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April 8, 2003

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Re: *Application by Qwest Communications International Inc. for Authority to Provide In-Region InterLATA Services in New Mexico, Oregon and South Dakota, WC Docket No. 03-11 – **Ex Parte Filing***

Dear Ms. Dortch:

AT&T Corporation (“AT&T”) submits this *ex parte* filing in response to *ex parte* letters filed by Qwest on April 3 and April 8, 2003.<sup>1</sup> In its April 3 *ex parte* letter, which responds (*inter alia*) to evidence that WorldCom has recently experienced rejection rates of nearly 80 percent, Qwest contends that “None of WorldCom’s allegations reveals significant deficiencies in Qwest’s OSS, its EDI documentation, or its technical assistance.”<sup>2</sup> Instead, Qwest argues – at length – that the high order rejection rates recently experienced by WorldCom are due to errors or omissions by WorldCom itself, and thus represent an isolated instance involving a single CLEC.<sup>3</sup> In support of its position, Qwest’s April 3 and April 8 *ex partes* cite the “low reject rates” that AT&T was able to achieve in its UNE-P trial in Minnesota.<sup>4</sup>

Contrary to Qwest’s assertions, however, high rejection rates are not unique to WorldCom. In recent months, AT&T has seen a dramatic increase in the rejection rates for the

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<sup>1</sup> See *ex parte* letter from Dan Poole (Qwest) to Marlene H. Dortch, dated April 3, 2003 (“Qwest April 3 *ex parte*”); *ex parte* letter from R. Hance Haney (Qwest) to Marlene H. Dortch, dated April 8C, 2003 (“Qwest April 8 *ex parte*”).

<sup>2</sup>Qwest April 3 *ex parte* at 5.

<sup>3</sup>*Id.* at 1-5 & Att. A.

<sup>4</sup> Qwest April 3 *ex parte*, Att. A at 2 & n.7; Qwest April 8 *ex parte* at 1-2.

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orders that it has submitted to Qwest via the EDI interface. These increased rejection rates cannot reasonably be blamed on AT&T, any more than the high rejection rates experienced by WorldCom can reasonably be blamed on that carrier. Furthermore, Qwest's reliance on the results of the Minnesota test is wholly misplaced.

The rejection rates for orders that AT&T submits via EDI have increased sharply in recent months. Between September and December 2002, the monthly rejection rates for EDI orders remained between 17 and 22 percent, even as monthly order volumes submitted via EDI decreased from approximately 18,000 in September and October to approximately 3,100 in December, when the rejection rate was 21.7 percent.<sup>5</sup>

In January 2003, the number of orders that AT&T submitted using the EDI interface decreased even further, to 408 orders. In February, AT&T submitted 1,413 orders via EDI – volumes that were higher than the January volumes, but less than half the order volumes submitted in December. Nonetheless, AT&T's EDI rejection rates *increased* substantially in both January and February. 37.5 percent of AT&T's EDI orders were rejected in January. In February, Qwest's OSS rejected 42.1 percent of AT&T's EDI orders – a rejection rate that was almost *twice* the December rate of 21.7 percent. Virtually all of the increase in rejection rates involved orders that were “auto-rejected” – *i.e.*, orders that were processed and rejected by Qwest's automated systems, without falling out for manual processing.

AT&T has experienced these high rejection rates for EDI orders regardless of whether it submits UNE-P orders or orders for local number portability (“LNP”) in connection with its AT&T Digital Link (“ADL”) service. Between December and February, the percentage of the orders that AT&T submitted via EDI that were UNE-P orders rose from zero percent to 51.4 percent, while LNP orders decreased from 91.4 percent of total EDI orders to 26.8 percent.<sup>6</sup> As previously indicated, during the same time period the EDI rejection rate nearly doubled.

Similarly, the LNP orders that AT&T submits via EDI have experienced rejection rates that are unreasonably high under any standard. There is no reason why rejection rates should be high for LNP orders, which are relatively “simple,” non-complex orders (in contrast to orders such as UNE-P and orders for complex services). Nonetheless, between September 2002 and February 2003, monthly rejection rates for ADL LNP orders (all of which are submitted via the EDI interface) have ranged from 43 percent to nearly 66 percent, even though the monthly

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<sup>5</sup>The decrease in order volumes occurred as a result of the spinoff of AT&T Broadband, whose orders for local number portability represented the vast majority of orders that AT&T submitted via EDI until late 2002. Once the spinoff occurred, Qwest no longer included the volumes of orders submitted by AT&T Broadband in the data on rejection rates that it computed for AT&T.

<sup>6</sup> The remaining 8.6 percent of December EDI orders, and remaining 21.8 percent of January EDI orders, were orders for UNE loops.

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volumes of such orders ranged from 142 to 313 orders. Virtually all of the rejections were “auto rejects,” rather than manually processed orders.

Most of the rejection notices that AT&T has received from Qwest in recent months state that the LSRs were rejected because the addresses on those LSRs were incorrect. Even assuming that incorrect addresses are the reason for the rejections, that problem cannot reasonably be attributed to AT&T. Address-based rejections would not have occurred if – like all other RBOCs – Qwest had implemented “telephone number migration,” which allows a CLEC to place an order using only the customer’s telephone number without having to type in the end-user’s address. As the Commission has previously recognized, TN migration can substantially reduce rejection rates.<sup>7</sup> Rather than implement TN migration, however, Qwest has required that CLECs include address information on LSRs – thereby increasing the frequency of order rejections.<sup>8</sup>

These high rejection rates impose substantial costs on AT&T, thereby impeding its ability to compete in the marketplace. When (as is usually the case) an order is auto-rejected, AT&T must correct the original LSR and resubmit it (using the original version number). When the order is manually rejected, AT&T must prepare and submit an entirely new order in lieu of the originally-rejected order. In either case, AT&T must devote considerable personnel time and resources to ensure that the rejected orders are eventually accepted and processed by Qwest’s OSS.

Finally, although Qwest cites the “low reject rates” achieved by AT&T during the Minnesota trials as evidence that the currently high rejection rates are not due to some deficiency in its own OSS performance, the Minnesota trial lends absolutely no support to Qwest’s position. In the Minnesota trial, AT&T used the *same address* on all of the *thousands* of test orders that it submitted. All of the test lines used in the Minnesota trial were installed at the same address. That address was “hard-coded” into AT&T’s software, so that the address was automatically populated into each LSR. Thus, it is hardly surprising that the rejection rates experienced during the trial were relatively low, because *the possibility of rejections based on an incorrect address*

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<sup>7</sup>See *Nine-State Qwest 271 Order* ¶ 89 (finding that implementation of TN migration “should reduce the reject rates experienced by competing LECs”); *Texas 271 Order* ¶ 160 (finding that TN migration can “virtually eliminate address-related rejects received by competing LECs on most types of orders”); *Georgia/Louisiana 271 Order* ¶ 125 (finding that BellSouth’s implementation of TN migration “has reduced the percentage of rejected orders, especially address related errors”).

<sup>8</sup>Qwest claimed in its April 3 *ex parte* letter that it would implement TN migration on April 7, 2003, in connection with IMA release 12.0. See *Qwest April 3 ex parte*, Att. A at 8. See also *Nine-State Qwest 271 Order* ¶ 56, 89. Although it appears that Qwest did implement TN migration on April 7, some months of commercial experience will be required before it can be determined whether the new functionality is effective.

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*had been eliminated through the use of a single, auto-populated address.* That situation obviously does not exist in the actual commercial environment, where addresses differ from LSR to LSR, and where CLECs must populate those different addresses into their LSRs.

In short, WorldCom's citation of its high rejection rates does not constitute "unfair attacks on an OSS system," as Qwest alleges (Qwest April 3 *ex parte* at 5), but instead describes a reality shared by AT&T. AT&T has experienced unreasonably high rejection rates in recent months, both on UNE-P orders and "simple" LNP orders. Those rejection rates cannot fairly be blamed on AT&T. The source of the problem is plainly Qwest's failure to discharge its OSS obligations under the competitive checklist.

Respectfully submitted,

/s/ Richard E. Young

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