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BELLSOUTH

BellSouth
Suite 900
1133-21st Street, N.W.
Washington, D.C. 20036-3351

kathleen.levitz@bellsouth.com

Kathleen B. Levitz
Vice President-Federal Regulatory

202 463-4113
Fax 202 463-4198

December 10, 2001

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Salas
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: CC Docket No. 01-277 /

Dear Ms. Salas:

On December 10, 2001, Margaret Greene, Jan Funderburg, Robert Blau, and I, representing BellSouth, met with Commissioner Michael Copps, and his Legal Advisor, Jordan Goldstein to discuss issues raised by parties in the current proceeding. The attached documents formed the basis for the presentation.

I am filing two copies of this notice in the docket identified above, as required by Section 1.1206(b)(2) of the Commission's rules, and request that you associate this notice with the record of that proceeding.

Sincerely,

Kathleen B. Levitz

Attachments

cc: Commissioner Michael Copps
Jordan Goldstein
Jessica Rosenworcel
Susan Pié
James Davis-Smith

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I. INTEGRATION

- BellSouth has provided significantly more evidence that CLECs can integrate -- and have integrated -- than the Commission found sufficient in Texas.
- In Texas, the Commission relied upon statements from one CLEC that it had integrated with respect to address information and from another CLEC that it had integrated with respect to service and feature codes. One of the letters cited by FCC in Texas was dated June 14, sixteen days before the Commission's decision on June 30, 2000. *Texas Order* ¶¶ 154-157. In fact, this June 14 letter from Navigator shows that address information could not be electronically transferred from the CSR to the order form, and thus full integration was not available.
- The Commission also relied on Telcordia's statement that the documentation and other information provided by SWBT allowed it to integrate preordering information *Texas Order* ¶ 159.
- Moreover, the Commission relied upon Telcordia's findings even though Telcordia first stated that its integration conclusion applied to DataGate (the pre-ordering system on which SWBT relied) and not just EDI (the system that was tested) in a June 13 letter, just two weeks before approval. *Id.*
- The evidence here is considerably stronger. BellSouth clearly made a prima facie showing that it has enabled CLECs to integrate and transfer preordering information onto an order form:
 - One CLEC, DeltaCom, stated unequivocally in sworn testimony referenced in BellSouth's Application that it has integrated, and DeltaCom's testimony stands uncontroverted in this proceeding. *See Stacy Aff.* ¶ 37 & n.9; BellSouth Nov. 30 *ex parte* (Tab 10).
 - BellSouth asserted that, based on its own internal information, it appears that CLECs have successfully integrated preordering and ordering. *See Stacy Aff.* ¶ 36-37.
 - AT&T and WorldCom have admitted integration of preordering address information with ordering. *See Lichtenberg, et al Reply Aff. At* ¶ 31; *BellSouth Nov. 29 Ex Parte at Tab 13, p. 166 (AT&T admits address integration).*
 - KPMG tested the "degree to which a CLEC could develop automated integrated transactions" and found that BellSouth satisfied all criteria. MTP Final Report at V-13, V-A-28 to V-A-31. Unlike Telcordia, KPMG submitted orders into the system to confirm that CLECs have the ability to integrate. While the KPMG test is not identical to the Telcordia test, the fact

that several CLECs have admitted they can parse the CSR and integrate preordering and ordering should provide the Commission with further assurance that full preordering/ordering integration can and has been accomplished. Indeed, even AT&T and MCI concede that they can integrate address information on BellSouth's systems.

- Both the GPSC and the LPSC determined that CLECs have integrated. *See GPSC Comments 87-88; LPSC Evaluation at 33.*
- BellSouth demonstrated that it provides CLECs with documentation, indeed more than SWBT, to assist CLEC integration. *See Stacy Exhibits OSS-53 & OSS-54.*
- In replies, no CLEC actually rebutted BellSouth's prima facie showing. BellSouth established that it had enabled CLECs to integrate preordering and ordering. No CLEC stated that it tried to integrate but could not.
- Even though no CLEC stated that it tried but could not integrate, the record further demonstrates, through multiple *ex partes* submitted by CLECs, that BellSouth has enabled successful integration, in satisfaction of the Commission's requirement as stated in its Texas Order. *See Texas Order ¶152.*
 - Access Integrated has filed an *ex parte* stating that, by writing its own software, it has parsed all CSR information (not just a few fields, as the Commission found in the Texas case) and that it has "successfully integrate[d]." Access Integrated further states that it can process orders with a "low rejection rate." Access Integrated's letter is far more definitive than any evidence discussed in the *Texas Order*.
 - Two more CLECs, GoComm and Momentum, have also filed *ex partes* saying that they have integrated using vendor software. Moreover, GoComm's affiliate, Exceleron Software, states in the same *ex parte* that it offers a product that allows CLECs to integrate BellSouth's pre-ordering and ordering for residential service.
 - In *Texas*, the Commission relied on evidence from Telcordia regarding integration presented approximately two weeks prior to decision without comment on freeze-frame rule. *Texas Order ¶ 159, n. 433.*
- There is no negative competitive impact.
- Integration is important to reduce rejects caused by mistyped orders. BellSouth's reject rates are better than those in prior approved applications. *See BellSouth Nov. 29 ex parte (Tab 18).*

- BellSouth implemented TN migration in November 2001, which serves the same purpose as integration for the vast majority of UNE-P orders. The Commission relied upon a similar post-filing enhancement as providing further “assurances” that CLECs will not experience problems. *Texas Order* ¶160.
- BellSouth has a binding legal obligation to offer a fully parsed CSR by Jan. 5, 2001, with failure to meet this deadline carrying a fine of \$10,000 per day. See *GPSC Reply Comments at 10*. Testing is already available.

II. SERVICE ORDER ACCURACY

- BellSouth has worked successfully to bring its service order accuracy performance to the same high level as its performance in other areas.
- In August 2001, more than a month before this Application was filed, BellSouth developed a comprehensive action plan to improve performance in this area. *Varner Ga. Aff.* ¶ 146.
- That plan has yielded immediate results. Aggregate service order accuracy (the only statistically significant measure) in Georgia increased to over 90% in September and 95.5% (above the benchmark) in October.
- That performance is especially notable given that BellSouth's metric counts an inaccurate entry on a single field in an order as a miss on an entire order. Measured on a field-by-field basis, BellSouth's accuracy in September was well over 99% (missing 195 out of 61,007 fields). *Stacy/Varner/Ainsworth Joint Reply Aff.* ¶ 50.
- Moreover, even before these improvements, BellSouth's performance was nondiscriminatory, as BellSouth retail error rates were comparable to those on CLEC orders. *Id.* ¶ 54; CWA Comments at 6.
- The Bureau's 76% accuracy rate represents one category, Loops Non-design <10 Non-Dispatch, in Louisiana in October. The following chart shows all categories in Louisiana for October with sample sizes of 100 units or more:

Category	Sample Size	% Correct
Resale Residence <10 Circuits, Non-Dispatch	275	99.27
UNE Design Specials <10 Circuits, Dispatch	101	96.04
Resale Business <10 Circuits, Non-Dispatch	262	90.84
Loops Non-Design <10 Circuits, Non-Dispatch	289	76.47

- No CLEC has made a credible showing that BellSouth's performance in this area causes competitive harm.
 - Birch Telecom is the only CLEC that has even tried to make a concrete demonstration of harm.

- Birch's claims, to the extent Birch has even tried to document them, are overblown and not competitively significant. Over half the problems it identified involve order fields that block calls to 900 numbers and directory assistance. Such errors hardly create a barrier to competition.
- Moreover, Birch itself must not have seen these issues as significant, as it did not mention order accuracy problems in its weekly account team meetings until October 31, 2001, even though these meetings have been ongoing for nearly a year. Surely, if this were in fact hindering its ability to compete, Birch would have raised this more promptly to the account team weekly meeting level.
- Indeed, Birch does not even claim that this issue is as significant as it was in Texas. In Texas, Birch claimed SWBT made errors on 36% of Birch's manual orders (compared to the 28.17% alleged against BellSouth). See Birch June 27, 2000 *Ex Parte*, CC Docket 00-4.

III. ACCESS TO DUE DATES

- This issue involves a software glitch that has now been addressed.
 - BellSouth discovered that CLECs submitting some resale and UNE-P orders that did not require a dispatch were receiving due dates that were longer than necessary.
 - BellSouth instituted a temporary fix for this problem in February 2001 to automatically revise the due dates on those orders to 0/1 days (except where the CLEC requested a longer due-date interval).
 - A permanent fix was installed in June 2, 2001. A problem was discovered with that fix, and the temporary fix was re-instituted.
 - Currently a very limited set of orders are subject to receiving double FOCs.
- This issue lacks competitive significance.
 - In June 2001, well before filing this Application, BellSouth instituted a process to ensure that CLECs get the benefits of prompt due dates. Thus, even before the software fixes were put in place to correct the due date calculator, CLECs were able to get prompt due dates, thus undermining any claim of competitive harm. There is thus no question that CLECs are getting prompt due dates.
 - Under this process, LSRs are screened to ensure that they have received the correct due date. If necessary, the workaround process quickly generates a subsequent FOC to advise the CLEC of the new due date within a matter of hours. In the end, process ensures CLECs receive a 0/1 day interval for UNE-P orders.
 - Even this “double FOC” problem affects few orders. Between October 29, 2001 and November 27, 2001, 2.3% of UNE-P orders region-wide received a double FOC. In the same period, 3.9% of resale orders received a double FOC.

IV. CHANGE CONTROL

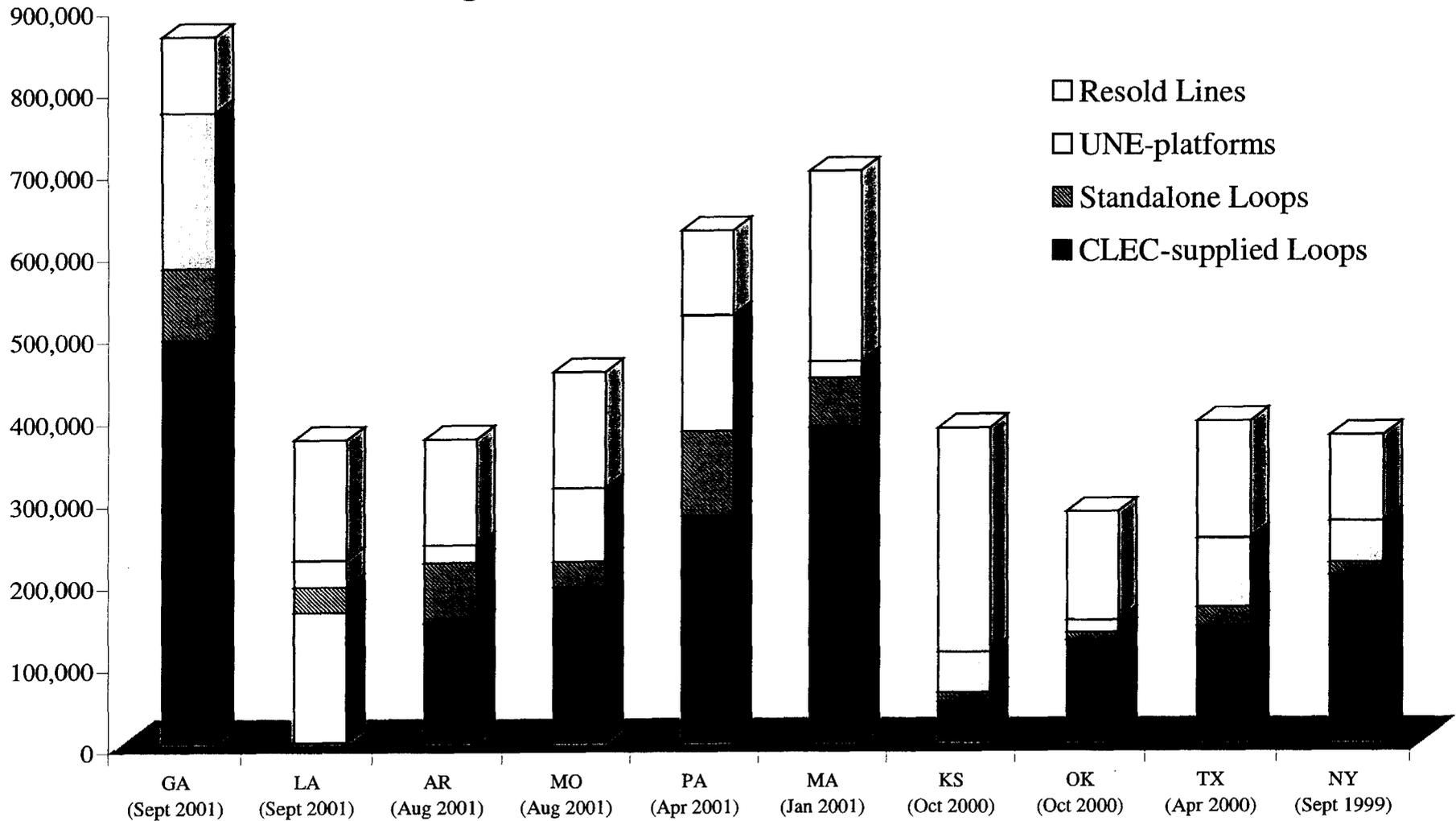
- BellSouth's implementation of change management has been nondiscriminatory.
- Between the inception of the CCP and October 15, 2001, 65 change requests for new functionality were implemented. Of these, 33 were BellSouth-initiated, and 32 were CLEC-initiated. *See* Stacy Reply Aff. ¶¶ 62-63.
- Forty percent of software capacity (*i.e.*, total hours to develop, test & implement system features) during 2001 was utilized to address CLEC requests submitted directly via the CCP prioritization process and as state/federal mandates. BellSouth devoted approximately \$66 million and 120,000 programming hours to these CLEC-driven requests. *See* BellSouth Nov. 30 *ex parte* (Outline at 16).
- BellSouth is committed to maintaining and improving that nondiscriminatory performance.
- BellSouth has already committed to allocating 40% of its annual release capacity for implementing CLEC change requests and/or CLEC-driven regulatory mandates. *See* Stacy Reply Aff. ¶ 69. The remaining 60% will be used for implementing public switched network mandates such as NPA overlays and Number Pooling (5-10%), defects and maintenance (approximately 25%), and BellSouth change requests (25-30%) that also benefit the CLECs.
- Moreover, of the top 15 pending prioritized CCP feature requests, BellSouth has committed to implementing at least five of these during releases planned for the first half of 2002. Those features are related to: Line Splitting; Parsed CSR; Enhancement of Service Inquiry for SL1, SL2 and DSO; Pre-ordering for DS1 and ISDN; and Single "C" Ordering. BellSouth Nov. 30 *ex parte* (Outline at 17). This is in addition to BellSouth's previous commitments to deploy other prioritized items.
- The GPSC and LPSC, which are best positioned to evaluate the efficacy of the change control process, have closely monitored it, and found it satisfactory. CLECs could bring any complaints to those commissions, but not once have they done so. *GPSC Reply Comments at 18* ("*[t]he Commission reiterates its finding that the CCP is an effective means by which BellSouth communicates with CLECs regarding the performance of and changes to the OSS that affect interconnection and market access.*"); *LPSC Staff's Final Recommendation at 64-69*.

V. DATA ACCURACY

- The Commission's orders establish that the relevant test here is not perfection, but rather that the data be "meaningful, accurate, and reproducible." *Texas Order* ¶ 428.
- BellSouth's data meet that standard:
 - While the implementation of 2,200 sub-metrics in the first half of this year inevitably led to some glitches at first, errors have now decreased almost to the vanishing point. BellSouth restated very few sub-metrics in the last few months – 0.4% in Georgia in August and 0.0% in September. BellSouth Nov. 30 *ex parte* (Tab 3).
 - BellSouth has restated numbers as to only one metric (flow-through) since it filed this Application on October 2. Since BellSouth's filing on October 2, there has been one substantive change to the June flow-through data, and two revisions to the July and August flow-through data to correct coding errors. The revised data was filed with the Commission on October 25, 2001.
 - Even if one looks as far back as May, the changes that have been made are competitively insignificant. Less than 1% of modifications over the past 5 months changed a parity indicator (*e.g.*, from a "yes" to a "no"). *Id.*
 - The changes have also not affected key performance metrics, as the GPSC has explained in its reply comments.
 - The vast majority of BellSouth's measures have been validated. KPMG's first two audits replicated 98% and 95% of BellSouth's results, which cover 85% of the basic performance measurements before disaggregation, and the differences it found were slight. *Varner Reply Aff.* ¶ 9. These measures also cover 85% of the sub-metrics being reported today. Precedent establishes that a completed audit as to every last metric is not a requirement. *See Texas Order* ¶ 57 ("We reject the contention that SWBT's data are generally invalid because they have not been audited, and thus cannot be relied upon to support its application.").
 - Both the GPSC and the LPSC have specifically found the data reliable, and they have required yearly audits for the next 5 years. Again, in prior cases, the Commission has relied on the existence of such mechanisms. *See New York Order* ¶ 442; *Massachusetts Order* ¶ 247.

- Based on current KPMG metrics' audit in Georgia, only some of the sub-metrics within one measure where exceptions have been identified could have an impact on results of greater than 0.5%, and this measure is Average Jeopardy Notice Interval, which BellSouth is not relying on in this case.
- The Georgia Commission established a process three years ago for a CLEC to bring data integrity issues to the GPSC's attention, and no CLEC has availed itself of this process.

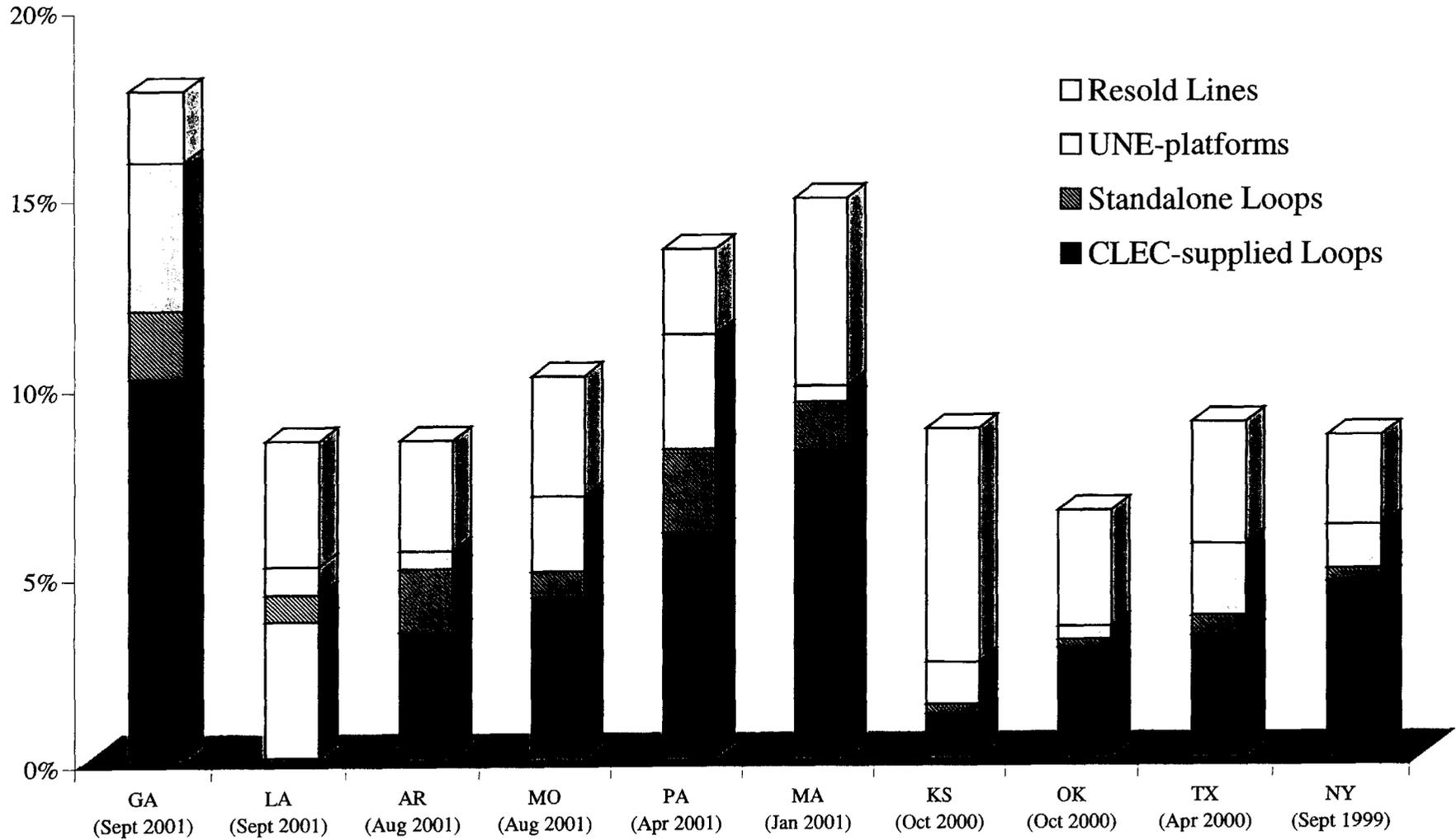
Total Lines Comparison Georgia & Louisiana vs. 271-Approved States



Note: Competitive numbers have been adjusted in relation to the number of BOC switched access lines in each state at the time of application as compared with Georgia.

Sources: GA: Stockdale Reply Aff., Exhs. 2 & 3; LA: Stockdale Reply Aff., Exhs. 6 & 7; AR: J.G. Smith Aff., Att. A; MO: Tebeau Aff., Att. A; PA: Taylor Decl., Att. 1; MA: Supplemental Brief, Ex. 1; KS: Smith-Johnson Aff., Att. 1; OK: Smith-Johnson Aff., Att. 1; TX: Habeeb Supplemental Aff., Att. 1; NY: Taylor Decl., Att. A.

CLEC Market Share Georgia & Louisiana vs. 271-Approved States



Sources: GA: Stockdale Reply Aff., Exhs. 2 & 3; LA: Stockdale Reply Aff., Exhs. 6 & 7; AR: J.G. Smith Aff., Att. A; MO: Tebeau Aff., Att. A; PA: Taylor Decl., Att. 1; MA: Supplemental Brief, Ex. 1; KS: Smith-Johnson Aff., Att. 1; OK: Smith-Johnson Aff., Att. 1; TX: Habeeb Supplemental Aff., Att. 1; NY: Taylor Decl., Att. A.