SOUTHWESTERN BELL TELEPHONE

DIRECT TESTIMONY

TØ-98-115
AMO

NOVEMBER 7, 1997

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of AT&T Communications of the Southwest, Inc.'s Petition for Second Compulsory Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Southwestern Bell	)))))	Case No. TO-98-115

AFFIDAVIT OF WILLIAM S. MCBRIDE

STATE OF MISSOURI)
) SS
CITY OF ST. LOUIS)

I, William S. McBride, of lawful age, being duly sworn, depose and state:

1. My name is William S. McBride. I am presently Area Manager-Traffic Studies for Southwestern Bell Telephone Company.

2. Attached hereto and made a part hereof for all purposes is my direct testimony on:

   Section X. Contract terms and conditions and other issues contractual disputed issues AT&T & SWBT interconnection agreement – Missouri

   Issue 19: Once either party reaches an interconnection agreement with a CMRS provider, will SWBT continue to revenue share?

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

William S. McBride

Subscribed and sworn to before me on this 4th day of November, 1997.

Notary Public

LAVERNE R GERLEY
NOTARY PUBLIC STATE OF MISSOURI
ST LOUIS COUNTY
MY COMMISSION EXP OCT 11,2000

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of AT&T Communications of the Southwest, Inc.'s Petition for Second Compulsory Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Southwestern Bell	)))))	Case No. TO-98-115

AFFIDAVIT OF BARBARA A. SMITH

STATE OF MISSOURI	)	
	)	SS
CITY OF ST. LOUIS	)	

I, Barbara A. Smith of lawful age, being duly sworn, depose and state:

1. My name is Barbara A. Smith. I am presently Area Manager-Product Cost Development, Analysis and Regulatory for Southwestern Bell Telephone Company.

2. Attached hereto and made a part hereof for all purposes is my direct testimony addressing the following issues in Tab V of the issues matrix; 1d, 1f, 1h, 1i, 3a, 3b, 4, 7e, 8d, 8e.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

Barbara A. Smith
Barbara A. Smith

Subscribed and sworn to before me on this 5th day of November 1997.

Kathy B. Hummert
Notary Public

KATHY B. HUMMERT
Notary Public - Notary Seal
State of Missouri
St. Louis County
My Commission Expires Jul 14, 2001

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the matter of AT&T Communications of the Southwest, Inc.'s Petition for Second Compulsory Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Southwestern Bell	)))))	Case No. TO-98-115

AFFIDAVIT OF BARRY A. MOORE

STATE OF MISSOURI)
) SS
CITY OF ST. LOUIS)

I, Barry A. Moore, of lawful age, being duly sworn, depose and state:

1. My name is Barry A. Moore. I am presently Area Manager-Product Cost Development and Analysis for Southwestern Bell Telephone Company.
2. Attached hereto and made a part hereof for all purposes is my direct testimony on issues 1b, 1c, 1j, 7a, 7b, 7c, 7d, 8a, 8b, 8f, 8g associated with the Joint Issue list, Tab 5.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

Barry A. Moore

Subscribed and sworn to before me this 4th day of November 1997.

KATHY B. HUMMERT
Notary Public - Notary Seal
State of Missouri
St. Louis County
My Commission Expires Jul 14, 2001

Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of AT&T Communication of the Southwest, Inc.'s Petition for a Second Compulsory Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Southwestern Bell Telephone Company	)))))	TO-98-115

AFFIDAVIT OF ELIZABETH A. HAM

STATE OF MISSOURI)
) SS
COUNTY OF ST. LOUIS)

I, Elizabeth A. Ham, of lawful age, being duly sworn, depose and state:

1. My name is Elizabeth A. Ham. I am presently Executive Director-Interconnection & Resale, Technical Implementation for Southwestern Bell Telephone Company.

2. Attached hereto and made a part hereof for all purposes is my direct testimony on:

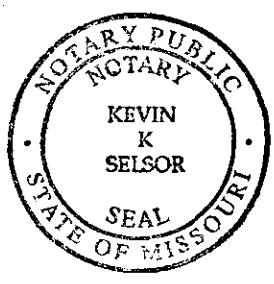
   Section III, Issues 1, 2, 3 and Tab 4, Issue 2

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

Elizabeth A. Ham

Elizabeth A. Ham

Subscribed and sworn before me this 6th day of November 1997.



Notary Public

KEVIN K. SELSOR
NOTARY PUBLIC STATE OF MISSOURI
ST. LOUIS COUNTY
MY COMMISSION EXP. JULY 6, 2000

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of AT&T Communication of the Southwest, Inc.'s Petition for a Second Compulsory Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Southwestern Bell Telephone Company	)))))	TO-98-115

AFFIDAVIT OF WILLIAM C. BAILEY

STATE OF MISSOURI)
) SS
COUNTY OF ST. LOUIS)

I, William C. Bailey, of lawful age, being duly sworn, depose and state:

1. My name is William C. Bailey. I am presently Executive Director-Regulatory and Industry Relations for Southwestern Bell Telephone Company.
2. Attached hereto and made a part hereof for all purposes is my direct testimony on:

   Section I, Issues 1 and 2
   Section IV, Issues 1, 3, 8 and 14a
   Section V, Issues 1a, 1b, 1c, 1d, 1e, 1f, 1g, 1h, 1i, 1j, 2, 3a, 3b, 4, 6, 7, 8 and 10
   Section VII, Issues 1, 2, 3 and 4
   Section X, Issues 2, 3a, 3b, 3c, 4, 5, 6, 8, 9, 10, 14, 15, 16, 20 and 22

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

William C. Bailey

Subscribed and sworn before me this 6th day of November 1997.

Notary Public

KEVIN K. SELSOR
NOTARY PUBLIC STATE OF MISSOURI
ST. LOUIS COUNTY
MY COMMISSION EXP. JULY 6, 2000

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of AT&T Communications of the Southwest, Inc.'s Petition for Second Compulsory Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Southwestern Bell	)))))	Case No. TO-98-115

AFFIDAVIT OF DAVID T. CLIPPARD

STATE OF **MISSOURI**)
) SS
CITY OF **ST. LOUIS**)

I, **David T. Clippard**, of lawful age, being duly sworn, depose and state:

1. My name is **David T. Clippard.** I am presently **Area Manager – Product Management** for Southwestern Bell Telephone Company.

2. Attached hereto and made a part hereof for all purposes is my direct testimony on **III-4, IV-6, V-1d, V-1h, V-7e, X-7a and X-7b.**

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

David T. Clippard
DAVID T. CLIPPARD

Subscribed and sworn to before me on this 5th day of November 1997.

PEGGY B. DOSIER
Notary Public, State of Texas
My Commission Expires 5-15-98

Peggy B. Dosier
Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of AT&T Communications of the Southwest, Inc.'s Petition for Second Compulsory Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish and Interconnection Agreement with Southwestern Bell	)))))	Case No. TO-98-115

AFFIDAVIT OF WILLIAM C. DEERE

STATE OF TEXAS)
) §
COUNTY OF DALLAS)

I, William C. Deere, of lawful age, being duly sworn, depose and state:

1. My name is William C. Deere. I am presently Regional Manager-Planning and Engineering for Southwestern Bell Telephone Company.

2. Attached hereto and made a part hereof for all purposes is my direct testimony on Section I, Issue 3; Section II, Issue 3; Section III, Issue 8a; Section IV, Issues 7, 9, 10, 14a, 14b, 14d, 15 and 16; Section V, Issues 4 and 5; Section VI, Issues 2 and 4; Section X, Issues 13, 18 and 20; Section XI, Issues 1—23, 24a—24c, 25—32, 33a—33e, 34—53, 54a—54e and 55—57.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

William C. Deere

Subscribed and sworn to before me on the 4th day of November 1997.

HATTIE C. WYATT
NOTARY PUBLIC
State of Texas
Comm. Exp. 09-17-2000

Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of AT&T Communications of the Southwest, Inc.'s Petition for Second Compulsory Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Southwestern Bell	)))))	Case No. TO-98-115

AFFIDAVIT OF MARCIA A. EVANS

STATE OF Missouri)
) SS
CITY OF St. Louis)

I, Marcia A. Evans of lawful age, being duly sworn, depose and state:

1. My name is Marcia A. Evans. I am presently Area Manager-Product Management-Switching for Southwestern Bell Telephone Company.

2. Attached hereto and made a part hereof for all purposes is my direct testimony on Section I, Issues 4 and 5

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

Marcia A. Evans

Subscribed and sworn to before me on this 4th day of November 1997.

Janet R. Viehland
Notary Public

JANET R. VIEHLAND
Notary Public-Notary Seal
STATE OF MISSOURI
FRANKLIN COUNTY
My Commission Expires OCT 29, 1998

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of AT&T Communications of the Southwest, Inc.'s Petition for Second Compulsory Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Southwestern Bell	)))))	Case No. TO-98-115

AFFIDAVIT OF WILLIAM R. DYSART

STATE OF MISSOURI	)	
	)	SS
CITY OF ST. LOUIS	)	

I, William R. Dysart, of lawful age, being duly sworn, depose and state:

1. My name is William R. Dysart. I am presently Area Manager - Performance Measurements for Southwestern Bell Telephone Company.

2. Attached hereto and made a part hereof for all purposes is my direct testimony on Section III, Issue 6, Section IV, Issues 11, 12, 13 and Section VIII, Issues 1, 2, 3.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

William R Dysart
William R. Dysart

Subscribed and sworn to before me on this 4th day of November 1997.

NOTARY PUBLIC NOTARY LINDA BUTCHART SEAL STATE OF MISSOURI

Linda Butchart
Notary Public

LINDA BUTCHART
NOTARY PUBLIC STATE OF MISSOURI
ST LOUIS COUNTY
MY COMMISSION EXP NOV 19,1998

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of AT&T Communications of the Southwest, Inc.'s Petition for Second Compulsory Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Southwestern Bell	)))))	Case No. TO-98-115

AFFIDAVIT OF Gary M. Pieper

STATE OF Missouri
CITY OF Jefferson City

I, Gary Pieper of lawful age, being duly sworn, depose and state:

1. My name is Gary Pieper. I am presently an Area Manager for Southwestern Bell Telephone Company.

2. Attached hereto and made a part hereof for all purposes is my direct testimony on Section 1, Issue #6 and Section 3, Issue #8b.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

Gary M. Pieper

Subscribed and sworn to before me on this 5th day of November, 1997.

Deborah Riegelsberger
Notary Public

" NOTARY SEAL "
Deborah Riegelsberger, Notary Public
St. Louis County, State of Missouri
My Commission Expires 6/9/2001

SOUTHWESTERN BELL TELEPHONE COMPANY
DIRECT TESTIMONY OF GARY PIEPER

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of AT&T Communications of the Southwest, Inc.'s Petition for Second Compulsory Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Southwestern Bell	)))))	Case No. TO-98-115

AFFIDAVIT OF JAMES A. HEARST

STATE OF TEXAS	)	
	)	SS
CITY OF BELLAIRE	)	

I, James A Hearst, of lawful age, being duly sworn, depose and state:

1. My name is James A Hearst. I am presently Director - Planning and Engineering for Southwestern Bell Telephone Company.

2. Attached hereto and made a part hereof for all purposes is my direct testimony on Section IX, Issues 1 through 35 .

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

JAMES A. HEARST

Subscribed and sworn to before me on this 4th day of Nov 1997.

P. J. SCHLOEMER
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
FEB. 17, 2000

Notary Public

I. INTRALATA TOLL/ACCESS

ISSUE 1:

Is AT&T entitled to intraLATA dialing parity before SWBT is authorized to provide inregion interLATA services, or, when AT&T purchases UNE local switching, should AT&T be recognized as the intraLATA toll provider and therefore receive access and toll revenue, prior to implementation of dual PIC?

Q. IS AT&T ENTITLED TO INTRALATA DIALING PARITY BEFORE SWBT IS AUTHORIZED TO PROVIDE INREGION INTERLATA SERVICES, OR, WHEN AT&T PURCHASES UNE LOCAL SWITCHING, SHOULD AT&T BE RECOGNIZED AS THE INTRALATA TOLL PROVIDER AND THEREFORE RECEIVE ACCESS AND TOLL REVENUE, PRIOR TO IMPLEMENTATION OF DUAL PIC?

A. No. AT&T cannot obtain intraLATA toll dialing parity before SWBT is required to implement such parity.

Section 271(e)(2)(B) of the Act states:

> A State may not require a Bell operating company to implement intraLATA toll dialing parity in that State before a Bell operating company has been granted authority under this section to provide interLATA services originating in that State or before 3 years after the date of enactment of the Telecommunications Act of 1996, whichever is earlier.

Unlike the joint marketing limitation in section 271(e), this intraLATA toll limitation is not specific to any subsection of section 251. A plain reading of section 271(e) makes it clear

that UNEs may not be used to circumvent this limitation. Prior to implementing intraLATA dialing parity, when an LSP's customer served via SWBT-provided unbundled switching dials a 1+ intraLATA call, SWBT will route the call over SWBT's intraLATA toll network. SWBT will not prevent the LSP's customer from making intraLATA calls; however, SWBT is entitled to charge the LSP SWBT's approved intraLATA toll rates in lieu of any unbundled local switching charges.

In making its argument, AT&T completely ignores the fact that SWBT is not obligated to provide the requested intraLATA dialing parity under Section 271(e) of the FTA. Based upon Section 271(e)(2)(B) of the Act, Southwestern Bell is not obligated to route 1+ and/or 0- intraLATA toll calls to AT&T for handling at this time. As a result, AT&T's proposed language should be rejected. This issue of allowing AT&T intraLATA dialing parity was raised in the 1st arbitration and addressed by the Commission in its December 11, 1996 order in Par. 32 and is not a proper issue for this arbitration. AT&T should not be able to avail itself of the financial benefits of dialing parity prior to the implementation schedule developed by the industry regulators after full consideration of the positions of all the interested parties.

Q. WHAT IS THE REAL ISSUE?

A. The real issue is not whether AT&T can provide intraLATA or InterLATA calling to its customer (which it can) but an issue of price. The Act struck a balance which purportedly allowed LEC's interLATA relief once they met the 271 check list and in balance provided intraLATA dialing parity to IXCs (and other CLECs) no earlier than the date of such

interLATA relief or 3 years after implementation. AT&T seeks here to tilt that balance in its favor and in violation of the Act. Furthermore, when an LSP uses UNEs it is to provide local service, and not for the provision of exchange access for toll calls. It is clear that the use of the service determines the applicable charges. When an exchange line is used for interexchange purposes, long distance or access rates are the applicable charges, not local charges as would be the case if the Commission does not extend the collection of access charges on UNEs beyond 1997.

Put simply, there are three basic types of traffic - local, intraLATA and interLATA. The parties agree that the purchase of UNE switching along with the other appropriate elements (e.g. common or dedicated transport) compensates SWB for the use of the elements in the local arena. Further, the parties agree that the purchase of UNE switching along with the other appropriate elements (e.g. transport, if needed) compensate SWB for the use of the elements in delivering the interLATA call to AT&T's POP for AT&T to complete the call over its own network. (The appropriate treatment for access charges in the interstate arena are part of the access reform proceedings at the FCC. The positions and agreements of the parties may change depending on the results of those proceedings and the possible resultant appeals.) Where the parties are not agreed concerns what to do with intraLATA calls which are neither local nor interLATA. These disputed calls are similar to local calls in that SWB never hands the calls over to AT&T for completion (until after dual PIC), but rather completes the calls itself. The calls are dissimilar from local calls in that SWB cannot complete the calls over its local network, but must complete the

calls over its intraLATA network. The costs associated with this intraLATA network are not recovered when AT&T pays only the rates for network elements which were developed for recovery of the costs of the local network, not the more expansive intraLATA network.

The requirement of the FCC's interconnection order to eliminate the collection of intrastate access charges on the use of unbundled elements when used in making intrastate interexchange calls is part of the order struck down by the Eighth Circuit's decision when it vacated FCC Rule 51.515(c), and with that, there is no federal rule or law that requires this Commission to cease levying access charges on the use of these facilities in this manner. To do so without replacement, would be inconsistent with the Commission's established ratemaking policies that produced the rate design in SWBT's tariffs today.

SWBT PROPOSED AGREEMENT LANGUAGE

The local switching element also includes access to all call origination and completion capabilities which are provided to SWBT's own customers. Where technically feasible, SWBT will provide AT&T with recordings which will permit it to collect all revenues associated with the use of the local switching element. Where such capability is not available(e.g., originating 800 and terminating access calls), SWBT will continue to seek cost effective solutions and in the meantime will ensure that AT&T, as the local service provider, incurs no charges for the provision of such dialing capabilities to their customers.

SWBT will make available to AT&T the ability to route all local Directory Assistance and Operator Service calls (e.g., 1+411, 0- and 0+ seven or ten digit local) dialed by AT&T customers to the AT&T Directory Assistance and operator Services Platform. At the direction of the FCC , 1+HNPA+555-1212 will be directed to the PIC2 IntraLATA carrier once Dialing Parity is implemented. Customized Routing will not be used in a manner to circumvent the inter or IntraLATA PIC process directed by the FCC.

Until the implementation of intraLATA Dialing Parity, AT&T will pay IntraLATA toll rates reduced by the discount rate applicable to Resale services for all intraLATA toll calls initiated by an AT&T ULS Port. No ULS usage charges will apply to AT&T.

At AT&T's request, SWBT will provide functionality and features within its LS to route AT&T customer-dialed Directory Assistance local and intraLATA calls to the designated trunks via Modified Feature Group C signaling as defined in the Operator Services Generic Requirements FR-NWT.00271 Signaling Module TRNWT-001.144. signaling from SWBT switches for direct dialed directory assistance calls.

SWBT will provide the functionality and features within its local switches to route AT&T dialed 0/0+ local calls to AT&T. (Designated trunks via operator services modified Feature Group C signaling.)

When AT&T purchases an Unbundled local switching element and uses it to originate an

intrastate interLATA call SWBT will charge AT&T an amount equal to the CCLC (as CCLC may change from time to time) for all intrastate interLATA (or intrastate intraLATA effective with dialing parity) whole minutes of AT&T customer traffic traversing that Unbundled Local Switching element.

Until the implementation of intraLATA Dialing Parity, AT&T will pay intraLATA toll rates reduced by the discount rate applicable to resale services for all intraLATA toll calls initiated by an AT&T ULS port. No ULS usage charges will apply to AT&T.

ISSUE 2:

Should AT&T be able to complete intraLATA toll calls (and collect the related revenues) that SWBT routes to AT&T's OS/DA platforms?

Q. SHOULD AT&T BE ABLE TO COMPLETE INTRALATA TOLL CALLS (AND COLLECT REVENUES) THAT SWBT ROUTES TO AT&T'S OS/DA PLATFORMS?

A. No. AT&T seeks to use customized routing to circumvent the intraLATA dialing parity limitation. Based upon section 271(e)(2)(B) of the Act, SWBT is not obligated to route 1+ and/or 0- intraLATA toll calls to AT&T for handling at this time. As a result, AT&T's language proposing that it be allowed intraLATA dialing parity any earlier should be rejected. In making its argument, AT&T completely ignores the fact that SWBT is not obligated to provide the requested intraLATA dialing parity under Section 271(e) of the Act.

Q. HOW DOES THE ACT SPECIFICALLY ADDRESS THIS ISSUE?

A. Under Section 271(e)(2)(A), SWBT is required only "to provide intraLATA toll dialing parity throughout that state coincident with its exercise of . . . authority" to provide interLATA services originating in Missouri. SWBT has not yet been authorized to offer interLATA service originating in Missouri. Thus, this Commission is prohibited by the plain language of Section 271(e)(2)(B) of the Act from granting AT&T's demand for intraLATA dialing parity. Rejecting AT&T's request regarding intraLATA toll dialing parity also would be consistent with arbitration decisions in Oklahoma and Arkansas. The same conclusion must be reached in this proceeding. The proposed AT&T language should be deleted.

AT&T wants SWBT to provide it with customized routing capability for its intraLATA Directory Assistance and Operator Service toll calls. AT&T's request must be rejected because it is in conflict with Section 271(e) of the Act.

SWB'S PROPOSED AGREEMENT LANGUAGE

SWBT opposes inclusion of AT&T's Language and does not propose any language.

ISSUE 3:

When AT&T originates and terminates toll calls through a SWBT unbundled local switch, should the IXC determine which carrier assesses access charges for transporting the call between the IXC's point of presence (POP) and the originating or terminating UNE switch?

Q. HOW DOES AN INTEREXCHANGE CARRIER ("IXC") INTERCONNECT

WITH THE SWBT NETWORK?

A. An IXC may interconnect in one of two methods. The IXC may order direct trunks to one or more SWBT end offices or the IXC may interconnect to some or all end offices through the access tandem.

Trunks from the IXC directly to Central Office A carry traffic to be terminated in that office only. The trunks from the IXC Point of Presence ("POP") can carry traffic to be terminated in either Central Office A or B. The voice paths and the signaling paths for both of these arrangements are provided by SWBT. The IXC pays a minute of use charge for the transport of the voice messages

Q. HOW WOULD THE IXC CONNECT TO THE CENTRAL OFFICE SWITCH OF A FACILITIES BASED LOCAL SERVICE PROVIDER ("LSP")?

A. The IXC would obtain facilities from the LSP for connection to the LSP switch. In this case, the IXC traffic would be transmitted to the LSP's customers over trunks dedicated to that carrier's customers and the calls would be completed by the LSP using its switch and local loops. The connecting trunks would be provided by the LSP.

Q. PLEASE DESCRIBE HOW A CALL WOULD BE TRANSPORTED IF THE LSP OPERATED A SWITCH BUT USED UNBUNDLED NETWORK ELEMENTS TO PROVIDE THE LOOP.

A. The LSP would likely provide its own transmission facilities to a collocation space located in each central office where it desired to obtain loop facilities. Assumed that loops were needed only in the area served by Central Office b, however, the same arrangement could

be provided for Central office A.

The calls would be transported from the IXC to the LSP's switch on trunks dedicated to that LSP and then switched through the LSP's switch to transmission that are extended to the SWBT central office for cross connection to the local loops. In this case the call is not switched by the SWBT switch located in Central Office B. The trunks between the IXC and the LSP would be provided by the LSP.

Q. WHAT IS AT&T PROPOSING IN THIS ISSUE?

A. AT&T is proposing that when it does not own a local switch or local loops, that the IXC should be allowed to determine whether AT&T or SWBT should be paid for transporting the calls from the IXC POP to the SWBT end office switch.

Q. WHICH OF THE ABOVE EXAMPLES REPRESENT THE CONFIGURATION THAT WOULD BE USED FOR TRANSPORTING THE TRAFFIC TO THE END OFFICE SWITCH IN THIS CASE?

A. The first example represents the arrangement that would be used. SWBT would provide the trunk facilities and the signaling facilities between the IXC POP and the tandem and all common transport facilities between the tandem and the end offices where needed. SWBT would also provide the voice trunks and signaling facilities between the end offices and the IXC POP. However, AT&T proposes that it be allowed to charge the IXC for the use of these facilities as if AT&T were configured as in Examples 2 or 3.

Q. IS IT LIKELY THAT ALL INCOMING LONG DISTANCE CALLS TO AN AT&T CUSTOMER SERVED BY SWBT LOCAL SWITCHING ELEMENTS

WILL BE FROM A SINGLE IXC SUCH AS AT&T?

A. No. The calling customer determines the IXC to be used on a call. Therefore, it is very unlikely that all calls to a customer line would be from the same IXC.

Q. IS IT LIKELY THAT ALL OUTGOING LONG DISTANCE CALLS WILL BE DIRECTED TO A SINGLE IXC SUCH AS AT&T.

A. This depends upon the customer. A customer may pick one IXC as its primary toll carrier but it may still use other carriers by dialing 10XXX codes. There is no assurance that even the primary carrier will always be AT&T.

Q. DOES THE EXISTING OR PROPOSED AT&T INTERCONNECTION AGREEMENT COMPENSATE SWBT FOR THE USE OF THE FACILITIES CONNECTING THE IXC TO THE CENTRAL OFFICES OR TANDEM?

A. No.

Q. PLEASE SUMMARIZE SWBT'S POSITION ON THIS ISSUE

A. The FCC's Interconnection Order permitted the substitution of Access Charges for Unbundled Network Elements only when the Local Service Provider was both the local and the toll provider. As a result, Access Transport may be replaced by UNE transport for AT&T customers only when AT&T is the customer's local and toll provider. Other IXCs may be utilized by AT&T's customers on the originating side through the use of 10XXX dialing and in the terminating direction, simply by receiving call from a subscriber who selected an IXC other than AT&T. While it is SWBT's position that the IXC orders the transport necessary to originate and terminate calls, the only time UNE transport can be utilized is when the IXC is also the LSP for the customer involved. Where SWBT is

the local exchange provider to the customer, SWBT is required to provide access to IXCs and is entitled to recover the tariffed rates for such access. However, an IXC may elect to receive access traffic at any point of presence (POP) within the LATA in which case SWBT will deliver to that point. What AT&T is requesting is to resell SWBT's tariffed access transport services from SWBT's tandem to an IXC's POP as though those services were local serivces. AT&T is simply trying to utilize the complexities associated with their use of Unbundled Local Switching, rather than their own facilities to undermine the access charge rules the FCC has yet to eliminate.

Q. WHAT IS YOUR RECOMMENDATION ON THIS ISSUE?

A. I recommend that where AT&T does not own a switch of its own, and the IXC transports calls to a SWBT end office, either direct or via a tandem, that the IXC should continue to pay SWBT for the use of those facilities. If the Commission decides that the IXC should pay AT&T for the use of the facilities, then AT&T should be required to compensate SWBT for those facilities at the same rate as is now paid by the IXC.

SWBT PROPOSED AGREEMENT LANGUAGE

SWBT opposes inclusion of AT&T language.

ISSUE 4:

For toll-free calls originated by AT&T local customers on a UNE switch, should (1) AT&T pay applicable UNE charges (in which case AT&T has the prerogative to bill the 800 provider) or (2) AT&T pay nothing (in which case SWBT has the prerogative to continue to bill the 800 provider).

Q. WHAT IS SWBT'S POSITION ON THE BILLING FOR TOLL FREE CALLS ORIGINATED BY AT&T LOCAL CUSTOMERS ON A UNE SWITCH?

A. While SWBT is generally willing to permit AT&T, as the local service provider, to pay UNE Switching, Transport and applicable Query charges for calls involving an IXC, and to provide the necessary call records which would permit AT&T to bill the IXC for Access, the fact is that the existing Network simply does not lend itself to such treatment for originating 800 calls and for access calls which terminate to an unbundled switch port.

Q. WHAT WILL SWBT DO WITH RESPECT TO THESE ORIGINATING 800 CALLS?

A. SWBT will ensure that AT&T pays no local UNE charges for these call types. SWBT will continue to bill the IXC that owns the 800 number, business as usual. SWBT will work through existing industry forums and independently to explore for cost effective approaches to resolve this industry wide issue.

Q. WHY WON'T THE NETWORK PERMIT AT&T TO BILL THE 800 PROVIDER IXC FOR ACCESS.

A. SWBT's switch is unable to distinguish 800 calls originated from an unbundled switch port that belongs to AT&T separately from those originated by the customers of other LSPs utilizing unbundled switch ports or those originated by SWBT's own local customers and those of LSPs who utilize resold lines in SWBT's switch. It is SWBT's position that neither the Telecommunications Act nor the FCC's Interconnection Orders required that SWBT create a superior network to accommodate the presence of multiple LSPs in SWBT's end office switches. This inability of the network to identify an 800 call

originated by an unbundled switch port from all other 800 calls is an industry wide problem of the same nature that existed in the interexchange world prior to the adoption of Equal Access. Prior to Equal Access, the network signals associated with interexchange calls did not carry sufficient information to identify one long distance provider from another. The solution involved an industry approach implemented consistently and paid for by the industry at large, not by just a single participant.

Q. AT&T SUGGESTS THAT SWBT CAN ADDRESS THIS NETWORK INABILITY THROUGH CHANGES IN IT'S BILLING SYSTEMS. HOW DOES SWBT RESPOND TO THAT SUGGESTION?

A. AT&T's suggestion appears simple on the surface. It involves selecting all 800 Access calls records from all other access calls and taking the resultant 800 call records that are generated by SWBT's end offices switches and comparing them to a table which contains the line number identification of all the unbundled switch ports in each SWBT end office. If this comparison finds an 800 call that was originated by an unbundled switch port, AT&T would have SWBT charge the call to AT&T using UNE rates and provide the 800 call record to AT&T for it to bill the 800 provider for Access. The table look-up proposed by AT&T is a very simple computer task. The problem lies not with complexity, however, but with volume. SWBT processes approximately two billion access call records each month for billing to IXCs as required by the Equal Access process. The existing processes and systems will not permit SWBT to add the simple, yet extremely voluminous processing additions to its monthly bill processing and still create timely access billing for its own IXC customers. As this Commission knows, SWBT is penalized

for not rendering accurate and timely Access bills. The modifications, go far beyond even that described thus far. IXCs will want SWBT to provide data that will explain why certain of it's 800 call volume is not represented in its resultant monthly billing from SWBT. The nationwide Ordering and Billing Forum will want to determine the extent of the resultant billing modifications. Changes are likely to be required in the billing verification systems of SWBT's 800 Access customers as well.

Q. IS SWBT WILLING TO ENHANCE IT'S BILLING PROCESSES IN THE MANNER SUGGESTED BY AT&T?

A. SWBT believes that the issue of 800 billing associated with an unbundled switch port is an industry wide issue and should not be addressed on a piece meal basis. The industry should work this issue and select a cost effective solution that makes good sense for all the industry players. The cost recovery issue must also be dealt with in a competitively neutral manner. If the Missouri Commission elects however, to order SWBT to enhance its billing systems and processes to accommodate AT&T's desires relative to 800 billing in advance of an industry wide solution, then AT&T and other LSPs who elect to utilize unbundled switching, not SWBT, should be required to bear the costs of such enhancements.

SWBT'S PROPOSED AGREEMENT LANGUAGE

Toll Free Calls

When AT&T uses ULS Ports to initiate an 800-type call, SWBT will perform the appropriate database query and route the call to the indicated IXC. No ULS-O charges will apply.

In addition to the Toll Free Database query, there are three optional features available with 800-type service: Designated 10-Digit Translation, Call Validation and Call Handling and Destination. There is no additional charge for the Designated 10-Digit Translation and Call Validation feature beyond the Toll Free Database query charge. When an 800-type call originates from an AT&T switch to the SWBT Toll Free Database, AT&T will pay the Toll Free Database query rate for each query received and processed by SWBT's database. When applicable, the charge for the Call Handling and Destination feature are per query and in addition to the Toll Free Database query charge, and will also be paid by AT&T. The Toll Free Database charges do not apply when AT&T uses SWBT's Unbundled Local Switching. These rates are reflected in Appendix Pricing UNE - Schedule of Prices under the label "Toll-Free Database".

ISSUE 5:

What customer usage data will SWBT provide to AT&T for intraLATA and interLATA calls originated or terminated over unbundled local switching?

Q. WHAT IS SWBT'S POSITION REGARDING THE CUSTOMER USAGE DATA SWBT WILL PROVIDE TO AT&T FOR INTRALATA AND INTERLATA CALLS ORIGINATED OR TERMINATED USING UNBUNDLED LOCAL SWITCHING?

A. As indicated in it's response to Issue 1 above, SWBT believes that IntraLATA toll should remain SWBT's until dialing parity for IntraLATA toll is implemented. However, SWBT is generally willing to provide customer usage data which will permit AT&T to bill IXC's for access when unbundled switch ports are used for InterLATA calling (and if this

Commission so orders, for IntraLATA calling) when it is technically possible to do so. The fact is that such technical capability simply does not exist for many such calls today. In it's response to Issue 4 above, SWBT explains why the technical capability does not exist in today's network for 800 calls. A similar problem exists for access calls that terminate to an unbundled switch port. Equal Access processes have been implemented over the years since Divestiture which require that terminating access calls contain sufficient data to permit SWBT to identify which interexchange carrier should be charged for terminating access, but such calls do not distinguish when the call terminates to an unbundled switch port of a particular LSP. While AT&T recognizes that such network capability does not exist, they demand that for terminating access, as for 800 calling, that SWBT address the network issue by modifying it's billing processes and systems to accommodate AT&T desires. As explained in Issue 4 above, SWBT cannot accommodate even this alternative with it's existing billing systems. The additional processing capacity is simply not available.

SWBT has been able to accommodate AT&T's desires for originating access records made from unbundled switch ports through the use of it's AIN platform. By adding originating AIN triggers to unbundled switch ports, SWBT can create a modified originating access record which can be used to bill AT&T UNE switching and transport rates and be given to AT&T to permit AT&T to bill the IXC for Access. SWBT has been able to make this change to its network at a reasonable cost at the same time it was developing an AIN alternative to Line Class Codes for Customized Routing.

Q. DOES SWBT'S POSITION ON ISSUES 4 AND 5 PREVENT AT&T CUSTOMERS FROM FULL FUNCTIONALITY OF THE UNBUNDLED SWITCH PORT?

A. No. AT&T customers will realize the same complete call capabilities as SWBT's own customers. End users served by AT&T through the use of unbundled switch ports will be able to make and receive all the same varieties of calls as SWBT's own customers. The issues here are completely transparent to end user customers. End user customers will continue to be charged for their interLATA calls by the IXC they selected, just as always. This network issue deals only with whether SWBT or AT&T will bill the IXC Access charges for the IXC use of the network to terminate its calls.

Q. IS SWBT WILLING TO ENHANCE ITS BILLING SYSTEMS TO MAKE UP FOR THE FACT THAT THE CURRENT NETWORK CAN'T PRODUCE LSP SPECIFIC ACCESS RECORDS.

A. As indicated in its testimony regarding Issue 4 above, SWBT believes that this is an industry-wide issue and should be dealt with on an industry-wide basis. Once again, however, if the Missouri Commission were to order SWBT to make the billing system enhancement required to satisfy AT&T's demands, it should be AT&T and other LSPs, not SWBT, that will foot the bill for such enhancements.

Q. WHAT LANGUAGE DOES SWBT PROPOSE TO REFLECT ITS POSITION ON THIS ISSUE?

A. SWBT objects to the language AT&T proposes in Attachment 10 of the contract because Attachment 10 deals with a specifics of the recording agreement between the companies.

SWBT believes it is inappropriate to deal with this issue under the guise of a recording dispute, where it may appear to the casual observer that SWBT is unwilling to provide call records it has which are adequate for AT&T to bill from. This is simply not the case. If additional language in Attachment 10 is required to address this issue SWBT would propose the following:

Where technically feasible, SWBT will provide AT&T with recordings that will permit it to collect all revenues associated with the use of the local switching element. Where such capability is not available (e.g., originating 800 and terminating access calls), SWBT will continue to seek cost effective solutions. In the meantime, SWBT will insure that AT&T, as the local service provider, incurs no charges for the provision of such dialing capabilities to their customers.

ISSUE 6:

Should the contract require SWBT to estimate volumes of lost usage data associated with AT&T's use of UNEs and if so should SWBT receive compensation, if any?

Q. WHAT IS THE ISSUE REGARDING LOST DATA?

A. AT&T wants any "lost local usage data" associated with the unbundled network element of local switching (UNE) to be estimated and wants SWBT to adjust (i.e., forgive or waive) this estimate from the amount owed by AT&T to SWBT.

Q. WHAT IS SWBT's POSITION ON THIS ISSUE?

A. Since SWBT is not acting as a "recording agent" but only providing a CLEC with the opportunity to purchase piece parts of the network (i.e. unbundled network elements),

SWBT should not be required to estimate lost local usage and adjust the estimate from the amount owed. SWBT is required by the Act to provide the usage sensitive data that will be billed to the CLEC. So anything that is usage sensitive that SWBT is going to put on the CLEC's monthly bill must be made available to the CLEC. If the usage data is not available, the CLEC will not be billed. The price of the piece parts does not include the cost of "trending/tracking" customer usage. At a minimum, such trending/tracking would be necessary to enable SWBT to estimate lost usage data. Since AT&T is merely trying to get a service, in the nature of a recording contract without paying for it, AT&T's proposed language should be denied.

Q. WILL SWBT CHARGE THE CLEC FOR "LOST USAGE" ASSOCIATED WITH UNBUNDLED NETWORK ELEMENTS?

A. No, since the usage is lost or unrecoverable, there is no usage to rate and bill to the CLEC.

Q. IS THE USAGE AVAILABLE TO PROVIDE TO THE CLEC?

A. No, if the usage was available, SWBT would rate and bill the CLEC. A copy of the usage would then be provided via the daily Usage Extract Feed.

Q. WHAT IS THE POTENTIAL AMOUNT OF LOST REVENUE TO THE CLEC IF THE USAGE IS NOT AVAILABLE FOR UNBUNDLED NETWORK ELEMENTS?

A. It depends on how and what the CLEC bills to their end user. If the CLEC bills the end user a flat rated charge regardless of the amount of usage for local service, then there is no loss of revenue to the CLEC since it is not usage dependent. If the CLEC does bill the

end user on a usage sensitive basis (i.e. per minute charge for local service), then the lost revenue would be the difference between what the CLEC would have paid to SWBT and what they will bill to the end user.

Q. WHAT IS YOUR RECOMMENDATION ON THIS ISSUE? (I-6)

A. I recommend that AT&T's proposed contract wording be rejected since it requires SWBT to adjust the estimate of lost local usage from amount owed, even though SWBT would not be billing the CLEC for the local usage.

II. CUSTOMIZED ROUTING/OS/DA

ISSUE 1: Issue Resolved.

ISSUE 2: Issue Resolved.

ISSUE 3:

Should SWBT be required to provide customized routing of directory assistance calls by performing digit translation of 1-411 to 900-XXX-XXXX and providing Feature Group D signaling to an AT&T directory assistance platform. If so, what rates and charges should apply, if any?

Q. WHAT IS THE ISSUE TO BE DECIDED?

A. The basic issue is whether customized routing of directory assistance calls should include digit translation from the dialed digits of "1411" to "900-XXX-XXXX." The requested digit translation also includes the change of signaling from Feature Group C format to Feature Group D format.

Q. HAS SWBT AGREED TO PROVIDE CUSTOMIZED ROUTING FOR OPERATOR SERVICES AND DIRECTORY ASSISTANCE CALLS?

A. Yes. SWBT initially proposed a method that used line class codes to direct the calls to an AT&T operator platform. However, after negotiations, SWBT developed a new system based upon Advanced Intelligent Network ("AIN") technology that will provide a more efficient method of providing customized routing. However, neither of these methods includes the change in signaling protocol demanded by AT&T.

Q. HAS SWBT DISCUSSED THE REQUESTED PROTOCOL CHANGES WITH

AT&T?

A. Yes. SWBT has devoted considerable time and expense reviewing approaches proposed by AT&T to modify the call signaling. To date no successful method has been identified.

Q. PLEASE SUMMARIZE SWBT'S POSITION ON THIS ISSUE.

A. The FCC's Interconnection Order requires that SWBT provide customize routing only from switches capable of providing customized routing. SWBT stands ready to implement customized routing via Line Class Codes. In addition, SWBT is developing an AIN based customized routing solution with a planned deployment of 12/31/97 which will allow a more efficient means to achieve customized routing. Nothing in the FCC's order contemplates or requires a signaling change such as the one sought here by AT&T. SWBT has spent time and expense reviewing approaches proposed by AT&T to modify the call signaling, all to no avail. Feature Group C signaling is the standard signaling associated with local directory assistance calls. The FCC ordered and the 8th Circuit Court supported that a LEC has no obligation to make a fundamental change to its network to accommodate interconnectors. Therefore, SWBT has no obligation to agree to AT&T desires of converting feature group C signaling for directory assistance call to a 900 number (feature group D signaling). Rather interconnectors are permitted to partake of SWBT's network as it stands.

SWBT should be allowed to charge for such customized routing on an ICB basis as stated in the Missouri Public Service Commissions October 2, 1997 Order.

Q. WHAT IS YOUR RECOMMENDATION ON THIS ISSUE?

A. I suggest that AT&T's proposed contract language be deleted and that SWBT's proposed language be included in the agreement. As an alternative, if the Commission decides that a signaling protocol change is necessary, I recommend that AT&T should be required to present detailed technical descriptions of how such signaling changes can be achieved and that SWBT be compensated for the development of equipment or software for making such a conversion and for the operation of such a system.

SWBT PROPOSED AGREEMENT LANGUAGE

Customized routing involves the direction of Operator Services, Directory Assistance and/or local calls as a class to the designated facilities of AT&T. It does not include the ability to change the signaling associated with the custom routed call type or provide for any dialed digit translation. Any requests for such services will be made to SWBT through the Special Request Process and contain complete technical descriptions of the services being requested.

SWBT shall charge for customized routing on an ICB basis.

III. OPERATIONAL ISSUES

ISSUE 1:

Does the October 2, 1997 Order preclude AT&T from obtaining access to EASE as an interim solution for UNE ordering and if not, should SWBT be required to provide such access and under what terms and conditions?

A. In the October 2, 1997 Missouri Arbitration Order regarding Motions for Clarification and Reconsideration and Joint Motion for Expedited Resolutions of Issues, the Commission directed the parties to adopt SWBT's position on Issue 5#. Specifically, the issue, now resolved, was: "What interfaces should SWBT be required to implement to provide pre-service ordering information and ordering and provisioning for unbundled network elements?" The language that the Commission ordered to resolve the issue appears as SWBT's proposed contract language. Issue #5 was all encompassing and was resolved. AT&T should not be allowed to re-arbitrate this issue. Moreover, SWBT's obligation is to provide non-discriminatory access to OSS functionality, not the means of access. SWBT should not be instructed or limited to provide such access via a specific interface. AT&T did not specify a new issue, nor any issue asserting that SWBT has not provided required OSS functionality. SWBT is delivering non-discriminatory access to OSS functions for UNE via several interfaces. This issue is without merit and since the Commission has already issued a decision, it should be dismissed.

Not foregoing the position above, SWBT will comment on AT&T request for EASE. SWBT offers LEX as an alternative to the EDI interface for UNE ordering. LEX will

enable CLECs to use SWBT developed software as a permanent solution for carriers not willing or able to invest in EDI development. Further, SWBT is offering LEX to AT&T (and other CLECs) as an interim or mid-term solution until AT&T is ready to implement EDI (SWBT is ready to accept EDI UNE orders). In fact, AT&T began accessing LEX for a review beginning September 22, 1997. AT&T's request for EASE is either naïve or argumentative. EASE is not a viable interface to support UNE, as its architecture was designed to support the ordering system for basic Retail Services. SWBT was able to modify EASE to support CLEC's use for basic Resale Services since these services are based on SWBT's Retail Services. Development of EDI and LEX can be compared to the EXACT system that support interconnection activities of interexchange carriers (IXCs). EASE is not viable for IXCs either. At AT&T's request and proclaimed preference for industry guidelines based on interfaces, SWBT has invested enormous resources in countless meetings with AT&T on EDI. All the while, AT&T has denounced ILEC's proprietary interfaces and stated its use of EASE for Residence Resale was an interim solution until AT&T was ready with EDI. It is almost one year since SWBT was ordered by the FCC to have industry interfaces available, yet contradicting it own rhetoric, AT&T is requesting the Commission to order SWBT to develop new "interim" processes. Commentary aside, the Commission has already resolved the issue in their October 2nd Order. Further SWBT is fulfilling its obligation to provide OSS functionality for UNE. There is no need to modify EASE for UNEs as an interim step when: 1) LEX is a viable option, 2) AT&T is currently reviewing LEX and 3) SWBT is ready to test EDI with AT&T. As ordered by the Commission on October 2nd, SWBT's proposed language

should be adopted (again) or the issue should be dismissed.

SWBT'S PROPOSED AGREEMENT LANGUAGE

AT&T and SWBT agree to implement the Electronic Gateway Interface, which will be transaction based, to provide the pre-service ordering information for Unbundled Network Elements (i.e., address verification, service and feature availability, telephone number assignment and Customer Service Record (CSR) in English). SWBT and AT&T also agree to work together to implement an Electronic Data Interexchange (EDI) interface for ordering and provisioning of the following elements: unbundled Local Loop, unbundled Local Loop with Interim Number Portability, Interim Number Portability and unbundled Switch Ports. For these elements, the order activity types supported include new connects, change, disconnect, outside move and records change. Both Electronic Gateway Interface for pre-order and EDI for ordering and provisioning for the above listed elements will be available."

ISSUE 2:

What data should AT&T provide to SWBT on a conversion as specified order?

A. AT&T may order UNEs by specifying each individual element being requested. If AT&T elects to provide service to its end-user using only UNEs purchased from SWBT, AT&T will be responsible for deciding which elements to order and for connecting those elements. The UNE platform advocated by AT&T results in significantly greater discount for a CLEC ordering combined UNEs. On October 14th, 1997, the 8th Circuit Court explicitly rejected the UNE platform concept. The 8th Circuit Court held that when CLECs order two or more UNEs, it is the responsibility of the CLEC, not the LEC to

combine the UNEs. The CLEC must identify the specific UNEs it wants to obtain and it is the CLEC's responsibility to physically combine the ordered UNEs. There is simply no requirement that SWBT itself determine as part of the UNE ordering process what UNEs AT&T needs to accomplish AT&T's objective in providing a particular service. AT&T can itself obtain that information by using the appropriate SWBT operating support system services, which are available to AT&T. As the FCC has explained, requesting carriers must specify to incumbent LECs the network elements they are requesting before they can obtain such elements on an unbundled basis. Since AT&T will be ordering each UNE separately and performing the connection to complete their service design, there is not an order type "conversion as specified".

SWBT'S PROPOSED AGREEMENT LANGUAGE

AT&T is responsible to fully enumerate the ordering details of the UNE components to request SWBT provisioning of specified elements.

ISSUE 3:

Should UNE ordering and provisioning be based upon industry guidelines developed by Standards Bodies in which both parties are participants?

A. SWBT has agreed to utilize national guidelines in deploying and maintaining its OSS interfaces. SWBT utilizes these guidelines as they are applicable to SWBT business requirements, not all are applicable nor are all fields identified that will be required. SWBT will provide AT&T with its Local Service Order Requirements (LSOR) based on the OBF Local Service Ordering Guidelines (LSOG) to describe the ordering requirements

and codes for ordering elements. This process is fundamental to determine the usage rules that will support the achievement of flowthrough of electronically submitted UNE service requests. When it comes to guidelines for code sets to identify the elements, the industry has yet to scratch the surface. SWBT has been proactive to employ UNE ordering functionality, identifying fields to use in advance of standards. The use of NC and NCI codes are another industry standardized means (Bellcore) of identifying network components. NC and NCI codes are very similar to SWBT and AT&T agreed on use of USOCs for the Resale ordering processes. The OBF LSR provides for the use of NC/NCI codes and SWBT needs these attributes to be provided by AT&T. Use of these codes and processes are an appropriate way to provision, maintain and modify UNEs. To illustrate how unique the development work for a national code set is, please consider an example, a traditional retailer like Walmart. Walmart is extremely stringent of its suppliers so it may accurately and efficiently identify the products it needs via EDI ordering processes. However, Walmart does not demand that all manufacturers of similar items create common product codes. Walmart does require that each manufacturer have a unique identification number and a universal product code (UPC) for each product. It is Walmart, the retailer, that manages these product code classifications and modifications. Further, when Walmart orders products, it specifies exactly what should be delivered and where. Likewise, CLECs have the responsibility of ordering products or elements based on each "manufacturer's" product identifiers and specify where and how to "ship" products to defined locations.

SWBT'S PROPOSED AGREEMENT LANGUAGE

SWBT will specify NC and NCI codes for AT&T to use to identify SWBT UNEs. These codes will be used consistently in the ordering and provisioning of UNE.

ISSUE 4:

How will AT&T's customer record information be input and/or maintained in the LIDB database for customers using INP? How will SWBT's costs, if any, be recovered? (Similar to Issue IV-6)

A. AT&T will input its customer records into LIDB and maintain or administer those records. AT&T will use the same system interfaces it will use under long-term number portability. Those system interfaces provide AT&T with unbundled access to all data administration interfaces that SWBT and all non-resale-based service providers use.

Q. WHAT ARE THE UNBUNDLED INTERFACES THAT SWBT PROVIDES FOR ACCESS TO LVAS?

A. SWBT provides an electronic interface for bulk updates directly from another company's service order or other update system. SWBT also provides an interactive, or dial-up interface for priority or on-line updates. SWBT provides a tape load capability companies can use to transfer their initial store of data between database providers and an emergency update process should the administrative system become inoperable or be otherwise unable to communicate with LIDB. For additional clarification, I have attached a description of each interface and attached it as Appendix B to my testimony.

Q. WHY DID SWBT CREATE THE INTERFACES IT CREATED FOR

COMPANIES TO INPUT AND MAINTAIN THEIR DATA IN LIDB?

A. The FCC's Interconnection Order requires SWBT to provide Access to the LIDB administrative system (LVAS) on an unbundled basis. In Paragraph 493 of the Interconnection Order, the FCC required SWBT to "...provide access, on an unbundled basis, to the service management [system] which [allows] competitors to create, modify, or update information in call-related databases." (emphasis added) In that same paragraph, the FCC found that "such access is necessary for competitors to effectively use call-related databases".

Q. HOW DID SWBT DETERMINE WHAT UNBUNDLED INTERFACES IT WOULD CREATE FOR COMPETITIVE LOCAL EXCHANGE COMPANIES TO INPUT AND MAINTAIN THEIR DATA IN SWBT's LIDB?

A. SWBT reviewed the points of access it uses to administer its own data in LIDB and the interface methods it was already offering to other telecommunications companies. SWBT then either duplicated the existing interfaces or created equivalent interface points for competitive local exchange companies.

Q. DOES THE STATUS OF NUMBER PORTABILY EFFECT THE WAY SWBT IS REQUIRED TO OFFER DATA ADMINISTRATION CAPABILITIES TO AT&T FOR LIDB?

A. No. The FCC does not address access to the service management systems of call-related databases (i.e., LVAS) in its Order on Interim Number Portability. That Order requires incumbents to begin service provider portability using an interim solution. This interim

solution will remain in place until long-term number portability is available. Both interim and long-term number portability allow end users to change service providers without changing their telephone number. However, interim portability still requires the use of the incumbent's switching resources. The FCC does address access to the service management systems of call-related databases such as LVAS in its Interconnection Order. This Order requires unbundled access to LVAS. SWBT is able to meet those unbundling requirements without creating an interim solution to data administration.

Q. SHOULD SWBT BE REQUIRED TO CREATE AND INPUT AT&T'S CUSTOMER RECORD INFORMATION INTO THE LIDB?

A. No. AT&T attempts to obscure the issues surrounding LIDB and LVAS by coupling them with the unrelated issues of INP, Operations Support System (OSS) functions, and databases that relate to the voice network (such as 911/E911). Administration of LIDB data has nothing to do with theseotherissues. AT&T's position looks for a link that does not exist. The FCC found that the issues surrounding LIDB as an unbundled network element were distinct from all other network elements. The FCC classified LIDB as a call-related database and classified LVAS as a service management system. The FCC addressed these two elements separately from INP, OSSs, and the databases on the voice network. The FCC required specifically that SWBT provide unbundled access to LVAS. The FCC did not require that SWBT sometimes provide bundled LVAS capability and sometimes provide unbundled LVAS capability based other network element or service platform capability.

Q. WILL THE MANNER IN WHICH AT&T ACCESSES LVAS CHANGE

DEPENDING UPON WHETHER INTERIM OR LONG-TERM NUMBER PORTABILITY IS AVAILABLE?

A. No. The manner of unbundled access to LVAS remains the same, regardless of the status of number portability in the voice network. AT&T's demand that SWBT administer AT&T data because of interim number portability is misplaced. Data administration is the same for LVAS regardless of whether the voice network is under interim or long-term number portability. How number portability occurs or whether number portability occurs has no bearing or impact on how LVAS administers data in LIDB or whether SWBT can meet its LVAS unbundling requirements.

Q. SHOULD SWBT BE REQUIRED TO PROVISION LIDB INFORMATION WITHIN ITS LIDB IN THE SAME MANNER AS SWBT PROVISIONS 911, DIRECTORY LISTINGS, UNE ELEMENTS, AND FEATURES BASED ON INFORMATION IN THE UNE ORDER?

A. No. LIDB is not just another database to be provisioned. Neither AT&T nor the FCC took that approach in FCC CC Dockets96-98 and 95-185. Call related databases and their service management systems are sufficiently distinct from other databases that they and their update methods were separately addressed and separate requirements were imposed on the incumbent LECs. If AT&T did not want the ability to directly administer its own data in LIDB, it should not have argued so insistently for such capability. This is yet another attempt by AT&T to circumvent the resale provisions of the ACT and force SWBT to treat unbundled network elements as resale.

Q. ARE YOU AWARE OF ANY REQUIREMENT THAT CHANGES HOW SWBT

SHOULD PROVIDE ACCESS TO LVAS AS SUCH ACCESS WAS IDENTIFIED BY THE FCC IN ITS INTERCONNECTION ORDER?

A. No. The FCC clearly intended that incumbent LECs provide unbundled access so that competitive LECs could create and administer their own customer data directly in LVAS. If the FCC had not intended for competitive LECs to create and administer their own customer data, it would not have required incumbent LECs to provide their competitors with the record formats for such data creation.

SWBT'S PROPOSED AGREEMENT LANGUAGE

SWBT will provide AT&T with interfaces that allow AT&T to access SWBT's LIDB service management system (SMS). These interfaces will allow AT&T to create, modify, and delete AT&T line records for ported numbers. SWBT will provide interfaces to the LIDB SMS to accomplish this function.

ISSUE 5: - Issue Resolved.

AT&T and SWBT has mutually agreed that SWBT will provide a Billing Account Number (BAN) for each class of service within the same LATA. There is no distinction between residence and business for UNEs.

ISSUE 6:

Should SWBT and AT&T jointly develop process metrics requirements for new processes and electronic interfaces that are implemented between AT&T and SWBT?

Q. DOES SWBT PLAN TO PROVIDE ANY PERFORMANCE MEASUREMENTS FOR

ITS OPERATIONAL SUPPORT SYSTEMS?

A. Yes. Although AT&T will be utilizing the same "back office" systems that SWBT uses for ordering, pre-ordering and maintenance, SWBT recognizes that the interfaces are not the same, with the exception of SWBT's proprietary interface Easy Access Sales Environment (EASE). SWBT is currently working with AT&T on appropriate measures for the Operational Support Systems (Attachment 2). These would be measures such as system response time as measured from the SWBT side of the Remote Access Facility (RAF) and return and percent system availability. The RAF is a point of entry for the CLECs to gain access to SWBT's Operational Support Systems.

Q. SHOULD SWBT BE REQUIRED TO ESTABLISH PERFORMANCE MEASUREMENTS FOR NEW PROCESSES AND ELECTRONIC INTERFACES THAT ARE IMPLEMENTED BETWEEN AT&T AND SWBT?

A. In the event new interfaces or processes are developed, SWBT would provide the same performance measurements for these new interfaces as will be provided for the current interfaces.

SWBT'S PROPOSED AGREEMENT LANGUAGE

A. When SWBT implements new processes or electronic interfaces, SWBT will notify AT&T of the new process or electronic interface if same materially affects any other portion of this Agreement. In such case, SWBT will also notify AT&T of SWBT's performance expectations for the new process or electronic interface. SWBT will provide performance results to AT&T as defined in Attachment 17.

ISSUE 7:

This issue is merged with Issue No. IV-2.

ISSUE 8A

Should SWBT develop the capability to perform pre-testing and to provide test results to AT&T by January of 1998?

Q. WHAT IS THE ISSUE?

A. This issue contains two parts, the first is whether SWBT must develop the capability to perform some form of undefined pre-testing on unbundled network elements, and second, if it must provide the results of such testing either in writing or electronically to AT&T. AT&T demands that this be done by January 1998.

Q. WHAT TYPE OF PRE-TESTING IS REQUESTED BY AT&T?

A. This is not specified, however, it appears to be transmission test on unbundled local loops.

Q. DOES SWBT PERFORM SUCH TEST ON THE LOOPS THAT ARE PARTS OF SERVICES THAT SWBT PROVIDES TO ITS CUSTOMERS?

A. No. When SWBT installs a new customer line, the installer checks to be certain that the line works and that there is no noticeable noise on the line. However, there is no set of defined test that are performed and recorded.

Q. IF SWBT WERE REQUIRED TO PERFORM A DEFINED SET OF TRANSMISSION TEST ON UNBUNDLED LOCAL LOOPS, WHAT TYPE OF PROCEDURE WOULD BE REQUIRED?

A. For an unbundled local loop, it would be necessary for a SWBT technician to perform manual test from the main distribution frame. Depending on the test requested, it might be necessary

for a technician to be dispatched to the customer end of the loop. For instance, a simple loop resistance measurement requires that the pair be shorted together at the distant end.

Q. HAVE YOU ESTIMATED THE TIME AND EQUIPMENT REQUIRED TO PERFORM A COMPREHENSIVE SET OF LOOP TESTS?

A. Since SWBT does not perform pre-testing on basic telephone lines, the only comparison available is the time required to perform comprehensive test on non-switched private line circuits. These test require an average of 30 minutes for a technician in the central office and in the field. The test equipment costs approximately $6,000 per field technician.

Q. ARE ANY OF THESE TEST INCLUDED IN THE CURRENT COST OF AN UNBUNDLED LOCAL LOOP?

A. No they are not.

Q. DOES SWBT CURRENTLY HAVE AN ELECTRONIC SYSTEM FOR RECORDING AND TRANSMITTING TEST RESULTS TO AT&T?

A. No. Since SWBT does not make test such as the ones demanded by AT&T, it has no electronic system for recording and transmitting such information.

Q. WHAT IS YOUR RECOMMENDATION ON THIS ISSUE?

A. SWBT does not do testing (transmission and noise) on POTS services today and will not normally perform any on UNEs. There is no OSS available to manage this test data. Installers and Frame personnel who perform these installations do not have test sets for performing tests. "SWBT will perform pre-testing" has never been defined. SWBT does not foresee a purpose for these tests in a customer environment. SWBT should not be required to develop functionality for one LSP that will negatively impact service to other LSPs or

SWBT.

The FCC Interconnection Order, at paragraph 523 requires only than an incumbent local exchange carrier provide access to those operation support systems that are currently available to itself. The 8th Circuit Iowa Utilities decision confirmed that access to unbundling is required only to an incumbent LECs existing network. AT&T is requesting a "yet unbuilt" form of access.

Q. WHAT IS YOUR RECOMMENDATION ON THIS ISSUE?

A. I recommend that the Commission not order the inclusion of AT&T's language in the agreement. However, if the Commission does believe that pre-testing is necessary, it should order AT&T to define what types of test it wishes SWBT to perform. In addition, the Commission should order that the costs associated with the required tests be included in the non-recurring costs of the unbundled local loops.

SWBT'S PROPOSED AGREEMENT LANGUAGE

SWBT opposes inclusion of AT&T language.

ISSUE 8B:

Should all billing and usage data provided for under the Interconnection Agreement, (e.g., mutual compensation, resale, UNE) be delivered to AT&T in a single transmission in CABS-like format?

Q. WHAT IS THE ISSUE REGARDING A SINGLE TRANSMISSION IN CABS-LIKE FORMAT FOR ALL BILLING AND USAGE DATA?

A. AT&T wants all billing and usage data for mutual compensation, resale, and UNE to be

delivered in a single transmission in CABS-like format.

Q. WHAT IS SWBT's POSITION ON THIS ISSUE?

A. SWBT recognizes AT&T's desire to have all billing in a CABS-like format in a single transmission. However, AT&T has stated in meetings that they do not want all billing components combined in a single transmission. It is my understanding that SWBT and AT&T have agreed to the following industry standard billing processes which include CABS-like billing elements defined by the OBF.

Q. WHAT HAVE AT&T AND SWBT AGREED TO WITH REGARD TO RESALE BILLING?

A. SWBT and AT&T have agreed that SWBT will provide a Consolidated Billing Account (CBA) bill for each bill period for residence end-users within a Revenue Accounting Office (RAO) and a CBA for each bill period for business end-users within a RAO (excluding the 15th and 29th bill periods). In addition, SWBT has agreed with AT&T's request to mechanically populate the Consolidated Billing Account (CBA) number and Bill Period (BILP) data on AT&T Resale service orders. SWBT will transmit the CBA bill via Electronic Data Interchange (EDI) which utilizes the national standard 811 Transaction Set (ANSI ASC X12). SWBT also offers an electronic Usage Extract Feed which provides a daily file of the usage billing to AT&T's resold accounts. The detail usage is provided via National Standard EMR format and includes both the local usage and toll. Since these resale billing processes have already been agreed to by both companies, I am confused as to why the "single transmission" issue is still in existence.

Q. WHAT HAVE AT&T AND SWBT AGREED TO WITH REGARD TO UNE

BILLING?

A. SWBT and AT&T have agreed that SWBT will provide a Billing Account Number (BAN) for each class of service within the same LATA. There is no distinction between residence and business for unbundled network elements. SWBT also offers an electronic Usage Extract Feed which provides a daily file of the usage billing to AT&T's resold accounts. The detail usage is provided via National Standard EMR format and includes both the local usage and toll. Since UNE billing processes have already been agreed to by both companies, I am confused as to why the "single transmission" issue is still in existence.

Q. WHAT IS SWBT'S POSITION PERTAINING TO BILLING FOR BCR AND RECORDING SERVICES PROVIDED TO AT&T?

A. SWBT will bill AT&T for these services via the Independent Billing Information System (IBIS). This is consistent with the way other LECs and CLECs are billed for these services.

Q. WHAT IS SWBT's POSITION PERTAINING TO BILLING FOR CLEARINGHOUSE SERVICES PROVIDED TO AT&T

A. SWBT will bill AT&T for these services via the PTC/PTC Summary Settlement Statement. This is consistent with the way other LECs and CLECs are billed for these services.

Q. HOW WILL SWBT BILL MUTUAL COMPENSATION?

A. SWBT participates in the standard billing arrangement (Primary Carrier – PC) for intercompany mutual compensation utilized by the incumbent LECs and CLECs. The PC billing arrangement incorporates all appropriate billing elements at an end office level (i.e.,

local transport, end office switching, CCL, etc.). SWBT proposes this same LEC/CLEC industry compensation process for AT&T. This settlement process allows AT&T to have intercompany mutual compensation with over 160 LECs and CLECs in SWBT's five-state territory. AT&T has indicated that they will participate in this LEC/CLEC compensation process in Texas. SWBT's proposed language is consistent with current industry processes for mutual compensation.

SWBT'S PROPOSED AGREEMENT LANGUAGE

The Parties understand that there are currently no CABS standards concerning the format of billing of data.

Billing for Mutual Compensation, Resale, and UNE will be provided in accordance with mutually agreed to CABS-like data content via current industry processes.

ISSUE 9:

This issue merged with Issue III-3.

IV. UNE PARITY

ISSUE 1: PARITY: OVERVIEW

How does the parity standard in the contract and Act apply to UNEs? Is parity required for individual elements and/or combinations or platform of elements?

Q. HOW DOES THE PARITY STANDARD IN THE CONTRACT AND ACT APPLY TO UNES? IS PARITY REQUIRED FOR INDIVIDUAL ELEMENTS AND/OR COMBINATIONS OR PLATFORM OF ELEMENTS?

A. AT&T attempts to shift to SWBT responsibilities and costs that the Act assigns exclusively to them. AT&T has used terms such as "UNE Platform," "as-is conversions," and "contiguous network elements" to describe a way of ordering UNEs. Not content with the ability to combine UNEs to provide retail services, without constructing any new facilities of their own, these LSPs want SWBT to take an LSP's order for a retail service and then identify, assemble, supply, and maintain the "end-to-end" combination of network elements that precisely replicates that service.

AT&T demands that SWBT undertake additional duties that are not required by the Act or by this Commission. AT&T wants to order what it calls a UNE "platform" from SWBT. This means AT&T seeks the right to specify a retail service and then require SWBT to identify and assemble the combination of UNEs necessary to provide that service. AT&T would then obligate SWBT to provide that "platform" at less than the sum of respective rates established for each constituent UNE.

Q. WHAT ARE YOUR REASONS FOR REJECTING AT&T'S PROPOSAL?

A. First, SWBT cannot be obligated to choose the UNEs necessary for AT&T to provide a service. SWBT has configured its systems to process orders for resold services (as such) and orders for UNEs (as such). This is consistent with the FCC's requirement that UNEs be offered separately, for a separate charge, 47 C.F.R. 51.307(d), as well as the requirement that "an incumbent LEC must provide, upon request, nondiscriminatory access to operations support systems functions for pre-ordering, ordering, provisioning, maintenance and repair, and billing of UNEs under section 251(c)(3) and resold services under section 251(c)(4)." Interconnection Order, 525. However, there simply is no requirement that SWBT itself determine as part of the UNE ordering process what UNEs AT&T needs to accomplish AT&T's objective in providing a particular service. AT&T can obtain that information by using the appropriate SWBT operation support services, which are available to AT&T. As the FCC has explained, "requesting carriers must specify to incumbent LECs the network elements they seek before they can obtain such elements on an unbundled basis." Id., 297. AT&T bears the responsibility for deciding what UNEs to order.

Second, AT&T wants SWBT to combine UNEs into a "platform" and provide them at less than the sum of their separate unbundled rates. In this manner, AT&T hopes to eliminate the non-recurring charge associated with each separate element. SWBT is not required to comply with AT&T's request because it would unjustifiably permit AT&T to avoid payment of the separate unbundled rates to which SWBT is entitled under the Act.

As the 8th Circuit stated on October 14, 1997, when a CLEC wants to use UNEs to provide a telecommunications service, CLEC is required to identify which specific UNEs it wants and to physically combine the ordered UNEs. SWBT has the legal right to unbundle or disaggregate UNEs which are ordered by the CLEC. If the CLEC orders an end-to-end service but does not combine the UNEs or otherwise arrange with SWBT to have those UNEs combined, the CLEC will be charged the wholesale discount rate. Under the cost-based rates for UNEs, each element has associated with it a monthly recurring rate and, at the time the element is ordered, a non-recurring rate. With its proposed contract language, AT&T will seek to eliminate the non-recurring rate by ordering the UNEs in an "interconnected" package. This violates the Act as well as the rules of the FCC, which require that network elements be offered on an "unbundled basis" (Section 251(c)(3); and that these elements be separately offered and separately priced (47 C.F.R. 51.307(d) (1997)).

SWBT is entitled to make and collect a separate charge for each separate UNE. There may be systems, databases and records that must be updated in order to provide that UNE to AT&T. These costs are included in the non-recurring charge associated with each UNE, and SWBT has the right to recover these costs.

Third, AT&T's request is an excellent example of its "sham" unbundling or de facto resale. Indeed, AT&T's attempt is an unmistakable gambit to avoid the mandates of the Act. Forcing SWBT to offer up UNEs in combination in this manner will not only allow

AT&T to create a "service" without installing any facilities, but also allow it to obtain those UNEs at less than the specified UNE rates. This is totally unjustified under the FTA. While SWBT will offer UNEs to a non-facilities based LSP like AT&T, consistent with Section 251(c)(3) of the Act, it certainly is not required also to choose what UNEs to provide and to recover less than the full unbundled rate.

AT&T seeks to convert SWBT's retail customers "as is" to AT&T's repackaged unbundled network service offerings and to avoid paying service activation and other nonrecurring charges associated with the provisioning of those unbundled network elements. This is AT&T's latest attempt in a series to rewrite the law to its own liking and to obtain unlawful and discriminatory preferences.

Section 252(d)(3) says how the wholesale discount for SWBT's resold services is to be determined and directs that it be on the basis of retail rates less SWBT's avoided costs. Pursuant to the directive, this Commission determined the discount to be 19.2% for SWBT in Missouri.

Not content with the 19.2% discount, AT&T seeks to order the same retail service for resale at a higher effective discount simply by labeling it as an order for unbundled network elements or a "UNE Platform", SWBT estimates that AT&T can raise the discount from 19.2% to approximately 50 - 70%, which is consistent with AT&T's objective all along to achieve a wholesale discount of between 35% and 50%.

Indeed, AT&T's General Counsel John Zeglis has now admitted that this was AT&T's objective. Speaking to a group of investment analysts, Mr. Zeglis recently stated: "Another way to resell, and one that figures prominently in our plans, is what we've been calling the unbundled network element." [Emphasis Added]. Using Pennsylvania as an example, Mr. Zeglis said this causes the wholesale discount to increase from 25.9% to a 52% discount for a customer who buys $25 of long distance and $5 of local toll per month and a 64% discount for a $75 toll customer with $5 of intraLATA toll. Mr. Zeglis goes on to suggest two other favorable aspects of this so-called resale option that appeal to his company: (1) the avoidance of access charges (despite Congress expressly preserving the existing access charge scheme in subsections 251(d)(3) and 251(g)); and (2) the opportunity to collect (or forego collecting) the subscriber line charge revenue (and possibly even to receive universal service support notwithstanding the fact that AT&T would be deploying no facilities of its own). pp. 5-6. The patent unfairness and absurdity of AT&T's rebundling argument is further demonstrated by this approach. In the 8th circuit case, the court held that although the petitioners may order all the UNEs necessary to provide a telephone service without owning any facilities, such provisioning is significantly different than resale. As the 8th circuit held at Par. 148, in determining that the obligation to combine UNEs fall exclusively to the requesting carrier, the court stated "a carrier providing services through UNEs must make up front investments that need not be done for resale. As the 8th Circuit stated on October 14, 1997, when a CLEC wants to use UNEs to provide a telecommunications service, CLEC is required to identify which specific UNEs it wants and to physically combine the ordered UNEs. SWBT has the legal

right to unbundle or disaggregate UNEs which are ordered by the CLEC. If the CLEC orders an end-to-end service but does not combine the UNEs or otherwise arrange with SWBT to have those UNEs combined, the CLEC will be charged the wholesale discount rate.

Finally, AT&T predicts ominously that without its UNE Platform method of service, SWBT will "force a customer service outage whenever a SWBT customer is converted to UNE-based service." This assertion misstates the facts. AT&T has the ability to achieve conversion from a SWBT service to UNE-based service with minimal end user customer service interruption.

Based on all the foregoing, the Commission should reject AT&T's language.

SWBT'S PROPOSED AGREEMENT LANGUAGE

SWBT opposes inclusion of AT&T language.

ISSUE 2: ORDERING, PROVISIONING, AND MAINTENANCE; ACCESS TO INFORMATION

How does the parity standard determined under Issue IV.-1 apply to:

a. Pre-order access to dispatch and due date requirements

b. 855 EDI availability

c. Provisioning intervals

d. Maintenance scheduling

A. The issue regarding the EDI 855 transaction pertains to the electronic delivery of provisioning status. OBF has not finalized rules for ILEC to provide provisioning status via the 855 EDI transaction set. Following OBF finalization of guidelines, SWBT will update its EDI interface to utilize the 855 transaction set to provide provision status that includes, at a minimum, missed appointment information. If SWBT develops OSS capability to identify provisioning information in advance, SWBT is willing to provide such information to AT&T via the 855 transaction set, as applicable. In the interim and only where available, SWBT will manually provide missed appointment information to AT&T. In addition to manual and EDI capabilities, AT&T may access SWBT Order Status Application that allows AT&T to electronically investigate the status of any AT&T order.

As the FCC found, ordering and provisioning of UNEs has no analogue to retail (i.e. resale). As such, AT&T's demands that UNEs be available with the same ordering and provisioning as resale (which A&T cloaks in the term parity) is without foundation (Paragraph 141, FCC CC Docket No. 970137, released August 19, 1997). In addition, AT&T attempts to insert language that requires SWBT to comply with "LCUG Service Quality Measurements" which are arbitrary measures being proposed by a group of IXCs. This request attempts to further expand the requirements of the FCC rules which requires that UNEs be offered at a quality equal to that which SWBT provides to others and to itself FCC Rules (51.311(a) & (b)). SWBT provides UNEs over its existing network facilities and as such meets this performance standards - SWBT is only required to provide

UNE at a quality which is equal to that provided to others or itself. Therefore, the only performance requirement could be comparison to another CLEC, not a requirement to meet absolute levels.

SWBT'S PROPOSED AGREEMENT LANGUAGE

Attachment 7.X - "For UNE ordering, following OBF finalization of guidelines, SWBT will update its EDI interface to utilize the 855 transaction set to provide AT&T with provisioning status that includes, at a minimum, missed appointment information. In the interim and only where available, SWBT will manually provide missed appointment information to AT&T. Alternatively, AT&T may access provisioning status information via the SWBT Order Status Application on the SWBT Toolbar."

Attachment 7.X - "For each UNE, SWBT will provide AT&T with a standard provisioning interval by which AT&T can consistently expect SWBT to fulfill its actions with the provision of a UNE. For each service request for a UNE, SWBT will provide AT&T a Firm Order Confirmation that indicates whether the requested due date, based on the standard interval, can be met."

Attachment 8.X - "SWBT will utilize maintenance scheduling procedures that will provide AT&T with maintenance activities for UNEs on a non-discriminatory basis."

Q. HAS SWBT PROVIDED NONDISCRIMINATORY ACCESS TO ITS OSS FUNCTIONS?

A. Yes. SWBT has delivered on its requirement to provide non-discriminatory OSS access

to all CLECs, not just the large CLECs. Across all functions, SWBT provides a variety of electronic interface solutions. There are both proprietary interfaces, such as Terminal Emulation and Graphical User Interfaces (GUI) developed by SWBT that CLECs may begin using quickly, and application-to-application interfaces based upon industry guidelines (where available) that allow CLECs to build their own custom user software. SWBT's development of both sorts of interfaces is important in order to accommodate all types and sizes of CLECs and their needs to interface electronically.

Q. Define SWBT's PRE-ORDER CAPABILITES FOR UNE.

A. The following pre-order capabilities for the ordering of Unbundled Network Elements (UNE) are operationally ready today via both the DataGate and Verigate interfaces:

Customer Service Record Inquiry

- Address Verification
- Telephone Number Reservation
- Service/Features Availability
- 8db 2 Wire Analog Loop Facility Availability
- PIC List

DataGate (Data Gateway) is an on-line, real-time application offered by SWBT to CLEC's that provides access to SWBT's back-end OSS applications. In order to use DataGate, CLECs must develop their own front-end Graphical User Interface (GUI) or use Verigate. DataGate has been in production since 1995 and a CLEC version is currently available. Verigate (Verification Gateway) is an on-line, real-time front-end GUI which facilitates access to the DataGate application. Verigate was established by SWBT

in January, 1997 for CLEC's use. This application is currently being used both by IXCs and CLECs.

Q. HOW ARE UNE ELECTRONIC PRE-ORDER CAPABILITIES DIFFERENT THAN RESALE?

A. For UNEs, SWBT does not provide Pre-order capability to determine facility availability for loop designs and does not provide access to schedules of SWBT installation forces (Due Date) for individual UNE as is provided for Resale. These capabilities for Resale are based wholly upon a resold Plain Old Telephone Service (POTS) facility design concept. Because with individual UNEs, the CLECs have the ability to design their services in many different ways, no electronic pre-order capabilities currently exist for Dispatch and Due Date. It would not be practical to provide different Due Date schedules by switch for every type of individual UNE. As an example, this would require SWBT to develop and have field personnel maintain separate electronic scheduling for those select technicians trained in ISDN Primary Rate Interfaces. SWBT does not do this for itself today. Instead, SWBT, provides the CLECs with standard provisioning intervals based upon the number of lines required and the design of the requested UNE.

Q. DOES SWBT SUPPORT INDUSTRY GUIDELINES FOR PRE-ORDER?

A. SWBT plans to support the implementation of industry guidelines for the pre-order of customer specific elements when they are completed. However, the business process guidelines for Pre-order are still being developed at the Ordering and Billing Forum (OBF). The implementation details have not yet been defined by the Telecommunications Interface Forum (TCIF) for SWBT to evaluate their specific applicability and impact.

SWBT proactively offers DataGate and Verigate to provide all CLECs with real-time pre-order capability prior to the implementation of industry guidelines.

Q. WILL SWBT CONSIDER ADDITIONAL ELECTRONIC PRE-ORDER CAPABILITIES FOR UNE?

A. Yes, SWBT recognizes that UNE is a new ordering environment. As mentioned previously, guidelines for Pre-order have yet to be completed and could also result in additional guidelines for both Resale and UNE. SWBT is proactive and ahead of national guidelines. This is no different than the Access Services ordering model where requirements and capabilities have increased as the environment has matured.

Q. DEFINE SWBT'S ORDERING CAPABILITIES FOR UNE.

A. SWBT offers two electronic ordering capabilities for UNE. EDI (Electronic Data Interchange) is a gateway that allows CLECs to develop their own user interface to electronically transfer orders to SWBT. SWBT's EDI Gateway is ready today and available for joint testing and implementation with CLECs. LEX is a GUI front-end application that allows CLECs to electronically send Local Service Requests (LSRs) to SWBT and receive acknowledgments, firm order confirmations and service order completions. SWBT's internal testing has been completed for LEX. Joint readiness testing began July 21, 1997 and closed October 1, 1997 with one CLEC for UNE ordering scenarios and Resale ordering scenarios began August 11, 1997 and closed September 12, 1997 with a second CLEC. AT&T began accessing LEX on September 22, 1997. The Accessible Letter was released September 25, 1997 which announced general availability on November 3, 1997.

Q. WHY DID SWBT DEVEOP THESE INTERFACES?

A. SWBT developed its EDI Gateway in order to provide electronic ordering capability based upon national LSR/EDI guidelines. Further, SWBT has taken the extra step to develop LEX for CLECs that do not have the resources to develop their own EDI ordering interface.

Q. DESCRIBE HOW THESE CAPABILITIES ADHERE TO INDUSTRY GUIDELINES?

A. Both EDI and LEX adhere to OBF LSR guidelines for the ordering of customer specific elements. Both interfaces currently support OBF LSR Version 1 and were updated (November 3 release) to reflect Version 2 for all changes where TCIF/EDI standards are complete. Following the OBF LSR Guidelines, SWBT has defined usage rules for Resale and UNE order situations and has documented these in SWBT's Local Service Ordering Requirements (LSOR).

Q. HOW HAS SWBT USED THE OBF LSR GUIDELINES TO DEVELOP ITS ORDERING INTERFACES?

A. As stated in **Section 1.4 of the Local Service Ordering Guidelines, Local Service Request (LSR) Form, published under the authority of OBF, "Options described in this practice may not be applicable to individual provider's tariffs; therefore, use of either the field or valid entries within the field is based on the provider's tariffs/practices".** As such, the OBF Local Service Ordering Guidelines are guidelines and are not standards for the ordering of customer specific elements. SWBT has followed and plans to continue to follow the OBF LSR Guidelines. This enables SWBT to

implement the Guidelines in the most efficient manner. OBF allows SWBT to define the usage map for SWBT's back-end systems to achieve flow-through. Electronic flow-through is a desirable objective for both SWBT and the CLEC. It is SWBT's responsibility to define the usage of the LSR fields.

Q. SHOULD SWBT's OSS SYSTEMS BE MODIFIED TO ACCOMMODATE ORDERING WITHOUT PRODUCT SPECIFICATION?

A. The CLECs are responsible for fully enumerating all individual elements of UNEs that they want SWBT to provide. The CLEC in their end user's negotiation determine what services are being requested. SWBT does not have contact with the CLEC's end user in discussing what services/features they are requesting. It is SWBT's responsibility to make information available to the CLEC that they do not have. However, it is not SWBT's responsibility to attempt to determine what the end user customer requested nor how the CLEC wants its provisioned. If the CLEC has the "equal means to obtain" the information, then SWBT should not have the responsibility to act as a data warehouse or information services agent. This ensures that the CLEC is responsible for designing and providing the service to its end user. Also, the UNEs are provisioned precisely to their specification **and MOST IMPORTANTLY that of their end users.**

Q. HOW CAN SWBT IMPLEMENT EDI BY ITSELF WITHOUT CLEC INVOLVEMENT?

A. SWBT has developed its EDI Gateway by using the OBF LSR Guidelines as discussed above for both Resale and UNE. SWBT recognizes that joint efforts with the CLEC are required to test and implement an application to application gateway such as EDI. The

development of SWBT's EDI Gateway has included extensive and formal unit, integration and volume testing. In addition, SWBT employs a quality assurance team to continuously test and ensure the process for both existing and new functionality. Due to these efforts, SWBT's EDI Gateway is ready to begin joint testing/implementation with any CLEC for UNE. The readiness on SWBT's part should not be discounted due to the CLEC's choice (decision) to not be ready.

Q. IS SWBT COMPLETE WITH ITS DEVELOPMENT OF EDI FOR UNE?

A. SWBT continues to enhance both its Resale and UNE capabilities as additional requirements are completed by the OBF and TCIF/EDI committees. Similar to the Access Ordering environment, ongoing requirements will necessitate changes to both the EDI and LEX interfaces as the LSR process matures.

Q. WHAT SPECIFIC PROGRESS HAS BEEN MADE WITH AT&T TOWARDS IMPLEMENTING LEX OR EDI?

A. In April, 1997, SWBT requested dates from AT&T to begin joint testing/implementation of the UNE interfaces. To date, SWBT has not received a commitment date from AT&T to begin this process for EDI and they did begin accessing LEX September 22, 1997 for an evaluation. AT&T has only stated that UNE EDI development will follow current efforts to install EDI for Business Resale services.

Q. WHAT DOCUMENTATION HAS SWBT PROVIDED AT&T FOR PRE-ORDERING AND ORDERING UNEs?

A. SWBT has provided AT&T LSR documentation and specifications for UNEs. For example, SWBT has provided specific LSR usage documentation of its EDI Gateway

interface. SWBT has gone so far as document the specifications in the format AT&T requested (i.e. eye charts). SWBT has, also in addition to the system specification documentation, taken the extra effort to manually complete LSRs using that documentation to help AT&T understand the system requirements. In addition, SWBT continues to enhance its interface documentation. Ongoing changes and enhancements coming from CLEC negotiations and from closures of new OBF issues necessitate ongoing documentation of changes and updates. Also, through its discussions with CLECs, SWBT continues to learn of better formats to more effectively communicate/convey the information. In order to provide more clarity and be proactive, SWBT recently completed a new document of over 550 pages of detailed information - SWBT's Local Service Ordering Requirements (LSOR).

Q. HAS SWBT PROVIDED ADEQUATE AND TIMELY ELECTRONIC ORDERING INTERFACE DOCUMENTATION AND TECHNICAL REQUIREMENTS INFORMATION TO CLECs TO BEGIN DEVELOPMENT OF INTERFACES TO SWBT?

A. Yes. While it should be recognized that OSS negotiation and implementation progress with each CLEC varies, SWBT's provision of OSS documentation to CLECs ranges from simple brochures to complex technical interface requirements, depending on the negotiation phase, type of interface and level of interest demonstrated by the CLEC. Over the past year, SWBT has held countless meetings with AT&T on OSS interface development and provided AT&T all documentation it has requested.

Q. WHAT IS YOUR VIEW OF "OPERATIONAL READINESS" OF AN ELECTRONIC INTERFACE?

A. Operational readiness of an electronic interface relates to SWBT's responsibilities under the Act to make available to CLECs on a nondiscriminatory basis, access to its operations support systems functions for pre-ordering, ordering, provisioning, maintenance and repair, and billing of unbundled network elements and resold services. The process of making interfaces operationally ready, depending on whether the interface exists or is brand new, involves the modification of front end and back office systems, testing of those modifications, development of new interfaces or functionalities as required or requested by CLECs, testing of the new interface internally and in conjunction with our back office systems, and sizing of the interface to ensure forecasted volumes can be adequately and timely processed. SWBT has performed these functions and has been ready for CLECs to utilize these electronic interfaces since January, 1997.

While SWBT advocates and encourages testing of SWBT electronic interfaces by CLECs and joint testing between SWBT and a CLEC where applicable, it should not be a precondition to determining whether an interface is operationally ready. If that were to be the case, SWBT would be at the mercy of the CLEC's information technology capabilities, training of personnel, and electronic system development schedules, all of which are beyond SWBT's control. In addition, the fact that CLECs have chosen not to or have not been ready to pass meaningful volumes of transactions or order requests to SWBT's electronic interfaces should not be a criteria for determining SWBT's electronic interface

readiness.

Large CLECs contend that SWBT interfaces are not operationally and commercially satisfactory because they or other large CLECs have not established competitive volumes of transactions/orders via SWBT interfaces. Just because a CLEC is not ready, does not wish to, or is technically incapable of using SWBT electronic systems and interfaces does not classify a system/interface as not commercially ready. As explained earlier in this testimony, SWBT's Verigate and DataGate have been commercially operational and serving the needs of SWBT's retail customers, itself, and interexchange carriers for some time. They have processed thousands of transactions and service orders over years of operation and have since been enhanced as required for CLEC utilization.

Q. DOES SWBT OFFER PERFORMANCE MEASURES FOR ITS ELECTRONIC INTERFACES?

A. Yes. SWBT is developing performance measures for its Operational Support Systems that would demonstrate nondiscriminatory access to CLECs utilizing SWBT's electronic interfaces.

ISSUE 3: ORDERING AND PROVISIONING: NETWORK ELEMENTS THAT ARE INTERCONNECTED AND FUNCTIONAL

a. May SWBT disconnect elements that are ordered in combination when those elements are interconnected and functional at the time of the order?

b. If so what service interruption is permitted when SWBT makes the reconnection for AT&T or makes the facilities available to AT&T for reconnection?

Q. MAY SWBT DISCONNECT ELEMENTS THAT ARE ORDERED IN COMBINATION WHEN THOSE ELEMENTS ARE INTERCONNECTED AND FUNCTIONAL AT THE TIME OF THE ORDER? IF SO WHAT SERVICE INTERRUPTION IS PERMITTED WHEN SWBT MAKES THE RECONNECTION FOR AT&T OR MAKES THE FACILITIES AVAILABLE TO AT&T FOR RECONNECTION?

A. The 8th circuit has made it abundantly clear that the total responsibility for combining UNEs falls to the requesting carrier. The October 14, 1997 8th Circuit Order clarified that SWBT has a legal right under the 1996 Act to unbundle or disaggregate UNEs which are ordered by a CLEC.

SWBT has designed its UNEs to comply with the requirements imposed by this Commission and by the FCC (i.e., each UNE is offered separately for a separate charge). SWBT's obligation is to provide the UNEs as required by the FCC in the Interconnection Order. Contrary to AT&T's assertion, SWBT is not obligated to develop back office and other support parameters for the local telecommunications service. That is AT&T's obligation as a telecommunications carrier. When AT&T purchases UNEs from SWBT, it is responsible for the design and inventory of the components used to provide its own telecommunications service.

As discussed in issue IV. 1., and as the 8th Circuit recently upheld, SWBT has the legal right under the 1996 Act to unbundle or disaggregate UNEs which are ordered by a CLEC. SWBT is willing to negotiate arrangements with AT&T whereby service interruptions to end users converting from a SWBT retail or resale service to AT&T are minimized (irrespective of whether AT&T is providing its service using all or some of SWBT's unbundled network elements). This issue has not been negotiated by the parties since the disputed contract language centered solely around "Elements or Combinations that are currently interconnected and functional". AT&T will play a large role in determining the length of service outage experienced by its' end users since AT&T will be performing the physical connection between network elements.

For the forgoing reasons, AT&T proposed contract language should be rejected. AT&T's proposed contract wording should be rejected since it demands SWBT to do something that is neither technically feasible nor something that SWBT does in its own operations, nor something that SWBT is legally required to perform for AT&T.

SWBT'S PROPOSED AGREEMENT LANGUAGE

SWBT opposes inclusion of AT&T language.

ISSUE 4: ORDERING AND PROVISIONING: NO SERVICE DISRUPTION IDLC

May SWBT disconnect to rearrange loop facilities on working service served by IDLC technology when AT&T orders the loop and switch port in combination?

A. As discussed elsewhere, AT&T may order an unbundled loop and unbundled switch port. AT&T will be responsible for the combination of the two elements and therefore there is not the capability for AT&T to order "the loop and switch port in combination."

When a Local Service Provider ("LSP") orders a loop element and the current loop to the customer's premises is served using a IDLC, SWBT will move the loop to a non-integrated DLC or copper pair if available. There will be no charge for this move. This will provide the LSP with the flexibility to connect the loop to either a SWBT switch element or to transport it to its own switch.

AT&T, MCI and other carriers requested this procedure before the FCC (Paragraph 384 of the FCC's Interconnection Order). However, since AT&T has now decided that it is less expensive to rebundle UNEs to mirror SWBT's resale services, they are objecting to the very process that they requested.

AT&T claims SWBT intends to "disconnect working service". As explained in issue 3, above, when changing from a SWBT retail or resale service to unbundled network elements, there will always be a potential for minimal service interruption. AT&T's proposed contract language should be rejected.

SWBT'S PROPOSED AGREEMENT LANGUAGE

When AT&T owns or manages its own switch and requests an unbundled Loop to be terminated on AT&T's switch and the requested loop is currently serviced by SWBT's Integrated Digital

Loop Carrier (IDLC) or Remote Switching technology, SWBT will, where available, move the requested unbundled Loop to a spare, existing physical or a universal digital loop carrier unbundled Loop at no additional charge to AT&T. If, however, no spare unbundled Loop is available, SWBT will within forty-eight (48) hours, excluding weekends and holidays, of AT&T's request notify AT&T of the lack of available facilities. AT&T may request alternative arrangements through the Special Request process.

ISSUE 5: ORDERING AND PROVISIONING: PARITY OF PROVISIONING INTERVALS

Combined with Issue IV.-2

ISSUE 6: ORDERING AND PROVISIONING: PROVISIONING OF DATABASES

How will AT&T's customer record information be input and/or maintained in the LIDB database? How will SWBT's costs, if any, be recovered?

A. The FCC required SWBT to provide AT&T with equivalent access to SWBT's LIDB service management system (SMS) so that AT&T, at AT&T's own identified need (see paragraph 494 of the Interconnection Order) could create, modify, and update its own records. SWBT has expended considerable efforts to meet these requirements and provides electronic interfaces so that AT&T can access, view, and administer its own data directly.

AT&T now seeks to burden SWBT with AT&T's own responsibility for ensuring that AT&T's customer records are correctly administered in LIDB. AT&T is asking that SWBT create a bundled, unequal access method for SWBT to administer the AT&T data in LIDB. The bundled method that AT&T proposes does not meet SWBT's requirements under the Interconnection Order. This is yet another attempt by AT&T to circumvent the resale provisions of the ACT to force SWBT to treat unbundled network elements as resale.

SWBT would need a service order flow from CABS to accommodate AT&T's demand. UNE orders come from CABS while resale orders come from CRIS. SWBT's LIDB SMS, the Line Validation Administration System (LVAS) does not have a direct feed from CABS as would be needed to support AT&T's demand. Furthermore, UNE orders are not populated with the same USOCs as resale orders. LIDB updates are driven from particular classes of service and other subscriber-associated entries. UNE orders do not contain class of service USOCs because UNE orders are for individual components of the network and not for a complete service. That is to say, a UNE order would be for one or more components, such as local loop or local switch, rather than residence service. The interface between CRIS and LVAS is very complex. To duplicate the same sort of interface from CABS would take months of development under the best of circumstances. Also, since some information on complex types of service are stored in both CRIS and CABS, a reconciliation process between the two systems for audit purposes would also have to be developed.

AT&T suggests that SWBT should be required to populate LIDB as it populates other database services associated with the voice network. Contrary to AT&T's assertion, LIDB is not "simply another database to be provisioned". Neither AT&T nor the FCC took that approach in CC Dockets 96-98 and 95-185. Call-related databases (which is how LIDB is defined in these dockets) and their service management systems are sufficiently distinct from other databases that they and their update methods were separately addressed and separate requirements were imposed on the incumbent LECs. If AT&T did not want the ability to directly administer its own data in LIDB, it should not have argued so insistently for it.

AT&T claims that "SWBT is asking that AT&T manually update the LIDB with customer information for every AT&T customer". SWBT makes no such request. Paragraph 494 of the Interconnection Order states: "If the incumbent accesses the SMS through an electronic interface, the competitive carrier should be able to access the SMS though an equivalent electronic interface." SWBT has provided such an interface that does not require manual input by AT&T. This Service Order Entry Interface will allow AT&T to electronically transmit to LVAS customer record information from AT&T's customer service order process. SWBT also offers an Interactive Interface, wherein AT&T representatives can dial in and create, modify, or update AT&T customer information. SWBT was required to provide this interface because SWBT uses an equivalent capability to administer its own records in near real-time. AT&T has the option of choosing one or both of these interfaces.

AT&T's statement that SWBT will remove data from the database is no longer accurate. When a customer changes service providers from SWBT to AT&T, SWBT will not automatically delete the information from LIDB. SWBT will make two changes to the LIDB record to reflect that the record is in transition. SWBT will then release the security block from the account and set the LVAS information to their default status. AT&T must then claim the account through one of its SMS interfaces, enter the customer-specific information it desires (including its identification as the new account owner) and then instruct LVAS to update the record in LIDB. If, however, AT&T delays taking possession of the account, SWBT will delete the record. Otherwise, other companies querying LIDB will relay on outdated or possibly inaccurate information on which to make their own service decisions.

AT&T mischaracterizes the information needed to populate a line record in LIDB as belonging to only three data elements. LIDB data elements do not disappear if not populated with information. Instead, they either take on default values or create an update error. Such misinformation can cause other service providers to make incorrect business decisions (deny an alternately billed call request that should have been allowed) or provide inferior service (allow an alternately billed call that should have been denied). AT&T's reference to OBF is premature. OBF has not finalized its guidelines nor has OBF addressed all the LIDB data elements needed to populate a complete line record.

Even if OBF had completed its recommendation, an OBF guideline is not a requirement

that SWBT enter into a particular line of business. What AT&T demands is that SWBT create a new service offering, one not required by the FCC or the Telecom Act. If the PSC places such an unlawful requirement on SWBT, AT&T must be required to pay for any and all costs and expenses incurred by SWBT.

AT&T also proposes text that appears to have nothing whatsoever to do with the issue of data administration (listed as 9.X in the AT&T language column). This text acknowledges the fact that database messages identify the party originating a query based on the network owner of the switch platform that launched the query. For example, if AT&T uses SWBT's Operator Service (OS) platform to perform operator services, that platform launches a query on AT&T's behalf, every network element that encounters the query, on every network in the nation, will think that SWBT launched the query. The industry has not yet selected a means of identifying service providers who reside on another company's switching platform. Therefore, when AT&T uses SWBT's OS platform to launch LIDB queries, those queries will be identified to SWBT's LIDB as SWBT-originating queries. Additionally, when the query is directed to a foreign LIDB, that LIDB owner will also think that SWBT generated the query and bill SWBT for the database access. Since no network in the nation can identify AT&T as the true query originator, SWBT cannot directly bill AT&T for those queries. Instead, SWBT will use its OS pricing to recover the cost of AT&T's LIDB usage under these circumstances.

SWBT does not propose any alternate text to AT&T. SWBT and AT&T have already agreed to language on how SWBT will provide the SMS interfaces that give AT&T unbundled, equivalent access to LVAS.

Q. WHAT ARE THE UNBUNDLED INTERFACES THAT SWBT PROVIDES FOR ACCESS TO LVAS?

A. SWBT provides an electronic interface for bulk updates directly from another company's service order or other update system. SWBT also provides an interactive, or dial-up interface for priority or on-line updates. SWBT provides a tape load capability companies can use to transfer their initial store of data between database providers and an emergency update process should the administrative system become inoperable or be otherwise unable to communicate with LIDB. For additional clarification, I have attached a description of each interface and attached it as Appendix B to my testimony.

Q. WHY DID SWBT CREATE THE INTERFACES IT CREATED FOR COMPANIES TO INPUT AND MAINTAIN THEIR DATA IN LIDB?

A. The FCC's Interconnection Order requires SWBT to provide Access to the LIDB administrative system (LVAS) on an unbundled basis. In Paragraph 493 of the Interconnection Order, the FCC required SWBT to "...provide access, on an unbundled basis, to the service management [system] which [allows] competitors to create, modify, or update information in call-related databases." (emphasis added) In that same paragraph, the FCC found that "such access is necessary for competitors to effectively use call-related databases".

Q. HOW DID SWBT DETERMINE WHAT UNBUNDLED INTERFACES IT WOULD CREATE FOR COMPETITIVE LOCAL EXCHANGE COMPANIES TO INPUT AND MAINTAIN THEIR DATA IN SWBT's LIDB?

A. SWBT reviewed the points of access it uses to administer its own data in LIDB and the interface methods it was already offering to other telecommunications companies. SWBT then created four equivalent interface points for competitive local exchange companies.

Q. SHOULD SWBT BE REQUIRED TO CREATE AND INPUT AT&T'S CUSTOMER RECORD INFORMATION INTO THE LIDB?

A. No. SWBT should not be required to administer AT&T's customer data for AT&T for several reasons. First, such data administration unfairly places the burden of correct administration on SWBT rather than on AT&T, even though AT&T controls the direct interface to the end user. Second, even if SWBT were to administer directly the AT&T data, SWBT would still have to provide AT&T with the LVAS interfaces that would allow AT&T to directly administer its own data. Nothing less will allow SWBT to meet its FCC interconnection obligations. Joint administration by both SWBT and AT&T is not feasible. Joint administration of the same customer's data provides too many opportunities for conflict between data administrators and it is not an efficient use of the resources of both companies.

Third, SWBT's creation of AT&T data causes security problems. SWBT's LVAS platform assigns administration ownership based upon record creation. If AT&T creates the customer record, LVAS will partition the record so that AT&T, and no other LSP,

can view, modify or delete the record. Likewise, if SWBT creates the record, SWBT's platform will partition the record so that only SWBT can view, modify or delete the record. AT&T's proposal for SWBT to create AT&T's records, coupled with the unbundled access requirements of the FCC's Interconnection Order, would require SWBT to provide AT&T with access to SWBT-created records. This would give AT&T access to all of SWBT's customer's records in LVAS as well as access to the records of all reseller LSPs. Such access would allow AT&T to both view the customer information of its competitors as well as to manipulate, change, and delete such records. SWBT should not be required to jeopardize its own security and the security of other LSPs for the sole benefit of AT&T.

Q. ARE SECURITY ISSUES DIFFERENT FOR LIDB THAN FOR VOICE DATABASES?

A. Security of customer record information is an issue with all databases that contain sensitive customer information. However, security for LIDB information was a matter of great concern for the FCC. Because of security issues, the FCC requires competitive LECs to gain access to LIDB, not through the Service Control Point (SCP) where LIDB resides, but through the Signaling Transfer Point (STP) which is the SCP's interface to the CCS/SS7 network. The FCC required such access because the STP is the CCS/SS7 network element that has the security capabilities to control who can gain access to CCS/SS7 network capabilities. Security is also an issue for the administrative system itself. LVAS contains the raw proprietary customer data on which LIDB operates. This data belongs to individual service providers that include SWBT, independent telephone

companies, and competitive local service providers. Each of these data owners deserves a system that protects their data from unauthorized administrative access and manipulation. AT&T does not argue that it should have unfettered administrative access to all data in SWBT's LIDB, nor does AT&T argue that any other data owner (whether in direct competition to AT&T or not) should have unfettered access to AT&T's data. Nevertheless, this is exactly what AT&T's demand would create. Assignment of security on the basis of the entity that creates the record in LIDB is fundamental to the vendor's design of the LVAS platform.

Q. ARE THERE OTHER DIFFICULTIES ASSOCIATED WITH SWBT's CREATION OF AT&T RECORDS IN LIDB?

A. Yes. AT&T's request will result in the deletion of AT&T's customer information in LVAS. SWBT uses an audit process to ensure that LVAS information matches the customer records in SWBT's billing system. This audit applies to all records that contain the SWBT security access (which includes all of SWBT's records and the records of all reseller LSPs). When the audit process discovers a discrepancy between LVAS and the Customer Record Information System (CRIS) database (and the discrepancy does not relate to a calling card PIN), the audit overwrites the LVAS record with the CRIS information. If a record exists in LVAS but does not exist in CRIS, the audit deletes the LVAS record (because there is no customer account to support the information).

SWBT's CRIS database does not contain customer account information for non-resold accounts. Therefore, there is no customer information to audit against the LVAS record.

If SWBT creates, as AT&T proposes, the non-resold AT&T customer LIDB record, that record will be deleted by the audit process.

Q. DID THE FCC REQUIRE SWBT TO PROVIDE AT&T THE ABILITY FOR AT&T TO DIRECTLY ADMINISTER (CREATE, MODIFY, AND UPDATE) AT&T RECORDS?

A. Yes. In Paragraph 494 of the Interconnection Order, the FCC states: "Commenters argue that they need equal access to incumbent LECs' SMSs to write or populate their own information in call-related databases" and cites AT&T as one of those companies that so argued that position. The FCC continues then with an analysis of how records in call-related databases (e.g., LIDB) are administered. The FCC notes that: "...information bound for many call-related databases is entered first at an off-line SMS, which then downloads the information to the call-related database for real time use on the network." This is exactly how SWBT's LIDB and LVAS interface. Finally, in that same paragraph, the FCC states: "We find that competing provider access to the SMS is technically feasible if it is provided in the same or equivalent manner that the incumbent LEC currently uses to provide such access to itself."

Q. DID THE FCC DETERMINE WHAT IT MEANT BY PROVIDING ACCESS TO THE SMS IN A MANNER THAT IS THE SAME OR EQUIVALENT TO THE WAY SWBT PROVIDES TO ITSELF?

A Yes. Paragraph 494 of the interconnection order provides two specific examples of the FCC's intent of its unbundled LVAS requirements. The most simplistic and easiest example to understand is the use of magnetic tapes. The FCC stated: "For example, if the

incumbent LEC inputs information into the SMS using magnetic tapes, the competitive carrier must be able to create and submit magnetic tapes for the incumbent to input into the SMS in the same way the incumbent inputs its own magnetic tapes." (emphasis added)

The FCC is very clear in this example that it intended for AT&T to create its own records (because AT&T would create the tape). The FCC did not require SWBT to create the records for AT&T.

Q. WHAT OTHER EXAMPLE DID THE FCC USE IN EXPLAINING ITS LVAS UNBUNDLING REQUIREMENTS?

A. The FCC also used an example drawn from electronic methods of data administration. Continuing in paragraph 494 of the Interconnection Order, the FCC states: "If the incumbent accesses the SMS through an electronic interface, the competitive carrier should be able to access the SMS through an equivalent electronic interface." (emphasis added) SWBT does have such access to LVAS and has provided an equivalent electronic interface. This interface is the Service Order Entry Interface that allows AT&T to electronically transmit LIDB records directly into SWBT's LVAS. Such records can come from AT&T's service order system or through any other system or process that AT&T so chooses to use. All that is required is for AT&T to correctly format its records for entry.

Q. HOW DOES THE FCC ADDRESS RECORD FORMATS FOR UNBUNDLED ACCESS TO LVAS?

A. The FCC also addressed this issue in paragraph 494 of its Interconnection Order. The FCC stated: "...whatever method is used, the incumbent LEC must provide the competing carrier with the information necessary to correctly enter or format for entry the information relevant for input into the particular incumbent LEC SMS." (emphasis added) SWBT has provided AT&T the documentation necessary for AT&T to begin testing and using all the unbundled interfaces SWBT provides.

Q. DOES SWBT PROPOSE TO DELETE EXISTING CUSTOMER RECORDS IN LIDB WHEN A CUSTOMER CHANGES SERVICE PROVIDERS?

A. No. However, it is important to understand how LVAS does administer data in LIDB.

Q. HOW DOES LVAS ADMINISTER DATA IN LIDB?

A. LVAS administers data in LIDB using a line record overlay process. This means that when one data element of a line record changes, LVAS must confirm all elements of the entire line record on a positive basis. LVAS then overlays the existing record with an entirely new record. For example, if a customer changes his or her name, LVAS will not modify the customer's line record by merely changing the name field in LIDB. Instead, LVAS will recreate the entire line record, populating all the data elements with current information (regardless of whether or not these other data elements changed), and then overlay the entire existing record in LIDB with a new record. This assures that LIDB always has the most current and correct information. LVAS cannot update records one way for SWBT and all other data owners and another way for AT&T

Q. WHAT WILL HAPPEN TO CUSTOMER RECORDS IN LIDB WHEN A CUSTOMER CHANGES SERVICE PROVIDERS FROM SWBT TO AT&T?

A. SWBT is developing service order changes that will identify that a customer is not merely disconnecting service with SWBT but actually changing service providers. When that identification development is complete, SWBT will change the account owner field of the customer's record to identify the new service provider (e.g., AT&T). SWBT will also change the Record Status Indicator (RSI) to a value of "transitional" to indicate that the record is transitioning service providers. SWBT will keep all other data elements in LIDB set to whatever value reflected the service that SWBT provided to the customer. SWBT will then release the security lock in LVAS so that AT&T can take ownership of the record. AT&T (as the account owner or data owner in LIDB terminology), must then take ownership of the record. When AT&T claims the record, SWBT will change the security on the record to AT&T so that LVAS can partition the data away from other data owners. When AT&T takes ownership of the record, AT&T must change the RSI to a value of "stable", make any other element changes it desires, confirm any data element that remains unchanged, and generate an update to LIDB. This update will include all data elements in the line record.

Q. WHAT HAPPENS IF AT&T DOES NOT CONFIRM ALL DATA ELEMENTS IN THE LINE RECORD PRIOR TO MAKING ITS LIDB UPDATE?

A. One of two events will occur: either the update will error, or LVAS will populate LIDB with default information. If the data element is a required field, the update will error and AT&T will receive an LVAS-generated report of the error. AT&T can use the report to investigate the cause of the update error. If AT&T is using the Interactive Interface (dial-up interface), then LVAS will highlight the field and return an error message directly to

AT&T's attendant. If the data element is not a required field, LVAS will populate LIDB with a default value for the data element.

Q. WHAT HAPPENS IF AT&T DOES NOT TAKE OWNERSHIP OF THE LINE RECORD IN LIDB?

A. While the record remains unclaimed, any telecommunications company with access to LVAS can review or seize the account. This should be rare, as the other company would have to know the account to access and know that the record is unclaimed. If, however, the account remains unclaimed for one week, LVAS will treat the record as abandoned and delete the record from the system. The reverse will also occur when a customer changes service providers from AT&T to SWBT.

Q. WHY WILL LVAS WAIT ONE WEEK?

A. LVAS will wait one week initially. Over time, SWBT expects this interval to be reduced to a day. SWBT expects that one week strikes an even balance between start-up and concerns over unauthorized access.

Q. DOES SWBT REQUIRE AT&T TO MANUALLY UPDATE ITS INFORMATION IN LIDB?

A. No. SWBT was required to provide AT&T with access to LVAS in the same or equivalent manner that SWBT provides such access to LVAS for itself. SWBT reviewed its methods of access and determined it had four: 1) an electronic interface for bulk updates; 2) a dial-up interface for real-time data administration; 3) a magnetic tape process for exceedingly large update events (e.g., events that require updating every line record in the database); and 4) an administrative tool for emergency updates when LVAS is

inoperable or otherwise unable to communicate with LIDB. Of these interfaces, the first two (electronic and dial-up) are the primary interfaces that all data owners (including SWBT) use. The other two interfaces, the magnetic tape and the LIDB editor have special occurrence use only.

Upon completion of its investigation, SWBT worked diligently to create unbundled interfaces that would provide AT&T and all other data owners with access equal to SWBT's own access to LVAS. AT&T's contract provides AT&T with a choice of interfaces to LVAS. AT&T can choose, as some companies already have, to useonly one of these interfaces as its sole interface to LVAS. However, AT&T can also choose, and its contract specifically states, to use both interfaces in combination. Nowhere in any text that SWBT proposed, or to which AT&T agreed, is there a requirement for AT&T to administer its records only in a manual mode.

Q. WHY DOES SWBT OR OTHER DATA-OWNING COMPANIES USE A MANUAL PROCESS TO ADMINISTER RECORDS IN LVAS?

A. Some companies are small and have minimal data administration needs. These companies find that a manual method of entry fits best into their business needs. SWBT uses the dial-up interface in combination with the electronic interface. The manual interface allows SWBT to make updates in near real time. This capability is useful to deactivate calling cards that have been compromised by a fraud perpetrator. SWBT also uses this interface to access records while a customer is online so that SWBT can respond immediately to customers' questions. SWBT expects that every company choosing the electronic

interface will also choose the dial-up interface because the additional capability dial-up access provides.

Q. SHOULD SWBT BE REQUIRED TO PROVISION LIDB DATA ADMINISTRATION IN ITS LIDB IN THE SAME MANNER AS SWBT PROVISIONS 911, DIRECTORY LISTINGS, UNE ELEMENTS, AND FEATURES BASED ON INFORMATION IN THE UNE ORDER?

A. No. LIDB is not just another database to be provisioned. Neither AT&T nor the FCC took that approach in FCC CC Dockets96-98 and 95-185. Call related databases and their service management systems are sufficiently distinct from other databases that they and their update methods were separately addressed and separate requirements were imposed on the incumbent LECs. If AT&T did not want the ability to directly administer its own data in LIDB, it should not have argued so insistently for such capability. This is yet another attempt by AT&T to circumvent the resale provisions of the ACT and force SWBT to treat unbundled network elements as resale.

Q. SHOULD SWBT BE REQUIRED TO IMPLEMENT ORDERING AND BILLING FORUM (OBF) GUIDELINES FOR DATA ADMINISTRATION?

A. No. First, OBF is not a standards-setting body. OBF produces guidelines that all industry participants may choose to use if they participate in a line of business covered by those guidelines. Every industry participant is free to incorporate or reject OBF recommendations. Secondly, OBF cannot properly address the direct administration of data over an unbundled interface because such data administration is neither an ordering nor billing function.

The OBF issue is not about a competitive carrier's ability to administer its own data. The OBF issue is about an incumbent administering data on behalf of the competitive carrier. In other words, should an incumbent desire to create a bundled service to administer a competitor's data using a service order process, then the incumbent and its competitor may use the guidelines OBF has proposed for such communication. However, because OBF has addressed how such communication can occur does not mean that any incumbent (including SWBT) is required to create the service that will use those guidelines.

Q. SHOULD SWBT BE REQUIRED TO CHANGE LVAS SO THAT SWBT CREATES AND ADMINISTERS AT&T CUSTOMER RECORDS IN LIDB?

A. No. SWBT has expended considerable effort to meet the FCC-imposed requirement for unbundled access toLVAS. SWBT should not now be required to do more. If AT&T did not want the ability to directly administer its own data in LIDB, it shouldnot have argued before the FCC so insistently for such capability.

Having convinced the FCC that it needed to directly administer its own data, AT&T now reverses itself and seeks to burden SWBT with the responsibility. AT&T essentially states that it no longer wants the capability it so successfully argued for with the FCC. AT&T now argues that it no longer wants unbundled access to SWBT's SMS so that AT&T can create, modify, or update it information by writing its information directly into LVAS. AT&T proposes that SWBT, not AT&T, use LVAS to create, modify, and update AT&T records in LIDB. The method that AT&T proposes, a bundled, unequal access method of data administration, does not meet SWBT's requirements under the

Interconnection Order.

Q. HAS THE OBF ADDRESSED SERVICE ORDER METHODS FOR INCUMBENTS TO PROVIDE BUNDLED DATA ADMINISTRATION ON BEHALF OF COMPETITIVE CARRIERS THAT PURCHASE UNBUNDLED NETWORK ELEMENTS (UNEs)?

A. No, although the OBF does have an open issue for this type of data administration. As a practical matter, OBF did not begin to address such service order methods until the fall of 1996, well after SWBT began to create its unbundled interfaces. Even at this late date, the OBF issue hasnot reached closure, nor is the issue itself complete. The issue is incomplete because it proposes to address only LIDB data for alternatively billed services (collect, calling card, and third number billing). The OBF issue does not address other LIDB-related data such as originating Line Number Screening, ZIP codes, and customer data elments.

Q. COULD SWBT EASILY DEVELOP SUCH A BUNDLED SERVICE ORDER PROCESS FOR LVAS?

A. No. SWBT would need a service order flow from CABS to accommodate AT&T's demand. UNE orders come from CABS while resale orders come from CRIS. LVAS does not have a direct feed from CABs. Furthermore, UNE orders are not populated wth the same USOCs as resale orders. LIDB updates are driven from particular classesof services and other subscriber-associated entries. UNE orders do not contain class of service USOcs because UNE orders are for individual components of the network and are not for a complete service. That is to say, a UNE order would be for oe or more

components, such as local loop or local switching, rather than residence service.

The interface between CRIS and LVAS is very complex. To duplicate the sam sort of iterface from CABS would take months of development under the best of circumstances. Also, since some information on complex types of service are stored in bth CRIS and CABS, SWBT would have to develop a reconciliation process between two systems for audit purposes.

Q. SHOULD SWBT BE REQUIRED TO PROVIDE AT&T WITH A BUNDLED, SERVICE ORDER-BASED MEANS OF DATA ADMINISTRATION?

A. No. SWBT is not required to provide bundled capability to AT&T when AT&T ordes unbundled network elements. AT&T has mischaracterized LIDB and LVAS as being part of the OSS. They are not. As stated above, the FCC classified LIDB and LVAS as being distinct from OSS functionality. The FCC provided separate and distinct requirements for SWBT regarding how it must allow AT&T to interface with LVAS.

Q. IF SWBT IS REQUIRED TO DEVELOP A SERVICE THAT PROVIDES AT&TWITH A BUNDLED SERVICE ORDER METHOD FOR DATA ADMINISTRATION, HOW SHOULD THOSE COSTS BE RECOVER?

A. Directly from AT&T. As stated above, the capability AT&T requests is not a simple matter to create. It would also require resources that SWBT has already dedicated to meeting its interconnection obligations. Such a process would be a unique process solely for AT&T and solely within a single state. SWBT does not have a state-specific LVAS. SWBT's LVAS provides data administration for all records in LIDB throughout SWBT's

entire region.

Q. HAVE OTHER INCUMBENTS PROVIDED UNBUNDLED INTERFACES TO THEIR LIDB SERVICE MANAGEMENT SYSTEM (SMS)?

A. No. However, SWBT is aware of at least two other incumbent LIDB providers that are in the process of developing such interfaces. Not every LIDB SMS is the same as every other LIDB SMS. LIDB SMSs were created after divestiture. Different companies used different vendors and these vendors used different approaches tod evelop their platforms to generic requirements. No other company uses the LVAS platform. SWBT is fortunate that its LVAS vendor included the seurity capability that allowed SWBT to partition records so that one competitive service provider could not view or manipulate the records of another. This security platform allowed SWBT to create the unbundled interfaces it has offered AT&T. The other incumbent LIDB providers must first create a security platform before they can develop and other unbundled interfaces. The LVAS security platform allowed SWBT to create its unbundled interfaces without first developing an interim method of data administration.

Q. WHAT CONTRACT LANGUAGE DOES SWBT PROPOSE FOR ISSUE IV-6?

A. SWBT opposes the inclusion of AT&T's language. SWBT does not offer alternative language as both SWBT and AT&T have already agreed to language on how SWBT will provide the SMS interfaces that give AT&T unbundled, equivalent access to LVAS.

<u>ISSUE 7: MAINTENANCE: AUTOMATED TESTING</u>

How does the parity standard determined in issue IV-1 above apply to automated loop testing

through the switch port?

Q. WHAT IS THE ISSUE

A. The issue is whether SWBT will provide AT&T access to the Mechanized Loop Testing ("MLT") system when AT&T orders a switch port or a combination of local switch port and local loop elements.

Q. WHAT IS SWBT'S POSITION ON THIS ISSUE?

A. SWBT is currently developing procedures that will provide AT&T MLT testing of loops when AT&T orders a combination of a local switch port and a local loop. This capability should be available by the end of 1997. Loop testing through the switch requires that SWBT know the details of the loop make-up. This includes a record of the type of loop (copper pairs or digital loop carrier) and the access codes for testing through a digital loop carrier. If AT&T orders a switch port and connects it to its own loop facilities, SWBT will not have the necessary loop information and therefore will not have the capability to test the loop through the switch.

Q. PLEASE SUMMARIZE SWBT'S POSITION ON THIS ISSUE.

A. As discussed in Issue IV,1., there is no parity standard between UNEs and analogous retail service. The type of testing being requested by AT&T is not currently available in SWBT's network for unbundled network elements. As the 8th Circuit found, SWBT must provide access on an unbundled basis to its "existing network - not to a yet unbuilt superior one" p. 144.

Q. WHAT IS YOUR RECOMMENDATION ON THIS ISSUE?

A. I recommend that SWBT's proposed language be adopted.

SWBT'S PROPOSED AGREEMENT LANGUAGE

Cross connects to the cage associated with unbundled local loops are available with or without automated testing and monitoring capability. If AT&T uses its own testing and monitoring services, SWBT will treat AT&T test reports as its own for purposes of procedures and time intervals for clearing trouble reports.

ISSUE 8: COMBINATIONS OF ELEMENT, SERVICES AND FACILITIES

May AT&T connect and/or combine unbundled network elements (UNEs) with access services and/or tariffed services?

Q. MAY AT&T CONNECT AND/OR COMBINE UNBUNDLED NETWORK ELEMENTS (UNES) WITH ACCESS SERVICES AND/OR TARIFFED SERVICES?

A. AT&T's proposal is without merit for several reasons. First, under Section 251(c)(3) of the Act, SWBT is required only to provide access to UNEs; it is not required to combine such elements with tariffed services. Second, AT&T's proposal is another thinly veiled attempt to establish a competitive advantage for itself because it would be able to pay lower UNE rates instead of tariffed rates. Third, provision of tariffed services in conjunction with UNEs could be inconsistent with the underlying tariffs, a practice which is prohibited by this Commission and by the Act. As verified by the recent October 14, 1997, 8th Circuit opinion, SWBT can't be required to determine which UNEs AT&T needs to provision a service, nor can SWBT be required to perform the connection. AT&T cannot order a UNE and have SWBT connect the UNE to a tariffed service, which

is an aggregate and complete service offering of SWBT.

SWBT will provide UNEs separately for a separate cost-based charge, without restrictions, in compliance with Sections 251(c)(3) and 252(d) of the Act. It will not place restrictions on what UNEs may be purchased and reconfigured for AT&T. Similarly, SWBT will provide UNEs for AT&T to use with its own facilities. However, SWBT is not obligated to, and will not, combine UNEs with tariffed services for AT&T.

It is clear, under Section 251(c)(3) of the Act, that SWBT is required only to provide "nondiscriminatory access to network elements on an unbundled basis." While SWBT does not here challenge the Commissions previous decision that AT&T should be allowed to order and use unbundled network elements without restriction. There is no requirement in the Act extending such an obligation to the combination of network elements with network services. See also 47 C.F.R. § 51.307 (1997). Under these rules, UNEs are to be offered separately and for a separate charge. SWBT has designed its UNE offerings, developed ordering and other operational support systems and performed the requisite cost studies, all based upon this fundamental concept of unbundling, which Congress clearly intended in Section 251(c)(3) of the Act.

The language in Section 251(c)(3) of the Act encompasses SWBT's duties only regarding network elements; it does not impose any requirement to combine these elements with services. Elements can thus be thought of as "pieces" of the network. In contrast, a

tariffed "telecommunications service" is defined in Section 153(43) of the Act to mean the "offering of telecommunications," which is defined in Section 153(46) of the Act to involve the "transmission" of information. Because of these distinctions, AT&T has no statutory basis to require that SWBT combine or connect UNEs with tariffed services.

Under the Act, LSPs like AT&T are given unfettered access to LEC services available for resale and to network elements. However, Congress clearly intended that LECs provide network elements under requirements and pricing structures that are different from those applying to services for resale. Compare Section 251(c)(3) with Section 251(c)(4) of the Act. Availability of UNEs and resale services does not give AT&T the right to use the lower-priced network elements as a surrogate for obtaining the otherwise higher-priced network services for resale. Permitting AT&T to combine UNEs with tariffed services would allow it to "cherry-pick" the most advantageous rates. Nor does the availability of UNEs and the availability of service resale opportunities give AT&T the right to compel SWBT to bundle network elements with tariffed services. Indeed, in the Interconnection Order at ¶ 341, the FCC refused to permit an LSP, like AT&T, to offer "a combination of unbundled elements and services available for resale."

When SWBT developed and obtained approval for the rates, terms and conditions in the tariffed services that AT&T now wants available for combination with UNEs, SWBT neither contemplated nor accounted for such configurations. The tariffs simply do not address provision of the related service in combination with UNEs. Such arrangements

could be inconsistent with the tariff requirements in this Commission's rules and in the Act. See, 47 U.S.C. § 203 (1997).

SWBT can prohibit AT&T from connecting or combining UNEs with its tariffed services. Under Section 251(c)(3) of the Act, SWBT is required to provide access to UNEs; it is not required to combine unbundled network elements (i.e., "pieces of the network") with tariffed network services. Instead, SWBT only is required to provide UNEs separately for a separate cost-based charge, without restriction. While the Act permits AT&T to order and use UNEs in any combination that it deems appropriate for the provision of service, there is no requirement extending such an obligation to the combination of network elements with tariffed network services. 47 U.S.C. §251(c)(3) (1997); 47 C.F.R. §51.307 (1997).

There is no evidence in this proceeding that prohibiting AT&T from combining UNEs with tariffed services would impair its ability to provide a competitive local telecommunications service. Furthermore, as is obvious from the October 14, 1997 8th Circuit Opinion, SWBT cannot be legally required to combine the UNEs with the tariffed service. Indeed, AT&T's strategy is transparent. It wants to exploit price arbitrage by picking and choosing the most favorable piece parts of SWBT's tariffed services to combine with UNEs, while circumventing the terms and conditions of the tariffs.

For the foregoing reasons, AT&T's request must be denied.

The Commission should adopt SWBT's language and reject that of AT&T.

Q. WHY IS COMBINING TARIFFED SERVICE WITH UNBUNDLED ELEMENTS INAPPROPRIATE?

A. When SWBT developed and obtained approval for the rates, terms and conditions in the tariffed services that AT&T now want available for combination with UNE, SWBT neither contemplated nor accounted for such configurations. The tariffs simply do not address provision of the related service in combination with UNEs and such arrangements could be inconsistent with tariffs.

As an example, SWBT offers dedicated services in its Missouri Access Service Tariff, Section 7 (Special Access). The terms of that tariff require that channel mileage (for transport at a certain speed between SWBT offices) is available with channel terminations (the loop portion). Since the channel mileage is not available by itself, there is no non-recurring charge identified for the channel mileage. The non-recurring charge associated with the channel termination covers the installation of both the channel termination and the channel mileage. If AT&T were allowed to require SWBT to combine UNE with tariffed services, AT&T could, as an example, demand the use of Special Access channel mileage in combination with an unbundled loop. The unbundled loop non-recurring charge does not recover any costs associated with the provision of interoffice channels. Such a combination would deny SWBT recovery of its non-recurring costs associated with installing the channel mileage while also circumventing the terms of SWBT's tariffs.

There is no evidence in this proceeding that prohibiting AT&T from combining UNE with tariffed services would impair AT&T's ability to provide a competitive local telecommunications service. Indeed, AT&T's strategy is transparent. AT&T wants to exploit price arbitrage by picking and choosing the most favorable piece parts of SWBT's tariffed services and force SWBT to combine those sub-services with UNE, to circumvent the terms and conditions of the tariffs.

SWBT'S PROPOSED AGREEMENT LANGUAGE

AT&T may purchase any unbundled Network Element. Unbundled Network Elements may not be connected to or combined with SWBT access services or other SWBT tariffed service offerings with the exception of tariffed collocation services.

This paragraph does not limit AT&T's ability to permit IXCs to access ULS for the purpose of terminating interLATA and intraLATA access traffic or limit AT&T's ability to originate interLATA or intraLATA calls using ULS consistent with Section 5 of this attachment. Further, when customized routing is used by AT&T, pursuant to section 5.2.4 of this Attachment, AT&T may direct local, local operator services, and local directory assistance traffic to dedicated transport whether such transport is purchased through the access tariff or otherwise.

Q. WHY IS COMBINING TARIFFED SERVICE WITH UNBUNDLED ELEMENTS INAPPROPRIATE?

A. When SWBT developed and obtained approval for the rates, terms and conditions in the tariffed services that AT&T now want available for combination with UNE, SWBT neither contemplated nor accounted for such configurations. The tariffs simply do not

address provision of the related service in combination with UNEs and such arrangements could be inconsistent with tariffs.

As an example, SWBT offers dedicated services in its Missouri Access Service Tariff, Section 7 (Special Access). The terms of that tariff require that channel mileage (for transport at a certain speed between SWBT offices) is available with channel terminations (the loop portion). Since the channel mileage is not available by itself, there is no non-recurring charge identified for the channel mileage. The non-recurring charge associated with the channel termination covers the installation of both the channel termination and the channel mileage. If AT&T were allowed to require SWBT to combine UNE with tariffed services, AT&T could, as an example, demand the use of Special Access channel mileage in combination with an unbundled loop. The unbundled loop non-recurring charge does not recover any costs associated with the provision of interoffice channels. Such a combination would deny SWBT recovery of its non-recurring costs associated with installing the channel mileage while also circumventing the terms of SWBT's tariffs.

There is no evidence in this proceeding that prohibiting AT&T from combining UNE with tariffed services would impair AT&T's ability to provide a competitive local telecommunications service. Indeed, AT&T's strategy is transparent. AT&T wants to exploit price arbitrage by picking and choosing the most favorable piece parts of SWBT's tariffed services and force SWBT to combine those sub-services with UNE, to circumvent the terms and conditions of the tariffs.

ISSUE 9: MAINTENANCE: FORWARD-LOOKING TESTING SYSTEMS

Should AT&T be informed when SWBT introduces new test systems? Should they be allowed access to such systems?

Q. PLEASE DESCRIBE THE ISSUE.

A. The question to be decided is whether AT&T must be notified when SWBT introduces upgraded or new testing systems into its network.

Q. DOES SWBT DISAGREE WITH THIS REQUEST?

A. SWBT does not object to the requirement to notify AT&T of the introduction of such new systems as long as it is recognized that the use of those systems by AT&T may cause AT&T to incur additional costs. SWBT should not be expected to invest large amounts of capital for new or improved systems and then be required to allow AT&T to use them for free.

SWBT'S PROPOSED AGREEMENT LANGUAGE

SWBT opposes inclusion of AT&T language.

ISSUE 10: MAINTENANCE: AUTOMATED TESTING THROUGH EBI

To what extent should AT&T have the capability to interactively initiate and receive test results?

Q. WHAT IS THE ISSUE?

A. This issue and Issue 7 are related. This issue concerns whether AT&T can initiate test through the MLT and the local switch and receive the results directly.

Q. PLEASE SUMMARIZE SWBT'S POSITION ON THIS ISSUE.

A. At the present time SWBT's operations support systems do not have this ability to perform mechanized loop testing of unbundled elements, nor do the Electronic Communications Implementation Committee (ECIC) standards permit requesting and receiving tests through EBI. To simplify the matter, SWBT's systems do not have the ability to interface with AT&T's systems in order to receive requests for testing or to transmit test results through EBI. However, SWBT is willing to consider a request by AT&T to develop this type of testing capability.

SWBT'S PROPOSED AGREEMENT LANGUAGE

SWBT will perform testing through the Local Switching element for AT&T customers in the same manner and frequency that it performs such testing for its own customers.

ISSUE 11: PERFORMANCE DATA

What performance measurements should be provided for UNEs?

A. SWBT is willing to provide performance measures to AT&T as outlined in Attachment 2 of this matrix but objects to the performance "standards" suggested in the LCUG document. Many of the standards suggested in this document would require SWBT to provide service at a level exceeding the level it currently provides to its retail customers today. In some instances, the standards outlined are excessive and unattainable. SWBT will provide parity of service for analogous services and a meaningful opportunity to compete for those services where no analogous service exists but is not required to

provide a level of service to AT&T in excess of the level of service it provides to itself.

SWBT'S PROPOSED AGREEMENT LANGUAGE

SWBT will provide the following Performance Measurements under this agreement: See Attachment 2.

ISSUE 12: PERFORMANCE MEASUREMENTS: PROVISIONING INTERVALS

What provisioning intervals should be provided for UNEs?

A. SWBT is willing to provide provisioning intervals for UNEs as outlined in Attachment 2. SWBT does not provide UNEs to its customers, therefore no analogous service exists for provisioning of UNEs. For maintenance of UNEs, SWBT will provide comparative measurements for those elements that it maintains.

SWBT'S PROPOSED AGREEMENT LANGUAGE

SWBT proposes the following language: "SWBT will provide the Performance Measurements as outlined in Attachment 17 Section 9.0 of this agreement: (Those listed in Attachment 2).

Q. SHOULD SWBT BE HELD TO THE PROVISIONING INTERVALS FOR UNBUNDLED NETWORK ELEMENTS AS OUTLINED IN THE LCUG RECOMMENDATIONS?

A. No. SWBT will provide standard provisioning intervals as specified in Appendix 17 of the agreement (Attachment 2). The intervals developed by the LCUG were developed without any input from SWBT. AT&T states that these provisioning intervals may be revised from time to time. It is not reasonable to expect SWBT's provisioning intervals to be controlled

by AT&T. The intervals which are contained in Attachment 17 give AT&T and all CLECs a meaningful opportunity to compete. The burden of proof as to these intervals not providing a meaningful opportunity to compete clearly should be on AT&T.

Q. AT&T PROPOSES PERFORMANCE MEASUREMENTS TO BE MADE AND REPORTED "FOR AN EQUIVALENT SERVICE". IS SWBT OPPOSED TO THIS LANGUAGE?

A. SWBT does not oppose providing comparative measurements "for an equivalent service" when there is an equivalent service. However, SWBT does not provide UNEs to its customers, therefore, no "equivalent service" exists. For the provisioning of UNEs, SWBT will provide standard installation intervals that will provide the CLEC with a meaningful opportunity to compete. For maintenance where SWBT does the repair, SWBT will provide comparative measurements for services that have analogous UNE components (i.e. 2-wire analog 8dB loop will be compared to POTS dispatched out repair for SWBT).

ISSUE 13: PERFORMANCE MEASUREMENTS: NETWORK OUTAGES

What performance measurements for network outages should be provided for UNEs?

A. SWBT is willing to provide the performance measurements as described in Attachment 2 of this matrix.

SWBT'S PROPOSED AGREEMENT LANGUAGE

SWBT proposes the following language: "SWBT will provide performance measurements for maintenance/repair conditions for UNEs as defined in Attachment 17 Section 9.0."

ISSUE 14a: OPTICAL MULTIPLEXING AND DCS CAPABILITY

What access to optical multiplexing and DCS capability should be provided to AT&T and on what terms?

A. AT&T proposes language entitling it to order additional multiplexing/demultiplexing. SWBT is willing to consider requests for additional types of "muxing" under the Special Request procedure set out in the Interconnection Agreement. Muxing will be offered at rates which recover the costs of each request. However, because these installations will vary considerably as to their functionality and capacity, no generic rate can be set. Each installation must be priced on a individual case basis.

The vague language proposed by AT&T does not take into consideration the need to evaluate the different and varied kinds of installations that could be requested. Accordingly, the AT&T language is inappropriate. It is simply unfair and unrealistic to bind SWBT to a broad and unspecified obligation without the companion obligation to pay for the installation ordered. This kind of ambiguity is unwise because it could very easily lead to future disputes about the scope of SWBT's duties.

Finally, AT&T is quite vague about what kind of muxing it will require. SWBT is willing to offer Voice Grade to DS1 and DS1 to DS3 muxing. SWBT is willing to consider requests for additional types, but AT&T needs to specify exactly what it wants.

SWBT has offered specific forms of multiplexing required by the FCC and additional multiplexing now generally available on SWBT's system.

SWBT has also offered additional forms of multiplexing under the "special request" provisions of the contract. SWBT cannot be more specific as to these additional forms until it knows exactly what kind of multiplexing AT&T needs.

SWBT does not believe that optical multiplexers or DCS are appropriately classified as a part of the interoffice dedicated transport UNE. In addition, SWBT believes that the provisioning of optical multiplexers as demanded by AT&T constitutes virtual collocation since the equipment must be dedicated to AT&T and can not be used or shared by SWBT or other LSPs.

In the case of large capacity transport requirement that justify the use of optical transport, the large variation in the type of input circuits make it unreasonable to require SWBT to develop a price model that will properly determine the costs for all locations. For instance, an interoffice transport that is delivered to SWBT's multiplexer as a single OC3 circuit will have significantly different costs from that of three DS3 circuits or DS1 circuits. However, each of these combinations, with the same capacity, could be transported on the same interoffice facility after being multiplexed in a ADM.

SWBT's proposed contract wording offers to develop rates for additional types of multiplexing through the Special Request Process.

AT&T's proposed language for paragraphs 8.2.1.5.1 and 8.2.1.5.2 be rejected and that SWBT's proposed language offering other types of multiplexing through the Special Request Process be adopted. This will allow proper costs recovery since the cost in each instance will be based upon the actual type of multiplexing required. AT&T's proposed language appears to be a bundling of network elements, rather than an unbundling of those elements.

Q. PLEASE DESCRIBE THE ISSUE.

A. This issue concerns the types of multiplexing available and its pricing. The issue also concerns the provisioning of digital cross-connect systems.

Q. WHAT IS SWBT'S POSITION?

A. SWBT does not believe that optical multiplexers are appropriately classified as a part of the interoffice dedicated transport UNE. In addition, SWBT believes that the provisioning of optical multiplexers as demanded by AT&T constitutes virtual collocation since the equipment must be dedicated to AT&T and can not be used or shared by SWBT or other LSPs.

Q. PLEASE DESCRIBE AN OPTICAL MULTIPLEXER.

A. A multiplexer is an electronic device that is used to combine (multiplex) several low speed input signals into one high speed output signal. It allows the transport of a large number of telephone circuits over a single transmission path. An optical multiplexer is normally a SONET based device that allows low speed data to be inserted or removed from the high

speed bit stream with minimal disturbance to the other low speed data streams. The ability to insert or remove data is known as *adding* or *dropping*. Hence these multiplexers are commonly referred to as Add/Drop Multiplexers ("ADMs"). The following example illustrates the function of a typical ADM.

The low speed inputs may be 1.544 Mb/s DS1 signals on copper wires, 45 Mb/s DS3 signals connected by coax cable from a multiplexer in the same office, or a 155 Mb/s OC3 signal delivered on a pair of fibers. The ADM can except multiple inputs from different sources and combine them into a single high speed output circuit such as the OC48 shown above. The interfaces and capabilities of SONET ADMs are manufacturer specific, so are the physical designs and layouts. However, the basic layout of each system requires different electronic or optical circuit packs for each type of input and output. For instance different circuit cards are required to terminate DS1 circuits, DS3 circuits, OC3 circuits, and OC12 circuits. The circuit packs also vary depending upon the type of transmission facility used.

Q. WHY DID SWBT NOT INCLUDE THE USE OF ADMS IN THE COSTS FOR INTEROFFICE DEDICATED TRANSPORT?

A. Optical ADMs are not used in every central office for combining circuits for transport. In some offices, multi-stage electrical multiplexing is used to combine various speed circuits into a fiber optic transmission system. Other offices are equipped with a Digital Cross-connect System. In addition, not all interoffice dedicated transports will require optical speeds. If a LSP has relative few interoffice circuits to a given location they may be transported on a single DS1 circuit using T-1 carrier equipment.

In the case of large capacity transport requirement that justify the use of optical transport, the large variation in the type of input circuits make it unreasonable to develop a price model that will properly determine the costs for all locations. For instance, an interoffice transport that is delivered to SWBT's multiplexer as a single OC3 circuit will have significantly different costs from that of three DS3 circuits or DS1 circuits. However, each of these combinations, with the same capacity, could be transported on the same interoffice facility after being multiplexed in a ADM.

Q. DOES SWBT PROVIDE MULTIPLEXING FOR INTEREXCHANGE CARRIERS?

A. Yes. Multiplexing is offered as a separate rate element in both the intrastate and interstate tariffs.

Q. HAS SWBT OFFERED TO DEVELOP RATES FOR OPTICAL MULTIPLEXING FOR AT&T?

A. Yes. SWBT's proposed contract wording offers to develop rates for additional types of multiplexing through the Special Request Process.

Q. WHAT IS YOUR RECOMMENDATION?

A. I recommend that AT&T's proposed language be rejected and that SWBT's proposed language offering other types of multiplexing through the Special Request Process be adopted. This will allow proper costs recovery since the cost in each instance will be based upon the actual type of multiplexing required. AT&T's proposed language appears to be a bundling of network elements, rather than an unbundling of those elements.

Q. WHAT IS A DIGITAL CROSS-CONNECT SYSTEM?

A. A digital cross-connect system (DCS) is an electronic device that provides the capability of rearranging circuits on high speed facilities without the need to demultiplex the signals. Without a DCS, signals can not be exchanged between high speed circuits without returning all of the circuits to analog electrical signals. The following example will serve as an illustration:

In this example, assume that input circuits 1 through 12 from location A are to go to Location D and input circuits 13 through 24 are to go to Location E. Likewise, circuits 1 through 12 from Location B are to go to Location D and circuits 13 through 24 are to go to Location E. In addition, Location C is a hubbing point where all of the DS1 circuits come together. At location C, the circuits must be demultiplexed to individual electrical signals and cross-connected as necessary. This system requires eight multiplexers/demultiplexers ("Muldems").

A DCS 1/0 terminates incoming signals at the DS1 level and cross-connects the individual circuits at a DS0 level. The use of a DSC 1/0 system would allow the circuit arrangement described above to be provided in the following manner:

With this arrangement, any DS0 circuit on any of the DS1 paths can be cross-connected to any other DS1 path without having to convert any of the signals to analog.

As discussed in the example above, the DCS is a replacement for back-to-back channel banks. With back-to-back channel banks, the facility is terminated at a DS1 point, demultiplexed

from one DS1 to 24 DS0 signals and converted from a digital to analog form. The circuits are cross-connected manually at the analog voice frequency level and then converted from analog back to the DS0 level. The 24 DS0 signals are then multiplexed back into a single DS1 signal.

The DCS 1/0 terminates DS1 facilities and demultiplexes them to the DS0 level. All cross-connects are made at the DS0 level and then the 24 DS0 signals are multiplexed back up to a DS1 rate for transmission to the next location

Q. DOES SWBT CURRENTLY USE OTHER TYPES OF DCS EQUIPMENT?

A. Yes, SWBT currently has deployed several different types of DCSs in its network. These include:

DCS 1/0 as described above

- DCS 3/1/0 which terminates incoming signals at either a DS3 or DS1 level and makes the cross-connections at the DS0 level.
- DS 1/1 which terminates DS1 signals and makes cross-connections at that same level.
- DCS 3/1 which terminates either DS3 or DS1 signals and makes the cross-connections at the DS1 level

Q. HOW IS A DCS DESIGNED?

A. Although manufacturers design their systems differently, the following is a functional block example of a digital cross-connect system:

The Central Processing Unit is the main microprocessor that controls the operation of the DCS. It provides the switching control, as well as controlling the other components of the system.

The Communications Interface provides terminations for the administrative links and provides a means for maintenance forces and customers to talk to the DCS for purposes of inputting cross-connect information and extraction of information concerning facility and DCS performance.

The Switching Network is the heart of any DCS. It provides the means to connect any time slot from any input to any time slot of any output. It id a non-blocking cross-connect network. The switching network could be either a time slot interchanger (for DS0 switching) or a cross-connect network (for signals greater than DS0) The directions for the cross-connections are contained in the cross-connect map. A copy of this map is stored in random access memory in the switching network. Another copy of the cross-connect map is stored in the Non-Volatile Memory. The switching network is fully duplicated.

Non-Volatile Memory is a permanent memory location for all information pertaining to the operations of the DCS, including the current cross-connects within the system. It is provided to prevent loss of cross-connect information in the event of power failure. It also provides a means to restore the cross-connect map in the switching network if that portion of the DCS fails.

The Synchronization Interface is required for external timing input for the DCS. It is usually required only with machines that cross-connect at a DS0 level.

The Alarm Interface is used to connect the DCS to the central office audible and visual alarms and remote alarm monitoring systems.

Q. WHY HAS SWBT PROPOSED DIFFERENT RATES FOR CONNECTING VARIOUS SPEED CIRCUITS TO THE DCS?

A. SWBT has developed different rates for connections at DS0, DS1, and DS3 transmission speeds, because each type of circuit requires a different electronic port card for termination on the DCS. In addition, each type of circuit requires a varying capacity of the switching network on an ongoing basis.

Q. PLEASE SUMMARIZE SWBT'S POSITION ON THIS ISSUE.

A. AT&T proposes language entitling it to order additional multiplexing/demultiplexing. SWBT is willing to consider requests for additional types of "muxing" under the Special Request procedure set out in the Interconnection Agreement. Muxing will be offered at rates which recover the costs of each request. However, because these installations will vary considerably as to their functionality and capacity, no generic rate can be set. Each installation must be priced on a individual case basis.

The vague language proposed by AT&T does not take into consideration the need to evaluate the different and varied kinds of installations that could be requested. Accordingly, the AT&T language is inappropriate. It is simply unfair and unrealistic to bind SWBT to a broad

and unspecified obligation without the companion obligation to pay for the installation ordered. This kind of ambiguity is unwise because it could very easily lead to future disputes about the scope of SWBT's duties.

Finally, AT&T is quite vague about what kind of muxing it will require. SWBT is willing to offer Voice Grade to DS1 and DS1 to DS3 muxing. SWBT is willing to consider requests for additional types, but AT&T needs to specify exactly what it wants. SWBT has offered specific forms of multiplexing required by the FCC and additional multiplexing now generally available on SWBT's system. SWBT has also offered additional forms of multiplexing under the "special request" provisions of the contract. SWBT cannot be more specific as to these additional forms until it knows exactly what kind of multiplexing AT&T needs.

SWBT does not believe that optical multiplexers or DCS are appropriately classified as a part of the interoffice dedicated transport UNE. In addition, SWBT believes that the provisioning of optical multiplexers as demanded by AT&T constitutes virtual collocation since the equipment must be dedicated to AT&T and can not be used or shared by SWBT or other LSPs.

In the case of large capacity transport requirement that justify the use of optical transport, the large variation in the type of input circuits make it unreasonable to require SWBT to develop a price model that will properly determine the costs for all locations. For instance, an interoffice transport that is delivered to SWBT's multiplexer as a single OC3 circuit will have significantly different costs from that of three DS3 circuits or DS1 circuits. However, each

of these combinations, with the same capacity, could be transported on the same interoffice facility after being multiplexed in a ADM.

SWBT's proposed contract wording offers to develop rates for additional types of multiplexing through the Special Request Process.

Q. WHAT IS YOUR RECOMMENDATION CONCERNING DCS?

A. AT&T's proposed language for paragraphs 8.2.1.5.1 and 8.2.1.5.2 be rejected and that SWBT's proposed language offering other types of multiplexing through the Special Request Process be adopted. This will allow proper costs recovery since the cost in each instance will be based upon the actual type of multiplexing required. AT&T's proposed language appears to be a bundling of network elements, rather than an unbundling of those elements. However, if the Commission believes that they should be combined, it should require AT&T to specify the various configurations that it requires to be priced together. The cost for these configurations should then be developed and a rate to compensate SWBT for the equipment and programming time required to activate such circuits should be should be included in the agreement.

SWBT'S PROPOSED AGREEMENT LANGUAGE

SWBT will provide multiplexing/demultiplexing for Voice Grade to DS1 and DS1 to DS3. Other types of multiplexing/demultiplexing are available through the Special Request Process.

AT&T will pay rates and charges for Voice Grade to DS1 and DS1 to DS3 multiplexing and demultiplexing that are in addition to Dedicated Transport rates and charges. These charges are

shown in Appendix Pricing - UNE - Schedule of Prices labeled "Multiplexing".

	Recurring	Initial Nonrecurring	Additional Nonrecurring
Voice Grade to DS1	$191.60	$260.00	$161.00
DS1 to DS3	$815.00	$1372.00	$813.00

SWBT opposes inclusion of AT&T language.

ISSUE 14b. INPUT/OUTPUT PORT

What access to Input/Output ports is available to AT&T and under what terms and conditions?

Q. WHAT IS THE ISSUE?

A. AT&T demands that SWBT include contract wording that provides unlimited access to input and output ports on central office switches with no consideration to the cost or use of such ports. In its arguments supporting the proposed contract wording AT&T discusses its need for Simplified Message Desk Interface ("SMDI"). However, the requested contract wording is much more broad and encompasses many more types of access ports to the switch.

Q. WHAT IS SMDI?

A. SMDI provides an Enhanced Service Provider ("ESP") client delivery of originating call information from the network, as well as allowing network receipt of Message Waiting Indication activation and deactivation messages from the ESP. SWBT offers this as tariffed services called Subscriber Line Information ("SII") and Network Subscriber Information Interface. The service is used by voice mail service providers to activate the stutter dial tone on a client's line when a message has been received in the customer's voice mail box. It is also used to remove the stutter dial tone when the message has been retrieved. The service

requires a port on the switch and a data link to the ESP switch for the signaling and a multiline hunt group of lines for the voice messages.

Q. WHAT EQUIPMENT IS REQUIRED TO PROVIDE A SWITCH PORT FOR A SMDI DATA LINK?

A. The actual equipment varies slightly by switch type. I will describe the requirements of the 5ESS switch since it is representative of the forward looking switch types. The SMDI feature requires an Integrated Services Digital Network ("ISDN") basic rate interface ("BRI") with the stand "2B+D" protocol arranged as an Application Processor Interface ("API"). Provisioning the BRI requires at least one Subscriber Line Module in the switch to be equipped with ISLU line cards. Since the required data for the SMDI interface is transmitted over the "D" channel, the equivalent of a Network Termination 1 unit will be required as an interface to "U" ISDN line interface card. To provide the standard SMDI interface, an enhanced 3A Translator unit must be used. It provides a full duplex output RS232 port capable of transmitting and receiving data in the standard SMDI protocol. An error correcting high speed modem must be used for extending the port to the ESP customer. This arrangement in an ISDN switching module severely limits the capacity of that switch module and greatly reduces the ability to serve regular BRI customer lines from a module equipped for SMDI.

Q. ARE SWITCH TRANSLATIONS REQUIRED FOR THE ACTIVATION OF THE SMDI SERVICE PORT?

A. Yes. Extensive translations are required to establish the relationship between the SMDI port and the associated multiline hunt group that carries the actual voice messages.

Q. DOES THE USE OF THE SMDI PORT PLACE ADDITIONAL LOAD ON THE SWITCH AND THE PROCESSOR?

A. Yes. Each time a call is directed to the voice mail system, a message must be sent via the SMDI port to the voice mail system, a message waiting indicator signal is returned to the switch and a indicator must be set on the called customer's line. When the called customer retrieves the messages from the voice mail system, a call is originated to the voice mail system and a message to cancel the message waiting signal is transmitted back to the switch which must then remove the indicator on the customer's line.

Q. DOES SWBT PROVIDE VOICE MAIL SERVICE TO ITS CUSTOMERS USING SMDI?

A. No. SWBT offers SMDI to ESPs through its SII and NSII tariffed service.

Q. ARE SII AND NSII AVAILABLE TO AT&T FOR RESALE TO ITS CUSTOMERS?

A. Yes.

Q. HAS SWBT OFFERED A SMDI PORT AS A UNBUNDLED NETWORK ELEMENT?

A. Yes. The contract between AT&T and SWBT provides that AT&T may request switch ports, other than the standard line and trunk ports, through the Special Request process.

Q. WHY DOES SWBT OBJECT TO THE CONTRACT WORDING PROPOSED BY AT&T?

A. AT&T proposes a single rate for any type of input/output port, regardless of the equipment or functions involved. While it mention SMDI, the AT&T wording specifies that it does not limit the application to SMDI ports.

Q. ARE THERE OTHER TYPES OF INPUT/OUTPUT PORTS EQUIPPED ON CENTRAL OFFICE SWITCHES?

A. Yes. The input/output ports are the link between any program sending or receiving a message to or from some external device such as a keyboard, display or printer. These ports provide connections to maintenance positions, alarm units, data systems, test systems and even some customer systems such as message desks. Each use requires different hardware and software.

Q. PLEASE SUMMARIZE SWBT'S POSITION ON THIS ISSUE.

A. AT&T demands that SWBT include contract wording that provides unlimited access to input and output ports on central office switches with no consideration to the cost or use of such ports. In its arguments supporting the proposed contract wording AT&T discusses its need for Simplified Message Desk Interface ("SMDI"). However, the requested contract wording is much more broad and encompasses many more types of access ports to the switch. AT&T characterizes this request as being made "during recent negotiations". However, AT&T only raised this issue during June 97 Texas negotiations. This is a prime example of how AT&T's view that everything was arbitrated in Case No. TO-97-40 and everything else is free in inaccurate.

SWBT'S PROPOSED AGREEMENT LANGUAGE

AT&T may order port types reflected with prices on Appendix Pricing, UNE Schedule of Pricing; and request additional port types from SWBT through the Special Request process.

Q. WHAT IS YOUR RECOMMENDATION ?

A. I recommend that AT&T's contract language be rejected and that AT&T be directed to use the Special Request process to obtain the use of additional types of ports on the switch. This

will allow a proper determination of the costs for activating and using the ports. If the Commission decides that this docket should be extended to allow time for the development of additional UNE prices, then only the price for a SMDI port and associated equipment and data link should be developed rather than a broad range of unidentified types of ports that have different configurations.

ISSUE 14c: SWITCH CAPABILITY

What information should SWBT provide to AT&T concerning the features, functions and capabilities of each end office?

A. AT&T has proposed language which would require SWBT to provide to AT&T upon request "a list of all services and features, functions and capabilities of each switch that SWBT may use to provide a Local Switching Element, by switch CLLI and NPA NXX, including, but not limited to, type of switching equipment installed, version of software generic, secured features, identification of any software or hardware constraints or enhancements, and a means to reliably correlate a customer address with the data...." This is yet another example of AT&T dictating to SWBT how it should run its business, coupled with an effort to obtain proprietary information regarding SWBT's switch and its software.

SWBT has proposed similar language which provides that SWBT would provide AT&T with "a list of all services and features activated and working for each switch....," but that does not include any requirement that SWBT disclose to AT&T a list of all services, features, functions and capabilities of each switch. It is SWBT position that this information has no bearing on

the ordering and provisioning of UNEs.

The agreed to language already provides that when ordering UNEs, AT&T will have access to a pre-order electronic gateway provided by SWBT which will allow AT&T to "obtain SWBT customer information, including customer name, billing address and residence or business address, billed telephone numbers and features and services available in the end office where the customer is provisioned." AT&T does not need any other information. Rather, LSPs, through the preordering process, can reference those retail features and services that are available from SWBT's switch and compare that with what features and services are possible via UNEs under their Interconnection Agreement with SWBT. To the extent that the LSP desires a feature which is not listed on the retail availability list, SWBT will investigate the LSPs request on an individual customer basis to determine if the feature is technically feasible from that switch.

AT&T has not established any legitimate justification for seeking the requested information and it appears that its underlying intent is to gain access to SWBT's proprietary information concerning its switches and software. For these reasons, the Commission should adopt SWBT's proposed language and reject AT&T's proposed language.

SWBT'S PROPOSED AGREEMENT LANGUAGE

A list of all services and features activated and working for each switch that SWBT may use to provide a Local Switching Element, by switch CLLI and NPA NXX. Within ten (10) business days after the Effective Date of the Agreement, SWBT will provide AT&T an initial electronic copy of this

Information. SWBT will provide a complete update of the information to AT&T electronically on a quarterly basis, or as AT&T may otherwise request. If AT&T requests more than one update in any quarter, a charge may apply for each such additional request. The Parties agree to negotiate in good faith whether and to what extent such a charge should apply.

ISSUE 14d: EXPEDITED SPECIAL REQUEST PROCESS

Should the special request process be modified to include AT&T's proposed 10 day price quote procedure?

Q. PLEASE DESCRIBE THE ISSUE.

A. The issue is whether SWBT must provide a price quote within ten days for a new unbundled network element if the equipment to provide that element is in service at the time of the request. In addition, the issue is whether must reach agreement on the price within ten days.

Q. HAS THIS QUESTION BEEN PRESENTED TO THE COMMISSION PREVIOUSLY?

A. In the first arbitration between AT&T and SWBT, AT&T and MCI supported a proposal that would have required SWBT to respond to a LSP's request for additional unbundled network elements within ten days. After hearing all of the arguments the Commission established a new process by modifying SWBT's proposed process. This process required SWBT to respond within 30 days to a LSP's request.[1]

Q. SHOULD THE COMMISSION NOW MODIFY THIS SCHEDULE?

[1] Arbitration Order TO-97-40 and TO 97-67, Issued December 11, 1996, pages 13 and 14.

A. No. SWBT has offered a special request process to allow AT&T to request new or modified network elements. That process has shorter and more specific time frames than those required by the Telecommunications Act of 1996. In the first arbitration, the Commission found in favor of SWBT's Bona Fide Request process (now Special Request Process) with limited changes. This issue should not be re-arbitrated here. Despite this, AT&T demands an even more expedited process. Under AT&T's proposed language, the parties have twenty (20) days to agree on the price of an network element that has no cost study before arbitration can be demanded. The arbitration hearing is then to be held within sixty (60) days after demand is made.

SWBT'S PROPOSED AGREEMENT LANGUAGE

SWBT opposes the inclusion of AT&T's proposed language.

Q. WHAT IS YOUR RECOMMENDATION FOR THIS ISSUE?

A. I recommend that the Commission stand by its previous ruling and reject AT&T's suggested language for the agreement.

ISSUE 15: BLOCKING/SCREENING REQUIREMENTS

What access should AT&T have for blocking/screening and upon what terms and conditions?

Q. WHAT IS THE ISSUE?

A. AT&T appears to believe that SWBT intends to limit AT&T's ability to block 900/976 calls, long-distance calls, and international calls for AT&T customers served by SWBT UNE's.

Q. IS THIS SWBT'S POSITION?

A. No. SWBT does not intend to limit AT&T's ability to restrict its customers in any manner. However, SWBT does want to be compensated for the labor required to design and implement those restrictions.

Q. HOW DOES SWBT BLOCK CUSTOMERS FROM PLACING CALLS TO CERTAIN SERVICES?

A. All types of call routing, or blocking , are controlled by Line Class Codes ("LCCs") in the central office switch. The LCCs direct the switch to look at particular call routing tables to determine how a customer line is to be routed based upon the dialed digits. For instance, if a customer dials a 900 Service number, the LCC assigned to that customer line will normally cause the call to be routed to a trunk group that carries the call to the 900 Service provider. If the customer has requested that all calls to 900 Service be blocked, a different LCC is assigned to that customer's line. This LCC causes the call to be routed to a recorded announcement trunk that informs the customer that they are not authorized to place such calls. For each different combination of services to be allowed or blocked, a unique LCC is required. Depending on the types of services offered in a single central office, there may be a requirement for up to several hundred LCCs.

Q. HAS SWBT OFFERED THIS SAME ARRANGEMENT TO LOCAL SERVICE PROVIDERS SUCH AS AT&T?

A. Yes. The basic approach is that there will be no special charge to AT&T for blocking or screening except to the extent that special LCCs must be built to accomplish the requested actions.

Q. PLEASE EXPLAIN HOW THIS BASIC APPROACH WILL BE APPLIED.

A. There are three basic scenarios to be considered; 1) Resale of SWBT services without customized routing to AT&T operators service or directory assistance; 2) Resale of SWBT services with customized routing; and 3) the use of UNEs that include the local switching element.

When AT&T offers SWBT services for resale without modifying the service by requesting custom routing, the existing line class codes will normally be usable by AT&T. If AT&T desires to offer a blocking or screening that is not currently in use in a particular central office, SWBT will design and install the necessary LCC in the office and charge AT&T for that effort. There will be no other charges.

If AT&T orders customized routing in a central office without the AIN platform it will be necessary to design and construct a set of new LCCs to route AT&T customer calls to the proper operator services trunk groups. As a result, none of the existing SWBT LCCs will function properly to provide blocking or screening. AT&T must identify the specific LCCs that it desires to have installed in the central office switch. SWBT will design and install those LCCs and charge AT&T for that effort. If some AT&T customers are to be blocked and others are not, there will need to be separate LCCs for those customers.

When the local switching UNE is used by AT&T to provide service without the AIN platform, it will always be necessary to create a new set of LCCs, regardless of customized

routing, since a LCC will be required to activate the measurements required to bill AT&T for the use of the UNE. As a result, new LCCs will be required for blocking calls..

Where the AIN platform is being used for customized routing, it can trigger the customized routing and the billing functions for the unbundled local switching element and AT&T will be able to use the existing LCCs for blocking. However, if AT&T desires blocking different than that used by SWBt, it will be charged for the development of the additional LCCs.

Q. IF AT&T OWNED AND OPERATED ITS OWN CENTRAL OFFICE SWITCH, WOULD IT INCUR THE SAME TYPES OF COSTS FOR ESTABLISHING LCCS?

A. Yes. AT&T would have to design and install the same LCCs in its own switch to provide for the blocking or screening that it wants SWBT to do for AT&T's customers.

Q. HAS SWBT LIMITED AT&T TO ONLY TWELVE DEFAULT LCCS?

A. No. SWBT has designed and made available a set of the most common LCCs to be used by all local service providers who order the local switching UNE. There will be no charge for the establishment of these LCCs, however, these are not the only LCCs available.

SWBT'S PROPOSED AGREEMENT LANGUAGE

SWBT proposes the following language:

Customized Routing of Directory Assistance and Operator Services and/or any special blocking/screening requirements, (e.g., 900 blocking, toll restriction) associated with customized routing will be provided on SWBT switches by December 31, 1997. The schedule is dependent upon the ability of SWBT's vendor to meet its current commitment; however, SWBT will use its best efforts to manage the vendor to meet said date. Where AT&T orders Customized Routing and/or any special blocking/screening requirements, (e.g., 900 blocking, toll restriction) such order must be

placed on a per class of service basis in each end office. Once available in accordance with the above, SWBT will fulfill initial orders for particular Customized Routing arrangements and/or any special blocking/screening requirements, (e.g., 900 blocking , toll restriction) within 30 work days unless the Parties agree otherwise. Where it is not technically feasible to meet AT&T's requests through available SWBT network resources, SWBT will advise AT&T within 15 working days after order receipt.

Upon request by AT&T, SWBT will provide blocking and/or screening capabilities. These capabilities are defined as 900/976 call blocking, IDDD International call blocking and toll denial. For resold lines or unbundled Local Switching with customized routing provided via Line Class Codes (LCC), AT&T must specifically request the blocking/screening characteristics required on its Customized Routing Request. For resold lines and unbundled switch ports provided via SWBT's AIN platform, AT&T will be provided listings of standard Line Class Codes which include the desired blocking and that may be utilized by AT&T. There will be no special charges to AT&T for blocking/screening except to the extent that special Line Class Codes must be built to accomplish the request. This will be required for resold lines with Customized Routing via LCC because there is no SWBT LCC which can be shared. It will also be required for unbundled switch ports which must be built before SWBT's AIN Customized Routing offering is available.

Attachment 7: O&P

The Charge for Call Blocking is reflected in Attachment 6, Appendix Pricing UNE - Schedule of Prices labeled "Call Blocking/Screening" under Local Switching.

Q. WHAT IS YOUR RECOMMENDATION?

A. I recommend that SWBT's proposed contract language for Issue 15 be accepted and that AT&T's proposed language be rejected.

ISSUE 16: COMBINING ELEMENTS

When AT&T orders combinations of elements that are not interconnected in the SWBT network at the time of the order, should the contract provide for SWBT to combine those elements, based on SWBT's determination not to permit AT&T and other LSP technicians access to SWBT network facilities that is equal to the access available to SWBT technicians?

Q. WHAT IS THE ISSUE?

A. The issue is whether SWBT should be required to make cross connections of unbundled network elements at no cost to AT&T.

Q. WHAT ARE CROSS-CONNECTIONS?

A. Cross-connections are wires or fibers or equipment that connect one piece of equipment to another on a semi-permanent basis. For instance, a copper local loop may be cross-connected at the MDF to a switch port of the central office switch by a simple pair of copper wires called a jumper.

Q. DO DIFFERENT LOOP OPTIONS REQUIRE DIFFERENT TYPES OF CROSS-CONNECTIONS?

A. Yes. In fact several cross-connections may be required for many of the options. SWBT offers the following types of loop cross-connects:

- Analog loop to collocation cage with and without testing

- Digital loop to collocation cage
- Analog loop to SWBT provided multiplexer for interoffice transmission
- Digital loop to SWBT multiplexer for interoffice transmission
- Analog loop to digital Cross-connect System ("DCS")
- Digital loop to DCS
- Analog Loop to Switch Port
- Digital Loop to Switch Port

Each of the above cross-connections are offered on a 2-wire and 4-wire basis except for the analog loop to switch port cross-connect and the digital loop to multiplexer which are only 2-wire options.

Q. PLEASE DESCRIBE THE VARIOUS TYPES OF CROSS-CONNECTIONS.

A. The 2-wire analog loops require the simplest cross-connections. There are two options for a single pair of copper wires are to be connected to a LSP's collocation equipment in one option, no test access points are included, in the other test access points are included. The following example illustrates the connection with no test access.

The local loop is connected with a 2-wire jumper to a cable from the Main Distribution Frame ("MDF") to an Intermediate Distribution Frame ("IDF") where it is connected by another 2-wire jumpers to cables extending to the collocation cage. The facilities between points A and B above are considered the cross-connect.

Q. WHAT CHANGES WHEN TEST ACCESS POINTS ARE INCLUDED?

In order to add test points it will be necessary to cross-connect the local loop from the MDF to a set of test access points and then to a tie cable connecting to the LSP collocation equipment.

The following example shows this arrangement.

The analog local loop is terminated on the main distribution frame. A cable connects the MDF to an Intermediate Distribution Frame where the SMAS test access points are also terminated. A series of two wire jumpers, consisting of pairs of copper wires are placed to connect the local loop on the MDF to the IDF then to the input SMAS test points located on the IDF. A final jumper connects the SMAS output test point on the IDF to a pair of the copper cable that terminates on the a frame in the LSP collocation area.

Q. WHAT IS THE PURPOSE OF THE SMAS TEST POINTS?

A. When SWBT provides an unbundled local loop equipped with testing capability, it is necessary to provide test access points by using the SMAS test points. The SMAS test points allow a SWBT test system (SARTS) to access the loop, separate the loop and the connection to the collocation equipment, and perform transmission test from a remote location, just as is done on loops that serve SWBT customers. This testing access is necessary for SWBT to be able to provide comparable levels of maintenance and repair services on loops serving the LSP's customers to the levels that SWBT achieves on loops serving its own customers.

Q. WHAT IS REQUIRED TO CROSS-CONNECT A 4-WIRE ANALOG LOOP TO THE COLLOCATION CAGE?

A. This type of circuit requires the same arrangement as the 2-wire circuit described above. However, it requires 4-wire SMAS test points instead of the 2-wire SMAS test point and twice the number of jumpers.

Q. WHAT ARRANGEMENT IS REQUIRED TO CROSS-CONNECT A 2-WIRE DIGITAL LOOP TO THE COLLOCATION CAGE?

A. The arrangement is the same as that required for the 2-wire analog loop.

Q. HOW IS A 4-WIRE DIGITAL LOOP CROSS-CONNECTED TO THE COLLOCATION CAGE?

A. The digital loop circuit from the customer's premises terminates on the MDF. A special shielded wire is used as a cross-connection jumper to a SWBT digital cross-connect panel ("DSX"). The circuit is connected by a jumper to an office repeater, if necessary, and then to a DSX dedicated to the LSP. A jumper is used to connect to shielded cable that is terminated in the LSP's collocation space.

Q. WHAT ARRANGEMENT IS USED TO CONNECT AN ANALOG LOOP TO MULTIPLEX EQUIPMENT FOR INTEROFFICE TRANSPORT?

A. The local loop is cross-connected to the IDF and then to the multiplex equipment. A 2-wire multiplex card is required in the multiplexing bay.

Q. DOES THE 4-WIRE ANALOG CROSS-CONNECT REQUIRE TWICE THE EQUIPMENT AS A 2-WIRE CIRCUIT?

A. Not completely. Twice the jumpers are required, but a different multiplex card is used that terminates the 4-wire circuit.

Q. PLEASE DESCRIBE THE REQUIREMENTS FOR A 2-WIRE DIGITAL CIRCUIT CROSS-CONNECTION TO MULTIPLEX EQUIPMENT.

A. The physical arrangement is the same as for the 2-wire analog circuit, except that a special BRITE card is required in the multiplex equipment.

Q. HOW IS THE 4-WIRE DIGITAL CROSS-CONNECTION TO MULTIPLEX EQUIPMENT DIFFERENT FROM THAT USED TO CONNECT TO THE COLLOCATION CAGE?

A. The arrangement is identical except for the final jumper. Instead of connecting to a DSX dedicated to the LSP, the jumper is connected to a DSX connected to the multiplexing equipment.

Q. ARE THERE SPECIAL CROSS-CONNECTION REQUIREMENTS FOR THE CONNECTING LOCAL LOOPS TO THE DIGITAL CROSS-CONNECT SYSTEM ("DCS") EQUIPMENT?

A. The 2-wire and 4-wire analog loops and the 2-wire digital loops are cross-connected to the IDF where an additional jumper is connected to a DCS input port that is terminated on the IDF. A 4-wire digital loop is connected to the DCS in the same manner that it would be connected to multiplex equipment. However, in these cases the DCS must be programmed to recognize the circuits.

Q. PLEASE DESCRIBE THE CROSS-CONNECT ARRANGEMENTS FOR CONNECTING A LOOP TO A SWITCH PORT.

A. These are the simplest cross-connects. All loops appear on the MDF and most line ports are terminated on the MDF. Therefore all analog loops and the 2-wire digital loop simply require the appropriate numbers of jumper wires to connect the two terminations. The exception is the 4-wire digital loop. This must be cross-connected to the switch port in the same manner that it is connected to a multiplexer, the difference being that the final jumper is to the DSX serving the switch instead of a multiplexer.

Q. WHAT TYPES OF CROSS-CONNECTS ARE REQUIRED WITH SUBLOOP ELEMENTS?

A. Subloop cross connections will normally be either a simple fiber jumper for connecting dark fiber to a fiber provided by AT&T or a 2-wire or 4-wire jumper for connecting feeder facilities or distribution facilities to LSP facilities.

Q. SHOULD AT&T BE REQUIRED TO PAY FOR CROSS CONNECTIONS AS A SEPARATE RATE ELEMENT?

A. Yes. As the preceding discussion has shown, there is considerable equipment and labor involved in making the cross connections. In the disputed issues matrix, AT&T correctly states that SWBT does not agree to allow AT&T to wander around in its central office to make the cross connections. AT&T also correctly states that SWBT agreed in Texas to make the cross connections for AT&T. However, SWBT did not agree in Texas, or anywhere else, to perform that work at no charge. The 8th Circuit Court ruled that SWBT is not required to connect the unbundled network elements. However rather than require that all network elements be extended into an area that the LSP can make the cross connections without requiring access to SWBT's central office area, SWBT has agreed that it will make cross connections for the LSP's and has developed rates for those cross connections.

Q. HAS THIS COMMISSION ADDRESSED THIS QUESTION PREVIOUSLY?

A. Yes. In the first arbitration between SWBT and AT&T, the Commission found that SWBT should offer the cross connects as a separate unbundled element, available with and without testing equipment. The Commission followed its decision in TO-97-23, which established different prices for different types of cross connects, thus effectively designating the cross connects as an UNE.

Q. IS SWBT REQUIRED TO PERFORM CROSS-CONNECTIONS FOR AT&T?

A. Under the October 14, 1997 8th Circuit Order, SWBT cannot be required to physically combine UNEs ordered by the CLEC. SWBT is only required to provide the CLEC with reasonable access to the UNEs ordered by the CLEC in order to allow the CLEC to combine those UNEs. Under the Act, the issue of network access is subject to negotiation by the parties and SWBT will work with AT&T to implement technically viable means to enable AT&T to combine UNEs. SWBT will also provide AT&T with access to SWBT's network through physical or virtual collocation arrangements.

SWBT'S PROPOSED AGREEMENT LANGUAGE

SWBT opposes the inclusion of AT&T's proposed language.

Q. WHAT IS YOUR RECOMMENDATION FOR THIS ISSUE?

A. I recommend that the Commission reject AT&T's suggested language that would require SWBT to make cross-connections at no charge.