EX PARTE OR LATE FILED

James C Smith
Senior Vice President

SBC Telecommunications, Inc
1401 I Street N W
Floor 4th
Washington, DC 20005 2225

202 326 8836 Phone
202 289 3699 Fax
js5891@sbc com

RECEIVED

JUL 2 8 2003

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

ORIGINAL

July 28, 2003

Ex Parte Presentation

Marlene H Dortch, Secretary
Federal Communications Commission
445 12th Street, S W.
Washington, D C 20554

Re *Application by SBC Communications Inc , et al for Provision of In-Region, InterLATA Services in Michigan*, WC Docket No 03-138

Dear Ms Dortch

On behalf of SBC Communications Inc ("SBC"), I am writing to provide the Commission with additional information concerning the results of SBC's analysis of the 1,941 telephone numbers that AT&T identified as numbers that SBC has been billing incorrectly See AT&T Comments at 26-27, AT&T's DeYoung/Tavares Decl. ¶¶ 7-13 & Exhs 1-5

In its July 2, 2003, comments in this proceeding, AT&T alleged that it had reviewed its March bill and identified over 28,000 telephone numbers for which SBC's billing did not correspond to the customer records in AT&T's end-user billing system. AT&T acknowledged that some of these discrepancies could be the result of "events unrelated to an error in SBC's billing systems " AT&T Comments at 26 Hence, AT&T chose to set aside 26,700 numbers AT&T then asserted that it had conducted a "detailed, manual, and resource-intensive analysis of the remaining 2,114 telephone numbers " Id., see also AT&T's DeYoung/Tavares Decl ¶ 7. AT&T alleged that it had "confirmed billing errors with 1,941 – or 92 percent – of" these numbers See AT&T Comments at 26. Specifically, AT&T asserted that 1,619 of these numbers were being over-billed because they did not belong to AT&T at all and that 322 of these numbers were being under-billed because AT&T had not received a CABS bill or a DUF file for them. Id at 26-27, AT&T's DeYoung/Tavares Decl ¶¶ 8-9 On the basis of this analysis, AT&T's declarants unequivocally stated that "[t]hese errors alone demonstrate conclusively that SBC is still issuing erroneous wholesale bills and has yet to resolve the fundamental underlying problem with its wholesale billing system " Id. ¶ 4 (emphasis added)

No. of Copies rec'd 0+1
List ABCDE

REDACTED – FOR PUBLIC INSPECTION

Ex Parte Presentation

As SBC stated in its Supplemental Reply Comments, it would have preferred to address AT&T's concerns on a business-to-business basis, because these billing issues are complicated and their resolution requires a substantial commitment of time and resources. See Supp Reply Comments at 8, Brown/Cottrell/Flynn Joint Supp. Reply Aff ¶ 28 (Reply App , Tab 2) On Friday, July 25, 2003, SBC shared the detailed results of its analysis with AT&T, as it would have done had the these issues been presented through normal business channels See Attachment. As SBC discussed in its Supplemental Reply Comments and as described in detail in the attached letter, SBC has determined that roughly 75 percent of the discrepancies identified by AT&T with respect to the 1,941 telephone numbers in question reflect, in fact, AT&T record-keeping errors SBC will continue to work with AT&T on a business-to-business basis to resolve these discrepancies

As noted above, these are complex matters, and it is entirely possible that, as SBC and AT&T work together to resolve these discrepancies (assuming, of course, that AT&T accepts SBC's invitation to do so), a few telephone numbers could move from the category of AT&T "errors " What is absolutely clear, however, is that the "discrepancies" identified by AT&T with respect to these 1,941 telephone numbers do not "conclusively demonstrate" anything, much less that "SBC is still issuing erroneous wholesale bills" or that it "has yet to resolve the fundamental underlying problem with its wholesale billing system " AT&T should have dealt with these issues on a business-to-business basis. Instead, AT&T has recklessly filled this record with false statements regarding the accuracy of the bills it receives from SBC As AT&T well knows, this Commission has repeatedly made clear that a section 271 application is not the proper place to resolve operational issues that are susceptible to resolution before the appropriate state commissions See, e g , Pennsylvania Order ¶ 108, Texas Order ¶ 383.

AT&T's decision to wait to raise these issues in its supplemental comments in this proceeding is an obvious effort to leverage the regulatory process to block section 271 relief for Michigan Relying on such erroneous claims by AT&T, the Department of Justice concluded that "the CLECs make credible allegations that they are continuing to receive wholesale bills from SBC that contain substantial inaccuracies " DOJ Evaluation at 7 (emphasis added) As SBC has now demonstrated, however, AT&T's claims are simply not credible at all

The attached materials include information that AT&T has identified is confidential Accordingly, pursuant to the Commission's rules governing the handling of such information, SBC is filing one copy of this letter with the confidential material attached Inquiries regarding access to the confidential material should be addressed to Kevin Walker, Kellogg, Huber, Hansen, Todd & Evans, PLLC, 1615 M Street, N.W , Suite 400, Washington, D C , 20036, (202) 367-7820

REDACTED – FOR PUBLIC INSPECTION

Ex Parte Presentation

In accordance with this Commission's Public Notice, DA 03-2039 (June 19, 2003), SBC is filing the original and two copies of the redacted version of this letter and the attachment. Thank you for your kind assistance in this matter.

Sincerely,

James C. Smith

Attachment

cc Gina Spade
Ben Childers
Susan Pié
Rodney Gregg
Layla Seirafi-Najar
Qualex International