

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Application by SBC Communications Inc.,)	
Michigan Bell Telephone Company, and)	WC Docket No. 03-16
Southwestern Bell Communications Services,)	
Inc., for Authorization Under Section 271)	
Of the Communications Act to Provide)	
In-Region, InterLATA Service in)	
The State of Michigan)	

REPLY COMMENTS OF TDS METROCOM, LLC

Mark Jenn
Manager - CLEC Federal Affairs
TDS Metrocom, LLC
525 Junction Road, Suite 6000
Madison, WI 53717

Richard M. Rindler
Robin F. Cohn
Michael W. Fleming
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
(202) 424-7500 (Telephone)
(202) 424-7645 (Facsimile)

Counsel for TDS Metrocom, LLC

Dated: March 4, 2003

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Application by SBC Communications Inc.,)	
Michigan Bell Telephone Company, and)	WC Docket No. 03-16
Southwestern Bell Communications Services,))	
Inc., for Authorization Under Section 271)	
Of the Communications Act to Provide)	
In-Region, InterLATA Service in)	
The State of Michigan)	

REPLY COMMENTS OF TDS METROCOM, LLC

TDS Metrocom, LLC (“TDS Metrocom”) submits these reply comments concerning the Application by SBC Communications Inc., Michigan Bell Telephone Company, and Southwestern Bell Communications Services, Inc. (collectively referred to as “SBC”), for Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the State of Michigan (“Application”).¹ For the reasons stated in these reply comments, as well as in the initial comments filed on February 6, 2003, the Commission should deny the Application.

Two significant developments have prompted TDS to prepare these reply comments: the Evaluation of the Department of Justice filed on February 26, 2003, and SBC’s Compliance and Improvement Plan Proposals filed on February 19, 2003. Both documents provide further evidence that SBC’s Application is woefully inadequate and should be denied. Both also illustrate the fact that SBC attempts to make changes at the margins by applying approaches intended to cover-up problems rather than correct them. SBC’s efforts appear to be limited to doing the minimum possible to obtain Section 271 authority. Recent events demonstrate that problems previously

¹ *Comments Requested on the Application by SBC Communications, Inc. for Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the State of Michigan*, Public Notice, WC Docket No. 03-16, DA 03-156, released Jan. 16, 2003.

identified, such as inaccurate billing statements, continue unabated even as the Commission's review goes forward.

I. THE DEPARTMENT OF JUSTICE EVALUATION

The Evaluation of the Department of Justice ("DOJ Evaluation") is remarkable for its candor in recognizing that SBC's application cannot be approved based on the current record. The DOJ Evaluation focuses on, among other things, three areas of concern previously identified by TDS Metrocom: Change Management, Billing, and Data Integrity. Although the DOJ asserts that the Commission may be able to determine that the concerns DOJ has identified may have been adequately addressed prior to the conclusion of the Commission's review, TDS Metrocom submits that the deficiencies in SBC's Application are so overwhelming that denial is the only appropriate course to take at this time.

A. Change Management

The DOJ Evaluation identifies as a concern TDS Metrocom's experience with SBC's recently adopted policy of requiring a separate process outside of normal conditioning for the removal of so-called "non-excessive bridged taps (less than 2,500 feet)" in connection with the provisioning of DSL-capable loops. DOJ Evaluation at 7, n.24; *see* TDS Metrocom Comments at 27-28. TDS Metrocom had asserted that this policy precluded SBC from satisfying Checklist Item 4, non-discriminatory access to unbundled loops. DOJ recognized that SBC failed to provide TDS Metrocom with notification of this change in policy prior to its implementation. *Id.* These failures "may adversely affect the CLECs' ability to compete." *Id.*

Since filing of its Comments regarding SBC's practice with respect to non-excessive bridged taps, TDS Metrocom's Complaint has been consolidated with a generic proceeding before the Wisconsin Public Service Commission regarding line conditioning. The proceeding remains open at

this time with no deadline for resolution. The fact that these matters remain in dispute indicates that SBC has not implemented an adequate change management process.

TDS Metrocom has additional comments regarding SBC's Change Management practices in connection with its Compliance Plan, discussed below in Section II.4. DOJ apparently agrees with TDS Metrocom that SBC's Compliance Plan is deficient and "[t]he Commission and the Michigan PSC should consider whether a more extensive review is necessary to prevent the recurrence of problems." DOJ Evaluation at 7, n.28.

B. Billing

DOJ agrees with TDS Metrocom that "SBC has had trouble generating accurate bills." DOJ Evaluation at 10. In fact, SBC has recently admitted to TDS Metrocom that its bills are not reliable. Since TDS Metrocom filed its initial Comments, TDS Metrocom has received a bill from SBC with back-billing of charges for over 18 months of service. This single invoice included nearly \$1 million in charges covering the period of June 2001 to January 2003. SBC attached a Memorandum dated February 13, 2003, stating, "Prior to this month's [LEC Services Billing], the reports being used for compensation were produced out of the SBC CABS system. *These reports did not capture most of the usage associated with NICS, however we used these reports in the interim until Telcordia reports could be established as stated in the Interconnection agreement*" (emphasis added). The Memorandum is Attachment A to the Reply Affidavit of Rod Cox, which addresses this issue in greater detail. Cox Reply Affid. ¶¶ 22-32. As also explained in TDS Metrocom's initial Comments, SBC is unable to provide accurate bills.²

² TDS Metrocom expects SBC to file an affidavit from Mark J. Cottrell and Denise Kagan regarding billing issues similar to the one filed recently in the section 271 proceeding before the Illinois Commerce Commission. In that affidavit, SBC attempts to respond to the numerous billing disputes between TDS Metrocom and SBC. SBC attempts to demonstrate that the CLEC claims do not "reflect systemic wholesale billing problems that are likely to recur." Yet the sum and substance of SBC's response is that TDS Metrocom and SBC have had numerous billing disputes regarding millions of dollars. Further, the SBC affidavit demonstrates that TDS Metrocom has been forced to bring these numerous billing errors to SBC's attention, and SBC has been compelled to render "fixes" or "workarounds" in an attempt to rectify

In its Evaluation, however, DOJ also asserts that “the CLECs’ Comments are short on specifics” regarding billing problems. *Id.* TDS Metrocom respectfully disagrees, and refers the Commission and DOJ to the Affidavit of Rod Cox at ¶¶ 50-66, Attachment A to the TDS Metrocom Comments. Mr. Cox identifies numerous problems with wholesale bills sent to TDS Metrocom by SBC:

- TDS Metrocom is being billed for conditioning charges on loops that are less than 12,000 feet in length when the SBC documentation on CLEC Online clearly states that these loops will be conditioned at no charge.
- SBC failed to bill TDS Metrocom for Directory Assistance services in Michigan until October 2001, at which time they back-billed for twelve (12) months, requiring TDS Metrocom to go back and pull records internally to validate the charges. TDS Metrocom asked SBC for an electronic version of this invoice to aid in validating the bill. When SBC said there was no electronic version available, TDS Metrocom responded that if it printed, it printed from an electronic source. Eventually, SBC gave an electronic version. TDS Metrocom then asked for electronic versions going forward, and SBC said that was not possible.
- SBC continues to charge TDS Metrocom for Joint SONET facilities. Although SBC has already agreed that it should not be charging TDS Metrocom for these services, it continues to bill TDS Metrocom for them, placing the burden on TDS Metrocom to file disputes to clear the charges repeatedly.
- SBC was billing TDS Metrocom for the same circuit on two separate collocation invoices for a period of five (5) months. TDS Metrocom discovered that SBC had switched the billing for this circuit from one invoice to another and, in the midst of that unexplained “invoice change,” proceeded to bill TDS Metrocom on both invoices.
- In October 2002, TDS Metrocom received a bill for 800-database queries for activity as far back as September 2001. After TDS researched the issue, it was clear that the charges did not belong to TDS Metrocom. TDS Metrocom had to research the problem and confront SBC before SBC recognized that it had a programming error. Again, not only is the burden placed on TDS Metrocom to file a dispute to clear a billing error caused by SBC, but as of February invoicing, SBC still has not corrected this issue, requiring TDS Metrocom to continue to have to dispute the charges.
- SBC is receiving residential line orders from TDS Metrocom and entering them into its system as business orders. This is not only a data integrity concern but a financial one as well, as these lines are not receiving the residential discount that TDS Metrocom is entitled to.

the problems. The sheer number of billing disputes identified by TDS Metrocom, as well as their persistence and materiality, are plain enough evidence that SBC’s billing problems are indeed systemic.

- In August 2002, SBC back-billed more than 36 months worth of monthly recurring charges as a single non-recurring charge on loops.
- SBC is unable to make timely changes to its billing systems to reflect current rates, such as the residential discount required by the SBC-Ameritech merger conditions.
- SBC is unable to apply payments from TDS Metrocom correctly. This results in improper late payment charges, requiring TDS Metrocom to pursue billing disputes.
- SBC has charged TDS Metrocom for Design & Central Office Construction, Customer Connection, and Administration for facilities that carry traffic for both companies. Under the terms of the companies' Interconnection Agreement, SBC should not be billing TDS Metrocom for provisioning activity that benefits SBC. Also, the prices that SBC is charging TDS Metrocom for these services do not match the pricing in the Interconnection Agreement.
- In December 2001, a group from TDS Metrocom and a group from SBC's Access Services, Unbundled Network Elements and Collocation departments had a conference call to discuss the issue of misapplied payments that TDS Metrocom experienced during the months of June - August 2001. During this meeting the parties discussed how to resolve the misapplied payments issue and it was agreed that SBC would reverse out all the late payment charges that resulted from this issue. While TDS Metrocom and SBC agreed that payments had been misapplied, SBC still has not reversed out the late payment charges related to this issue.
- In November 2002, TDS Metrocom received back-billing for Calling Name and Delivery service that consisted of 16 months of service billed at the wrong rates. The bill was in excess of \$591,000. It has a serious impact on TDS Metrocom's operations when SBC makes mistakes in failing to properly bill over time, and then attempts to correct its own mistakes by dropping this type of massive single charge on TDS Metrocom, especially at the end of the year when TDS Metrocom is trying to close its books.
- There are numerous examples of SBC charging TDS Metrocom incorrect rates. These include, but are not limited to, rates for CNAM queries, conditioning charges, and Trouble Isolation and Maintenance charges.
- For services provided via point codes, SBC is billing TDS Metrocom for activity that is associated with point codes that do not belong to TDS Metrocom.
- SBC continues to send TDS Metrocom data on corrupted discs. This impairs TDS Metrocom's ability to validate the invoices before the date the bill is due.
- SBC's invoice layout also makes it difficult to capture all USOC information that can be reconciled. For example, most USOCs are placed on the invoice at position 25, but some of the USOCs are placed on the invoice at a different position. This has been occurring on the non-recurring section of the invoice.

It is clear that TDS Metrocom has had enormous difficulties with bills from SBC, and TDS Metrocom has provided the Commission and DOJ with specifics regarding these billing difficulties.

It cannot be stated strongly enough that since TDS Metrocom began operations in 1998, it has *never* received an accurate bill from SBC. *Id.* at ¶ 44.

Moreover, DOJ also claims that “SBC’s billing problems in Michigan may already be on the verge of resolution.” DOJ Evaluation at 11. TDS Metrocom strongly disagrees with this assessment. DOJ based this statement on the requirement that SBC submit a compliance plan to resolve outstanding billing problems. *Id.* As discussed below in Section II.4, the SBC Compliance Plan fails to resolve the significant problems inherent in SBC’s billing systems.

C. Data Integrity

The DOJ Evaluation correctly notes that SBC has not yet completed the Performance Measurement Review process being conducted by BearingPoint. DOJ Evaluation at 14. DOJ also correctly notes that CLECs contend that the alternate data integrity review conducted by Ernst & Young is an inadequate substitute for the BearingPoint test. *Id.* at 14-15. Accordingly, DOJ essentially rejects the findings of the Ernst & Young report, and instead informs the Commission that it must “satisfy itself that there are sufficient other indicia of reliability to support the Michigan performance data.” *Id.* at 15. As TDS Metrocom explained in its Comments, consideration of such additional factors would be unnecessary if SBC were able to satisfy Performance Measurement Review 4 under the BearingPoint test. Moreover, the purpose of an independent third-party test of SBC’s OSS was to be able to avoid having to rely on a subjective analysis of “other indicia of reliability” that might suggest reliability without actually proving it.

In addition, DOJ states that SBC contends that no CLEC has challenged the integrity of SBC’s data. SBC is wrong. As TDS Metrocom explained in its Comments, and as the Affidavit of Rod Cox demonstrates, TDS brought to SBC’s attention a miscalculation of Performance Measurement 9 because SBC was missing a file that reflected a certain interface type. Cox Affid. at ¶ 9. SBC admitted the error. Whatever corrective actions SBC may have taken to resolve this

particular problem, the fact that errors in SBC's performance data exist and must be pointed out by wholesale customers of SBC proves that SBC's data is not reliable.

TDS Metrocom also disagrees with the position stated by DOJ that the Commission may satisfy itself that SBC's performance measurement data is reliable at a later date because the BearingPoint audit should be completed by the time SBC submits an application for another state in the Ameritech region. DOJ Evaluation at 16. DOJ's expectation that SBC will fix its serious problems in such a short time is misplaced. The major Exceptions underlying SBC's failed data integrity tests have been open for over a year already and there is no end to them in sight. Similarly, SBC's track record on performance measurement restatements shows that when (or if) data errors are detected, they can change months or even years worth of results. Such massive restatements indicate that the errors had gone unnoticed and unaddressed for lengthy periods of time. Additionally, SBC's history of correcting various billing errors by back-billing for years worth of usage also shows that problems continue to occur and are not addressed in a timely manner. DOJ's confidence in SBC's ability to fix such pervasive and deep-seated deficiencies in its OSS quickly is unwarranted.

As TDS Metrocom also explained in its comments, granting SBC's Application for Michigan before it passes the BearingPoint test raises the distinct possibility that SBC will obtain in-region long distance authority, only to fail the official BearingPoint performance metrics review for the integrity of SBC's data. Unless the Commission is willing to revoke SBC's section 271 authority if SBC does not satisfy PMR 4 by a date certain, granting SBC section 271 authority pending completion of the BearingPoint testing is a recipe for failure. SBC certainly knows that the Commission has never revoked a BOC's 271 authority; granting it now gives SBC license to continue to fail the BearingPoint tests with little if any risk.

II. SBC'S COMPLIANCE AND IMPROVEMENT PLAN PROPOSALS

Pursuant to an order of the Michigan Public Service Commission, SBC has filed its Compliance and Improvement Plan Proposals purportedly to remedy the deficiencies identified with its Operations Support Systems. The SBC Compliance Plan is inadequate and should not be considered as demonstrating compliance with the competitive checklist or satisfaction of the outstanding Objections and Exceptions related to the third-party test of its OSS by BearingPoint. The attached Reply Affidavit of Rod Cox goes into detail regarding the specific problems that TDS Metrocom has identified with the SBC Compliance Plan. A major flaw with the Compliance Plan is SBC's effort to make minimal changes to pass the section 271 tests without addressing the fundamental problems in SBC's OSS. This flaw is exemplified by SBC's emphasis on "training" CLECs rather than fixing the problems. The SBC Compliance Plan consists of a three-page summary and seven Attachments (A through G). Among other problems, the SBC Compliance Plan is inadequate for the following reasons:

1. Attachment A: Customer Service Inquiry Accuracy is flawed because it focuses only on manually handled resale and UNE-P service orders. Attachment A at 2. As TDS Metrocom pointed out in its Comments, there are many areas other than resale and UNE-P service orders where TDS Metrocom has been required to implement manual workarounds for UNE orders. These workarounds could just as easily lead to CSI accuracy problems, but they are not addressed by SBC. Cox Reply Affid. ¶¶ 3-6.

2. Attachment B: Directory Listings & Directory Assistance Database is flawed because the training for this item focuses on resale and UNE-P service representatives, even though inaccuracies were on "manually handled orders and generally associated with complex listings." Att. B at 2. There is no indication that problems with this item have been limited to resale or UNE-P products. Cox Reply Affid. ¶¶ 6-7.

3. Attachment C: Special Service and UNE Repair Coding Accuracy is flawed because (a) it does not address the situation in which “No Trouble Found” (NTF) was incorrectly coded on a trouble ticket; (b) the “original source information” from Management Review Activities is not available to CLECs; (c) it provides no information regarding identification of individual problem technicians and how SBC will deal with them in the future. Cox Reply Affid. ¶¶ 8-12.

4. Attachment F: Change Management Communications is woefully deficient because (a) SBC’s proposal to use “courtesy Accessible Letters” to inform CLECs of systems changes provides insufficient notice to CLECs; (b) SBC’s Compliance Plan gives short shrift in situations in which SBC is making edits to enforce an existing rule or to further tighten an edit of an existing rule; (c) SBC provides no timelines for release of the “courtesy” Accessible Letters, leaving it able to drop them on CLECs the day before a change is implemented, nor is there any assurance that any analysis has been done on the SBC side regarding the implications of the proposed change or that CLECs will be provided time for analysis of the proposed change prior to implementation; (d) the SBC Compliance Plan does not address the problem of the poor test environment that does not help identify if problems are going to occur in production; (e) the SBC Compliance Plan does not give any assurance that the next LSOG upgrade will not have the same detrimental impacts as the last one did. With respect to Change Management Communications, TDS Metrocom proposes that consideration of SBC’s compliance with the Change Management performance measurements should be withheld until the implications of the next LSOG release can be determined. The next LSOG release will provide a significantly large and verifiable test of the Change Management Process and the test environment. Cox Reply Affid. ¶¶ 13-21.

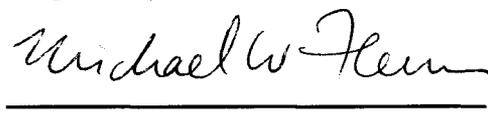
5. Attachment G: Bill Auditability is unacceptable because (a) the actions that SBC proposes to take apply only after SBC has sent an incorrect bill; the underlying problems that result in inaccurate bills in the first place are not addressed at all; (b) it does not address the performance

measurements that TDS Metrocom has shown to be useless; *see also* DOJ Evaluation at 11 n.48 (“The relevant Michigan performance metrics have limited utility in measuring the correctness of bills incorrectly generated for the reasons revealed by SBC’s reconciliation. The most relevant metric, MI 14, is designed to determine whether bills are correctly being calculated according to SBC’s billing tables. See SBC Ehr Aff. Attach. A at 33. Such a metric cannot, of course, show whether the underlying information about the lines themselves, for which the rates are then calculated, is accurate.”); (c) it refers to testing for accuracy of CABS bills by BearingPoint, but most of TDS Metrocom’s disputes with SBC regarding billing accuracy would not have been included within the BearingPoint test cases; and (d) the dispute resolution section of the Compliance Plan is worthless. Cox Reply Affid. ¶¶ 22-32.

III. CONCLUSION

The DOJ Evaluation makes clear that SBC’s Application is insufficient and premature. DOJ agrees with TDS Metrocom on several points that demonstrate that SBC has not yet satisfied the competitive checklist under section 271. Moreover, the SBC Compliance and Improvement Plan Proposals are inadequate in that they fail to address the myriad problems that TDS Metrocom has experienced with the SBC Operating Support Systems. TDS Metrocom, LLC, urges the Commission to deny SBC’s Application for Provision of In-Region InterLATA Services in the State of Michigan.

Respectfully submitted,



Richard M. Rindler
Robin F. Cohn
Michael W. Fleming
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
(202) 424-7500 (Telephone)

Mark Jenn
Manager - CLEC Federal Affairs
TDS Metrocom, LLC
525 Junction Road, Suite 6000
Madison, WI 53717

Dated: March 4, 2003

Counsel for TDS Metrocom, LLC

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Application by SBC Communications Inc.,)	
Michigan Bell Telephone Company, and)	WC Docket No. 03-16
Southwestern Bell Communications Services,)	
Inc., for Authorization Under Section 271)	
Of the Communications Act to Provide)	
In-Region, InterLATA Service in)	
The State of Michigan)	

REPLY AFFIDAVIT OF ROD COX

1. My name is Rod Cox. I previously filed an Affidavit in this proceeding in connection with the Comments of TDS Metrocom, LLC (“TDS Metrocom”) dated February 6, 2003 (“Comments”).

2. The purpose of this Reply Affidavit is to respond to SBC’s Compliance and Improvement Plan filed with the Commission on February 19, 2003, and with the Michigan Public Service Commission on February 13, 2003.

3. Attachment A: Customer Service Inquiry Accuracy: This section of the Compliance Plan is flawed for a number of reasons. In particular, it focuses only on manually handled resale and UNE-P service orders. Attachment A at 2. As TDS Metrocom pointed out in our Comments, there are many other areas in which we have been required to implement manual workarounds for UNE orders. These workarounds could just as easily lead to CSI accuracy problems, but they are not addressed by SBC.

4. In addition, training will not be completed until May 31, 2003, well after the Commission's deadline to issue a decision in this proceeding.

5. The Compliance Plan also states, "Upon completion of the...training program and after an appropriate period of internal quality review as determined by SBC, the accuracy of CSR updates is expected to improve[.]" *Id.* at 6. Under this approach, SBC determines the timeframe for completion. This approach is unacceptable because it permits SBC to postpone completion of this item indefinitely, long after the deadline for a Commission decision in this proceeding.

6. Attachment B: Directory Listings & Directory Assistance Database: Again, the training for this item focuses on resale and UNE-P service representatives, even though inaccuracies were on "manually handled orders and generally associated with complex listings." Att. B at 2. There is no indication that problems with this item have been limited to resale or UNE-P products.

7. The same problems identified with respect to Customer Service Inquiry Accuracy (paras. 4-5 above) regarding training and timelines are applicable to Directory Listings & Directory Assistance Database.

8. Attachment C: Special Service and UNE Repair Coding Accuracy: SBC contends that its performance has improved since the last BearingPoint retest in which SBC failed to meet the benchmark. Att. C at 1. While it is true that SBC has improved its back-end processes to provide CLECs with information on which tickets get billed and to allow for tickets to be closed but disputed, TDS Metrocom is not aware of any documentation to demonstrate an improvement in coding accuracy by SBC technicians. This is clearly an area where third-party testing and verification is required in order to verify SBC claims of compliance.

9. The proposed Compliance Plan does not address the situation which “No Trouble Found” (NTF) was incorrectly coded on a trouble ticket. As I explained previously, this issue is extremely important because many performance measures, and the corresponding remedy obligations, have exclusions for events that are coded as NTF. Cox Affid. ¶ 28.

10. The “original source information” from Management Review Activities is not available to CLECs. Att. C at 6.

11. As TDS Metrocom stated in its Comments, although the majority of SBC technicians are honest, knowledgeable and hard working, a disturbing number of technicians are causing unnecessary service dispatches for TDS Metrocom, missing appointments with TDS Metrocom customers, miscoding tickets, extending out of service conditions for TDS Metrocom’s end users, and more than likely charging TDS Metrocom invalid trouble isolation charges. Comments at 23; Cox Affid. at ¶¶ 27-43. The SBC Compliance Plan provides no information regarding identification of individual problem technicians and how SBC will deal with them in the future.

12. The proposed timeline for review is again governed solely by SBC’s “appropriate period of internal monitoring.” This standard provides SBC with too much discretion in establishing compliance with the performance measurements review.

13. Attachment F: Change Management Communications: SBC’s Compliance Plan is woefully deficient. SBC continues to completely miss the point by proposing “courtesy Accessible Letters” that would be beneficial to CLECs. Att. F at 4. More specific advance notices of changes are critical.

14. The SBC Compliance Plan gives short shrift in situations in which SBC is making edits to enforce an existing rule or to further tighten an edit of an existing rule. *Id.* These types

of changes may have just as much of an impact on processes as any other change since they alter the way the companies have been interfacing. In such cases, it may be totally appropriate for SBC to make the change, but CLECs still need advance warning to identify and address operational implications.

15. SBC provides no timelines for release of the “courtesy” Accessible Letters. SBC is still able to drop them on CLECs the day before a change is implemented. There is no assurance that any analysis has been done on the SBC side regarding the implications of the proposed change. Nor does SBC provide any time for analysis on the CLEC side prior to implementation.

16. For example, as discussed in my initial Affidavit, SBC’s implementation of a change in internal policy related to non-excessive bridged taps had a serious effect on the ability of TDS Metrocom to provision DSL service to new customers. The new policy also disrupted service to existing customers. Even if SBC had provided a “courtesy” Accessible Letter describing this policy change and how SBC expected CLECs to deal with the change, TDS Metrocom would have needed a significant amount of time to address the potential impacts of this change, including negotiating a new interconnection agreement amendment to cover non-excessive bridged taps (at SBC’s insistence), altering order processing procedures, and training staff on new procedures. “Courtesy” Accessible Letters do nothing to resolve the problem of failing to give CLECs sufficient time to identify and cure potential negative impacts. Other CLEC-affecting changes are dealt with in venues such as the CLEC User Forum where timelines for action exist. Internal SBC policy changes that affect CLECs should be no different. At a minimum, those CLEC-affecting changes that are not required to go through the CLEC User Forum should be noticed by SBC at least 30 days in advance of implementation.

17. The SBC Compliance Plan is also inadequate because it fails to address the problem of the inadequate OSS test environment that fails to identify whether problems are going to occur in production.

18. The SBC Compliance Plan does not give any assurance that the next LSOG upgrade will not have the same detrimental impacts as the last one did.

19. The Compliance Plan proposes issuance of progress reports in April and July, which would be long after the deadline for a decision in this case by the FCC.

20. The Compliance Plan does not address Change Management Communications of Performance Metrics Business Rules. As changes are made in various ordering systems, and as processes and business rules are altered, there is little assurance that associated changes are being made to the Business Rules for performance measurements. A change in operational practices that is not accompanied by an identical change in performance measurement Business Rules will result in irrelevant performance measurement results and incorrect monetary remedies. As of today, the linkages between operational changes and changes to performance measurement calculations are not effective.

21. TDS Metrocom proposes that consideration of SBC's compliance with the Change Management performance measurements should be withheld until after the completion of the next LSOG release scheduled for June 2003. The next LSOG release will provide a significantly large and verifiable test of the Change Management Process and the OSS test environment. The adequacy of the SBC Change Management Process can be proven only after the successful implementation of the next LSOG release.

22. Attachment G: Bill Auditability: The SBC Compliance Plan is unacceptable with respect to Bill Auditability. It does not even address the accuracy of the bills themselves. As

usual, SBC places the burden on CLECs to audit and verify bills instead of fixing the root cause on SBC's end. The actions that SBC proposes to take apply only after SBC has sent an inaccurate bill. The underlying problems that result in inaccurate bills in the first place are not addressed at all. SBC's proposal again demonstrates that SBC is less interested in fixing its faulty billing systems than it is in establishing minimum compliance with performance measurements in order to obtain in-region long distance authority.

23. The SBC Compliance Plan does not address the billing performance measurements that TDS Metrocom has shown to be useless. Cox Affid. ¶ 46; *see also* DOJ Evaluation at 11 n.48 (“The relevant Michigan performance metrics have limited utility in measuring the correctness of bills incorrectly generated for the reasons revealed by SBC’s reconciliation. The most relevant metric, MI 14, is designed to determine whether bills are correctly being calculated according to SBC’s billing tables. See SBC Ehr Aff. Attach. A at 33. Such a metric cannot, of course, show whether the underlying information about the lines themselves, for which the rates are then calculated, is accurate.”) Collaborative sessions regarding billing are still underway, and any decision granting SBC 271 authority should not be issued until those sessions have reached a successful conclusion.

24. SBC also inappropriately blames CLECs for billing problems by suggesting that they do not know how to read and interpret CABS and RBS bills. *Id.* at 2. This statement is patently offensive to TDS Metrocom because much of TDS Metrocom’s experience in this field was developed through its affiliates’ operations as ILECs that have provided service since 1969. It is clear that the thrust of SBC’s Compliance Plan is to provide additional training to CLECs instead of actually fixing the problems with the SBC billing systems.

25. The SBC Compliance Plan is inadequate because it does nothing to address the back-billing that TDS Metrocom consistently experiences.

26. The SBC Compliance Plan refers to testing for accuracy of CABS bills by BearingPoint, but this discussion is incomplete. Most of TDS Metrocom's disputes with SBC regarding billing accuracy would not be included within the BearingPoint test cases. BearingPoint did not test CLEC-specific billing. Below are specific categories of TDS Metrocom billing problems and a brief review of whether BearingPoint would have tested such situations.

- a. VRP, MVP, TIC codes – BearingPoint did not test charges for maintenance and repair in its billing accuracy test; it only tested charges associated with ordering processes.
- b. Construction charges, conditioning and customer growth group charges - While BearingPoint did have DSL test scenarios, the problems that TDS Metrocom has experienced with DSL orders are related to orders that fall out of the usual order process flow and therefore would also have fallen out of the BearingPoint test.
- c. Various late payment charges – The BearingPoint test specifically notes on TVV9-25 that because they did not submit payments, they did not test the accuracy of late payment charges. As indicated, this has been and continues to be a very significant and disruptive factor.
- d. Accurate application of credits and debits – BearingPoint notes in TVV9-24 that it did not test the accuracy of SBC's application of payments. Again, this is a matter of continuing problems with SBC's bills.

- e. Application of Residential Discount – This does not appear to have been tested by BearingPoint.
- f. Joint SONET Charges – These do not appear to have been covered by any BearingPoint test case.
- g. Double Billing – The BearingPoint test would not have caught the problem of double billing discussed in my earlier Affidavit because BearingPoint only did snap shot tests instead of tracking the same circuit over time.
- h. Central Office Design and Customer Connection – It is not clear whether the BearingPoint test would have addressed this, but TDS Metrocom suspects that it would not.
- i. CNAM, 800 Database – The BearingPoint test would not have caught back-billing and probably would not have caught incorrect rates.
- j. Resale – The term liability charge for customer accounts would not have been caught by the BearingPoint test.

27. In addition to this extensive list of disputes, TDS Metrocom recently received a Non Intercompany Settlement (NICS) bill from SBC in the amount of approximately \$966,000 for adjustments to charges incurred between January 2001 and June 2002. The bill also contained a Memorandum from SBC in which SBC admitted that its billing systems were deficient. SBC stated, “Prior to this month’s [LEC Services Billing], the reports being used for compensation were produced out of the SBC CABS system. *These reports did not capture most of the usage associated with NICS, however we used these reports in the interim until Telcordia reports could be established as stated in the Interconnection agreement*” (emphasis added). The Memorandum is attached as Attachment A. This latest episode provides a stunning example of

the problems associated with SBC billing systems, the auditability of bills, and dispute resolution. In this case, SBC's decision to back-bill these charges was based not on SBC's own data, but on the data of Telcordia, a third-party provider. If SBC cannot rely on its own data, how can CLECs be expected to?

28. The simple fact that SBC continues to find it necessary to back-bill CLECs for 18 months of traffic is clear evidence of a lack of accuracy of their bills. (This episode is on top of the CNAM and 800-database back-billing mentioned previously.) If SBC's billing systems were accurate, there would be no need for back-billing because the bills would be correct the first time out the door.

29. As is consistent with most of SBC's large back-billings, CLECs are not provided with any of the source data to justify the charges. Without such information it will be impossible for TDS Metrocom to audit the charges on this invoice. If history is any guide, the process necessary to acquire the data from SBC will be cumbersome and time consuming, with numerous corrupt files and data gaps along the way, if the data can be obtained at all.

30. SBC is again placing the burden on CLECs to audit and dispute these bills. With charges of this magnitude covering such a long period of time, surely a joint process could have been established to insure accurate usage data and rates that would minimize areas of dispute where escalation will be required. An even simpler step would have been to include source data with the updated invoice. Instead, SBC has decided to drop a gigantic bill in the lap of its wholesale customer and wait for it to make the next move. No vendor would ever consider such behavior if its customers had any realistic choice of moving to an alternative supplier.

31. TDS Metrocom asserts that the dispute resolution section of the Compliance Plan is worthless. *Id.* at 3-4. The Plan establishes no timelines for responsiveness, provides for no

retention of verifiable data regarding resolution of CLEC disputes, does not maintain data on how many disputes lead to alterations of charges, and has no requirement for documentation of communication between parties. The entire dispute resolution process is another example of SBC attempting to put a Band-Aid on problems rather than addressing the cause of the problem.

32. As with the other sections of the Compliance Plan, training for the proposed remedies is not expected to be completed until the end of June 2003, with a progress report to be issued in July 2003. These deadlines are well outside the date by which the Commission is required to provide a decision in this case.

33. These examples demonstrate that the SBC Compliance Plan is inadequate. SBC should be denied section 271 authority until it passes all aspects of the BearingPoint test, and remedies all deficiencies associated with its operations support systems that result in the problems identified by TDS Metrocom.

I declare under penalty of perjury that the foregoing is true and correct. Executed on this

4th day of March, 2003.



Rod Cox

ATTACHMENT A

February 13, 2003

MEMORANDUM REGARDING NON INTERCOMPANY SETTLEMENTS
(NICS)

The Non Intercompany Settlement (NICS) System produces reports containing volumes and netted revenues of Exchange Carrier transported Intralata and local messages that are originated (earned) by one company and billed by another company. The associated revenues appear on your LEC Services Billing (LSB) statement under product codes (1168) - NICS revenue due SBC, (1225) - NICS revenue due CLEC, (1197) - Billing & Collection due SBC, and (5126) - Billing & Collection due CLEC.

Prior to this month's LSB billing, the reports being used for compensation were produced out of the SBC CABS system. These reports did not capture most of the usage associated with NICS, however we used these reports in the interim until Telcordia reports could be established as stated in the Interconnection agreement.

A retroactive settlement has been entered on your LSB statement to include the months of June 2001 through January 2003. Attached are copies of the supporting documentation. The Telcordia NICS reports will be used from now on for settlement of NICS revenues.

If you have any questions regarding this memo, you can direct them to Rene Rose Vautier on 248-443-9314 or rv1396@sbcc.com.