System Outages

30. System problems were a consistent issue during Phase III. See Item O-2 (late Acknowledgements caused by system breakdown), Item O-5 (system defect resulted in an erroneous request for clarification of 71 LSRs), Item O-25 (Completion Notices delivered late due to computer problems), Items O-37 and O-38 (LSRs rejected because of computer problems), see Exhibit 8, p.1-13. The system problems increase the time and cost of processing customer orders to AT&T and can lead to errors in LSRs and order rejections by BellSouth.

31. The Phase III testing demonstrated that BellSouth still could not provision UNE-P orders on a timely and stable basis without substantial errors, and that problems with erroneous rejection and manual processing of orders continued to cause significant numbers of errors and provisioning problems.

32. BellSouth concedes that the Georgia 1000 test provided useful process improvements but claims that the test was “useless” because it was not conducted in a “controlled” environment. Affidavit of William Stacy, Exhibit OSS-58, p. 8-9. In fact, the test was deliberately designed not to be a “controlled” test but rather to simulate a real world environment in which orders and supplements would be submitted on a real time basis.⁷ BellSouth also claims that it did not agree to the metrics reported by AT&T for Phase II and Phase III, *id.*, p. 7, but those metrics were attached as appendices to the Test Agreements that were executed by AT&T and BellSouth for Phase II (Exhibit 9) and Phase III (Exhibit 10). Moreover, the Georgia Public Service Commission staff participated in the development of the Test Agreements and suggested that the metrics be included in the Test Agreements so that there would be no dispute as to what was being measured.
33. BellSouth also claims that AT&T was responsible for problems when it failed to validate that prior orders had been completed and records changed. Stacy Aff., Exhibit OSS-58, p. 6. This is ridiculous. There is no way in a mass-market setting that a CLEC should have to engage in a manual look up of orders to see if they have been processed; the whole purpose of mechanized ordering systems is that a party can

⁷ In many ways, the Georgia 1000 test is far more accurate and useful than the KPMG Consulting (“KCI”) test in assessing BellSouth’s ability to provide CLECs with non-discriminatory access to its UNE-P in a real-world production environment. The “test until you pass” protocol used in the KCI test offers various testing advantages but does not reflect what a CLEC and its customers experience in the real world. In the competitive marketplace, there is no opportunity to “test until you pass.” Instead, each opportunity to serve a customer is a one-shot “moment of truth” for both the CLEC and its customers. In this sense, the Georgia 1000 testing reproduced the reality of the
(Footnote continued)

- rely on the orders that have been issued and not have to worry that an order may have been completed but the record not yet updated. Indeed, BellSouth's request is indicative of a broken system in which the CLEC must incur extra time and expense by its service representatives checking to determine if an order has been properly processed. The large volumes of orders in a real-world competitive environment cannot be handled in such a manner.
34. At bottom, BellSouth seeks to take credit for the process improvements resulting from the Georgia 1000 test but walk away from the conclusions that flow from the significant OSS problems identified in Phase II and Phase III of the test. This test, which was concluded less than 8 months ago, identified continuing serious problems with BellSouth's OSS systems for UNE-P service. Having taken the credit, it must accept the responsibility for the OSS shortcomings identified in the testing, many of which continue today and result in service that does not allow AT&T to compete on a high volume basis in the business market.

B. BellSouth's UNE-P Problems Continue Today.

35. In any event, the problems identified in the Georgia 1000 test did not end with the conclusion of that real world test. In the months following the conclusion of the Phase III test, as AT&T began the rollout of its All in Onesm service, AT&T continued to encounter significant problems as a result of BellSouth's deficient OSS

marketplace in a way that KCI's test could not. Each Georgia 1000 test transaction was similar to a "live" market
(Footnote continued)

- processes. Erroneous rejection and manual processing of orders, two areas in which BellSouth's Phase III performance was problematic, have been significant problems. Provisioning problems have continued because the BellSouth order does not accurately reflect what AT&T ordered at the request of its customer, often due to manual processing or system errors. As a result, the customer suffers a service disruption because he does not receive the services or features that he ordered from AT&T.
36. The system outages identified in Phase III have also continued and hampered AT&T's ability to deal with its customers and BellSouth's systems. In addition to the BellSouth systems responsible for the Phase III outages, the LENS interface (which was not included as part of the Georgia 1000 test) has experienced frequent outages that undercut AT&T's ability to offer reliable service to its customers.
37. These ongoing OSS problems continue today to cause significant problems with BellSouth's UNE-P offering. In Georgia, on relatively small volumes of orders, for June, July, and August, AT&T customers experienced outages or service troubles caused by BellSouth on 6.5% (31 / 474) of orders, 8.1% (45/555) of orders, and 5.8% (22/379) of orders, respectively.⁸ AT&T customers continue to experience loss of

order that was handled appropriately or was a market failure.

⁸ BellSouth reports on certain provisioning problems in its P-8 metric, "% Provisioning Troubles within 30 days of Service Order Completion." For the month of August, BellSouth's reported P-8 metric for AT&T orders was 3.31%. This measure, however, does not include the orders on which problems occur prior to service order completion, which would include many of the no dial tone situations. Even though it may not be reflected in the P-8 metric, the customer outage that occurs prior to service order completion is just as real as any that occurs after the

(Footnote continued)

dial tone and service disruptions (including the failure to receive ordered features, unacceptable noise on the line after conversion, and lines that do not work properly). Errors of this kind are simply devastating to any new entrant's attempt to win customers over to a new service.

1. Loss of Dial Tone

38. During the three month period June-August 2001, 65, or 4.6% (66/1408) of AT&T's Georgia business customers lost dial tone in connection with the conversion of service to AT&T. For a small business, the loss of telephone service even for a short period of time can be a calamitous event that directly affects the business's economic livelihood. A takeout pizza store that loses its phone service during the evening rush period loses business that cannot be recouped at a later time; those sales are lost forever. For that reason, small business customers simply will not tolerate such outages, and even a seemingly low outage percentage will permanently damage any provider's ability to win and retain customers.
39. These outages continue to occur due to BellSouth's use of "N" and "D" orders and as a result of various OSS process failures, running the gamut from service representative error to inconsistent business rules. The end result is a business customer who lost dial tone after purchasing AT&T's service, with the customer (and

order is completed. The numbers included in this Declaration represent AT&T's experience with BellSouth's UNE-P service in Georgia. Exhibit 11 lists the Georgia orders that experienced loss of dial tone and service disruptions.

- other potential customers with whom that customers communicates) holding AT&T responsible for the outage even though BellSouth caused the problem.
40. AT&T and other CLECs have long urged BellSouth to use a single “C” order to make the software change on its records of the conversion of the UNE-P customer to the CLEC, but BellSouth continues to use a separate “N” order to convert the customer and a “D” order to disconnect the customer’s BellSouth service. If BellSouth does not process the orders in the proper sequence, the customer’s service will be disconnected pursuant to the “D” order before the “N” order conversion is completed. As seen in the Georgia 1000 Phase III testing, it is also possible that a customer who cancels his order will be converted to CLEC service anyway because the “N” order is worked prior to BellSouth’s processing of the supplement canceling the order. Moreover, if there is no coordination of the two orders regarding use of the same facilities, the disconnection and new order may lead a business customer to receive UNE-P service over different facilities, which can lead to increased noise or other service quality problems.
41. Examples of recent outages due to BellSouth’s use of the “D” and “N” order include:
- On June 12, 2001, an investment firm in the Atlanta, Georgia area lost dial tone on its 10 lines on the day the customer was converted from BellSouth to AT&T. After many calls and conversations with BellSouth, dial tone was restored over a day after service was lost. This outage was due to BellSouth’s working the “D” order before the “N” order.

- An Atlanta business was scheduled to have its service converted on August 15, 2001. BellSouth worked the “D” order on August 13 instead, and as a result, the customer lost dial tone on both his phone lines. The customer was out of service for 3 ½ hours.
- Another Atlanta business had a due date of July 31 on his order to convert his service to AT&T. He called on August 3 to report that he had no dial tone on his two phone lines. BellSouth had worked the “D” order only on August 3 but not the “N” order. The customer’s service was not restored until August 5.

42. BellSouth also lacks effective communications between its provisioning center and its maintenance center. When AT&T receives a call from a customer experiencing loss of dial tone, the AT&T maintenance center attempts to refer this trouble situation to the BellSouth maintenance center, as these are post-provisioning problems that are the responsibility of the BellSouth maintenance center. In cases, however, where the “N” order converting the customer has not been worked, BellSouth maintenance center personnel will not have the converted customer record on their computer and will see only the completed “D” order, and not the pending “N” new or conversion order. In such a situation, the BellSouth maintenance center refuses to take responsibility for the maintenance request, claiming the matter to be a provisioning problem. This rejection of the trouble by the BellSouth maintenance center requires that AT&T personnel make numerous telephone calls and escalate the problem through various BellSouth supervisory layers before the matter is resolved and dial tone restored.

43. AT&T and CLECs have repeatedly raised the “N” and “D” order issue with BellSouth but to no avail. This issue was clearly identified in the Georgia 1000 test but did not lead to changes. More recently, AT&T and other CLECs raised the problems caused by the two orders with BellSouth at the first BellSouth UNE-P Users’ Group Meeting for Georgia, held in Atlanta on March 22, 2001. A copy of the minutes of this meeting is attached to this testimony as Exhibit 12. At the Georgia meeting, an issues list or “Action Plan” was created, and the first three issues CLECs identified involved the loss of dial tone caused by BellSouth’s use of separate “D” and “N” orders. A copy of the original version of the Action Plan is attached to this testimony as Exhibit 13 (see Items 1, 2 and 3 relating to the loss of dial tone at conversion to UNE-P).
44. At the second Users’ Group Meeting in Atlanta on May 23, 2001, AT&T again presented information on the loss of dial tone issue. A copy of the minutes of this meeting is attached to this testimony as Exhibit 14. Birch Telecom stated that they had already provided BellSouth documentation regarding forty of their customers that BellSouth had put out of service because “D” orders were worked before “N” orders. Nevertheless, BellSouth representatives at the meeting refused to take action – BellSouth insisted that it needed from each CLEC more examples of such problems before committing to any corrective action. I asked the BellSouth representatives why they were not finding a resolution to the problem since they had received reports of forty incidents from Birch Telecom as well as reports from other CLECs.

45. In response to my comments, Lynette Nall, the BellSouth Local Carrier Services Center (LCSC) staff support representative at the meeting, acknowledged that BellSouth knew that the use of “D” and “N” orders was not the preferred way to process UNE-P conversions, but stated it was the best method available with BellSouth’s systems. She further stated that BellSouth has had a team in place for some time to address the issue and to create a single “C” order for UNE-P conversions and other services to prevent the loss of dial tone. At the meeting Ms. Nall said that BellSouth hoped to have this project completed by the end of the year 2001, but would not make a firm commitment to that schedule. In preparing the formal minutes of the May 23 meeting (Exhibit 14), however, BellSouth announced that its target implementation date for the “single C-order” would be pushed back even further to *early 2002*.
46. The loss of dial tone issue still had not been resolved at the time of the Users’ Group Meeting in Atlanta on July 17, 2001. As reflected in the minutes of that meeting (Exhibit 15), BellSouth’s James Maziarz, BellSouth’s UNE product manager, stated that a BellSouth Team had been established to identify and resolve the problems causing service interruptions at the time of UNE-P conversions. The team’s current findings identified the absence of the term “RRSO” (“Reuse Related Service Orders”)⁹ on manual orders as the cause of the majority of service interruptions

⁹ “RRSO” is defined by BellSouth as a Field Identifier that “Indicates the service order type and number of related service order(s) in reuse group – is entered as a cross-reference when reusing facilities.”

- during UNE-P conversions. Mr. Maziarz told the UNE-P Users' Group that BellSouth was establishing edits within the ordering system to require a RRSO on all conversion orders. After this edit was installed on July 18, orders without a RRSO were supposed to be rejected within BellSouth's systems, and the "D" order would not be completed before the "N" order. He further stated that BellSouth was retraining its LCSC service representatives on the RRSO requirement.
47. As the July and August outages described above demonstrate, however, this edit did not end the loss of dial tone resulting from BellSouth's use of the "N" and "D" orders, and these outages continue to occur. Indeed, the problem is now so widespread that BellSouth has opened a toll-free number exclusively for CLECs to report this loss of dial tone in connection with conversions to UNE-P.
48. At the September 27 UNE-P Users Group meeting, in response to continued complaints from CLECs about outages relating to the "N" and "D" orders, BellSouth again stated that it hoped to have a single "C" order available as a solution by April 2002. Exhibit 16. As item 1 of the Action Plan from that meeting shows, however, CLECs are continuing to suffer loss of dial tone as a result of BellSouth's use of the "D" and "N" orders. Exhibit 17.
49. The Georgia Public Service Commission Staff has recognized the importance of the loss of dial tone issue. At a September 27, 2001 meeting, the Georgia PSC Staff included as one of its OSS recommendations that BellSouth must resolve this issue, upgrade its OSS system, and implement by January 5, 2002 the proposed "C" order to prevent the loss of dial tone. Exhibit 18. Both at the meeting and in a follow-up

letter, BellSouth told the Georgia Commission that it “simply is not possible for BellSouth to implement a single “C” order for the processing of UNE-P orders by January 5, 2002 as proposed by the Staff.”¹⁰ As a result, BellSouth will not be in a position to eliminate this barrier to competition in the business market in Georgia until April 2002 at the earliest.

50. This problem of lost dial tone will not be resolved until BellSouth implements a single C-order and improves the functioning of its OSS systems. Without these changes, new entrants simply cannot effectively compete on a commercial scale with BellSouth.

2. Service Disruptions

51. In addition to loss of dial tone, AT&T customers continue to experience service disruptions during and after conversion from BellSouth to AT&T. These service disruptions include ordered features that do not work, excessive noise on the line that did not exist prior to the conversion of service, and lines not working properly. As an example of this type of problem, an Atlanta business was converted to AT&T service on July 3. The customer called on July 11 to report that his customers were getting busy signals when calling. AT&T reported the trouble to BellSouth, and it was determined that BellSouth had not provisioned the requested hunting capabilities that

¹⁰ Letter from Bennett L. Ross, BellSouth, to Reece McAlister, Georgia Public Service Commission (Oct. 1, 2001) (attached as Exhibit 19). The Louisiana Public Service Commission has ordered BellSouth to implement the “C” order by April 2002. Docket No. U-22252, Subdocket E, In re Consideration and review of BellSouth

(Footnote continued)

would enable a phone call to ring on different lines in the same business. The trouble was resolved five days later on July 16, but the customer in fact had been without hunting capabilities for the two weeks since the conversion.

52. In the case of missing features, these service disruptions have occurred because BellSouth's OSS systems did not include or provision all of the requested features on AT&T's order. The failure to include an ordered feature such as call waiting, or hunting to allow the call to ring on different phone lines in the same business, or caller ID can be a significant operational or commercial problem for a small business and have serious financial consequences. Again, if an ordered feature is not available to the business, that business will blame AT&T.

53. With respect to noise or other problems on the line, the use of the separate "N" and "D" orders may again be the source of the problem if the orders have not been properly coordinated. If the order does not include the RRSO designation calling for reuse of the same facilities, then the orders may be worked separately on different facilities. The technician with the "D" order would probably disconnect the customer from its existing facilities at the port, and another technician with the "N" order could well place the customer on different facilities. If there is a difference in the quality of the service as a result of the conversion, and if, for example, there is greater noise on the line, the customer will attribute that service degradation to AT&T. With use of a

Telecommunications, Inc.'s preapplication compliance with Section 271 of the Telecommunications Act of 1996,
(Footnote continued)

single “C” order, the order would be limited to a software change, which would ensure the reuse of the customer’s existing facilities and thereby avoid the possibility of service degradation.

54. The competitive significance of service disruption problems at these levels is confirmed by BellSouth’s own conduct in specifically targeting CLEC customers that experience these problems for winback. As the UNE-P Users’ Group Action Plan documents, BellSouth representatives are attempting to win back CLEC customers after conversion, in some instances telling the customer that the loss of dial tone or service problem is the CLEC’s fault. See Exhibit 13, items 6 & 8 (March 22, 2001 Action Plan), and Exhibit 20, item 6 (July 17, 2001 Action Plan). The Georgia Public Service Commission has started an investigation into these allegations and declared that such actions “would impact the fairness and the success of competition in Georgia.”¹¹ Such actions by BellSouth employees seek to take advantage of the customer perception that the CLEC is responsible for the problem (even though it is BellSouth that has caused the problem) precisely because disruptions of this sort are so significant to customers in deciding which carrier to choose. This is the height of discriminatory conduct by BellSouth.

Order No. U-22252(E) (Sept. 21, 2001).

¹¹ Docket No. 14232-U, Investigation of BellSouth Telecommunications “Win back” Activities, Interim Order (July 23, 2001)

3. The Instability of LENS

55. As noted above, AT&T places UNE-P orders with BellSouth through BellSouth's LENS. BellSouth's own tracking information shows that LENS and the back office processing systems that are associated with LENS have proved to be very unstable.
56. BellSouth posts on its web site a list of LENS outages as well as outages on BellSouth's two other ordering systems, EDI and TAG. A summary of outages over the past 15 months reported by BellSouth on its website is attached as Exhibit 21. As that summary shows, during the period August 1, 2000 through October 12, 2001, LENS has experienced 193 separate outages, lasting from 3 minutes to as much as 5 days¹². As a result of these outages, AT&T has frequently experienced loss of some or all of the LENS functionality.
57. As LENS is one of the principal ordering interfaces for UNE-P service, its instability and frequent outages significantly impact AT&T's ability to access ordering information for available network elements and thereby offer prompt, efficient and accurate UNE-P services to customers choosing to convert from BellSouth to AT&T. LENS outages undercut AT&T's operational efficiency and mean that AT&T cannot provide the quick and accurate response to customers placing conversion orders that such customers expect. AT&T's reputation and image suffer as a consequence. A fully functioning LENS is critical to AT&T's ability to establish favorable initial

impressions with its potential customers, inasmuch as LENS is the initial ordering and provisioning interface for UNE-P services. And once again, because customers have not experienced these sorts of problems when service was provided by BellSouth, AT&T stands to lose the customer.

58. An ongoing problem with the LENS interface is its failure to calculate the proper due date for UNE-P orders. As per BellSouth's Products and Services Interval Guides, almost all UNE-P orders that AT&T submits are supposed to be provisioned the same day if BellSouth receives the order by 3 p.m. and the next day for orders received thereafter. As a result of a software problem, in June of this year, LENS began specifying a due date 2-4 days after the order UNE-P order was placed on approximately half of AT&T's orders. BellSouth fixed this software problem on July 28, but on October 1 the problem reappeared, and LENS is again providing the wrong due date for approximately 40% of AT&T UNE-P orders. AT&T has raised this issue with BellSouth, which has acknowledged the problem, but will not make any commitment as to when this issue will be resolved. Clearly, AT&T cannot schedule its service or accurately inform its customers about conversion dates so long as these software problems continue. This is additional evidence of the instability of the

¹² BellSouth posts Type I outages on the website, which it defines as those lasting 20 minutes or more. As a result, there is no guarantee that all outages of less than 20 minutes are being reported. Any outage is disruptive for AT&T representatives, as they must spend several minutes logging into LENS after each outage.

BellSouth OSS systems that must be resolved before AT&T can compete effectively for business customers.¹³

59. BellSouth must fix its LENS interface so that it is stable, available at all scheduled hours, and capable of handling all order types in accordance with established business rules.

CONCLUSION

60. Even at low volumes, the level of service outages and disruptions associated with BellSouth's UNE-P does not permit AT&T to compete with BellSouth on a full scale basis. For many small businesses, the telephone is its economic lifeline, and any CLEC that convinces a business to try its local service offering and provides instead a telephone outage, a service interruption, or a degradation in service quality is courting competitive disaster, a lost customer, as well as bad word of mouth in the business community. The business customer will not care (and will not know) that AT&T is not responsible for the problem; all the customer will know is that such problems did not occur when it was a BellSouth customer. AT&T cannot make the financial commitment to enter the business market on a full scale basis through extensive advertising and marketing of its services if it knows that 6 to 8 percent of its

¹³ A further problem with LENS has been its inability to provision a UNE-P conversion that involves a move by the customer to a new address. KPMG Consulting recognized this problem in its BellSouth Florida OSS Testing Evaluation and issued Observation 87 documenting this shortcoming in the LENS interface. Exhibit 22. The inability of LENS to support UNE-P orders involving a move or change of address increases AT&T's costs and requires manual processing of those orders. Such treatment also increases the possibility of errors in the handling of the order and causes customer dissatisfaction as a result of such errors and the additional time required for the

(Footnote continued)

customers will experience a loss of dial tone or other service degradation. BellSouth will meet the nondiscrimination requirements of Section 271 only when it implements the “C” order and improves its OSS systems so that converting customers have a seamless transition to AT&T service and do not suffer outages or service disruptions.

manual processing of orders. Although BellSouth has stated that it is resolving this problem, AT&T has no assurance that BellSouth’s proposed resolution will end this problem and ensure that it will not recur.