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August 29, 2001

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Missouri Public Service Commission

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. TO-99-593

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of the **STAFF'S RESPONSE TO ORDER DIRECTING FILING.**

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Keith R. Krueger
Deputy General Counsel
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KRK/lb
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Investigation Into Signaling Protocols, Call Records, Trunking Arrangements, and Traffic Measurement	))))	Case No. TO-99-593

STAFF'S RESPONSE TO
<u>ORDER DIRECTING FILING</u>

COMES NOW the Staff of the Missouri Public Service Commission, and for its Response to Order Directing Filing states to the Missouri Public Service Commission as follows:

1. On July 30, 2001, the Commission issued its Order Directing Filing, in which it ordered the Staff to file a report on the current status of Ordering and Billing Forum Issue 2056 and the likely timeline for the adoption of Issue 2056 by the industry,

2. Attached hereto as Attachment A is the Commission Staff Report, which the Staff has prepared in response to the Order Directing Filing.

WHEREFORE, the Staff submits this Response to Order Directing Filing for filing in this case.

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Respectfully submitted.

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 29th day of August 2001.

Commission Staff Report
Case No. TO-99-593
OBF Issue 2056
August 29, 2001

The Missouri Public Service Commission (PSC) heard evidence in its Case No. TO-99-593 concerning the appropriate records and business relationships that may be applied relative to intercompany traffic. Of particular concern was the recording and billing arrangements that may be made regarding termination of traffic transited from large companies into small company territories. In the course of this Case, a witness for GTE (now Verizon) offered testimony suggesting that implementation of Ordering and Billing Forum (OBF) Issue 2056 could largely solve the problems being addressed.

The Commission has ordered the Staff of the PSC (Staff) to file a report by August 29, 2001, providing a description of this issue and a report on the status of implementation of the procedures discussed in OBF Issue 2056.

I. Summary and Overview

The telecommunications industry has completed its study of OBF Issue 2056, and has resolved the issue. Implementation of the guidelines established through OBF Issue 2056 will be complete by about August 31, 2002. It is important to note, however, that no company is required to comply with these guidelines, and that some companies may choose not to do so. In addition, the Staff notes that the small telephone companies do not believe that the resolution of OBF Issue 2056 will address the primary issues that the small telephone companies have raised in this case about the unidentified traffic that other carriers terminate in the small companies' exchanges.

The **Ordering and Billing Forum (OBF)** is a telecommunications industry group that seeks solutions to problems that confront the industry in regard to ordering, billing, and other issues. Its activities are overseen by the **Carrier Liaison Committee (CLC)** of the **Alliance for Telecommunications Industry Solutions (ATIS),** a voluntary association.

The OBF has seven standing committees, including the **Billing Committee**, which addresses billing-related issues and produces several publications, including the Multiple Exchange Carrier Access Billing (MECAB) document. The MECAB document contains *recommended guidelines* for the billing of access services.

Issue 2056 is the most recent issue in a series of billing issues that the OBF has addressed. The OBF resolved Issue 2056 in November 2000. This resolution of Issue 2056 has been incorporated into the MECAB document as Version 7.

Many companies in the telecommunications industry regularly comport with the MECAB document, and the Staff expects that many of them will comply with the latest revisions, which would require significant system and process adjustments. However, they are not required to comply with MECAB Version 7, and the Staff cannot assure that they will do so. It is expected that Version 7 will not be fully implemented until August 31, 2002.

II. Organization and Role of the Ordering and Billing Forum

The **Alliance for Telecommunications Industry Solutions** (ATIS) is a *membership* organization that provides the tools necessary for the industry to identify standards, guidelines and operating procedures that make the interoperability of existing and emerging telecommunications products and services possible. ATIS was established at the divestiture of the Bell System in 1984. As industry competition grew and new technologies developed, the role of ATIS expanded to become one of the standards development bodies for telecommunications. ATIS subcommittee recommendations may involve exchange of information among carriers, but do not establish or constitute business agreements or contracts, and compliance is voluntary and non-binding. The ATIS mission statement follows:

- The Alliance for Telecommunications Industry Solutions will actively promote the timely resolution of national and international issues involving telecommunications standards and the development of operational guidelines.
- ATIS will initiate and maintain flexible, open industry forums to address technical and operational issues affecting the nation's telecommunications facilities and services and the development of innovative technologies.
- ATIS will be an information resource to its members, the forum participants, federal and state agencies and other interested parties.
- ATIS will promote industry process and harmony with minimal regulatory or legislative intervention

ATIS membership includes approximately 110 companies with operations of national scope. Dues are calculated based upon annual revenues. Dues-determining bands are listed for companies with annual revenues of less than $40 million, up through those with greater than $5 billion. Members include telecommunications equipment and programming suppliers such as Cisco Systems, Lucent Technologies and Telcordia Technologies, in addition to telecommunications service providers such as AT&T Corporation, SBC Communications, Sprint Corporation, and Verizon. Many, but not necessarily most, have subsidiaries serving in Missouri. Many of Missouri's secondary carriers, CLECs and other companies that the Commission regulates are not members of ATIS.

The ATIS **Carrier Liaison Committee** (CLC) is an executive oversight committee that provides mechanisms for identification, discussion and voluntary resolution of industry-wide concerns regarding the provision of exchange access and telecommunications network interconnection within the North American Numbering Plan (NANP) area. The CLC is comprised of several forums, committees and subcommittees. The CLC serves as executive overseer for the Network Interconnection Interoperability Forum, the Ordering and Billing Forum, the Industry Numbering Committee and the Toll Fraud Prevention Committee.

The CLC **Ordering and Billing Forum** (OBF) provides a forum for customers and providers in the telecommunications industry to identify, discuss and resolve national issues which affect ordering, billing, provisioning and exchange of information about access services, other connectivity and related matters. Approximately eighty-five (85) companies have representatives assigned to OBF. The OBF meets in General Session, along with its standing committees, four times per year. OBF standing committees meet on the days prior to the General Session and may hold full interim or task force meetings and conference calls between General Sessions as needed. The OBF has seven standing committees, including the Billing Committee.

The OBF **Billing Committee** addresses billing related issues. This includes responsibility for maintaining the following documents:

- Multiple Exchange Carrier Access Billing (MECAB) document.
- Small Exchange Carrier Access Billing (SECAB) document.
- CABS Auxiliary Report Specifications (CARS) document.

The Multiple Exchange Carrier Access Billing, or MECAB, document is the principal ATIS publication to be affected by Issue 2056. The MECAB document contains the recommended guidelines for the billing of access services provided to a customer by two or more providers, or by one provider in two or more states within a single Local Access Transport Area (LATA). These guidelines apply to usage-sensitive access such as subscribed toll and Directory Assistance (DA) transport by the various Feature Group protocols, and flat-rated access such as Wide Area Telecommunications Service (WATS) access lines and intraLATA non-subscribed toll and local services.

III. Issues Addressed by the Ordering and Billing Forum

OBF considered a series of related topics, which eventually led to development of the current item of interest, Issue 2056. Significant influential issues that preceded Issue 2056 are described in turn below.

Issue 1548: Billing Verification Process in an Unbundled Environment.
The purpose of this issue was to develop guidelines for enabling access customers to validate their bills in an unbundled network environment. The principals involved are the Incumbent Local Exchange Carrier (ILEC), the provider of the Unbundled Network Element (UNE), the Unbundled Local Exchange Carrier (ULEC), the purchaser of the UNE, the facilities-based Competitive Local Exchange Carrier (CLEC), and the IntereXchange Carrier (IXC). OBF's resolution of this Issue included recommendations in a series of optional scenarios for which the various carriers would transmit information among themselves, and a proposal to consider revisions to the MECAB document.

Issue 1667: Exchange of Billing Information.
The purpose of this issue was to develop guidelines for exchanging billing information between ILECs, and ULECs. Implementing the guidelines would allow ULECs to bill IXCs and other interconnecting companies for originating and terminating traffic over the ULEC's network. OBF's resolution of the Issue included recommendations to revise the MECAB document.

Issue 1690: Notification of Interconnecting Billing Information to the ULEC.
The purpose of the issue was to develop guidelines to provide billing information from ILECs to ULECs. This is to allow ULECs to bill IXCs and other interconnecting companies for originating and terminating traffic over the ULEC's network. Resolution of the Issue established specific guidelines that MECAB should adopt.

Issue 2056: For Facility-Based LECs/CLECs and CMRSs, Enhance the Meetpoint/Meetpoint-Like Record Exchange to be Consistent with Unbundled Processes.

The purpose of the issue was to develop guidelines for exchanging records and billing information between ILECs and Competitive Local Exchange Carriers (CLECs) and Commercial Mobile Radio Services (CMRSs). To be consistent with the previous Issues, implementing this procedure will require modifications to the MECAB document, to be termed Version 7. In effect, the revision will discontinue the production of a type of record that is currently sent from a terminating carrier to a tandem owner at the end of a billing cycle. The tandem companies are to internally generate a suitable new record that will replace the function of the discontinued record. The tandem companies will then no longer rely on the terminating company's records for billing of certain transport elements. The desired effect is to be less reliance of one company upon the records provided by another, but records reliance will not be entirely eliminated. Issue 2056, then, permits the owners of tandem switches to bill transiting carriers such as CLECs and IXCs, based upon records of the tandem switch, rather than upon records sent by the CLECs and IXCs. This also promotes more timely billing, as there is then no need for the tandem company to wait another billing cycle for another companies' records to arrive. Terminating companies will still require the records from the tandem companies to complete the billing of originating companies and IXCs. Originating companies are to continue to provide their records to other companies.

IV. Status and Implementation of OBF Issue 2056

The OBF considered Issue 2056 to be resolved in November 2000, thus allowing the preparation of the MECAB document as Version 7. While the OBF considers Issue 2056 to be a closed issue, there remain a number of implementation issues that the industry must address before implementation can be completed, which are being addressed by the Billing Message Processing Committee.

Those companies in the telecommunications industry that regularly comport with the MECAB document can be expected to adopt the latest revisions. There will be significant system and process adjustments necessary to implement Version 7. Implementation was authorized to begin on January 1, 2001, and the proposed completion date has been established as August 31, 2002.

Fourteen (14) companies operating in Missouri are also represented on OBF committees. The Staff informally contacted numerous companies, primarily the large multi-state companies, to inquire about their views of Issue 2056. Several replied that they will comply with the resolution, and they expect to implement it themselves within the planned time frame. No company has replied that it does not intend to implement MECAB Version 7.

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Revised: August 28, 2001 (lb)

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