



*allegiance*telecom,*inc.*

THE NEW WAY FOR BUSINESS TO CONNECT™

The Allegiance Telecom, Inc.

*FCC Presentation*

*CC Docket No. 96 - 98*



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Tony Parella

*Executive Vice President*

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# Allegiance Telecom

## Allegiance Business Plan

- Facilities based integrated communications provider (ICP) in 36 Tier 1 Markets
- Targeting Small to Medium Businesses with 3 - 24 lines.
- Smart Build Strategy is a timed deployment of capital expenditures to build a nationwide facilities based network.
- Allegiance owns its own local network infrastructure including switches and Colocation equipment.
- Allegiance leases the ubiquitous last mile UNE elements (copper loop) and T1 circuits from BOCs to connect our customers

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## *Getting It Done in 2001*

	1997	1998	1999	2000	2001E
Markets	0	9	19	27	36
Switches	0	7	15	26	35
SONET Fiber Networks		0	0	1	3 21
Collocations	0	101	327	636	> 825
Sales Headcount (1)	0	295	707	1,333	1,700
Lines Installed (000)	0	48	242	607	1,160

Note: Sales Headcount includes Sales Team Managers, Account Executives and Sales Administrators.

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## 8-24 Lines

- Local Voice Services
    - Long Distance/Toll
  - Integrated/Dedicated Access
  - Colocation & Dedicated Hosting
    - Shared Hosting, E-mail, E-commerce, Domain Name
- 

## 1-7 Lines

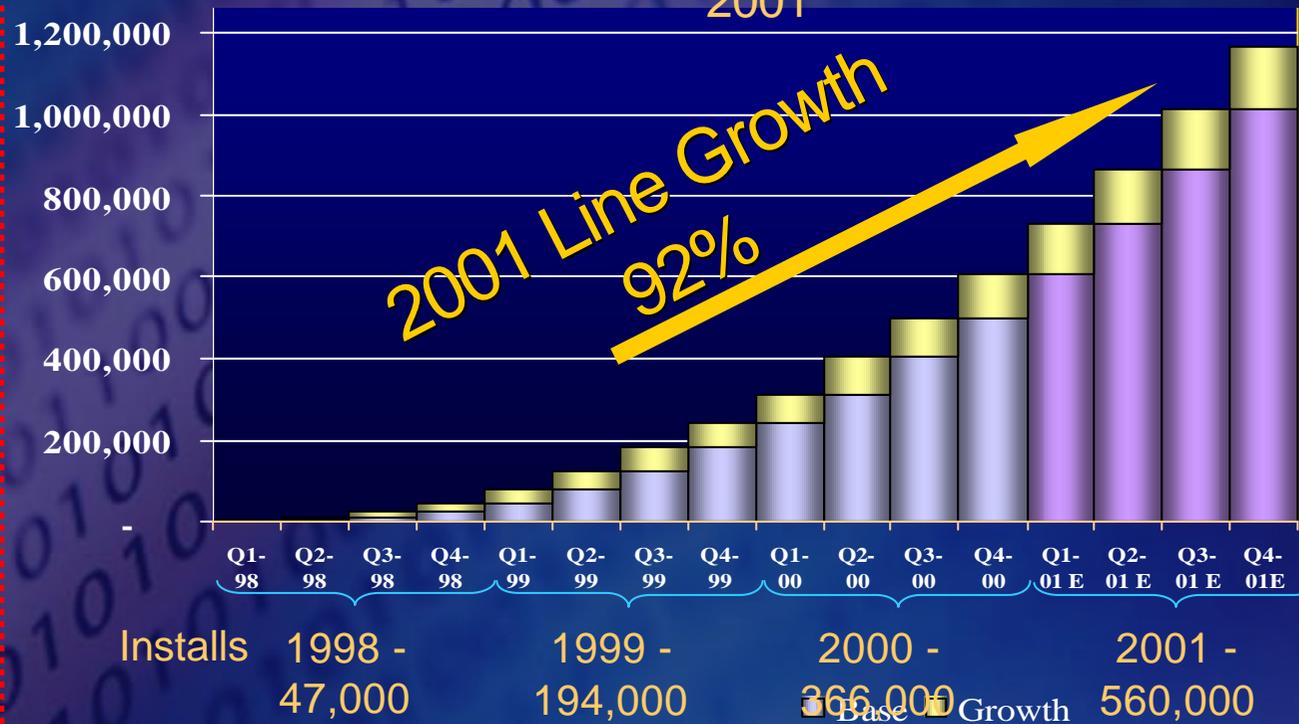
- Local Voice Services
  - Long Distance/Toll
  - Voice Mail
- Shared Hosting, E-mail, E-commerce, Domain Name

# Allegiance Telecom

People  
Processes  
Execution

Lines in Service

Estimated 1,160,000 lines  
in service by the end of  
2001

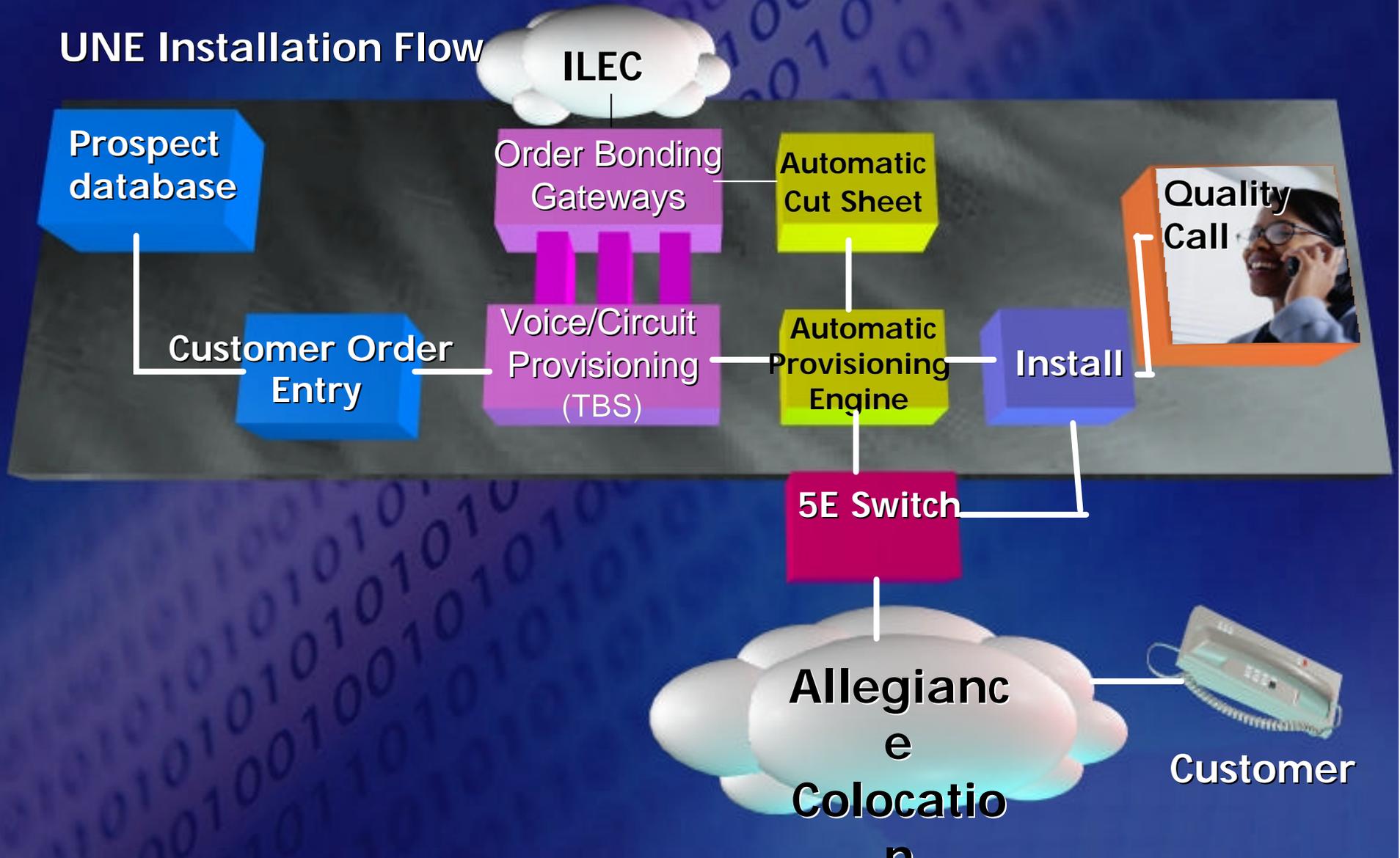


\* Year 2001 numbers are projected

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*Scaling UNE loop provisioning in the SME Market*

## UNE Installation Flow



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## *COE - Consolidated Order Entry*

- **Consolidated Order Entry**
  - Eliminate re-keying of account data between sales tracking system and ordering system (TBS) by building shell of order straight out of sales system
  - Move data validation to the front of the order process and single place to check quality

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## *TBS - Telecom Business Solution*

- **Telecom Business Solution (Metasolv)**
  - COE front end has allowed ordering at the “factory” to be reduced to only feature specific detail for the PSR (Product Service Request)
  - TBS controls “provisioning plan” to direct the workflow for order execution
  - Next phase automation from COE will eliminate need to re-key feature specific detail as well (Customer Service Request upload)

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## *Local Service Request Bonding (LSR) / Firm Order Commitment Upload (FOC)*

- DSET Corp software based gateways between ALGX and ILECs send LSR (Local Service Request) electronically to their front-end system
- Upon FOC transmission back, circuit ID and ILEC order numbers upload back into TBS inventory - as supplied by the ILEC. This eliminates possible error re-keying that could introduce problems day of cut
- LSR bonding in production for Verizon South and Qwest as of April 2001, all Allegiance markets are now bonded except GTE areas



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## *ACS - Automated Cut Sheet*

- **Automated Cut Sheet**
  - Electronic presentation to field technicians of orders scheduled to cut over at the individual LSR level (with all required product information)
  - Allows “ready” scheduling of pre-cut testing
  - Reduces number of users required to access TBS for information throughout the day

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## *Process Management*

- **Backlog Management** - automated tracking of Work In Progress through key checkpoints of order flow
- **Cutover Process** - pre and post test procedures have improved the customer experience

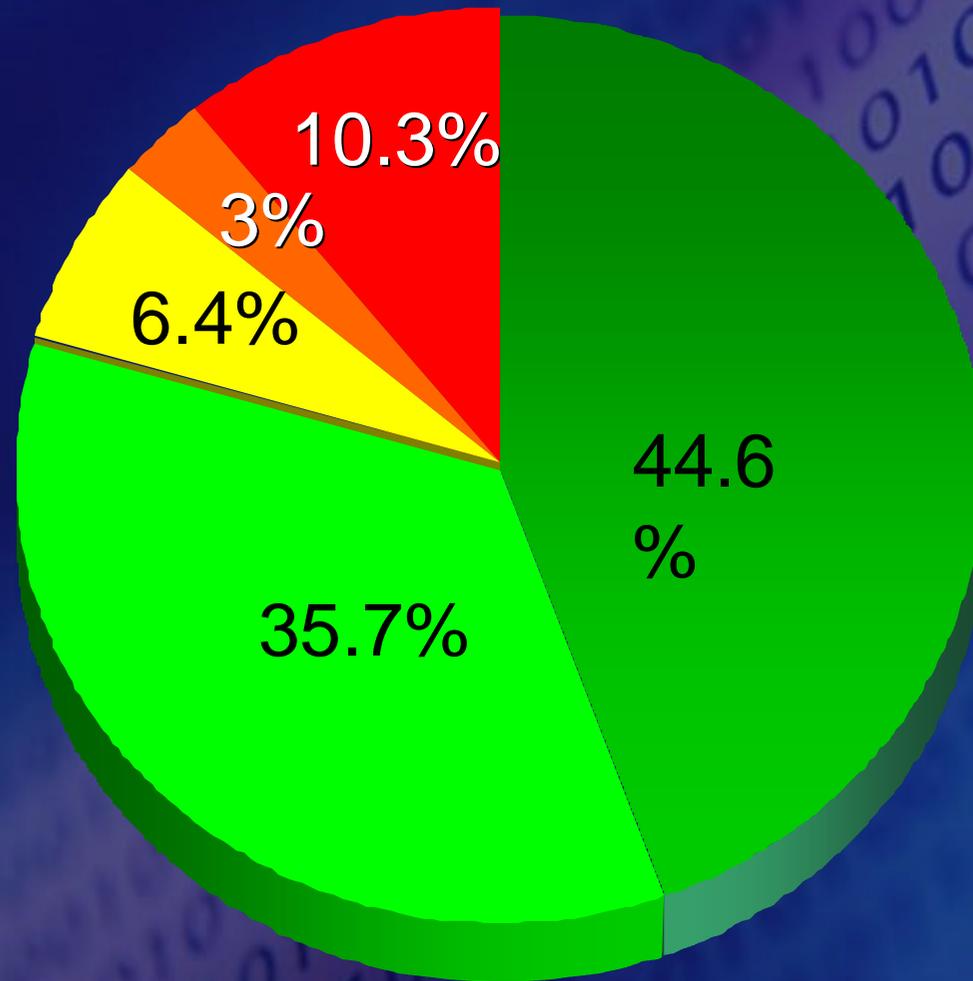
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## *Backlog Status for Unbundled Loops*

Backlog Status for Unbundled Loops (as of: 4/16/00)																	
State	Floor	%	Not Recv.	%	Rec./Rej.	%	Not Ent.	%	w/o LSR	%	Jep.	%	LSR Sent	%	FOC	%	Total
California	7	0	768	9	211	2	946	11	1605	18	534	6	1527	18	3124	36	8722
Avg Holding Days	0		3		6		9		13		11		17		0		
Colorado	0	0	100	17	14	2	14	2	2	0	8	1	56	10	389	67	583
Avg Holding Days	0		4		37		3		4		52		6		0		
Georgia	0	0	21	0	34	1	254	6	996	24	979	23	736	18	1182	28	4202
Avg Holding Days	0		4		93		11		25		49		18		0		
Illinois	131	4	122	4	187	6	304	10	419	14	89	3	819	27	995	32	3066
Avg Holding Days	0		3		31		17		16		60		9		0		
Maryland	2	0	81	3	14	1	473	18	1175	45	98	4	268	10	484	19	2595
Avg Holding Days	0		3		5		8		27		66		14		0		
Massachusetts	4	0	56	2	231	7	289	8	373	11	157	4	1173	33	1247	35	3530
Avg Holding Days	0		3		33		16		14		261		21		0		
Michigan	6	1	105	10	189	19	153	15	99	10	48	5	288	29	120	12	1008
Avg Holding Days	0		5		19		9		11		27		13		0		

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## *UNE Lines - Days to Install - March 2001*



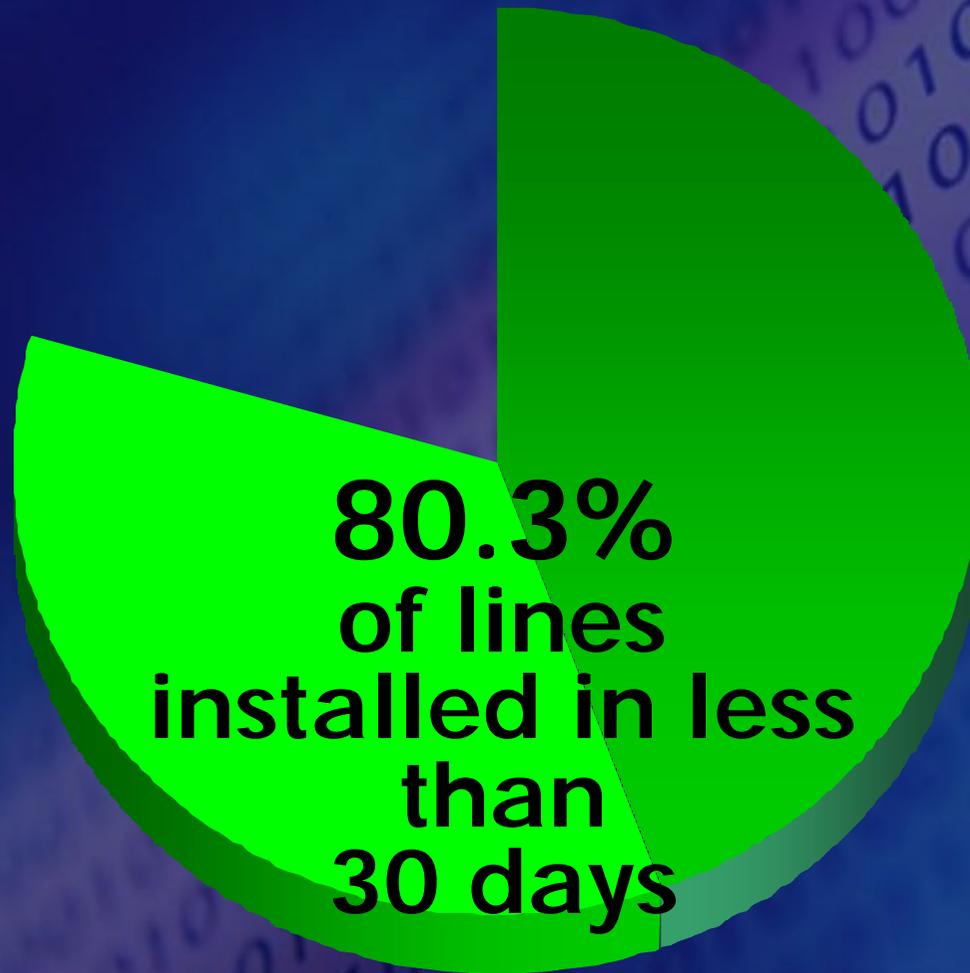
### Days to Install

- 0-15 (14,250 lines)
- 16-30 (11,400 lines)
- 31-45 (2,045 lines)
- 46-60 (963 lines)
- >60 (3,288 lines)

Interval between date entered into COE and date install is closed in TBS

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## *OSS - What's Next?*

- **B.I.F. (Billing Interface) - Automate COE/TBS information directly into billing system**
- **Trouble Ticket Bonding - Direct trouble ticket management with the ILEC systems through Allegiance trouble platform "Clarify"**
- **LSR Bonding - GTE portion of Verizon**
- **CSR Upload - Will eliminate need to key feature information on like-for-like local service orders**

# Allegiance Telecom

*Colocation strategy vs. Building specific strategy*

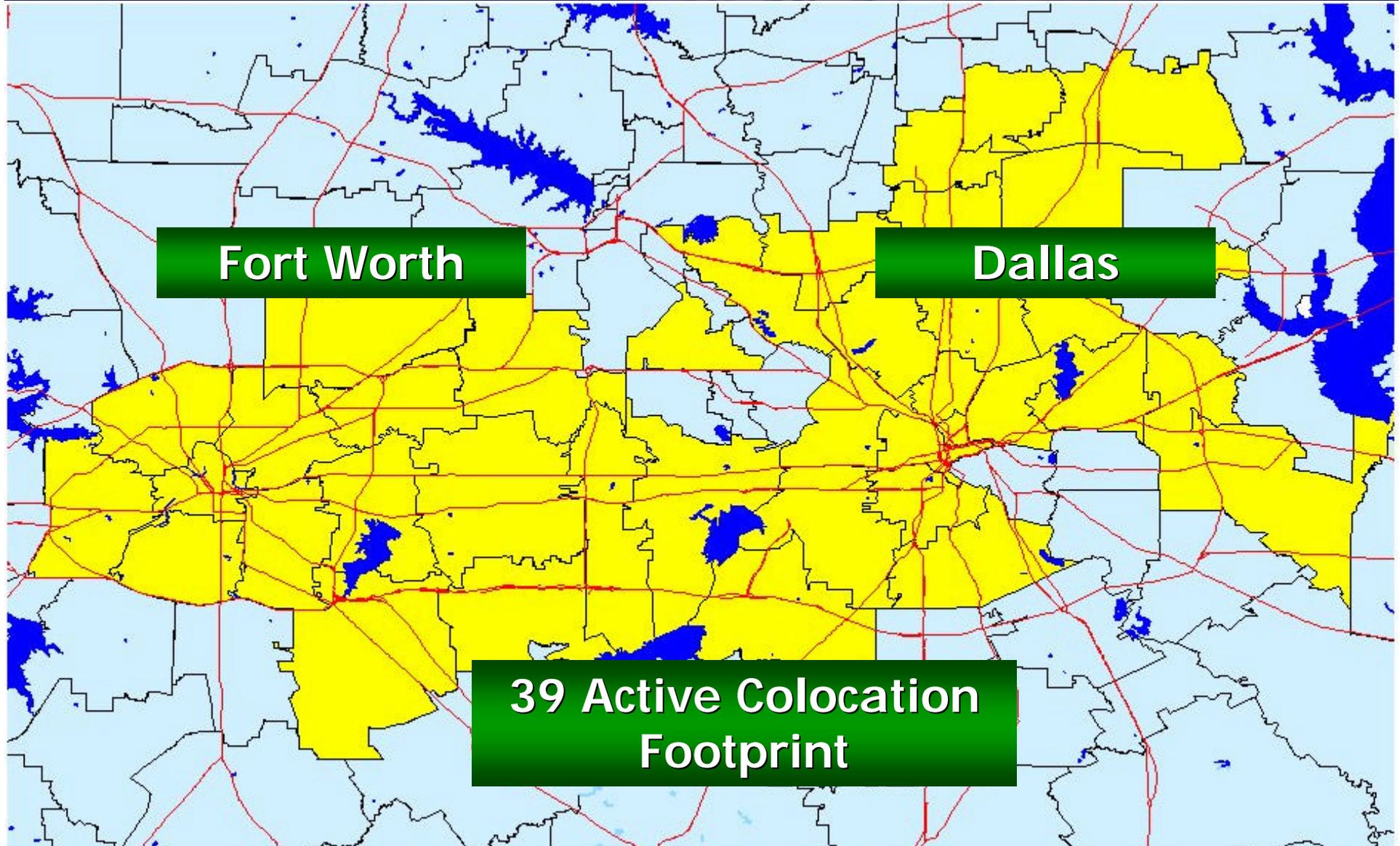
## Allegiance VS Competitors

- ✓ Large Addressable market
- ✓ We can serve anyone "Bell" can serve
- ✓ Capital Efficient

- ⊘ Limited Addressable market
- ⊘ Restricted footprint
- ⊘ Capital Intensive

# Allegiance Telecom

## *Dallas / Fort Worth - Allegiance Colocation Map*



# Allegiance Telecom

People

Balance Sheet

Execution

Back Office

Colocation  
Strategy

Provisioning  
Methods



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