

AMENDED RESPONSE TO FCC SPECIFICATION 3a:

- 3. The Public Interest Statement, at pages 73-88, cites a number of companies that the applicants contend compete for enterprise customers in various geographic regions with respect to some or all of the services listed in Specification 2.**
 - a. Provide the revenues and number of customers, separately for AT&T and SBC, separately for each type of service identified in Specification 2, separately for each class of business and wholesale customers as defined in response to Specifications 1.a and 1.b, and separately for the following geographic categories: (1) incumbent LEC franchise area and (2) MSA. Identify which geographic areas are within SBC's region.**

RESPONSE:

Business. SBC does not, in the ordinary course of business, maintain revenue data sufficient to simultaneously fulfill all of the parameters of Specification 3.a's request for revenue data by relevant service, business category, and MSA. SBC has made repeated efforts to reconfigure revenue data at the MSA level for each service and each business sales category. However, except as set forth below with regard to retail local exchange services, these efforts to categorize data according to criteria not applied when that data was collected or stored have not generated results that, when aggregated, are consistent with data reported in the ordinary course of business, and accordingly SBC cannot provide reliable and verifiable data at the MSA level.*

* This is the case for at least the following known reasons. First, revenue data is not maintained at the MSA level in the ordinary course of business. Even to the extent that surrogates for revenues by MSA could be generated by using billing or service address for each customer, the resulting revenue data would not accurately correspond to the amount of service provided in that MSA, because the billing or service address may capture revenues from service provided in multiple MSAs. Second, some services are provided by structurally different organizations (*e.g.*, SBC-LD) that do not report revenue data in a manner that matches up to the required parameters. For example, SBC revenue from some services (*e.g.*, long-distance voice service and SMDS data service) cannot reliably or completely be provided by business sales category at the MSA level. Third, revenue data for some (but not all) services at the level of specificity required to provide it at the MSA level by service and business organization is maintained for a period of only thirteen months.

Footnote continued on next page.

SBC can, however, provide detailed retail business revenue data (1) separately for specific service categories as maintained in the ordinary course of business; ** (2) separately for each business organization described in response to Specification 1.a;*** and (3) separately for each SBC region (*i.e.*, Southwest, Midwest, West, and East) and out-of-region areas. These revenue data are set forth in Exhibit 3(a)(1)(i). The data provided in Exhibit 3(a)(1)(i) are subject to a small number of limitations:

- The “revenue” information consists of “financial revenue” data (*i.e.*, data maintained by SBC for financial and accounting purposes of attributing revenue to different services). (Actual “billed revenues” (*i.e.*, the amounts that actually appear on customer bills) cannot be used for the purposes of responding to Specification 3.a because such revenues are not broken down by service type except in very general service categories insufficient to respond to Specification 3.a.) In some cases, such data is incomplete for any given service at the level of granularity requested.

Footnote continued from previous page.

Including some months of data for some services but not others would render the product of an effort to combine all services unreliable and impossible to compare to aggregate data that is kept in the ordinary course of business as a check on the overall reliability of an MSA-based response.

** To the extent that some of these categories do not precisely match the categories set forth by Specification 2, SBC is unable to reclassify revenue information to precisely accomplish this result.

*** As discussed above in response to Specification 1(a), SBC does not track its millions of business customers strictly in terms of distinctions between “large,” “medium,” and “small” businesses. Inasmuch as there are no black-and-white distinctions between these classifications, SBC cannot report revenues according to them. However, as also discussed above, the reporting of revenues according to SBC’s business organizations generally tracks these classifications as follows: each organizational sub-category of Global and Enterprise Markets, as well as the GEM sub-category of BCS, generally contains “large” and “medium” businesses; the Signature sub-category of BCS can be assumed to contain “medium” and “small” businesses; and the Valued sub-category of BCS can be assumed to contain mostly “small” businesses.

- Business Communications Services (“BCS”) revenue for SBC’s East region is not segmentable into GEM, Signature, Valued, and ISP.
- Revenue breakdowns by detailed service category are unavailable for subgroupings of the Global segment (e.g., Traditional, National, Entertainment/Hospitality), for out-of-region business, for some Affiliates, and for “unsegmented” business.
- Detailed Internet revenue breakdowns are not completely available for the BCS West region.

SBC can also provide “billed” revenue data^{****} for local exchange services as a whole (defined as all Telco services, *i.e.*, the amounts charged to customers for any local access line-related services on their bills each month), broken down by class of customer and MSA. These data are set forth in Exhibit 3(a)(1)(ii), subject to the following definitions and limitations:

- In light of the large number of SBC customers and the costs of storing data, SBC maintains retail local exchange service revenue information at the level of detail necessary to provide revenue data by class of customer and MSA only for a period of 13 months on a rolling basis. Accordingly, the data set forth in Exhibit 3(a)(1)(ii) are limited to the months from April 2004 through April 2005.

^{****} As noted above, it is not possible to use “billed” revenues for Exhibit 3(a)(1)(i) because “billed” revenue information is not available on a granular service-by-service basis (*e.g.*, for each individual service provided within the overall “local exchange service” category).

- In providing retail local exchange service revenue data at the MSA level, SBC has attributed revenue to each MSA based on the service address associated with that revenue. Some or all of the service corresponding to that revenue may have been provided in other MSAs. SBC, however, does not track revenues in this manner, and therefore cannot provide revenue information corresponding to the local exchange services actually provided within each MSA.
- The total SBC territory revenues reported in Exhibit 3(a)(1)(ii) are the sum of the MSAs located wholly or in part in SBC territory.

Data on the number of customers are set forth in Exhibit 3(a)(2). This file contains counts of customers obtaining local exchange service from SBC in the United States as a whole, SBC's out-of-region MSAs (SBC Telecom), SBC ILEC territory, and each in-region MSA, for each of the business organizations described in response to Specification 1(a), for each month from March 2004 through March 2005. This customer count information is subject to the following definitions and limitations:

- As discussed above with respect to revenue data, SBC does not track its millions of business customers strictly in terms of distinctions between "large," "medium," and "small" businesses. Inasmuch as there are no black-and-white distinctions between these classifications, SBC cannot report customer counts according to them. However, as also discussed above, the reporting of customers according to business organization

generally tracks these classifications as follows: each organizational sub-category of Global and Enterprise Markets, as well as the GEM sub-category of BCS, generally contains “large” and “medium” businesses; the Signature sub-category of BCS can be assumed to contain “medium” and “small” businesses; and the Valued sub-category of BCS can be assumed to contain mostly “small” businesses.

- For the purposes of providing the “number of customers,” SBC has used the number of “billing telephone numbers” (or “BTN”) shown in its ordinary course of business databases.
- SBC maintains the data needed to provide these customer counts for a period of only thirteen months and therefore is unable to provide customer count data for January and February 2004.
- SBC does not maintain counts of customers by service type at the level of geographic granularity requested by Specification 3(a).

Wholesale. SBC’s wholesale revenues and number of customers by certain wholesale services, organized by MSA, are set forth in the attached files at Exhibits 3(a)(3)-(5). The data were compiled by taking a “snapshot” of the billing databases during the second month of each quarter, from the first quarter of 2004 through the first quarter of 2005. All geographic areas identified in this response are within SBC’s region.

Exhibit 3(a)(3) provides revenues and the number of customers for many of the wholesale data services by MSA and state. Exhibit 3(a)(4) provides revenues and the

number of customers for UNE-P, UNE-P DS1 PRI, and UNE-L by MSA and state. Exhibit 3(a)(5) provides revenues and number of customers for resale for twelve states only; historical resale revenues for Connecticut were not readily available. Resale revenue records are provided by state because they are not kept in the normal course of business by MSA or at a level from which MSA estimates could be calculated.

For the purposes of responding to Specification 3(a), data for Exhibits 3(a)(3) and (4) initially were collected by common language location identifier (CLLI) and converted to MSA. Because SBC does not track such revenues by MSA in the normal course of business, it cannot verify that all revenues indicated are actually provided within a particular MSA.

Revenues have been provided for categories of wholesale services as kept in the ordinary course of business. To the extent that some of these categories do not precisely match the categories set forth by Specification 2, SBC is unable to reclassify revenue information to precisely accomplish this result.