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August 25, 2003

**REDACTED – For Public Inspection**

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 AT&T Corp. ("AT&T"), I am attaching to this letter AT&T's response to the *ex parte* letter from James C. Smith to Marlene H. Dortch (July 28, 2003) ("SBC July 28 Ex Parte"), which addressed AT&T's claim in its opening comments that SBC erred in billing 1941 telephone numbers on its March wholesale bill. *See Attachment.*

AT&T is filing this letter and attachment electronically through the Commission's Electronic Comment Filing System. Thank you for your kind assistance in this matter.

Sincerely,

/s/ Jacqueline G. Cooper

Jacqueline G. Cooper

Attachment

cc: Gina Spade  
Marcus Maher  
Susan Pie

### ATTACHMENT

AT&T stated in its opening comments that SBC erred in billing 1941 telephone numbers on its March wholesale bill. AT&T Comments at 26-27; Joint Declaration of Sarah DeYoung and Shannie Tavares ¶¶ 7-10 (July 2, 2003) (“DeYoung/Tavares Decl.”). Specifically, AT&T identified 1619 instances of overbilling and 322 instances of underbilling. SBC addressed AT&T’s claim in an *ex parte* letter from James C. Smith to Marlene H. Dortch (July 28, 2003) (“SBC July 28 Ex Parte”).

In its *ex parte*, SBC accepts responsibility for 25% of the errors on the March bill. For example, SBC conceded that some of the errors were due to the fact that it erroneously sent line loss notifications to AT&T. As a result, AT&T stopped billing the customers for the lines, but SBC continued to bill AT&T. As another example, SBC admitted that it did not assign the telephone number that AT&T had requested and failed to provide notification on the Firm Order Confirmation (“FOC”) of the telephone number change.

SBC also claims that “roughly 75 percent” of the discrepancies identified by AT&T are not due to errors by SBC. SBC July 28 Ex Parte at 2. AT&T has begun the time-consuming process of analyzing SBC’s *ex parte*, and its analysis is ongoing. The voluminous information in SBC’s *ex parte* was provided in the form of several spreadsheets, and AT&T’s review has been hampered by SBC’s failure to provide any summary of this information. Indeed, during a phone call on July 31, 2003, SBC personnel told AT&T that SBC had prepared and had available a summary of this information for its own use, but did not provide it to AT&T. SBC claimed that it did not provide the summary to AT&T because it did not believe it could do so in a way that would comply with the Commission’s protective order in this proceeding. AT&T cannot identify any language in the protective order that would support this position.

As a preliminary matter, it should be noted that all parties agree that resolution of these billing issues is a time consuming and tedious process, requiring many hours of data processing and review of records and numerous exchanges of information between parties that can take several months and still not produce a definitive resolution of the issues. The significant costs associated with resolution of these disputes highlight the importance of systems that work properly to minimize their occurrence. As *Michigan I* and this proceeding demonstrate, there are far too many such disputes and reviews involving SBC’s billing systems for this Commission to conclude that SBC’s billing systems satisfy the requirements of Section 271.

As AT&T has previously noted, between withdrawal of its previous application and the re-filing of the current application, SBC did nothing to advance the parties’ discussions regarding the reconciliation, despite AT&T’s submission to SBC of data concerning 285 telephone numbers that AT&T believed represented specific instances of errors associated with the reconciliation. Indeed, it was not until the day after the pending application was filed that SBC had a call with AT&T to disclose the methodology associated with the reconciliation – an explanation that SBC *never* provided in connection with its previous 271 application – and it was

not until well after the current application was filed that AT&T got any feedback regarding the 285 telephone numbers. Moreover, AT&T's submission of the 1941 telephone numbers associated with AT&T's analysis of the March bill has sparked another round of error identification, investigation on both sides and discussion between the parties.

It is in this context that SBC's claims about AT&T's "failure" to work these claims on a business-to-business basis ring hollow. SBC made no efforts to address these issues between applications and AT&T's efforts to address them were met with virtual silence. While it is true that this factually-intensive debate is not appropriate for resolution in a 90-day proceeding, the proper outcome would have been for SBC to attempt to resolve its disputes concerning the reconciliation between applications rather than filing another premature application. But having filed its application without resolving such disputes, SBC cannot be found to have met its burden of proving that its billing systems are accurate and reliable.

While AT&T's review of SBC's billing information is ongoing, at this point, AT&T has conducted a review of certain telephone numbers on three of the five exhibits in SBC's *ex parte*. As a result of this review, AT&T requested that SBC conduct additional analysis of specific telephone numbers on these exhibits, as described below. SBC has conducted this additional analysis and reported its findings to AT&T in a letter, which is Attachment 1 hereto. See Letter from Becky Krost to Sarah DeYoung (August 20, 2003) ("SBC August 20 Letter"). AT&T's analysis of the three exhibits is as follows.

Exhibit 1 of SBC's *ex parte* corresponds to AT&T's Exhibit 1, which was attached to the DeYoung/Tavares Declaration. AT&T's exhibit identified 456 instances in which a telephone number appears on the CABS wholesale bill, but not in AT&T's end user billing system ("RAMP"), is not (nor has it ever been) in AT&T's ordering system ("NLP"), and is not a telephone number for which AT&T receives Daily Usage File ("DUF") records. DeYoung/Tavares Decl. ¶ 8. AT&T examined SBC's *ex parte* and further examined its records, and determined that it is not receiving any usage records for 340 of the telephone numbers on this exhibit for which SBC does not accept responsibility.<sup>1</sup> AT&T submitted these 340 telephone numbers to SBC on August 5, 2003 for further analysis. In its August 20 Letter (at 1), SBC conceded error with respect to two of these telephone numbers. SBC also stated that it found recent usage for 13 of these telephone numbers, but does not dispute that there was no usage in the March time frame for these telephone numbers, and does not dispute that AT&T is receiving no usage for the remaining 327 telephone numbers. SBC August 20 Letter at 2.

SBC has several theories as to why AT&T is not receiving usage. First, it attributes the lack of usage to the fact that some of the lines may have been abandoned or are lines for which MLT testing shows possible trouble on the lines. AT&T is still investigating these rationales, but in any event, these explanations account for less than half of the lines at issue.<sup>2</sup> SBC's only other explanation for the lack of usage is that some of the telephone numbers

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<sup>1</sup> There were another 47 telephone numbers for which SBC admitted it had not supplied AT&T with the correct telephone number on the FOC and which were coded as attributable to "SBC error." However, AT&T is not receiving usage for these telephone numbers either.

<sup>2</sup> SBC indicates that AT&T submitted disconnect requests in connection with 96 of the telephone

appear to be in “vacation type areas,” SBC August 20 Letter at 3 – a speculative assertion for which it provides no corroboration or estimate of the number of telephone numbers affected, and thus is too hypothetical to accord any weight.<sup>3</sup>

Exhibit 2 of SBC’s response corresponds to AT&T’s Exhibit 2, which identified 346 instances in which a telephone number appears on the CABS wholesale bill, but is “inactive” in AT&T’s ordering system (meaning that the customer was at one time AT&T’s but is no longer), is not in AT&T’s billing system, and is not a telephone number for which AT&T receives DUF records. DeYoung/Tavares Decl. ¶ 8. SBC admits error with respect to 47 of these telephone numbers. Of the remaining 299 telephone numbers, AT&T has further examined its records and confirmed that no usage is recorded in its message investigation unit (“MIU”) for any of these telephone numbers. For 219 of these telephone numbers, AT&T examined its DUF records as of August 4, and determined that it still is not receiving any DUF records for them.

Of the 219 telephone numbers, AT&T’s preliminary review of a few of the telephone numbers in this exhibit revealed that there were at least ten for which AT&T sent disconnect PONs (on the correct telephone number) to SBC. AT&T provided SBC with one such example (telephone number 313-291-8525) on August 12<sup>th</sup> and requested additional analysis. SBC now admits error with respect to this telephone number. Specifically, SBC admits a manual disconnect processing error (which means that SBC physically disconnected the telephone number, but failed to remove it from billing). SBC August 20 Letter at 2. SBC’s admission of error with respect to AT&T’s single example suggests that the same error may have occurred with other telephone numbers from Exhibit 2.

Indeed, based on its discovery of two circuits with manual disconnect processing errors (the example from Exhibit 2 and one of the admitted errors from Exhibit 1), SBC decided to examine an additional 50 telephone numbers within the 1941 population and identified 14

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numbers (which were rejected by SBC because AT&T had placed the wrong telephone number on the disconnect order). In addition, there were another 46 telephone numbers for which SBC’s MLT showed that there was trouble on the line, which may indicate that the number has been abandoned. These two categories total 142 telephone numbers.

<sup>3</sup> Moreover, AT&T has demonstrated that SBC provides AT&T with usage records for customers that have disconnected their AT&T service. Specifically, while SBC’s *Michigan I* application was pending, AT&T submitted eight examples of telephone numbers where AT&T received usage records for customers that even SBC’s own records showed are no longer AT&T customers, and SBC has failed to rebut AT&T’s examples. AT&T Comments at 30-31; Joint Declaration of Sarah DeYoung and Shannie Tavares ¶¶ 31-33 (July 2, 2003) (“DeYoung/Tavares Decl.”). Given its provision of inaccurate usage records, SBC’s explanations about usage or lack thereof should be viewed cautiously.

AT&T also dialed one of the telephone numbers (231-922-9248) on Exhibit 1 that SBC’s spreadsheet shows is assigned in the network, has no rejected disconnect, and no problems on the line. AT&T’s call revealed that there is a disconnect recording on this line, which does not square with SBC’s information.

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with “related manual disconnect processing errors.” SBC August 20 Letter at 2. However, AT&T has no assurance that SBC has identified all of the errors associated with this particular manual disconnect problem because it provided no information as to how the additional 50 telephone numbers were chosen for further review.<sup>4</sup>

Exhibit 4 of SBC’s response corresponds to AT&T’s Exhibit 4, which identified 437 instances in which the telephone numbers appears on the CABS bill and AT&T receives DUF records for that number, but it is not in AT&T’s billing system and is inactive in AT&T’s ordering system. DeYoung/Tavares Decl. ¶ 8. SBC admits error with respect to 165 of these telephone numbers. Of the remaining 277 telephone numbers, AT&T’s systems show that AT&T received a record indicating that for 235 of these telephone numbers the customer left AT&T’s local service and switched to another provider. Nevertheless, because SBC identified one telephone number in which the record may have been attributable to a resale to UNE-P conversion, AT&T is investigating this issue further.

AT&T also submitted four telephone numbers from Exhibit 4 to SBC for further review on August 15.<sup>5</sup> With respect to telephone number 989-684-8861, SBC admits that “the order errored downstream” and did not post to billing for *four months*. SBC August 20 Letter at 2. Remarkably, however, SBC asserts that it “did not identify SBC error[.]” with respect to this circuit because it is not currently billing AT&T for this line. *Id.* The fact that SBC does not classify as SBC error the failure of an order to post for four months illustrates the lengths that SBC will go to avoid admitting clear SBC errors. A four month delay between the receipt of a disconnect order and the posting of that order to SBC’s billing systems is plainly unreasonable and unacceptable to CLECs.<sup>6</sup>

Thus, in addition to admitting error on 25% of the telephone numbers, SBC has not demonstrated that the remaining 75% of the errors are not attributable to an apparent SBC error. There are still a large number of telephone numbers coded as “no apparent SBC Midwest

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<sup>4</sup> This example illustrates the difficulty with allowing SBC’s application to proceed to approval on the current record. It was only because AT&T identified a specific error that SBC undertook this additional investigation and discovered other telephone numbers affected by this same error. This begs the obvious question of how many other errors have yet to be identified.

<sup>5</sup> There was a typo in one of the telephone numbers that AT&T submitted to SBC for additional investigation, and AT&T resubmitted the correct number on August 20.

<sup>6</sup> Indeed, AT&T’s specific question about this telephone number yielded an explanation that leaves AT&T wondering how many other telephone numbers were not coded as SBC errors because of severe delays in posting, and SBC has provided no explanation of how many telephone numbers were affected by this problem. Yet, as this example vividly demonstrates and as AT&T has repeatedly shown, SBC’s failure to post orders to its billing systems in a timely fashion has significant anti-competitive impacts, including impeding the CLECs’ ability to audit their bills. Letter from Geoffrey M. Klineberg to Marlene H. Dortch, March 14, 2003, WC Docket No. 03-16, Attach. B at 3 (acknowledging that Michigan Bell missed PM 17 (Billing Completeness) in 10 of the past 12 months); DeYoung/Tavares Decl. ¶ 16 & n.14 (noting that SBC is unwilling to agree to a PM 17 metric with less than a 10-day period).

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error” for which AT&T is not receiving usage, and, except for the minority of those telephone numbers which may be abandoned lines, SBC has not presented a cogent explanation for the lack of usage. Moreover, AT&T’s questioning regarding one telephone number led SBC to conduct further investigation that revealed a number of other telephone numbers affected by the same error. And the fact that telephone numbers with extensive posting delays lasting over four months could be coded as a telephone number with no apparent SBC error raises further questions regarding the classification of many other telephone numbers at issue.

In short, given the problems identified to date, AT&T agrees that a telephone number-by-telephone number reconciliation is necessary and that this can only be achieved through a joint effort because AT&T does not otherwise have access to the information in SBC’s systems. For purposes of this proceeding, however, the critical point is that until such a reconciliation is conducted, the Commission can have no assurance that SBC is generating accurate bills and usage information.

**VERIFICATION PAGE**

I declare under penalty of perjury that the foregoing Attachment is true and correct to the best of my knowledge and belief.

/s/ Sarah DeYoung  
Sarah DeYoung

Executed on: August 25, 2003

**Attachment 1**  
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