Before the
Federal Communications Commission
Washington D.C. 20554

In the Matter of

Application by	)	
SBC Communications Inc.,	)	
Michigan Bell Telephone Company, and	)	
Southwestern Bell Communications	)	WC Docket No. 03-138
Services, Inc. for Provision of	)	
In-Region, InterLATA Services	)	
In Michigan	)	

DECLARATION OF SHERRY LICHTENBERG

1. My name is Sherry Lichtenberg. I have twenty-two years of experience in the telecommunications industry. Prior to joining WorldCom, Inc. (d/b/a MCI), I was Pricing and Proposals Director for AT&T Government Markets, Executive Assistant to the President, and Staff Director for AT&T Government Markets. I also held a number of positions in Product and Project Management. I have been with MCI for seven years. I am currently employed by MCI as a Senior Manager in the Mass Markets local services team. My duties include designing, managing, and implementing MCI's local telecommunications services to residential customers on a mass market basis nationwide, including Operations Support Systems ("OSS") testing in SBC and elsewhere. I have been involved in OSS proceedings throughout the country, including in Michigan.

2. The purpose of my declaration is to update the Commission concerning the continuing problems that MCI has with SBC's OSS in Michigan, which I described in a Declaration and Reply Declaration responding to SBC's prior section 271 application for Michigan

earlier this year. MCI has been in the market in Michigan since December 2000. Since then, MCI has faced a number of critical OSS problems. Although many of these problems have been fixed, some remain and new problems continue to arise. The cumulative effect of these problems is to significantly hinder MCI's ability to compete. Here, I will focus on two of those problems: SBC's continued inability to transmit accurate bills (including the related issue of its inability to transmit accurate line losses) and SBC's severely deficient line-splitting process. MCI has now launched line-splitting in the SBC region, including in Michigan, and the problems MCI predicted previously have come about.

Billing/Line Loss

3. During the course of SBC's prior section 271 application for Michigan, SBC revealed for the first time the existence of millions of dollars of billing errors based on its conversion to CABS. SBC claimed that it had fixed these problems and compensated CLECs for past errors based on its "reconciliation." But SBC provided little evidence for these assertions. In fact, as MCI and other CLECs noted, the data SBC provided raised certain facial questions about the accuracy of the reconciliation. For example, the credits SBC provided MCI remained at the same level at the end of 2002 as at the beginning – suggesting no improvement in the posting of orders to CABS as the year went on.

4. SBC withdrew its section 271 application on April 16, 2003, and since that time has had Ernst & Young ("E&Y") review data from the reconciliation and some billing issues more generally. Unfortunately, SBC did not involve CLECs in the E&Y review. Nor has SBC worked effectively with MCI in the intervening weeks to resolve MCI's specific questions. Indeed, the difficulties in dealing with SBC to resolve billing issues show that

even if the currently remaining issues were as small as SBC (incorrectly) claims, SBC should not be granted section 271 authority because the ongoing difficulties in resolving these issues are too great. Moreover, SBC's delay in providing information to MCI has delayed MCI's ability to better evaluate whether the reconciliation was successful.

5. MCI has been attempting to work with SBC to resolve billing issues for years but escalated the efforts after the withdrawal of SBC's last section 271 application. MCI believed that SBC would have a strong incentive at that time to work with MCI to resolve billing issues. But even with the incentive of the section 271 spotlight, SBC has proven unable or unwilling to work efficiently with MCI to resolve billing issues. While some progress has been made, it has taken protracted effort and key issues remain unresolved.

6. MCI first sent SBC the underlying data from its mini-audits on April 14, 2003 with a request that SBC respond to that data. MCI also requested a meeting in April to walk through a month's bill and discuss all charges and issues. SBC responded that it would talk about specific billing disputes but would have to check on a more thorough review. The parties then met twice by conference call, but made almost no progress because the SBC personnel were not aware of the background even of the disputes SBC had agreed to discuss. MCI and SBC then agreed to a face-to-face meeting on May 13 at which SBC would bring the relevant subject matter experts. On May 9, MCI sent SBC a proposed agenda for the May 13 meeting that included questions from the reconciliation – questions such as exactly "what billing errors were being reconciled," "If errors that were corrected as part of the reconciliation occurred as recently as 9 days prior to the Reconciliation completion (Jan 15th error – Jan 24th completion of project according to OC&C indicators), why does SBC feel the root causes of the problem are now correct,"

and "what became of Non-Recurring Charges and Usage Charges," in the reconciliation. MCI also asked for a walkthrough of SBC's billing process. Further, MCI provided SBC with a spreadsheet containing 487 lines for which it appeared MCI was being improperly billed on the February bill.

7. After MCI sent the proposed agenda on May 9, SBC initially responded that while it would work on the billing issues for which MCI had filed disputes, SBC would not provide a total review of the billing system. SBC subsequently has agreed to provide some of that information, but the meetings to date have primarily focused on ongoing disputes, rather than the reconciliation. (The day after it re-filed its application, SBC did for the first time have a more detailed discussion of the reconciliation.) On all topics, SBC's responses have been dilatory often because SBC has not brought employees with the appropriate expertise to meetings.

8. In the MCI/SBC meetings on May 13, May 20, May 28, June 3, and other dates, SBC did not have personnel present who were familiar with the details of the reconciliation. Indeed, at the first formal meeting that MCI and SBC arranged, SBC announced at the outset that its representatives were not directly involved in the reconciliation project and could not provide specific answers to MCI's questions.

9. On May 28, SBC finally did provide some answers to MCI's questions regarding the mini-audits that MCI had hurriedly performed to get a quick sense of the accuracy of the reconciliation (although SBC did not provide anyone with expertise to answer MCI's reconciliation questions until June 24). The data SBC provided showed that MCI made some mistakes in the sample it used for that portion of the mini-audit of SBC's debits, which invalidates any inference that could be drawn from that mini-audit. With respect

to MCI's mini-audit of lines for which SBC had credited MCI, SBC indicated that on a number of these lines it had both credited *and* debited MCI, so that no inference could be drawn about the accuracy of the credits. This raises an additional serious question, however – why did SBC credit and debit MCI for these lines? MCI asked whether this was because SBC believed the customers left MCI and later returned to MCI. SBC has been unable to answer this question to date in meetings with MCI.

10. SBC provides far more detail in its filing here than it has provided directly to MCI. Here, SBC states for the first time that "in some cases, the reconciliation generated two OC&Cs per circuit. In these cases, the reconciliation identified a circuit in the wrong place on the CABS billing database; the first OC&C reflected the removal of the incorrectly positioned circuit while the second OC&C reflected the addition of the circuit in the correct position." Billing Aff. ¶ 140. Once again, however, since SBC provides that information for the first time here, MCI has not yet been able to discuss it with SBC. As is typical, SBC apparently is much more serious about gathering information for its section 271 filings than in responding directly to CLECs.

11. In its ex partes during the last section 271 filing, MCI also indicated that the reconciliation appeared on its face to be incomplete because all of the credits went through February 15, so that it appears that if a customer did not still remain on MCI's bill as of February 15, MCI was not credited for that customer. In its meetings, SBC told MCI "that the reconciliation did pick up the dates an ANI came onto MCI and left MCI and that the dates were correct." Minutes from 5/28/03 meeting. It remains unclear exactly how this is so. Recently, SBC indicated that if a customer was not included on the February bill, but MCI deserved a credit for that customer, SBC credited MCI

through February 15 but debited MCI elsewhere to compensate for the excess credits. If this is so, it makes it extremely difficult to tell if the credits are accurate. Moreover, MCI has no reason to believe this is so. E&Y did not evaluate whether CLECs were properly credited for circuits that were no longer being billed as of the time of the reconciliation.

12. Even with respect to the circuits that were included in the reconciliation, there continues to be significant reason to doubt the accuracy of the reconciliation. Although SBC previously assured the Commission of the accuracy of the reconciliation, SBC itself subsequently announced one significant error during the reconciliation. SBC used the incorrect starting date to calculate credits for some CLECs. (Accessible Letter CLECAM03-193). For some CLECs whose interconnection agreements specify a point in time (i.e. 18 months) for which they will receive credits when errors are found, SBC made manual errors in entering the starting date for which credits would be calculated. Thus, for example SBC may have provided 6 months of credits instead of 12 or 18 months. Apparently, such errors affected 28 out of 171 CLECs with interconnection agreements. Billing Aff. ¶ 55.

13. In its filing here, SBC identifies two other errors during the reconciliation – the erroneous deletion of 10,500 UNE-P circuit records, and the exclusion of one CLEC from the reconciliation. Billing Aff. ¶ 56. And SBC has not successfully shown that these are the only errors.

14. SBC points to the evaluations by BearingPoint and E&Y. Billing Aff. ¶¶ 14-24. But BearingPoint did not test the accuracy of CABS bills after the reconciliation, or even after the CABS conversion. It tested only the timeliness by which orders were posted to

CABS. Moreover, BearingPoint did not find the problems that indisputably exist, that we will detail further below.

15. SBC relies primarily on the E&Y review. While this review may provide some comfort that the reconciliation was of some use, SBC did not involve CLECs in the review. Moreover, CLECs have been unable to ask E&Y any questions. The test is thus far different than a third party test conducted during the course of state proceedings where CLECs generally work with the tester and can ask questions of the tester in open forums.

16. The absence of transparency in the test is particularly troubling in light of SBC's apparent failure to keep proper data on the reconciliation. SBC has said that it based the starting date of each credit it provided to CLECs on the date a particular customer left the CLEC. If that date was unavailable, SBC used the date the customer's installation date as a surrogate for the customer's departure date. MCI asked SBC for a list of customers for which SBC had used the surrogate date, so that MCI could ensure that the proper surrogates were used. SBC responded, however, by saying that it does not have such a list. SBC also said that it could not go back in time and provide a list of everything MCI had installed in the three years MCI has been ordering UNE-P in Michigan or even go back the 18 months apparently covered by the reconciliation. For a company claiming to have made assiduous step-by-step efforts to conduct the reconciliation, the absence of such data is extremely surprising. It is hard to see how E&Y could have checked SBC's process without such a list.

17. Moreover, even if SBC managed to conduct the reconciliation correctly, SBC's failure to keep track of installation dates will make it very difficult in the future to resolve billing disputes between the two companies. If MCI disputes charges on a bill and SBC agrees

the charges are erroneous, SBC apparently will lack the records needed to determine for how many months it owes MCI on each line.

18. Even more important, MCI's data provide significant additional reasons to doubt the E&Y results. MCI is developing an automated auditing process to compare the lines for which it is billed with the lines in its own databases, with usage data from SBC, and with line loss reports from SBC, so that it can automatically determine whether it is being billed only for appropriate lines. This is difficult to do for many reasons including that SBC's billing period often is different than MCI's monthly reporting. MCI has not completed its development of this auditing program and may not be able to do so for several more months. Nonetheless, early test runs for Michigan revealed hundreds of lines for which MCI was being billed that either were not its lines or for which SBC should not have transmitted line losses. Because the software was not finished when MCI performed these test runs, the data is incomplete.

19. In April, MCI provided a list of these 487 Michigan lines to SBC, including the date on which each line had been deactivated either through an MCI order or through a line loss report. The list included 21 lines which had been deactivated between January 2001 and December 2002, but for which MCI was still being billed in February 2003. No CSR was active for any of these lines. MCI's spreadsheet listed another 30 lines that had migrated away from MCI prior to January 2003, as evidenced in some instances by line loss reports, but for which MCI was still being billed as of the February bill. The spreadsheet also contained 393 lines that SBC's CSRs showed as belonging to MCI and for which SBC had billed MCI on the February bill, but for which SBC previously had transmitted line losses. If the line loss reports were accurate, MCI should not have been receiving

bills for these lines. SBC was not transmitting usage to MCI on any of these lines, further showing the customers had left MCI. The spreadsheet also included 43 lines that SBC's CSRs showed as belonging to MCI, for which SBC had billed MCI in February, and for which SBC *was* transmitting usage but for which SBC had previously transmitted line losses. Again, if the line loss reports were accurate, MCI should not have been receiving bills for these lines.

20. After MCI provided the list of 487 lines in April, SBC did not provide any substantive response to this information until May 30, when it provided information on the first 21 of these lines in a spreadsheet. At that time, SBC indicated that most of these 21 lines were abandoned lines in which the customer moved out of the house without notifying MCI or SBC. This is irrelevant, however. Even if the customers initially moved out without notifying MCI or SBC, upon processing of the abandonment (which SBC clearly had done, because dial tone was gone) SBC should have ceased billing us. With respect to the remainder of the nearly 500 lines, SBC did not provide any information in its initial feedback.

21. SBC did not bring to the May 30 meeting the personnel with knowledge of these issues. SBC also did not bring these personnel to meetings on June 2, or several subsequent meetings, and once again MCI had to explain that the objective was to determine why it was still being billed on lines that did not appear to be MCI's (for example, because MCI had received line losses on the lines). Only after MCI grew increasingly frustrated with the lack of information did SBC finally have a substantive meeting with MCI on June 19. At that meeting, SBC acknowledged that for 75% of the 487 lines (364 lines), SBC had sent MCI line losses in error. It explained that even though it had sent line losses on

these lines, the customers remained MCI customers. For these lines, the result was that SBC billed MCI but MCI did not bill its customers. MCI also did not know that it was responsible for maintenance and repair for these customers. On another 14 lines, SBC said that the lines were not MCI lines, but that SBC had installed them as MCI lines in error. On another 16 lines, SBC said the problem concerned the timing of abandonment of the line. On 9 more lines, SBC said that it was still billing MCI even though it should have disconnected the lines from MCI. On the remaining 84 lines, SBC said that it was still researching the lines although some may be MCI lines that MCI mistakenly removed from its billing systems. SBC attributed most of the problems to manual errors.

22. The fact that MCI's partial test run in Michigan found so many lines for which it was being billed despite having received a line loss or other indication that the lines were not MCI lines suggests a real ongoing problem. It may be that these are lines that should have been caught by the reconciliation but were not. The reconciliation was designed to capture and remove lines that were in the CABS database but not the ACIS database. Or these may be lines that were erroneously included in the ACIS database. If ACIS is incorrect, then CABS would be incorrect even if ACIS and CABS were perfectly reconciled. Or, as SBC suggests, these may be lines for which a line loss should never have been sent. To the extent that ACIS is wrong or there are still line loss problems, this suggests the existence of a problem that MCI thought had been cured. Inaccuracies in ACIS based on line loss problems prompted MCI to reconcile data with SBC in November 2002. This reconciliation found thousands of lines that SBC thought belonged to MCI that did not. MCI believed that this reconciliation had fixed the problem with ACIS and that SBC's improved line loss performance meant that it was unlikely to recur.

But the latest data suggests there may still be a problem with ACIS. The E&Y audit did not address whether there were problems in ACIS, only whether ACIS and CABS were consistent.

23. Because it is now apparent that SBC continues to bill MCI for many lines that are not its lines, MCI has undertaken another audit based on SBC's lines in service report. MCI has taken the lines that SBC reports as in service for MCI and compared them to the lines in MCI's database. If SBC and MCI's data differ as to whether a line is an MCI line, MCI then looks to determine whether there is usage on the lines and wholesale billing is being received on the lines to determine if SBC's report is correct that the line is an MCI line. This is a laborious process. It is the same process that MCI undertook after revelation of SBC's massive line loss problems. At that time, MCI found that, as a result primarily of SBC's line loss issues, MCI's databases and SBC's databases differed by thousands of lines as to who owned the lines.

24. This time MCI has found on a preliminary basis that there are still thousands of lines that are not in sync with the SBC perspective of what lines are owned by MCI. The reason this conclusion is preliminary is that MCI only completed the initial review, and must now send the results to SBC and work through the data with SBC on a line by line basis to determine what company each line belongs to. But even the preliminary results strongly suggest that SBC has not yet cleaned up its databases sufficiently nor corrected all line loss issues to ensure that it is only billing MCI for customers that are really its customers and to ensure that it is not erroneously generating line losses.

25. The reconciliation appears deficient for another reason as well. There continues to be a significant question as to whether SBC should have credited CLECs for nonrecurring

charges and/or usage charges, rather than just recurring charges. During the reconciliation, SBC determined that it was billing CLECs recurring charges for thousands of lines that did not belong to them. But if SBC erroneously believed these lines belonged to CLECs, SBC may have billed CLECs non-recurring charges for these lines, such as fees for feature changes, as well as recurring charges. During meetings with MCI, SBC simply said that it did not provide credits for NRCs as part of the reconciliation and further research would have to take place as to why this was so. SBC never responded to MCI with any such research.

26. In its filing here, SBC says that "there was no software logic or tables that impacted the non-recurring charges for the CLECs; the reconciliation only provided credits and debits relating to monthly recurring charges." Billing Aff. ¶ 136. But that is exactly the point. The reconciliation failed to provide credits for any NRCs that were misbilled as a result of the erroneous view that certain circuits belonged to a particular CLEC. In any event, it is unfortunate that SBC chooses to provide answers here that it should have provided directly to MCI's experts in meetings so that they could be discussed in a business to business context.

27. Similarly, SBC may have been billing CLECs usage charges on the lines that it incorrectly believed belonged to CLECs. If SBC wrongly thought a particular line belonged to MCI rather than SBC, for example, it may have sent the usage associated with that line to MCI and charged MCI for the files it transmitted. SBC claimed in meetings that usage was unaffected by the errors that led to the reconciliation. Here, SBC says that "E&Y has confirmed that these two processes [usage and posting of orders within CABS] are entirely independent of one another." *Id*. ¶135. But E&Y apparently

"confirmed" this by asking SBC personnel, not by looking at the systems themselves. And even if these processes are independent, the same sorts of errors that led to inaccurate posting of orders in CABs may have led to inaccurate inclusion of orders in the systems generating usage. There has been no audit to determine whether this is so.

28. Indeed, whether related to the reconciliation or not, SBC *is* charging MCI for usage records connected to lines that do not belong to MCI. MCI has provided such records to SBC several times since last November. In November 2002, MCI sent SBC 513 such records, on February 19, MCI sent SBC 600 records, and on April 7, MCI sent another 199 records. (SBC had sent MCI line losses for these lines, and they were not on MCI's wholesale bill, but SBC was charging MCI usage for these lines). The usage charges included charges for the usage records, as well as for usage itself (such as per call usage on OS/DA calls). In the June 3 meeting between SBC and MCI, SBC explained that the incorrect usage charges stem primarily from network manual errors by LSC representatives. (SBC indicated that in other cases the usage charges were correct – it was the line losses that were incorrect.) MCI asked whether SBC has any internal auditing process in place to check for such errors. SBC has not yet responded.

29. SBC has agreed to credit MCI for the erroneous usage charges. But the details remain to be worked out of how that crediting will occur and how SBC will ensure that the credits includes DUF record charges and usage charges for the relevant lines. More important, since MCI first began complaining about the problem in November, SBC appears to have done nothing to ensure that the problem is reduced on a going-forward basis. MCI continues to receive usage charges each month for lines that are not MCI's, just as it receives wholesale bills for lines that are not MCI's.

30. SBC also just sent out an Accessible Letter stating that "it recently discovered a coding error related to a software release that resulted in some records in the Daily Usage File (DUF) being mislabeled. Specifically, certain un-rated (category 10) call records were labeled and sent as billable (category 01) call records." AL CLECAM03-223, June 26, 2003.

31. SBC also fails to properly track the unbundled elements associated with those lines that are MCI lines. Each UNE-P order that a CLEC places includes a loop, a port, and a cross-connect. A CLEC's UNE-P bill should therefore contain the same number of loops, ports and cross-connects. But this is not true of SBC's bills. The number of loops, ports, and cross-connects consistently differ. For example, in February, SBC billed MCI for 217 more ports than cross-connects. While this is not a huge number, it shows an ongoing problem with something that should be automatically accurate if billing systems were working as they should.

32. In addition to its failures related to wholesale or usage billing for lines that do not actually belong to a particular CLEC, and the discrepancies between loops, ports, and cross-connects, SBC continues to mischarge CLECs for lines that actually are theirs. It charges incorrect rates for various unbundled elements and also charges for Universal Service Order Codes ("USOCs") that should not be associated with a particular order.

33. Since the time SBC withdrew its last section 271 filing, SBC has announced the discovery of two problems with loop rates. SBC did not identify these errors itself, but only discovered them after a CLEC complained. In 13 wire centers in Michigan (and 86 in other SBC-Ameritech states) SBC was applying the loop rate from the incorrect zone for every single loop ordered out of those wire centers, whether a stand alone loop or a

loop that is part of a UNE-P order. (SBC here says there were 11 wire centers in Michigan that were affected, not 13. Billing Aff. ¶ 88.) In addition, for an additional 11 wire centers in Michigan that serve multiple rate zones (and one in Illinois), SBC was charging the higher rate on all loops ordered out of those wire centers. SBC described these problems in Accessible Letter CLECAM03-196. The 24 Michigan rate centers affected constitute more than 7% of the rate centers in the state.

34. E&Y still found problems at these rate centers after SBC's initial attempt at fixing the problem. Billing Aff. ¶¶ 95, 99. And while SBC claims to have fixed these additional problems, SBC itself understands that new problems are likely to crop up as a result of continued manual handling. It indicates that it will run its "utility" again in the future "in order to identify additional areas in which training may be necessary to reduce any manual output errors." *Id.* ¶ 96. More fundamentally, no audit yet been performed to ensure that the wire centers that SBC has identified as having the incorrect rates are the only ones for which the rates were incorrect. The E&Y audit did not check whether this was so.

35. SBC also announced on June 6, 2003 (AL CLECAM03-197) that for residential loops ordered prior to November 9, 2002, it has been charging CLECs the wrong loop rate. In particular, SBC explained that beginning on April 20, 2002, it had not applied the 25% merger discount to such loops throughout the entire SBC-Ameritech region because it characterized them as business loops. SBC further explained that even though it had announced corrective action in October 2002 (implemented on November 9, 2002), it did not actually fix the entire problem at that time. Loops that CLECs had ordered prior to November 9 continued to be billed the wrong amount. SBC here acknowledges that the

error affected 12,400 loops and that it is currently calculating the credits. Billing Aff. ¶ 103. But SBC has not yet provided these credits.

36. In addition, for years in Michigan, SBC has been charging MCI a loop rate that is higher than the appropriate rate. During the course of review of SBC's prior section 271 application, MCI did not raise the issue of the erroneous loop rates because it appeared that SBC was going to agree to resolve the issue. Indeed, MCI and SBC had largely agreed on this since last September. But SBC has now backed away from that planned agreement, and forced MCI unnecessarily to amend its interconnection agreement to resolve the issue on a going forward basis. SBC also is forcing MCI to file a complaint in order to collect the substantial amounts it is owed to date, exemplifying SBC's tendency to increase CLEC costs by putting them through extensive hoops even on issues that are entirely straightforward. SBC has overcharged MCI by millions of dollars as a result of the higher loop rate.

37. The loop rate is just one example of SBC's tendency to engage in protracted discussion of even clear issues before obtaining resolution, forcing MCI to expend significant resources in negotiation. Similarly, after months of negotiation, SBC still has not paid MCI the amounts it owes as a result of the major line loss failures that prevented MCI from knowing when customers had left it. And until just days ago, SBC refused to pay MCI the 18% interest for billing mistakes that is clearly specified in MCI's interconnection agreement and in the relevant tariffs. Only after filing its section 271 application here did SBC finally capitulate and agree to abide by its obligations. Thus, a major part of the billing problem with SBC is the difficulty of working out disputes that do arise.

38. MCI has made somewhat more progress in resolving disputes concerning Universal Service Order Codes ("USOCs") but that progress has been halting at best. SBC has been charging MCI for a number of USOCs that are incorrect. SBC has now agreed that they are incorrect, but it is not yet clear that SBC will take sufficient steps to ensure that the problem is not repeated.

39. SBC has been charging MCI incorrectly for disconnections, for example. When MCI requests a disconnect for a customer who is not migrating to another CLEC (for example, when the customer moves), or when a customer leaves MCI for a loop CLEC, SBC charges MCI for the disconnection. But SBC is only supposed to be charging MCI to disconnect the port. There is not supposed to be a separate disconnect charge for the loop (NR90G, NR90E). Yet SBC has been charging MCI disconnect charges for both the loop and the port. In its meetings with MCI, SBC has agreed that it has erroneously billed MCI $740,480 (primarily in Michigan) on these charges over some undisclosed period of time. It has agreed to refund the erroneous charges and has agreed in the future to charge only the port disconnect charge. But because SBC has not provided a root cause of the problem or explained how it will prevent it from recurring, there is no reason to conclude the problem has been solved.

40. In addition, MCI has no way to audit the disconnect charges that are theoretically proper. Because MCI does not know whether a customer that has migrated away from it has migrated to a loop CLEC, MCI cannot determine whether it should be charged any disconnect charge. MCI asked SBC whether it could sign a confidentiality agreement to see whether customers for whom it is being charged disconnect charges are migrating to loop CLECs but has received no response on this request.

41. SBC also has been charging MCI incorrectly to establish lines. On many orders, SBC has been charging MCI for USOCs "SEPUP" and "SEPUC." These are charges that are only supposed to apply to new installations, not migrations. SEPUP is also a charge that applies only to business lines. Yet in many instances SBC has been charging them for migrations of residential customers. SBC has said that in its estimation 95% of the time that it charges MCI for SEPUP, that charge is incorrect. It has agreed to refund MCI $13,237 for the charges for SEPUP. SBC also has said that in its view 80% of the time that it charges MCI for SEPUC, that charge is incorrect. SBC has offered to refund MCI $64,000, which is 80% of the amount that SBC has charged MCI for SEPUC. SBC has not, however, provided MCI with any reason to believe that the remaining $16,000 in SEPUC charges are correct, and MCI has therefore asked SBC to provide line specific information before accepting SBC's offer of 80% payment.

42. SBC has said that the SEPUP/SEPUC charges are the result of manual errors. SBC has not proposed any process improvements to ensure that it will in the future bill for these USOCs only when it is appropriate to do so.

43. SBC also has been charging MCI for a USOC called "MVV." This USOC is supposed to be charged when SBC has to undertake a truck roll for unbundled loops – not for UNE-P. (For UNE-P, there is a USOC called VRP that is applicable when there is a truck roll, but only when no trouble is found.) Yet SBC has charged MCI nearly $78,000 for MVV in Illinois, Michigan and Ohio (mostly Illinois). SBC claims this has been the result of manual errors. SBC has agreed to refund MCI on its June bill for the overcharges. Yet because SBC's errors have been manual and SBC has no plans to change its process, it is likely that SBC will in the future continue to bill MCI incorrectly for MVV.

44. SBC is charging MCI LNP charges for all of its local customers. MCI can find no support or pricing for this charge in its interconnection agreement or in any of SBC's wholesale tariffs. We note that FCC Tariff 2 applies to end users. SBC has pointed to the *UNE Remand Order* ¶ 146 as justification for charging CLECs for LNP. But regardless of the import of that Order, SBC must tariff a charge or include it in interconnection agreements before requiring CLECs to pay such a charge.

45. In the end, there remain far too many mistakes on simple billing issues for SBC's section 271 application to be approved.[1] SBC suggests that there will always be some significant billing disputes and says that the percentage of billing disputes is not higher in Michigan than in other SBC states where the Commission has approved section 271 applications. Billing Aff. ¶ 113. But SBC's own data shows billing disputes in Michigan are at least somewhat higher than the other SBC states, with the exception of Arkansas, and the data on disputes in Michigan do not include the problems revealed by the reconciliation. Moreover, the relevant comparison is not the quantity of billing disputes but the existence of demonstrated billing problems – especially problems for which there is little excuse. Many of SBC's problems regarding billing result from manual errors that it has acknowledged. Yet there is no reason for such manual processing on simple UNE-P orders. SBC has not provided any indication of plans to reduce this manual processing or to include internal checks to catch manual errors before bills are transmitted.

[1] Moreover, SBC still does not have a billing accuracy metric that will catch and sanction future errors like those MCI is experiencing. The old billing accuracy measure (PM 14) never had remedies attached and did not measure problems like those found in the reconciliation. The details of any new measurements (including remedies) are being debated. CLECs are also being asked to give up metrics on unrelated billing issues having to do with DUF accuracy, timeliness and format and invoice timeliness and format to gain new metrics.

46. SBC says that E&Y found that more than 99% of CABS records match the records in ACIS. Billing Aff. ¶ 65. But that means that there could be almost a 1% failure rate simply on the transfer from ACIS to CABS. E&Y also apparently found a 1.56% error rate with respect to the recurring USOCs tested, 1.31% with respect to the NRCs, and 3.16% with respect to usage (for rates only – setting aside whether SBC should be billing for usage on particular lines to begin with). Billing Aff. ¶¶ 81, 83, 85. These errors do not appear to include the loop rate errors that SBC itself now acknowledges. Billing Aff. ¶¶ 87-92. Nor do they include many of the other errors MCI has identified above – such as errors in ACIS itself regarding the number of CLEC customers, and errors that lead to transmission of usage records for customers that do not belong to a particular CLEC, and presumably the errors, such as loop rate charges, that SBC classifies as interconnection disputes.

47. Furthermore, for competition to be sustainable with any appreciable level of billing problems (or OSS problems more generally), SBC must work effectively with CLECs to resolve disputes that do arise. Yet the MPSC concluded in its January 13, 2003 Order that SBC should improve its performance in this area. And it is since that time that SBC has worked ineffectively with CLECs to resolve ongoing disputes. Indeed, as explained above, SBC has not worked effectively with MCI to resolve disputes. It has instead taken significant persistence on MCI's part to obtain assistance from subject matter experts with knowledge of particular disputes. Moreover, when significant money is at stake even for clear cut disputes, SBC turns the dispute into an opportunity for protracted negotiation.

Line-Splitting

48. When SBC previously applied for section 271 authorization, MCI had not yet begun submitting line-splitting orders. It was, however, preparing to begin submitting such orders across the nation. As MCI prepared for launch, it began to understand the deficiencies in SBC's line-splitting process, which is far inferior to that of other BOCs. MCI raised these concerns as it learned of them, fairly late in the previous section 271 review period. *See, e.g.*, *Ex Parte Letter from Keith L. Seat to Marlene Dortch*, March 20, 2003.

49. MCI has now launched line-splitting throughout the country. To date, MCI has submitted a relatively modest number of orders, but MCI plans to ramp up its offering and is exploring partnership with one or more data CLECs ("DLEC"), in an effort to expand its network. Already, however, the concerns that MCI expressed previously about SBC's process have proven justified. Although none of the ILECs have perfect processes for DSL ordering, MCI is having far worse problems in the SBC region than elsewhere in the country. Moreover, MCI has had extensive discussions with SBC regarding line-splitting that confirm that many additional problems are likely to arise.

50. MCI is submitting line-splitting orders only for customers who are already MCI UNE-P voice customers. MCI is not submitting line-splitting orders at the same time that MCI submits UNE-P voice orders, which would be MCI's preferred way of ordering, because SBC has told MCI that there is no way to do so. In and of itself, this is a significant problem, as it forces MCI to adopt a two step process in which it submits a UNE-P order and waits for that order to be completed before submitting a line-splitting order for the customer.

51. For now, MCI is submitting line-splitting orders only for current UNE-P customers and only where it has its own facilities, including collocations equipped with MCI-owned splitters and DSLAMs (using former Rhythms assets). To extend the reach of its network, MCI intends soon to partner with other DLECs. But SBC's current versioning policy is serving as one impediment to such a partnership. Unless a CLEC and its DLEC partner are on the exact same version of EDI down to the dot release, the DLEC cannot submit a line-splitting order via EDI on behalf of the CLEC. Moreover, if the versions are not coordinated on an ongoing basis and the DLEC places an order using a different version than the CLEC, it can alter SBC's systems so that all of the CLECs orders reject. MCI has submitted a change request to attempt to fix this problem. As an interim measure, MCI is working with one DLEC to try to ensure that the DLEC is on the same version as MCI, so that the DLEC can submit line-splitting orders on our behalf using EDI. But it will be difficult to ensure this on an ongoing basis and may not work with two or more DLECs. And while SBC suggests that it has agreed on a solution with CLECs the details of which will be worked out, in fact, it has not yet committed to any solution, let alone a date for implementation of a solution.

52. MCI's early line-splitting orders have resulted in the loss of dial tone at a significant rate, largely as a result of SBC's process for handling line-splitting orders. Of the 212 line-splitting orders that SBC has completed for MCI in the SBC-Ameritech region, 12 have lost dial tone for between several hours and several days. Of these, four were MCI's fault, but the remaining eight were the result of SBC's complex line-splitting process. And some of these customers lost dial tone multiple times. In each case, it was necessary

for MCI to escalate the problem to the Account Team and the lead technical support team member at SBC to ensure that the lost dial tone was restored.

53. When a CLEC submits a line-splitting order for a UNE-P customer, the only physical work that is necessary is for SBC to install a cross-connect between the main distribution frame and MCI's collocation arrangement. The cabling is pre-installed so that all that is necessary is a cross-connect. The process is nearly identical to line sharing. The same loop and port can be used as were used to provide retail voice service and UNE-P voice service. Yet, SBC treats the order as if the CLEC were ordering new service requiring disconnection of the existing loop, disconnection of the existing port, installation of an xDSL capable loop, and installation of a new port. SBC creates four separate service orders in its back end to make this simple change.

54. SBC has not made clear to MCI whether these four service orders result in the physical disconnection of the existing loop and port and their replacement by a new loop and port. But some of its comments have suggested that there is a hard disconnect of the existing loop and port. If so, this would not only risk loss of dial tone but would also risk degradation in service quality once dial tone is restored.

55. But even if SBC does not intend actually to disconnect the existing loop and port and install new ones, SBC creates risks of lost dial tone by processing this kind of order through its internal systems as if it is really disconnecting and replacing ports and loops. If the loop or port disconnect orders are processed before the new orders, the customer will lose dial tone, possibly for a significant period of time. Thus, any errors made by the SBC Local Service Center in relating the orders can lead to loss of dial tone, as has happened on some MCI orders.

56. In addition, even if SBC does not automatically disconnect the loop and port altogether, it does always wipe out the existing translations in the switch and replaces them with new translations, which are in fact the same translations that it just wiped out. Thus, if an existing UNE-P customer with certain features on his line orders DSL, the service order that disconnects the port will wipe out these features – even if the customer is not changing any features. The new port order will then reinstall the features as if the customer is ordering the features for the first time. But if the switch is not retranslated correctly, or is not retranslated quickly enough, the customer may lose dial tone or will be installed with the wrong features. Just such translation problems have been responsible for the lost dial tone on some MCI orders.

57. The harm of SBC's current four service order process is apparent from a comparison with other ILECs. In other ILEC regions, MCI's line-splitting orders have resulted in almost no loss of dial tone (to my knowledge, one customer lost dial tone in the Verizon region due to a bad splitter) even though MCI launched line-splitting in these regions at the same time as it did in the SBC region.

58. In addition, until each of the four service orders is complete, MCI cannot submit electronic trouble tickets on the line. Instead, MCI must call the SBC ordering center with all troubles rather than the SBC trouble handling center. This is because SBC does not see the order as "complete" until all four orders have completed and processed to the downstream systems. And even after MCI is able to submit trouble tickets electronically, because SBC views the line splitting product as a special xDSL loop and port combination, the process is more complex than it need be. Because SBC now treats the line as a separate UNE-loop and port, MCI must follow the trouble reporting process

associated with these separate UNEs rather than UNE-P. It must isolate the trouble to either the port or the loop, and must include both CFA number and Circuit ID on the trouble ticket. Other ILECs do not have these requirements.

59. Yet another major problem with SBC's process is that it appears that SBC charges CLECs more because of the cumbersome process it has adopted. When a CLEC orders line splitting for a customer who already has UNE-P, SBC charges a $3.16 service order charge for the xDSL-capable loop, $.10 for loop qualification, and a $17.82 connection charge for the loop. It also charges a $3.02 service order charge for the new port. SBC does not charge anything for a cross-connect. It appears that most of these charges exist only because SBC treats the line splitting order as if it were an order for a new loop and port. The $17.82 connection charge for the loop appears to be the charge for a new loop, not a simple cross-connect. And the service order charges for the loop and port also appear to be those associated with a new loop and port. In contrast, the service order charge for a UNE-P order is $.35.

60. As poor as SBC's process is for ordering line-splitting for UNE-P customers, its process is even worse for processing orders for line-splitting customers who decide not to continue with DSL. When a CLEC places an order to remove DSL on a customer's line, it must do so via fax. It must also place a separate order to remove the existing DSL-capable loop, or the CLEC will continue to be billed for the loop. Such manual processes potentially can cause severe problems, as this Commission has long recognized. The fax process will be entirely unacceptable as volumes expand. Moreover, the requirement that the CLEC submit two separate LSRs creates significant complexity for the CLEC that is entirely unnecessary.

61. Once SBC receives the faxed LSR and second LSR, it creates three service orders in its back end systems. It creates an order to disconnect the xDSL loop, an order to disconnect the port, and an order to install a new UNE-P line. Once again, these orders must be coordinated or the customer can lose dial tone. Moreover, the process of ensuring these orders are related when processed is a manual one. It is MCI's understanding that the technician who pulls up the particular order to process it (such as the order to disconnect the loop) must recognize the code on the order that says the order is related to other orders and must coordinate the processing of these orders to ensure they occur at the same time.

62. Because MCI has adopted a work-around process, which I will describe below, MCI has submitted few disconnect orders anywhere in the SBC region. What MCI learned based on one order it submitted in Texas, however, increases MCI's concern with SBC's process. (SBC uses three separate service orders in Texas, as in Michigan, for line-splitting disconnects, although in Texas, the CLEC must actually submit three separate LSRs.) On the Texas disconnect order, the customer lost dial tone for several days. SBC ultimately explained that the three separate service orders were processed by two different groups in two different centers – one with voice expertise, and one with data expertise. Because different groups processed the orders, it was difficult to maintain coordination as was necessary to maintain the customer's dial tone. SBC has claimed it will fix this process in the SBC-SWBT region in the coming months and have one group process all three orders, but SBC has not yet said it will do this in Michigan.

63. Most problematic of all, SBC has explained that on an order to disconnect line-splitting, it will replace the customer's existing loop with a new loop. This is so even though the

customer kept that loop when migrating to the CLEC and (presumably) kept that loop when the customer asked for DSL to be installed. It is so even though SBC retail customers are not disconnected from their existing loops when they cancel DSL. And it is so even though there is absolutely no reason to disconnect existing loops for CLEC customers when they cancel DSL and even though such disconnection is fraught with problems. Other ILECs simply remove the cross-connect from the CFA and reconnect the existing loop to the port, which is a much simpler process.

64. When SBC disconnects the existing loop and replaces it with a new loop, this may include a different path not only from the switch to the terminal nearest the customer's home but also use of a different drop into the customer's home (generally there are two drops into each customer's NID and SBC's process may cause a shift from one to the other). If SBC brings the loop to a different connection point than the current loop, the customer will have dial tone at the NID but not inside the premise, because the new circuit will not be connected to the customer's inside wire. The CLEC customer will have to request that either the CLEC or a third-party vendor be dispatched to the customer's premises so that the new loop can be connected to the inside wiring. Such a requirement means the customer must wait at home to meet the dispatched technician. Moreover, the customer will be without service for a period of time certain to be significantly longer than if SBC simply removed the cross-connect to the collocation cage and reconnected the same loop directly to the SBC port. And requiring a technician to install a new loop creates a much greater possibility of human error than simply reconnecting the existing loop and port.

65. In addition, if the capacity of SBC's loop plant has been exhausted when SBC receives an order to disconnect line-splitting, SBC will not immediately be able to install the new loop needed to complete the order. (It is MCI's understanding that such exhaustion of the loop plant exists a small but not insignificant portion of the times that a customer needs a new loop.) Instead, SBC will wait either until it undertakes a relief job to install new plant or until sufficient customers have disconnected their service in the relevant geographic area that new loop plant is freed up. When SBC holds orders until new loop plant is freed up, SBC installs the new loops in the order in which it receives the loop orders. Thus, a customer who asks to drop DSL with a CLEC may have to wait behind all retail customers (or CLEC customers) who have already ordered new loops before his new loop will be installed. In such "held order" scenarios, it often takes the ILECs many days to install new loops. In the interim, the customer may be without service. Such lengthy loss of service would be a significant price to pay for disconnecting one's DSL service. MCI has asked SBC about this and has not received any assurance that this will not happen.

66. SBC's unnecessary decision to replace the existing loop with a new loop also appears to increase costs for CLECs. When a CLEC places an order to disconnect line-splitting, SBC charges a $1.54 NRC for the service order to disconnect the loop, as well as a $5.85 disconnection charge. It also charges a $3.15 service order charge to connect the new loop, as well as a $17.82 connection charge for the new loop. Most of these charges appear to exist only because the loop is changing. If the loop were not changing, the process would be equivalent to an SBC retail customer moving from a line sharing arrangement with a DLEC to UNE-P (voice only) with a CLEC. In such a scenario, SBC

charges only the same $1.54 service order charge for loop, $10.00 for disconnection (for some reason more than the $5.85 charged in the line splitting disconnect scenario), but charges only a $.35 service order charge to migrate the voice to the UNE-P. There is no $3.15 service order charge or $17.82 connection charge for a new loop.

67. Because the risks associated with installation of a new loop are too high and likely to significantly anger customers who will not understand the need for a new loop, MCI has decided not to place orders with SBC to disconnect line-splitting. Instead, if a customer wants to disconnect DSL, MCI follows SBC's work-around and simply disconnects the customer's line from MCI's DSLAM in MCI's collocation cage. The customer will therefore keep his existing loop, which will continue to be cross-connected from the MDF to the CFA and then on to the splitter.

68. This work-around avoids the problems associated with installation of a new loop, but it is far inferior to a process, such as that used by other ILECs, in which the loop and port are again connected directly. First, with this work-around, SBC will continue to charge MCI for an xDSL-capable loop even after the customer has dropped DSL. SBC will not know that the customer dropped DSL, since MCI will not have submitted any disconnect orders to SBC. SBC will therefore charge MCI the additional $1.79 per month that it charges for an xDSL-capable loop above and beyond its ordinary loop charges (even though, in reality, the loops are no different).[2] Second, the loop will continue to be connected to MCI's splitter, which will leave MCI less capacity to serve other DSL customers. As DSL ordering volumes increase, and more and more customers order DSL, the number of

customers who drop DSL will also increase. Over time, the capacity in MCI's splitters will increasingly come to be used by customers who no longer have DSL. Moreover, because MCI plans to begin ordering line-splitting with DLEC partners, their splitter capacity will also come to be used by customers who no longer have DSL (assuming they are willing to adopt MCI's work-around solution in the first place). Third, trouble reporting will be more difficult than if loops were directly connected to ports, because isolation of troubles will requires checking both the SBC network and the facilities in MCI's (or the DLEC's) collocation cage. Fourth, making changes on UNE-P lines (such as feature changes) will be more complicated than if the loops were connected directly to the ports. Submitting such change orders requires a different process when SBC still views the line as a line split line, and the MCI service representatives will have to know that the particular UNE-P customer's line is still considered a line split line or the representative will not be able to send the appropriate orders. Finally, because the customer will be connected to MCI's splitter, there may be problems if the customer decides to leave MCI.

69. SBC attempts to justify the process it employs for disconnecting DSL for line-splitting customers by asserting that it must replace the existing loop with a new loop to ensure that the loop is voice capable. That is absurd, as is apparent from the fact that MCI has decided to adopt a work-around process that does not use a new loop. MCI adopted this work around *at SBC's suggestion*. In fact, the loops used by MCI for line-splitting customers are just as voice-capable as any other loops used by MCI customers, since

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[2] This is based on Access Area A. SBC charges $10.26 per month for an xDSL capable loop in

nothing changed with respect to those loops (other than the cross-connects) when MCI ordered line-splitting in the first place. MCI does not order any sort of line conditioning on any DSL line it orders. (And if MCI had ordered such conditioning on a particular line, SBC would be aware of that fact. MCI would have submitted an LSR requesting such conditioning and SBC would have performed the work.) Moreover, if the line-split loops were not voice-capable, as SBC suggests, then MCI's line-splitting customers would surely complain about the diminished voice quality.

70. In any case, the voice quality of loops for MCI's customers is MCI's responsibility. Even if there were some risk that keeping the same loop without line-splitting would diminish voice quality, it would be MCI that would have to weigh that risk against the risk of moving the customer to a new loop. At present, MCI does not have this choice, but instead has a much worse choice. It can enable customers to keep their loop only by adopting a work-around solution that has detrimental effects on both MCI and its customers.

71. One other potential problem with line-splitting has arisen recently. SBC announced in an Accessible Letter that after line-splitting has been installed, CLECs are responsible for the E911 records. SBC says this is so because SBC has no control over what happens in a CLEC's collocation cage. It is not clear to MCI what SBC is saying in its Accessible Letter. Nothing that happens in a CLEC's collocation cage affects the customer's address, and nothing should affect the E911 records. The only thing that should require a change in E911 is if the address changes or if the cable pair is connected to a new address. SBC is the company that would know if this happens. Thus, MCI does not

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Access Area A and $8.47 for an ordinary loop.

know what responsibility SBC is attempting to impose on CLECs by asserting they are responsible for E911 records after a line-splitting order has been processed.

Performance Data

72. SBC still has not come close to passing the BearingPoint test. It still has satisfied fewer than half of the test points. And its performance is still unsatisfactory for more than a quarter of the test points. Ehr/Fioretti Decl. ¶59. SBC argues that a finding of unsatisfactory performance does not really mean that its performance is unsatisfactory because SBC may eventually satisfy BearingPoint. And certainly the whole point of the test is for SBC's performance to become satisfactory through changes and retests. But the fact is that as of BearingPoint's April 30, 2003 Report, SBC still had not shown its performance was satisfactory.

73. SBC continues to attempt to minimize problems with its metrics reporting by pointing to the E&Y evaluation. But that evaluation did not even cover all of the issues covered by BearingPoint. It did not cover any of the issues associated with PMR1 – Data Collection and Storage Verification, where SBC has satisfied only 50% of the test points in the BearingPoint test and where its performance is still not satisfactory for 26.2% of the test points. Moreover, as I explained in detail in my prior declarations, for reasons that I will not repeat here, the BearingPoint test was superior to that of E&Y and thus the E&Y test cannot be relied upon where BearingPoint still believes SBC's performance is unsatisfactory.

Change Management

74. SBC states that it has demonstrated a pattern of compliance with the requirements set forth in the Change Management Plan, as evident from the implementation of LSOG 6 on

June 14, 2003. But the reality is that change management has completely broken down. What was once a change management process that worked relatively effectively in the SWBT region is now functioning ineffectively at best.

75. Every time SBC releases a new version of EDI, the release is beset with systems defects. And the documentation contains numerous important errors as well. For release 5.02, for example, which was implemented in the last quarter of 2002, SBC has already released *five* sets of documentation changes. For release 5.03, which was implemented in March 2003, SBC has already released three sets of documentation changes. And for release 6.0, which was implemented on June 14, SBC has already released one set of documentation changes.

76. SBC's defect report shows many defects from each of the three most recent releases. As of July 1, 2003, it shows 65 defects from Release 5.02, 111 from Release 5.03, and already 53 from Release 6.0 (with almost two-thirds of these (146 altogether) affecting the SBC-Ameritech region). And this list includes only the actual and potential CLEC impacting defects that are still outstanding, not defects that do not impact CLECs or defects that have already been resolved. (SBC suddenly removed the latter defects from its web site, meaning CLECs cannot tell how many defects there have been in the aggregate.) These defects have substantial impacts. For example, one defect from release 5.02 concerns customers who move but want to retain their phone number. SBC is generating an extra service order that is causing SBC to treat the order as a request for a new line and new phone number, creating obvious problems for customers.

77. The sheer volume of defects and documentation flaws is so significant that when MCI moves to a new software version, it avoids moving to the latest version. It moves to a

version that has already been in production for some time with the hope that some of the defects and documentation problems will already have been corrected. But this strategy prevents MCI from taking advantage of the latest functionality. It also is only partially successful in achieving MCI's goal. Because many other CLECs seem to have adopted the same strategy as MCI, and because SBC does not seem able to uncover problems with its releases on its own, many problems with releases remain in existence until a number of CLECs, often including MCI, move to a release and then face the problems caused by defects and documentation errors. Thus, while MCI chose recently to move to Release 5.03 and has not yet moved to Release 6.0, there are still many outstanding defects in Release 5.03. And on June 24, SBC sent out an Accessible Letter with yet another set of documentation changes that applied to Release 5.03 (as well as 5.02 and 6.0).

78. MCI has continuously raised these concerns with SBC in the monthly SBC CMP meetings, but to no avail. SBC has not taken any steps to diminish the number of defects and documentation errors in each release.

79. In addition to the poor quality of SBC's EDI releases, SBC's change management process fails in its other important tasks as well. It no longer ensures that CLECs have a real opportunity to make change requests of SBC that SBC will implement in anything like a reasonable time frame. This is apparent from looking at the Change Management and User's Forum logs. The Change Management log shows that there are seventy five change requests that SBC has not yet approved or that SBC has approved but has not yet slotted into a release. (Approximately forty four of these affect the SBC-Ameritech region.) Many of these requests were submitted years ago. For example, of the requests still waiting for any action by SBC (either approval or rejection), four requests were

submitted in the first half of 2002 and ten were submitted in the second half of 2002. Of the requests that SBC has approved for implementation but has not yet slotted for implementation, four were submitted in 2001, eighteen were submitted in the first half of 2002 and eleven requests were submitted in the second half of 2002.

80. Thus, in November 2002, MCI submitted a change request asking SBC to permit ordering on Sunday as it does in the SWBT and PacBell regions. (MCI had asked for this back before establishment of the uniform platform based on the Plan of Record and had been told it would be implemented then, but SBC did not implement it.) SBC's only response to date has been that it is still looking at this request to determine its feasibility. But nothing has been done to move forward.

81. And even when SBC has agreed to implement a request, delays continue. In January 2003, AT&T submitted a change request asking that SBC provide separate Daily Usage Feeds ("DUF") by state, rather than lumping the feeds together for the entire SBC-Ameritech region. When SBC lumps the huge volumes of DUF records together, it creates huge amounts of work for the CLEC, which must manually separate the records before billing its customers. In addition, the size of these files causes transmission problems between SBC and MCI. The SBC-Ameritech region is the only one where SBC does not separate DUF records by state.

82. MCI has been asking for DUF records to be separated by state since it launched service in Michigan. After being told that SBC would track the issue, MCI eventually had to open an issue in the User's Forum. SBC responded to that issue by saying that they would implement the change, and the issue was closed out. But SBC never did make the change, and AT&T has now opened the issue in Change Management. SBC's response

has been that it may be possible to implement the change in the second or third quarter of *2004*. When asked whether there was any way to reprioritize, SBC has not responded.

83. Similarly, in *2001*, MCI submitted a change request to enable it to view posted service orders throughout the SBC region, as it is able to do in the SWBT region. MCI has found that this functionality enables it to better manage issues after an order has completed without the need constantly to contact SBC representatives. As of the latest update, however, "Change Management has learned that CR020085 was not committed for the 9/27/03 release. The request date has been rolled forward to 12/13/03."

84. SBC is making no more progress addressing issues in the CLEC User's Forum. There are currently dozens of open issues in the User's Forum. Many are issues that have been open for many months. Eleven are issues that were opened in 2002 or before.

85. The difficulties in obtaining any action from SBC to address pressing issues is evident from the line-splitting issues. MCI first discussed the issues concerning installation of the new loop and the need for a mechanized "one order" process with its account team. Indeed, MCI has been holding almost weekly meetings on line-splitting issues with its account team since February. The account team told MCI to bring the line-splitting issuse to the User's Forum, and MCI opened an issue in the User's Forum on April 30, 2003, explaining the problems with the current line-splitting process (as well as a request on May 28, 2003 limited only to the new loop issue). On May 7, MCI reviewed the issues for other CLECs, and SBC then attempted to push the issue back to the account team until MCI resisted. On May 28, SBC said it would provide an update at the June 4 meeting. SBC did not provide an update at that meeting, however. Ultimately, SBC and MCI agreed to discuss the line-splitting issues off line, a discussion that occurred

recently. SBC initially refused to document that meeting until MCI escalated the issue, and MCI still has not received the documentation. At the meeting, the parties made no progress in addressing the line-splitting issues.

86. MCI has also attempted to address some of the line-splitting issues through change management. On April 14, 2003, MCI also issued a change request in change management that, among other things, requested that the same loop be retained when a customer moved from line-splitting. SBC's response to date has been that this request is subject to an arbitration the results from which would be applied regionally. Thus, despite SBC's claim that it is willing to work with CLECs on line-splitting issues, its response has been typical of its response to CLEC change requests – delay and delay and then agree to nothing.

87. Indeed, as a general matter, SBC seems to have decided that it simply has no need to address CLEC change requests. It often simply dismisses them as unimportant. For example, prior to the uniform platform release, SBC had functionality that enabled it to "unreject" orders that were rejected improperly by SBC's systems. But SBC eliminated this functionality for some reason in the uniform platform release. This means that if SBC's systems erroneously reject an order, there is absolutely no way for the CLEC to correct the order and have it accepted. The systems will continue to reject the order, and SBC cannot circumvent the systems rejects. Choice One therefore submitted a change request in June 2002 asking that SBC restore the original functionality that enabled it to circumvent erroneous systems rejects. But SBC's response to date has been that there are not enough such rejects for this to be worthwhile. SBC ignores the fact that for each

erroneous systems reject, the CLEC wastes significant time attempting to "fix" the order and ultimately has no way to submit the order.

88. Thus, contrary to SBC's claims, its change management process is not currently serving the functions for which it was designed. It is not ensuring that CLECs are able to obtain new functionality they need. And it is not ensuring a smooth transition to new releases. SBC must better fulfill these purposes before obtaining section 271 authorization.

Conclusion

89. This concludes my Declaration on behalf of MCI.