CASE NUMBER TO-98-115

AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.'S PETITION FOR SECOND ARBITRATION

TESTIMONY OF AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.

NOVEMBER 7, 1997
JEFFERSON CITY, MISSOURI

PETITION FOR SECOND ARBITRATION

Case No. TO-98-115

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File Date: November 7, 1997

Exhibit No:
Issue: I. IntraLATA Toll/Access
Witness: Dalton/Turner
Type of Exhibit : Direct Testimony
Sponsoring Party: AT&T Communications of the Southwest, Inc.
Case No: TO-98-115

PETITION FOR

SECOND ARBITRATION

DIRECT TESTIMONY

OF

NANCY DALTON AND STEVEN TURNER

Jefferson City, Missouri
November 7, 1997

File Date: November 7, 1997

I. INTRALATA TOLL/ACCESS
CONTRACTUAL DISPUTED ISSUES
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

ISSUE 1: RECEIPT OF TOLL REVENUE

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?

AT&T LANGUAGE:

Attachment 6

5.X **The local switching element also includes access to all call origination and completion capabilities (including intraLATA and interLATA calls), and AT&T is entitled to all revenues associated with its use of those capabilities, including access and toll revenues.**

5.X SWBT will make available to AT&T the ability to route all Directory Assistance and Operator Services calls (1+411, 0+411, 0-, and 0+ Local, **0+ IntraLATA toll (prior to dual PIC), 0+HNPA-555-1212 (IntraLATA) (prior to dual PIC), 1+HNPA-555-1212 (IntraLATA) (prior to dual PIC)**) dialed by AT&T Customers directly to the AT&T Directory Assistance and Operator Services platform. Customized Routing will not be used in a manner to circumvent the inter or Intra-LATA PIC process directed by the FCC.

5.X At AT&T's request, SWBT will provide the functionality and features, including digit translation (i.e., 1+411 to 900-XXX-XXXX) as specified by AT&T, within the SWBT local switch (LS) to route AT&T customer-dialed Directory Assistance local and intraLATA

calls to the AT&T designated trunks via Feature Group D signaling from SWBT's 5ESSs, DMS100 switches, and other switches as it becomes technically feasible, or as parties may otherwise agree, for direct-dialed calls, (i.e. 1+411, 1+Home/Foreign NPA-555-1212 sent paid).

5.X 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 from SWBT's 1AESS switches and other switch types or as the Parties otherwise agree, for direct dialed calls, **(e.g., 1+411, 0, and 0+Local, 1+Home/Foreign NPA-555-1212 sent paid).**

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

2.x When AT&T purchases unbundled Network Elements to provide interexchange services or exchange access services, SWBT will not collect access charges from AT&T or other IXC's (except for charges for exchange access transport services that an IXC elects to purchase from SWBT).

Appendix Pricing-UNE

5.x **Until the implementation of intraLATA Dialing Parity, AT&T will pay applicable**

ULS-O, ULS-T, signaling, common transport, and tandem switching charges for all intraLATA toll calls initiated by an AT&T ULS Port.

AT&T POSITION:

Prior to dual PIC, when AT&T provides local service over unbundled network elements, AT&T should be recognized as the intraLATA toll provider, entitled to the benefit of intraLATA toll revenues. The first clause of the issue statement above misstates this issue; this is not an issue of accelerating dialing parity. Rather, the issue is who should receive the benefit of intraLATA toll revenue, prior to dialing parity, when a customer chooses AT&T for local service and AT&T provides service over unbundled network elements. In these circumstances, the toll revenue should go to, and stay with, the local service provider who is offering service over unbundled elements (AT&T), not the supplier of unbundled elements who is no longer the customer's local service provider (SWBT). After dual PIC, the intraLATA revenue will accrue to the intraLATA PIC selected by the customer. Until then, when AT&T pays the full cost of UNE switching, it should receive the full switching functionality, including the ability to process all types of calls originated by its customer over the unbundled switch. Having received full compensation for the elements that serve an AT&T customer, SWBT may not receive additional revenue (toll) for that customer's usage of those elements under the Act. Until dual PIC, the customer's choice of a local service provider should determine his or her intraLATA carrier as well. That is how it has been for SWBT. That is how it should be for all LSPs prior to dual PIC.

The FCC has recognized that section 251(c)(3) of the Act permits requesting telecommunications carriers to purchase UNEs for the purpose of offering exchange access services, or for the

purpose of providing exchange access services to themselves in order to provide interexchange services to consumers. FCC Order, ¶ 356. For that reason, the FCC properly concluded that telecommunications carriers purchasing UNEs to provide interLATA interexchange services or access services are not required to pay federal or state exchange access charges except for a limited transition mechanism, which has expired at the time of this writing. *Id.* at ¶ 363. The FCC recognized that payment of access charges in addition to UNE charges would violate the cost-based pricing standard for UNEs under the Act.

For the same reasons, a CLEC who purchases unbundled network elements is entitled to use them to provide intraLATA toll services. The FCC rejected the argument that CLECs should not be able to use UNEs to provide originating and terminating toll services: "Congress intended the 1996 Act to promote competition for not only telephone exchange and exchange access services, but also for toll services." FCC Order, ¶361. Having paid the full UNE cost of local switching and any necessary transport and tandem switching, the CLEC may use those elements without restriction to provide telecommunications services. The full functionality of the local switch includes the ability to originate and terminate all types of calls, including intraLATA toll calls. The Act provides no basis for SWBT to except intraLATA toll services from the category of services a UNE purchaser may offer.

Consistent with its rights under the Act as described above, AT&T has proposed language in two places that are necessary to enable AT&T to provide intraLATA toll service and receive the toll revenues (prior to dual PIC). First, AT&T has proposed to recognize that, when it purchases

local switching, it obtains the full functionality of that element, including the ability to originate and complete all types of calls, including intraLATA toll calls, and to receive access and toll revenues. This language is shown as disputed in its entirety. However, AT&T believes that SWBT agrees that when AT&T purchases UNE switching, it will obtain the ability to originate and complete intraLATA and interLATA calls for its customer using the unbundled local switch. For example, in language SWBT has proposed elsewhere (which AT&T disputes on other grounds), SWBT agrees that "**[T]his 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 X of this attachment.**" (§ IV, UNE Parity, Issue No. 8). Further, AT&T and SWBT have agreed on the routing of intraLATA toll calls to the intraLATA PIC in a post-dual PIC environment.

What SWBT disputes is AT&T's receipt and retention of intraLATA toll revenues prior to dual PIC (access disputes post-dual PIC are discussed elsewhere). Although AT&T will have paid the full cost of UNE switching, which SWBT agrees includes the capability to process intraLATA calls, and although the customer will have made a decision to change his or her local service provider from SWBT to AT&T, SWBT seeks to retain the prerogative to collect intraLATA toll revenues, by billing AT&T the toll charges associated with such calls, minus the resale discount. SWBT's position would leave it with over 80% of the intraLATA toll revenue (i.e., after the resale discount) on every intraLATA call made by an AT&T local service customer. SWBT's position will result in its own recovery of revenues in excess of costs, and will in effect deny

AT&T full local switching functionality (receiving the ability to pay for an element and use it to deliver a service to a customer, with the service revenues still flowing to SWBT, cannot be considered receiving the full functionality of an element).

In short, SWBT will transfer to AT&T (and other LSPs who purchase local switching) the cost of providing intraLATA service to a customer, but retain for itself the revenues generated by that service. SWBT's position should be rejected. Until dual PIC, the customer's choice of a local service provider should determine the customer's intraLATA carrier as well. AT&T's proposed language should be adopted to provide for AT&T's receipt of intraLATA toll revenues from its UNE switching customers, with no obligation to pass those revenues on to SWBT, in a pre-dual PIC environment.

AT&T has proposed to pay SWBT the full UNE cost of originating intraLATA toll calls, including applicable local switching, signaling, common transport, and tandem switching charges. In turn, AT&T should receive access and toll revenues. SWBT opposes this language and has instead proposed to treat UNE-originated intraLATA toll calls as resale transactions, charging AT&T the applicable retail toll charge less the resale discount. As described above, SWBT's position denies AT&T the full functionality and usage of local switching to provide competitive telecommunications services and is contrary to the Act. AT&T's proposed language should be accepted, and SWBT's should be rejected.

ISSUE 2: INTRALATA TOLL - OS/DA

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?

AT&T LANGUAGE:

Attachment 6

AT&T has proposed the following language in Issue 1 above.

5.X SWBT will make available to AT&T the ability to route all Directory Assistance and Operator Services calls (1+411, 0+411, 0- and 0+ Local, **0+ IntraLATA toll (prior to dual PIC), 0+HNPA-555-1212 (IntraLATA) (prior to dual PIC), 1+HNPA-555-1212 (IntraLATA) (prior to dual PIC)**) dialed by AT&T Customers directly to the AT&T Directory Assistance and Operator Services platform. Customized Routing will not be used in a manner to circumvent the inter or Intra-LATA PIC process directed by the FCC.

Alternatively, and only if the language above providing for customized routing of all intraLATA toll calls (prior to dual PIC) is rejected, then the following language is proposed:

5.X SWBT will make available to AT&T the ability to route all Directory Assistance and Operator Services calls (1+411, 0+411, 0- and 0+ Local), dialed by AT&T Customers directly to the AT&T Directory Assistance and Operator Services platform. Customized Routing will not be used in a manner to circumvent the inter or Intra-LATA PIC process directed by the FCC. **To the extent that intraLATA calls are routed to AT&T OS and DA platforms, AT&T may complete such calls and receive the associated revenue.**

Appendix Customized Routing (Resale)

1.X **SWBT will make available to AT&T the ability to route Directory Assistance and Operator Services calls (1+411, 0+411, 0- and 0+ Local, 0+ IntraLATA toll, 0+HNPA-555-1212(IntraLATA), 1+HNPA-555-1212(IntraLATA)) dialed by AT&T Customers directly to the AT&T Directory Assistance and Operator Services platform. If the State Commission rules or the Parties agree that AT&T is entitled to IntraLATA toll on resale services and unbundled switch elements, SWBT agrees to customized routing of the following types of calls: 0+IntraLATA toll, 0+HNPA-555-1212 (IntraLATA), 1+HNPA-555-1212 (IntraLATA).**

Alternatively, and only if the language above providing for customized routing of all intraLATA toll calls (prior to dual PIC) is rejected, then the following language is proposed:

1.X **SWBT will make available to AT&T the ability to route Directory Assistance and Operator Services calls (1+411, 0+411) dialed by AT&T Customers directly to the AT&T Directory Assistance and Operator Services platform. If the State Commission rules or the Parties agree that AT&T is entitled to IntraLATA toll on resale services and unbundled switch elements, SWBT agrees to customized routing of the following types of calls:, 0+HNPA-555-1212, 1+HNPA-555-1212. To the extent that intraLATA calls are routed to AT&T OS and DA platforms, AT&T may complete such calls and receive the associated revenue.**

AT&T POSITION:

Yes. AT&T should not be required to bear the burden and cost of identifying intraLATA toll calls that SWBT routes to AT&T's OS/DA platform and returning those calls to SWBT.

For the reasons stated under Issue 1 above, AT&T should be recognized as the intraLATA toll provider generally for calls originated by its local service customers prior to dual PIC. If AT&T prevails on Issue 1, it will not be necessary for the Commission to address this second issue. If SWBT were to prevail on Issue 1, then this second issue requires resolution.

It has become apparent during implementation work that, where AT&T requests customized routing, SWBT intends to include intraLATA calls requiring operator service or directory assistance in the calls that will be routed to AT&T's OS/DA platforms, even though SWBT seeks to retain the toll revenue (less the resale discount) for those calls. SWBT expects AT&T to identify those calls and return them to SWBT for completion. That is, rather than do the systems development work that would be required to retain intraLATA OS/DA calls for itself, SWBT seeks to transfer that work to AT&T, even as it claims the revenue for the intraLATA calls.

AT&T should not be required to return intraLATA calls that SWBT routes to AT&T OS/DA platforms, resulting in a cost to AT&T with no opportunity for revenue. If SWBT sets up its customized routing in a way such that intraLATA calls originated by AT&T local service customers are routed to AT&T's OS/DA platforms, AT&T should be entitled to complete those calls and receive the associated revenues. Accordingly, AT&T's proposed contract language should be adopted.

ISSUE 3: TANDEM SWITCHING AND TRANSPORT

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?

AT&T LANGUAGE:

Appendix Pricing-UNE

5.X **AT&T may provide exchange access transport services to IXCs, upon request, using unbundled network elements. For interLATA toll calls and intraLATA toll calls that are originated by local customers using SWBT unbundled local switching, AT&T may offer to deliver the calls to the PIC at the SWBT access tandem, with AT&T using unbundled common transport and tandem switching to transport the call from the originating unbundled local switch to the PIC's interconnection at the access tandem. When the PIC agrees to take delivery of toll calls under this arrangement, then AT&T will pay SWBT ULS-O usage, signaling, common transport, and tandem switching for such calls. SWBT will not bill any access charges to the PIC under this arrangement. AT&T may use this arrangement to provide exchange access services to itself when it is the PIC for toll calls originated by AT&T local customers using SWBT unbundled local switching.**

5.X **If the PIC elects to use transport and tandem switching provided by SWBT to deliver interLATA toll calls or intraLATA toll calls that are originated by AT&T local customers using SWBT unbundled local switching, then AT&T will pay SWBT ULS-O usage and signaling only in connection with such calls. SWBT will not bill the PIC any originating switching access charges in connection with such calls.**

5.X When an IntraLATA or InterLATA toll call terminates to an AT&T ULS Port, AT&T will pay ULS-T charges **and SWBT will not charge terminating access to AT&T or the IXC except that SWBT may bill the IXC for terminating transport in cases where the IXC has chosen SWBT as its transport provider.**

AT&T POSITION:

Yes. The provider of access transport services should be selected by the IXC. AT&T should have the ability to use UNEs, including common transport and tandem switching, to deliver toll calls between the IXCs POP and the originating or terminating local switch which AT&T has purchased as an unbundled element. If the IXC selects AT&T's transport services, AT&T should collect the related access charges. If the IXC selects SWBT, it may collect those charges. AT&T's proposed contract language achieves this result.

As discussed above, AT&T is entitled under the Act to use unbundled network elements to provide telecommunications services without restriction, including exchange access services and toll services. AT&T is no longer required to pay SWBT access charges in connection with toll calls traversing network elements purchased from SWBT.

Correspondingly, for calls originated or terminated by an AT&T local service customer using UNE switching, it will be AT&T who will bill the IXC for access charges applicable to that call, not SWBT. The FCC explained this result in footnote 772 to the *Local Service Order*: "We also note that where new entrants purchase access to unbundled network elements to provide exchange access services, . . . , the new entrants may assess access charges to the IXCs

originating or terminating toll calls on those elements. In these circumstances, incumbent LECs may not assess exchange access charges to such IXCs because the new entrants, rather than the incumbents, will be providing exchange access services, and to allow otherwise would permit incumbent LECs to receive compensation in excess of network costs in violation of the pricing standard in Section 252(d)." FCC Order at ¶ 363, n. 772.

The exception to this access payment occurs when an IXC enters into a contractual agreement with SWBT indicating that SWBT will be the access provider of tandem switching and transport. In those cases, AT&T will only receive the originating or terminating switching portion of the access. AT&T may, however, establish its own contractual relationships with the IXCs to be the access provider for tandem switching and transport. If this is the case, then AT&T will receive the associated access revenue.

The interconnection agreement should reflect a proper understanding between the parties regarding which of them is to bill access charges to IXCs associated with UNE calls. In recent negotiations, SWBT has taken the view that access charges will be "shared" in the future, with AT&T to bill access related to the local switching element but SWBT in all cases to continue billing access related to the common transport and tandem switching necessary to reach the IXC's POP. SWBT's position is contrary to the FCC Order as quoted above.

The sections proposed here provide and illustrate how AT&T should bill originating and terminating access when it uses unbundled network elements purchased from SWBT. These Sections should be accepted for the reasons set forth above.

ISSUE 4: BILLING FOR TOLL-FREE CALLS

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).

AT&T LANGUAGE:

Appendix Pricing-UNE

5.X **Toll Free Calls**

When AT&T uses ULS Ports to initiate an 800-type call, AT&T will pay the 800 database query charge and ULS-O charge. AT&T will be responsible for any billing to the IXC for such calls.

Attachment 6

9.6.5 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 **or from AT&T's use of SWBT's Unbundled Local Switching** 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. These rates are reflected in Appendix Pricing UNE - Schedule of Prices under the label "Toll-Free Database".

AT&T POSITION:

For the same reasons that AT&T is entitled to bill access charges to IXCs for toll calls originated and terminated over unbundled network elements, AT&T should be the party billing applicable charges associated with 800-type calls originated over UNEs by its local service customers. AT&T should pay the applicable charges for the elements required to make such a call (local switching, applicable signaling, 800 database query) and then it, not SWBT, should bill the IXC who terminates the call to the 800 provider. Otherwise, AT&T is denied the opportunity to use the elements that it has purchased for the provision of a telecommunications service (800 service), on the same terms as SWBT.

SWBT instead proposes to retain the 800 service access revenue for itself, and in turn would not bill AT&T any UNE usage charges when an AT&T customer originates an 800-type call across a UNE switch. SWBT states that its facilities are not equipped to return a call to AT&T for completion after an 800 database dip. AT&T is not requesting that SWBT do anything unique in its network such as "returning the call to AT&T." Instead, AT&T is requesting that SWBT provide the necessary billing records to AT&T when AT&T's unbundled local switch port is originating an 800 call so that AT&T can appropriately bill the 800 IXC provider. In so doing SWBT will come closer to providing AT&T with the full nondiscriminatory access to unbundled elements that the Act requires.

ISSUE 5: ABILITY TO BILL ACCESS:
What customer usage data will SWBT provide to AT&T for intraLATA and interLATA calls originated or terminated over unbundled local switching?

AT&T LANGUAGE:

Attachment 10

4.X **SWBT will provide to AT&T recorded Usage Data as described in AT&T's Call Flows Document (CFD) dated October 1997, incorporated herein and modified as the Parties may otherwise agree, sufficient for AT&T to render interLATA and intraLATA access bills and end-user bills and for purposes of mutual compensation.**

4.X **In addition to the requirements for recorded Usage Data specified in this Attachment, when AT&T is providing Telecommunications Services to its customer through the use of unbundled Network Elements, SWBT will provide to AT&T recorded Usage Data sufficient for AT&T to render interstate and intrastate access bills. The recorded Usage Data will be provided in a manner, at a minimum, that enables AT&T to render the following five types of access bills: Originating to IXC, Originating Local 800, Terminating and Originating IntraLATA, which are described below.**

4.X **Originating to IXC - This type of access record is created when a toll call originates from an AT&T customer served through unbundled Network Elements and terminates to an IXC. AT&T will bill the IXC access charges in accordance with its access tariffs.**

4.X **Originating Local 800 - This type of access record is created when an 800 call originates from an AT&T customer served through unbundled Network Elements to a LEC providing the 800 service. AT&T will bill the LEC access charges in accordance with its access tariffs.**

4.X **Originating InterLATA 800 - This type of access record is created when an 800 call originates from an AT&T customer served through unbundled Network Elements to an IXC providing the 800 service. AT&T will bill the IXC access charges in accordance with its access tariffs.**

4.X **Terminating - This type of access record is created when a toll call originates from an IXC and terminates to an AT&T customer served through unbundled Network Elements. AT&T will bill the IXC terminating charges in accordance with its access tariffs.**

4.X **Originating IntraLATA - This type of access record is created when a call originates from an AT&T customer served through Unbundled Network Elements and terminates outside the Local Call Area but within the LATA. AT&T will bill the IntraLATA Toll Provider originating and terminating access charges in accordance with its access tariffs.**

Attachment 6 Appendix Pricing - UNE

5.x The Parties have developed a set of schematics and descriptions which reflect anticipated call flows and related usage sensitive charges (i.e., recurring and nonrecurring charges for the elements are not included on the schematics). These schematics are designed to illustrate the application of usage sensitive charges. These schematics as currently developed are contained in a document entitled "Call Flow Document" dated 10/97. On a going forward basis the Parties may develop new call flow schematics, modify existing call flow schematics, and delete obsolete call flow schematics as needed. The following definitions underlie the schematics.

AT&T POSITION:

If AT&T is to bill the intrastate and interstate access charges to which it is entitled as described under issue 4 above, SWBT must provide the relevant usage data. AT&T and SWBT have working teams creating call flow diagrams to reflect each parties' recording and billing requirements. In order for AT&T to bill access, SWBT must provide AT&T with the necessary usage data to allow AT&T to render accurate bills. AT&T's proposed contract language provides for the appropriate usage data.

SWBT has said in other venues that if AT&T wants to receive data sufficient to bill access, AT&T must buy that as a recording service using the language in Attachment Recording. AT&T is not asking for a "service", we are simply asking for data sufficient to bill access. Generating this usage data is a functionality of the switching element or the related operations support functions. SWBT is able to provide usage data to itself that allows it to bill each of these types of

calls to IXCs. The Act's definition of "network elements" requires SWBT to provide users of unbundled switching with the recording and billing capabilities of the switch.

ISSUE 6: LOST DATA

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?

AT&T LANGUAGE:

Attachment 10

6.X Loss of Recorded Usage Data - If AT&T recorded Usage Data is determined to have been lost, damaged or destroyed as a result of an error or omission by SWBT and the data cannot be recovered by SWBT, SWBT will estimate the messages and associated revenue, with assistance from AT&T, based upon the method described below. This estimate will be used to adjust the amount AT&T owes SWBT for services SWBT provides in conjunction with the provision of recorded Usage Data.

6.X Partial Loss - SWBT will review its daily controls to determine if data has been lost. When there has been a partial loss, actual message and minute volumes will be reported, if possible. Where actual data are not available, a full day will be estimated for the recording entity, as outlined in Section 6.1.3 following. The amount of the partial loss is then determined by subtracting the data actually recorded for such day from the estimated total for such day.

6.X Complete Loss - Estimated message and minute volumes for each loss consisting of an entire AMA tape or entire data volume due to its loss prior to or during processing, lost

after receipt, degaussed before processing, receipt of a blank or unreadable tape, or lost for other causes, will be reported.

6.X Estimated Volumes - From message and minute volume reports for the entity experiencing the loss, SWBT will secure message/minute counts for the four (4) corresponding days of the weeks preceding that in which the loss occurred and compute an average of these volumes. SWBT will apply the appropriate average revenue per message ("arpm") provided by AT&T to the estimated message volume to arrive at the estimated lost revenue.

6.X If the day of loss is not a holiday but one (1) (or more) of the preceding corresponding days is a holiday, use additional preceding weeks in order to procure volumes for two (2) non holidays in the previous two (2) weeks that correspond to the day of the week that is the day of the loss.

6.X If the loss occurs on a weekday that is a holiday (except Mother's Day or Christmas), SWBT will use volumes from the two (2) preceding Sundays.

6.X If the loss occurs on Mother's Day or Christmas, SWBT will use volumes from that day in the preceding year (if available).

AT&T POSITION:

Yes. The contract must include reasonable terms to apply in situations where SWBT loses the usage data that it is required to provide AT&T for AT&T's billing purposes.

In an access environment today, SWBT estimates volumes of lost usage data to enable it to collect access charges. However, when its loss of data will cause AT&T to lose the ability to collect revenues from its customers or IXCs, SWBT is refusing to provide any process for reconciliation on estimation of lost usage data. The amount of lost revenue potential is great if AT&T is unable to bill its customers or to collect access charges for calls completed over unbundled network elements. By refusing to provide a process for estimation of lost data, SWBT seeks to shift monetary responsibility for such loss from itself to AT&T. AT&T's proposed contract language provides for a reasonable adjustment against recording service charges to account for lost usage data. It should be adopted.

Sponsoring Witnesses: Steven Turner and Nancy Dalton

Exhibit No:
Issue: II. Customized Routing
OS/DA
Witness: Chambers
Type of Exhibit : Direct Testimony
Sponsoring Party: AT&T Communications of the Southwest, Inc.
Case No: TO-98-115

PETITION FOR

SECOND ARBITRATION

DIRECT TESTIMONY

OF

JULIE CHAMBERS

Jefferson City, Missouri
November 7, 1997

File Date: November 7, 1997

II. CUSTOMIZED ROUTING/OS/DA
CONTRACTUAL DISPUTED ISSUES
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

ISSUE 1: CUSTOMIZED ROUTING

Issue resolved.

ISSUE 2: RATE QUOTATIONS

Issue Resolved.

ISSUE 3: TRANSLATION OF 1-1411 TO 900-XXX-XXXX

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?

AT&T LANGUAGE:

Appendix Customized Routing - Resale

Attachment 6: UNE

X.X **At AT&T's request, SWBT will provide the functionality and features, including digit translation (i.e., 1+411 to 900-XXX-XXXX) as specified by AT&T, within the SWBT local switch (LS) to route AT&T customer-dialed Directory Assistance local and intraLATA calls to the AT&T designated trunks via Feature Group D signaling from SWBT's 5ESSs, DMS100 switches, and other switches as it becomes technically feasible, or as parties may otherwise agree, for direct-dialed calls, (i.e. 1+411, 1+Home/Foreign NPA-555-1212 sent paid).**

AT&T POSITION:

AT&T believes that it is important that the parties commit themselves to a reasonable technical means of implementing SWBT's chosen AIN and/or Line Class Code solution for customized routing in a way that is compatible with AT&T's operator services and directory assistance platforms. For directory assistance, it has become apparent that SWBT's 5ESS and DMS100 switches can provide the functionality and features, including digit translation, to route the calls to AT&T designated trunks via Feature Group D signaling. (For 1AESS and other switch types, the parties have agreed that these calls can be routed to the designated trunks via Modified Feature Group C signaling.) Digit translation is commonly used in the telecommunications industry to allow for different numbering patterns to be sent to specified locations. AT&T has supportive test data in other states where incumbent LECs are providing this type of routing for AT&T. SWBT has indicated that the AIN methodology would permit such a translation change including a modification in the signaling associated with the call; however, SWBT refuses to discuss this technology with AT&T unless AT&T submits a Special Request. The Special Request Process then would involve "individual case basis" pricing while AT&T is already paying for the utilization of all capabilities of the switch and therefore no additional rates or charges are applicable.

To date, SWBT has failed to verbalize what "fundamental change" would need to be made to accommodate AT&T's request. In Missouri, prior to having an Interconnection Agreement, SWBT should be willing to negotiate different technologies as the parties learn more about

certain capabilities. To direct AT&T to a Special Request Process is proof of SWBT's hold on the local network and is indicative of implementation barriers to local entry.

AT&T's proposed language providing for this solution should be accepted in order to implement timely, nondiscriminatory access to the full functionality of unbundled local switching and as a reasonable means to implement the customized routing that the Act requires. The FCC's Order and the Eighth Circuit's decision, where network modification is concurred, deal with "substantial" modification in order to provide superior quality unbundled access. AT&T simply seeks to utilize switches which do have the capability to perform customized routing, which is entirely consistent with the Act, the FCC's Order, and the Eighth Circuit's decision regarding access to the full functionality of the unbundled switch.

Sponsoring Witness: Julie Chambers

Exhibit No:
Issue: III. Operational Issues
Witness: Minter
Type of Exhibit : Direct Testimony
Sponsoring Party: AT&T Communications of the Southwest, Inc.
Case No: TO-98-115

PETITION FOR

SECOND ARBITRATION

DIRECT TESTIMONY

OF

SEAN MINTER

Jefferson City, Missouri
November 7, 1997

File Date: November 7, 1997

III. OPERATIONAL ISSUES
CONTRACTUAL DISPUTED ISSUES
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

ISSUE 1: UNE ORDERING AND PROVISIONING

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?

AT&T LANGUAGE:

Attachment 7

3.2.1 **SWBT also will make available to AT&T [EASE] [LEX], to be used by AT&T on an interim basis prior to the development of an agreed upon UNE ordering interface, for the processing of UNE orders, used to provide POTS service by AT&T service orders. The following order types may be processed via [EASE] [LEX]: Conversion (with changes); Change (Features, Listings, InterLATA and IntraLATA [when available] Long Distance PICs); New Connect; Disconnect; From and To (change of premises with same service).**

AT&T POSITION:

AT&T has proposed interim use of a modified version of EASE for processing UNE transactions pending agreement on the specifications for and further development of the EDI interfaces. SWBT and AT&T have a number of disputes before the Commission in this arbitration on the EDI interface. Meanwhile, to more quickly provide Missouri residents the benefits of competition, AT&T suggests that this Commission require SWBT to allow AT&T to use its own systems to order UNEs since it will take either party time to modify the EDI interface after rulings from this commission.

The Commission's October 2, 1997 Order addressed electronic interfaces (EDI) for specific order types, but did not address which system to use in the interim until electronic interfaces are available. The ability to use EASE for UNEs was not one of the issues that the Parties agreed was arbitrated in the December 11, 1996 Arbitration Order. This request is, however, a straightforward application arising out of the December 11, 1996 Order which states "SWBT must provide real-time interfaces that allow LSPs to perform preordering, ordering, provisioning, maintenance and repair, and billing **for *resale services and unbundled network elements*** *(emphasis added)*. These interfaces must be provided on a nondiscriminatory basis, and must be capable of performing the relevant functions in the same time intervals that SWBT performs similar functions for itself" (December 11, 1996 Arbitration Order, p. 31). SWBT protests that EASE cannot be modified to accept UNE orders, despite the similarities SWBT itself has pointed out between creation of a service order for resale and one for an unbundled loop and switch port. In SWBT's John Smith's statement regarding mechanized flow through to the Texas Public Utility Commission at the Commission's June 24, 1997 Open Meeting OSS presentation, he states: "there are similarities in how we create a service order for loop with port and resale, which is one of the reasons why we established that as our first priority for flow-through, also because we know there's a high level of interest in loop with port by CLECs". The Texas Commission has ordered SWBT to provide EASE access for UNEs; AT&T is simply asking that SWBT make this same system accessible to its Missouri customers.

SWBT has made available to AT&T a production version of LEX; however, this is a new system that SWBT does not use for its own retail services. While AT&T has been able to begin to examine SWBT's off-the-shelf version of LEX, there is limited time to complete testing and address any problems associated with AT&T's use of LEX. AT&T still does not know whether LEX will provide a satisfactory interface for interim UNE orders.

What AT&T does know is that SWBT has said that LEX will not provide flow-through capability for UNE orders. Thus, LEX will at best be inferior at processing UNE orders as compared to the EASE interface that SWBT uses to provision analogous retail POTS service. Although some modifications may be required in order for EASE to differentiate resale orders and UNE orders, flow-through does not appear to be the issue with EASE that it is with LEX. At the same time, SWBT's resistance to use of EASE for interim UNE ordering does leave uncertainties about the use of that interface. EASE, which is not suitable for UNE ordering for business customers, also will not fully meet the parties' UNE ordering needs pending completion of the EDI interface.

Because time is short, because LEX is new and untested, because EASE for UNE ordering is untested, because neither LEX nor EASE has been applied to UNE ordering in commercial volumes, it makes sense for AT&T to have the option of using whichever of the two interfaces offers the greater prospect for working well for particular UNE order types on a commercial scale. Without that option, unresolved problems with LEX could force AT&T to choose between deferral of UNE-based market entry and risking customer dissatisfaction with AT&T's new

service as a result of SWBT's interface. No new entrant should face that choice unnecessarily. AT&T's language should be accepted.

ISSUE 2: UNE ORDERING AND PROVISIONING
What data should AT&T provide to SWBT on a conversion as specified order?

AT&T LANGUAGE:

Attachment 7

5.X On a conversion as specified order, SWBT will not require AT&T to provide data that already exists in SWBT's database.

AT&T POSITION:

AT&T and SWBT should develop processes that are as efficient as possible. It is inefficient for SWBT to ask AT&T to provide information that already exists within SWBT databases. Requests for already existing information within SWBT's databases also causes additional points for the order to fall out from the systems as human error is introduced. To minimize the fallout and manual work involved, which can slow down the provisioning process, AT&T should not be required to provide to SWBT information that already exists within SWBT.

SWBT has mischaracterized AT&T's position on this issue as an attempt by AT&T to get "as is" ordering. On the contrary, AT&T has agreed to enumerate to SWBT all of the UNEs that AT&T requires whenever it orders UNEs. The language proposed by AT&T here does not backtrack on that agreement, but simply seeks to make sure that customers are converted from one LSP to

another efficiently and with the least disruption. The databases at issue here are the switch database, LIDB, 911, and Directory Listings. There is no reason for SWBT to remove customer information from these databases when a customer converts. Removing this information and re-inputting information into these and other databases is extremely inefficient and is work that neither party should bear. As stated before, this creates an unnecessary opportunity for human error, as the data provided by the CLEC may not reflect data already in the database. This is critically important for the 911 database on a conversion order. In this case, the customer residence does not move; therefore neither party should create a process that may jeopardize the safety of the end user.

ISSUE 3: UNE ORDERING AND PROVISIONING

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

AT&T LANGUAGE:

Attachment 7

7.X When ordering elements, including either Customer-Specific Combinations or Common-Use Combinations, AT&T may complete the order and specify the functionality of that Combination using national standards for ordering and provisioning. i.e, it will be necessary and sufficient for AT&T to complete all fields on the LSR that the OBF has designated as required (or as conditional, if the condition is satisfied), unless both parties agree otherwise.

Attachment 7

1.X **Combinations will be identified and described by AT&T so that they can be ordered and provisioned together. All elements and functionalities will be enumerated using OBF defined fields (e.g., Pulse, Sgnl (signaling), TBE (Toll Billing Indicator, Feature, Feature Detail) and industry standard formats.**

AT&T POSITION:

Yes. It is beneficial to both corporations to abide by industry guidelines. AT&T does not wish SWBT to impose ordering guidelines that are not compatible with the guidelines developed by the Ordering and Billing Forum (OBF), in which we both participate, and guidelines that are used by the rest of the industry. OBF has already developed a Requisition Form for the combination order of a loop and switch port. For UNE and UNE combinations for which the OBF has not developed guidelines, AT&T is willing to work with SWBT to use its proprietary codes on an interim basis for ordering. However, for those UNE and UNE combinations that OBF has already provided guidelines, AT&T should not be forced to use SWBT proprietary codes for ordering.

Other RBOCs have agreed with AT&T that UNE loop and port combinations used to serve POTS customers can be ordered through standard OBF fields without having to use proprietary codes transmitted using the NC/NCI/SPEC fields. Those fields should not be required for AT&T/SWBT orders in Missouri. Other fields that AT&T and SWBT have disagreements over are the ECCKT (Circuit ID) and LST (Switch CLLI code) fields. The ECCKT field is a field

that SWBT wants AT&T to populate to change a customer's service or disconnect a customer. SWBT suggests that this field will identify the customer and is a fifty-three character field that includes a customers telephone number. AT&T believes that a telephone number uniquely identifies the customer and AT&T should not have to use fifty-three numbers and letters to identify the customer. This would only cause a greater chance for error as AT&T's service representatives would have to type in fifty-three characters instead on a ten digit telephone number. SWBT only requires its service representatives to input the customer's telephone number to identify its customers. SWBT also requires AT&T to identify the CLLI code of SWBT's switch on the order. The CLLI code is a code that telecommunications carriers use to identify their physical network. The telephone number of the customer is sufficient for SWBT to identify the switch that will be providing service. There is absolutely no reason for SWBT to ask for the Switch CLLI Code.

Use of industry standards simplifies the process and eliminates a further opportunity for delay on the part of SWBT and confusion on the part of both parties.

Not only do industry guidelines simplify the interfaces between companies, they allow those companies to keep pace with the changing industry and technological environment. If the Commission allows SWBT to stray from industry standards, SWBT will be able to exert control over the elements, functionalities, and features thatAT&T will have the capability of ordering now and in the future.

It is advantageous for all LSPs to utilize nationally-accepted standards for ordering and provisioning whenever possible. National standards are developed in an effort to promote the spread of competition across state barriers and into other incumbent LECs' territories. In this circumstance, it is more reasonable to have the parties abide by OBF standards than attempt to devise mutually-agreed upon standards that may never materialize. See also Issue 3 above.

ISSUE 4: INTERIM NUMBER PORTABILITY - LIDB DATA

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 Ref IV-6)

AT&T LANGUAGE:

Attachment 14

6.X SWBT agrees to populate its Line Information Database (LIDB) with information, such as TLN calling cards and Billing Number Screening (BNS), regarding ported numbers for billing. SWBT will provide access to LIDB database interfaces to accomplish this function, or make input on behalf of AT&T pursuant to LIDB data storage and administrative contracts. **Alternatively, AT&T may provide the LIDB information using the standard OBF fields as defined in the LSOG (Local Services Order Guide).**

AT&T POSITION:

Until long-term number portability is implemented, SWBT should accept AT&T's updates to the Line Information Database (LIDB) through the industry standard OBF forms as defined by the Local Service Order Guide (LSOG) when AT&T ports an existing SWBT customer using INP.

In addition, if there is no change to the customer's existing LIDB functionality (e.g. collect/third party call blocking), SWBT should not remove the existing customer data from its LIDB. For an INP order, SWBT (if unchecked) is proposing to delete the existing customer record in its LIDB and require AT&T to re-populate the LIDB using SWBT's Service Management System (SMS). No other RBOC has imposed this completely unnecessary requirement on AT&T.

SWBT claims that the FCC's First Report and Order ¶ 493 only requires SWBT to "provide access, on an unbundled basis, to the service management system (SMS), which allow competitors to create, modify, or update information in call-related databases." This paragraph in the FCC's Interconnection Order is irrelevant to SWBT's obligation to provide parity in operations support systems functions, including the flow-through capability SWBT provides to itself in populating databases during the ordering process. Paragraph 493 of the FCC's First Report and Order is found in the portion of the order that describes the incumbent LEC's responsibilities relating to the unbundled element "Databases and Signaling Systems." When a new competitor owns its own switch, as is the case in AT&T's facilities-based offerings, this portion of the FCC order requires the incumbent to unbundle and make available its LIDB SMS system as part of that element. When AT&T uses SWBT's LIDB in conjunction with SWBT's unbundled switch port, there is no reason for SWBT to introduce re-work into the system by removing the data from one portion of the database and requiring AT&T to re-populate it in another portion of the database. This requirement for AT&T to manually input data in LIDB when using an unbundled switch port was never brought up directly in the negotiations between the two companies; it was only when AT&T ordered UNE test lines and those lines were

incapable of, for example, making and receiving collect calls, that AT&T discovered this new "requirement".

SWBT's own retail systems today flow through information for SWBT's customers directly to the LIDB. Nondiscriminatory access to the OSS function requires that SWBT do the same for new entrants. SWBT is asking that AT&T manually update the LIDB with customer information for every AT&T customer. AT&T is willing to specify all of the necessary information to SWBT on the customer service order, and SWBT should update the LIDB as it does for itself, and as it has agreed to do for LSPs for other databases, such as 911/E911, the switch database, and directory listings.

SWBT also claims that there are security reasons that keep it from updating the LIDB. AT&T finds it peculiar that SWBT singles out this particular database when it today updates its own switch, directory listings, 911/E911 etc. with the information that AT&T provides over the service order. SWBT's "security provisions" cause manual work on the part of AT&T, slows down the service order process, and creates additional costs to AT&T. When SWBT provisions an AT&T order, it claims that it changes the status of the record to AT&T and requires AT&T to manually accept the change and confirm all of the fields. If this work is not done by AT&T within seven days, the record is deleted, causing the denial of collect calling, third number billing, etc., to the customer. This again is more manual and time consuming than the process followed by SWBT service order representatives, and is unjustified.

AT&T questions whether SWBT will incur costs to provide the flow-through capability sought under this issue and the related Issue 6 under the UNE Parity matrix. This electronic flow-through capability already exists for SWBT; all AT&T seeks is that its electronic orders receive the same treatment. Moreover, whenever the order specifies a conversion of an existing SWBT customer to AT&T local service, AT&T is simply requesting that the information in the LIDB for that customer be left intact. In any event, related costs should have been raised in the prior price proceedings as part of proposed LIDB or OSS (service order) charges. If the issue of cost recovery is to be considered here, and if the Commission were to determine that there are development costs associated with this item, AT&T submits that these should be absorbed by SWBT as transitional to competition or should, at a minimum, be recovered in a competitively neutral fashion. However, AT&T believes that SWBT would not incur additional cost since this function is available to SWBT in the provision of its end users.

The LIDB database houses information on collect call blocking, calling name of the customer, third part billing, etc.. These are items that are important to a customer and SWBT should flow through this information to LIDB in the same manner that it flows information through to the switch. In evaluating 271 applications, the FCC in the recent Ameritech Order has stated that flow through of service order information is critical for the incumbent to meet its OSS checklist item.

ISSUE 5: BILLING

This issue has been resolved in recent negotiations.

ISSUE 6: UNE PROVISIONING AND ORDERING

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

AT&T LANGUAGE:

Attachment 7

8.X **When new processes and electronic interfaces are implemented between AT&T and SWBT, SWBT and AT&T will develop process metrics requirements. Implementation of such measurements are subject to future agreements by SWBT and AT&T. All such process metrics will be subject to review quarterly and subject to modification or discontinuance.**

Attachment 2

7.X When new processes and electronic interfaces are implemented between AT&T and SWBT, SWBT and AT&T will develop process metrics requirements. Implementation of such measurements are subject to future agreements by SWBT and AT&T. All such process metrics will be subject to review quarterly and subject to modification or discontinuance.

AT&T POSITION:

Yes. AT&T's proposed language will commit the parties to developing process performance requirements as new processes and new electronic interfaces are implemented between them. It is critical to understand what the performance metrics will be and what the expected objectives are in order for AT&T to provide service commitments to its customers and to develop customer

service warranties. AT&T's language is a reasonable, limited measure to provide some assurance that the new processes developed between the parties will function effectively.

This issue has not been previously arbitrated. The broader issue of parity performance was previously arbitrated but the actual details with respect to whether process metrics were required and what they should be was not previously arbitrated and decided on by this Commission.

AT&T recommends that the Commission order the parties to identify and monitor specific process metrics to ensure that customer service quality levels are met in accordance with levels of quality that are at a minimum equivalent to those provided by SWBT to its customers for like services. SWBT's position on this issue is unclear. If SWBT is to engage in "close monitoring and an extensive process improvement actions (sic) as part of ongoing implementation", why would SWBT not agree to establish meaningful process metrics with AT&T, as it has done in Texas for existing processes? This leaves the door open for SWBT to implement new processes that could have the effect of disadvantaging AT&T in the future. AT&T recommends that the Commission adopt AT&T's proposed Interconnection Agreement language

ISSUE 7: UNE PROVISIONING AND ORDERING

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

ISSUE 8a: UNE PROVISIONING AND ORDERING

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

AT&T LANGUAGE:

Attachment 7: O & P UNE

6.X **SWBT will perform pre testing and will provide in writing (hard copy) or electronically, as directed by AT&T, all test and turn up results in support of Unbundled Network Elements or Combinations ordered by AT&T.** This capability will be available by January 1998 or as agreed by the Parties.

Attachment 2: O & P-Resale

4.X. **SWBT will perform pre-testing and will provide in writing (hard copy) or electronically, as directed by AT&T, all test and turn up results in support of Resale services ordered by AT&T.** This capability will be available by January 1998 or as agreed by the Parties.

AT&T POSITION:

Yes. The parties had originally agreed to include in an interconnection agreement language providing pre-testing and providing test results in support of both UNE and Resale services "where available." In further discussions, SWBT has indicated that it will never be available. AT&T's proposed language will commit the parties to develop the capability within a reasonable timeframe. When turning up new service, it is imperative that AT&T manage the reliability of the customer's service being provisioned. AT&T's language is a reasonable measure to provide

some assurance that the processes developed between the parties will function effectively. AT&T has proposed a date certain of January, 1998 at which time this capability is to be available.

SWBT claims that this is not something that SWBT does for itself. However, SWBT also claims that it does not provide individual unbundled network elements to itself. Therefore once they are providing individual unbundled network elements to CLECs, they should provide the CLEC reasonable assurance that the CLEC is obtaining the quality of element performance that the CLEC purchases. SWBT claims that its network conforms to its technical publications, and is installed with those specifications. However, SWBT does not maintain a history of performance for those elements except when a customer has complaints. Since SWBT does not periodically check elements to make sure that they continue to conform to the technical publication standards, SWBT cannot guarantee to the CLEC that the element provided to the CLEC has not deteriorated. Therefore, SWBT should provide testing data to the CLEC to prove that the element is provided within the specifications.

SWBT claims that it is not required to provide this testing because it is "yet unbuilt." However, paragraph 524 of the FCC's First Report and Order states: "We recognize that, ... providing nondiscriminatory access to operations support systems functions may require some modifications to existing systems necessary to accommodate such access by competing providers."

In a competitive environment, a customer will attribute the problems on his or her service to the CLEC. The customer will not be aware that the CLEC is using SWBT's network to provide the service. To allow AT&T to reasonably guarantee quality service to its customers and obtain the quality of performance from the network elements that it pays SWBT to access, the commission should order SWBT to perform pre-testing on the individual elements. For any combinations of elements that have a corresponding SWBT retail equivalent, AT&T is willing to accept the tests that SWBT performs for itself for such retail equivalent (e.g. dial tone availability).

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?

AT&T LANGUAGE:

Attachment 9

12.X Billing for mutual compensation will be in accordance with a CABS format billing system to be implemented as soon as possible after the Ordering and Billing Forum (OBF) issues its final CABS release. To the extent that there are no CABS standards governing the formatting of certain data, such data will be issued in the CABS-like format mutually agreed by the Parties by July 1, 1997. All usage information will be presented to AT&T on a single transmission.

AT&T POSITION:

Yes. All billing under the contract will be in a CABS-like format, in accordance with the Commission's Arbitration Order (page 32 of December 11, 1996 award). All that billing also should be on the same cycle. All billing and usage data for each cycle should be provided to AT&T in a single transmission. This transmission would include billing and usage data for mutual compensation, as well as resale, unbundled network elements, and other matters, if any, to be billed to AT&T by SWBT under the contract. A single comprehensive billing transmission will enable both parties to most efficiently track the various transactions and interrelationships among the different bills.

AT&T's proposed Section 12.2 to Attachment 9, providing for a single billing transmission, should be approved.

ISSUE 9:

This issue merged with Issue III-3.

Sponsoring Witness for all of § III issues: Sean Minter

Exhibit No:
Issue: IV. UNE Parity
Witness: Dalton, Minter, Turner
Type of Exhibit : Direct Testimony
Sponsoring Party: AT&T Communications of the Southwest, Inc.
Case No: TO-98-115

PETITION FOR

SECOND ARBITRATION

DIRECT TESTIMONY

OF

NANCY DALTON, SEAN MINTER
AND STEVEN TURNER

Jefferson City, Missouri
November 7, 1997

File Date: November 7, 1997

IV. UNE PARITY
CONTRACTUAL DISPUTED ISSUES
AT&T-SWBT INTERCONNECTION AGREEMENT - MISSOURI

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?

AT&T LANGUAGE:

Attachment 6

2.X When AT&T orders unbundled Network Elements in combination, and identifies to SWBT the type of telecommunications service it intends to deliver to its end-user customer through that combination (e.g., POTS, ISDN), SWBT will provide the requested elements with all the functionality, and with at least the same quality of performance and operations systems support (pre-ordering, ordering, provisioning, maintenance, billing and recording), that SWBT provides through its own network to its local exchange service customers receiving equivalent service, unless AT&T requests a lesser quality of performance through the Special Request process. For example, loop/switch port combinations ordered by AT&T for POTS service will include, without limitation, MLT testing, real time due date assignment, dispatch scheduling, service turn-up without interruption of customer service, and speed and quality of maintenance, at parity with SWBT's delivery of service to its POTS customers served through equivalent SWBT loop and switch ports. Network element combinations provided to AT&T by SWBT will meet all performance criteria and measurements that SWBT achieves when providing equivalent end-user service to its local exchange service customers (e.g., POTS, ISDN).

AT&T POSITION:

The Act and the pending Interconnection Agreement require SWBT to provide AT&T with nondiscriminatory access to SWBT's unbundled network elements. Already it is clear that the parties have sharply different views of what that parity standard entails in practice, a difference in views that has prevented agreement on several specific contract provisions, with significant consequences for Missouri customers. In this issue and a series of issues that follow, AT&T submits that nondiscriminatory access to UNEs should be judged by comparing the performance and functionality of these network components (loops, switching, etc.) as they are used by SWBT and by LSPs to provide equivalent telecommunications services to their customers. AT&T should be able to provide a service using UNE elements equivalent to that provided by SWBT to its customers. SWBT should not be permitted to provide UNEs in ways that deny AT&T or other LSPs the opportunity to offer UNE-based services that will be equal in functionality, quality, and speed to the services SWBT delivers over the same network components. In short, the nondiscrimination, or UNE parity, requirement needs to be defined in the only way that matters in the marketplace – access that places AT&T and other LSPs on equal footing with SWBT in using UNEs to reach the customer.

Regardless of who does the combining of the elements and how they do it, the law remains clear that LSPs may provide telecommunications services over combinations of network elements (the 8th Circuit reaffirmed that LSPs may rely entirely on UNEs to provide a finished telecommunications service). The nondiscrimination requirement remains intact (the 8th Circuit upheld the FCC rules requiring ILECs to provide access to UNEs on terms and conditions that

are "no less favorable than the terms and conditions under which the incumbent LEC provides such elements to itself"). It is vital, therefore, to recognize one basic conclusion that follows from these legal requirements: **when an LSP uses a combination of unbundled network elements to provide a telecommunications service, those elements should work for the LSP as well as they do for SWBT – in terms of functionality, performance quality, and operations systems support – when SWBT uses those same network components to provide a comparable service.**

Through the loops, switches, transport facilities, and other elements that comprise the SWBT network, SWBT is able to market and deliver telecommunications services to its customers with a certain range of functionality, quality, and speed. If AT&T and other LSPs are to have the opportunity to compete successfully for local service customers using unbundled network elements, their access to SWBT's UNEs must provide them the opportunity at least to match the functionality, quality, and speed of service offered by SWBT through those same elements. SWBT's implementation plans, however, made manifest in contract negotiations, are certain to deny AT&T access to unbundled elements on a parity basis with SWBT itself.

This issue arises in several contexts. When SWBT uses a loop and switch port to serve a POTS customer, the customer's loop is automatically tested by the Mechanized Loop Testing (MLT) system in the local switch. Proactive maintenance is provided to the customer through the Local Maintenance Operation System. When AT&T orders that same loop and switch port to serve a POTS customer, however, SWBT plans to reclassify the elements as "designed circuits",

eliminate MLT testing of the loop, and maintain them under a non-automated Work Force Administration system. To take another example, when a prospective POTS customer calls a SWBT customer service representative, SWBT's operations support systems provide that customer service representative with electronic access to dispatch requirements and due date information. However, SWBT has taken the position that its operations support systems will not provide AT&T customer service representatives with that same information when they seek to order unbundled network elements to provide comparable service to the same prospective POTS customers. Similarly, when a SWBT customer service representative completes an order for POTS service, SWBT's systems automatically flow through the relevant information to populate the LIDB database. Although AT&T will be required to provide the relevant information for LIDB on its orders for unbundled network elements, SWBT has set up its systems so that this "flow-through" capability will not be available to AT&T or other LSPs. Rather, each LSP will have to develop an alternative system for populating SWBT's LIDB database with information for the LSP's customers.

In each of these instances, the same difference in perspective separates SWBT and AT&T. SWBT disclaims any obligation to make the network elements available to AT&T and other LSPs so that they may use those elements on a par with SWBT (to the extent technically feasible) in competing to provide telecommunications service to customers. Rather, SWBT maintains that it does not provide unbundled network elements "to itself" and that its only obligation is to provide equal access to unbundled network elements to all LSPs. According to SWBT, it is

irrelevant if that equal access leaves all the LSPs at a substantial disadvantage to SWBT in competing for POTS customers.

AT&T's proposed contract language directly addresses this conflict. It will define "parity" of access to unbundled network elements from the only perspective that will create a meaningful opportunity for competition -- the ability to deliver equivalent service to the end-user customer. AT&T will specify on orders for combinations of elements the particular elements that it requires (This is called a "conversion as specified" order, which the parties have agreed to utilize here as in Texas). Indeed, this is a requirement of the ordering processes developed in implementation of the Missouri Interconnection Agreement. In turn, SWBT should be required to provide the requested elements with all of the functionality, and with at least the same quality of performance and operations systems support, that SWBT provides through its own network to its local exchange customers receiving equivalent service.

Nothing in either the July 18, 1997 or the October 14, 1997 8th Circuit Court orders invalidates the clear requirement of Section 251(c)(3) to provide "nondiscriminatory access to network elements." On the contrary, the Court has upheld both FCC Rule 51.311(b) and 51.313(b), which require SWBT to provide UNEs, and access to UNEs, that are "at least equal in quality to that which the incumbent LEC provides to itself," on terms and conditions that are "no less favorable to the requesting carrier than the terms and conditions under which the incumbent LEC provides such elements to itself. See Iowa Utilities Board, July 18, 1997 slip. op. at 153 (rejecting request to vacate entire First Report and Order and specifying particular provisions that are vacated).

The affirmation of these rules means that SWBT may not meet the nondiscrimination requirement by offering access to UNEs to all LSPs on equal terms that are inferior to its own access to those network components. SWBT must not only treat UNE purchasers even-handedly relative to one another, but also must provide access to UNEs that is at parity with its own.

Certainly the 8th Circuit has addressed the issue of responsibility for combining the elements. Based on a key assumption that the ILECs "would rather allow entrants access to their networks than have to rebundle the elements for them," the 8th Circuit vacated FCC Rules 51.315(c)-(f), which had required ILECs to recombine network elements purchased by requesting carriers. See id. at 141. More recently, the Court has vacated Rule 51.315(b), which had prohibited ILECs from separating elements that were currently combined. However, pursuant to the express terms of the Act, this Commission retains independent state authority to prohibit SWBT from tearing apart existing combinations of elements. The sole purpose of such action would be to impose additional, artificial costs upon AT&T and its customers and to subject them to service outages of perhaps indefinite duration while SWBT disconnects and the new entrant reconnects network elements that were already connected to each other. This Commission should not – and need not – permit SWBT to engage in such blatantly anticompetitive conduct. Indeed, implicit authorization of SWBT's imposition of artificial costs and unnecessary interruption of service via the disconnection of existing customer services/combinations would be inconsistent with this Commission's statutory obligation to maintain and advance the efficiency and availability of

telecommunications services (V.A.M.S. §§ 392.185(2) and 392.470) and to ensure that SWBT does not grant itself any undue preference or advantage or impose on AT&T any undue or unreasonable prejudice in any respect (V.A.M.S. § 392.200(3)).

As will be discussed under other headings (for example, see Issue 16 that follows), SWBT has not been forthcoming with terms and conditions that would provide AT&T and other LSPs with network access for the purpose of combining elements that is equivalent to the access available to SWBT technicians for that purpose; on the contrary, SWBT's statements to date on this subject, grounded in its oft-repeated concern for the security of its network, lead to the conclusion that network access offered to LSPs for combining loops to switch ports will be significantly inferior and substantially more costly than the access enjoyed by SWBT. Absent implementation of such terms and conditions, SWBT can provide the required parity of access to UNEs only by doing the combining itself (or leaving intact already combined elements).

It is interesting to note how SWBT handles the disconnecting and combining of network elements when faced with a change of service within its own network. When SWBT has a customer disconnect service, and SWBT has a reasonable expectation that the loop and switch port will be reused in a reasonably short time frame, SWBT does not *physically* disconnect the loop and switch port. Instead, SWBT electronically disconnects the service through means of a recent change in the switch on the particular switch port. This process is efficient and reasonable in cases of customer churn at a residence due to moving and there is an expectation that another customer will move into that residence. Similarly, in the case where a customer is changing local

carriers from SWBT to AT&T through unbundled network elements, SWBT should treat this form of churn the same as it would treat itself. There is a reasonable expectation that the same loop and switch port will be used (SWBT has received a Local Service Request indicating as much). Therefore, if SWBT persists with its position that it must disconnect the elements so that AT&T can reconnect the elements, this disconnection and reconnection should be done electronically as SWBT would do for itself. Nothing in the 8th Circuit's decision requires that separation and reconnection of elements must be physical as opposed to electronic. Further, the 8th Circuit Court has upheld FCC Rule 51.319(c)(ii) which requires an incumbent LEC to process UNE orders that require no more than a software change in the same timeframe and cost as interexchange PIC changes. In short, UNE Parity when preserved by this Commission will require that SWBT treat AT&T's ordering and use of network elements in the same way that SWBT treats its own use of network elements. Physically disconnecting every loop and switch port and requiring AT&T to reconnect them is not consistent with this requirement.

Regardless of the application of the 8th Circuit decisions to the circumstances presented by SWBT's restrictions on allowing LSP access to its network, the fact remains that the Act is supposed to permit elements to be combined to provide a finished telecommunications service. Whether AT&T or SWBT does the combining, loops may be combined with switch ports. If AT&T serves a customer over an unbundled loop connected to an unbundled switch port, then, regardless of whether an AT&T technician or SWBT technical made the connection, AT&T should be able to use the automated loop testing capability that is available to SWBT through that same switch to test the loops that serves its customers. That is the principle at stake

throughout these UNE parity issues, and it is a principle supported by the Act, the pro-competitive policy that underlies the Act, and basic fairness.

The language proposed by AT&T on this issue should be adopted to build this principle into the contract, avoiding future disputes similar to the detailed issues presented below.

Sponsoring Witnesses: Steve Turner and Nancy Dalton

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

AT&T LANGUAGE:

a. Preorder access to dispatch and due date requirements

Attachment 7

1.X For all unbundled Network Elements and Combinations ordered under this Agreement, SWBT will provide pre-order, ordering and provisioning services equal in quality and speed (speed to be measured from the time SWBT receives the service order from AT&T) to the services SWBT provides to its end users **for an equivalent service. When UNEs are ordered in combination, for example, loop and switch port, the service must be supported by all the functionalities provided to SWBT's local exchange service customers. This will include but is not limited to, MLT testing, Dispatch scheduling, and Real time Due Date assignment.**

The ordering and provisioning to support these services will be provided in an efficient manner which meets or exceeds the performance metrics SWBT achieves when providing the equivalent end user services to an end user.

Attachment 7 - UNE Ordering and Provisioning

2.X SWBT and AT&T agree to work together to implement the Electronic Gateway Interface (EGI) used for resold services that provides non-discriminatory access to SWBT's pre-order process. AT&T and SWBT agree to implement the electronic interface, which will be transaction based, to provide the pre-service ordering information (i.e., address verification, service and feature availability, telephone number assignment, **dispatch requirements, due date** and Customer Service Record (CSR) information), subject to the conditions as set forth in Attachment 2: Ordering and Provisioning - Resale, Paragraph 1.X.

b. 855 EDI availability

Attachment 2

4.X **SWBT will provide AT&T an 855 EDI transaction-based reply when SWBT's committed Due Date (DD) is in jeopardy of not being met by SWBT on any Resale service, which will concurrently provide the revised due date. SWBT and AT&T agree to identify a mutually acceptable date for implementation of the 855 EDI transaction-based reply no later than January 1, 1997.** SWBT may satisfy its obligations under this paragraph by providing AT&T access through the electronic interface to a database which identifies due dates in jeopardy and provides revised due dates as soon as they have been established by SWBT. On

an interim **manual** basis, **until the 855 transaction is available,** SWBT and AT&T will establish mutually acceptable methods and procedures for handling the processes for a jeopardy notification **and** missed appointments.

Attachment 3

SWBT will provide AT&T with information which will allow AT&T to inform its customers using the services covered by this attachment of missed appointments, within the same time frames that SWBT becomes aware that such appointments will be missed.

Attachment 7

6.X **SWBT and AT&T agree to identify a mutually acceptable date for implementation of the 855 EDI transaction-based reply** when SWBT's committed Due Date (DD) is in jeopardy of not being met by SWBT on any Unbundled Network Elements or Combinations **no later than January 1, 1997.** SWBT will concurrently provide the revised due date. SWBT may satisfy its obligations under this paragraph by providing AT&T access through the electronic interface to a database which identifies due dates in jeopardy and provides revised due dates as soon as they have been established by SWBT. On an interim manual basis, **until the 855 transaction is available,** SWBT and AT&T will establish mutually acceptable methods and procedures for handling the processes for a jeopardy notification or missed appointment.

c. Provisioning intervals

Attachment 7

5.X **SWBT will provide AT&T with standard provisioning intervals for all unbundled Network Elements and combinations as compared to SWBT customers for equivalent service.**

9.X **SWBT will provide AT&T with the provisioning intervals as currently outlined in the LCUG Service Quality Measurements document, or as may be revised from time to time.**

d. Maintenance scheduling

Attachment 8

6.X ...When a network element is dedicated to AT&T, SWBT must work with AT&T to schedule maintenance. SWBT must make reasonable accommodations to AT&T when scheduling the maintenance of a dedicated network element.

AT&T POSITION:

The FCC recognizes that nondiscriminatory access to the ILEC's operations support systems "is vital to creating opportunities for meaningful competition." FCC Order at ¶ 518. The FCC thus concluded that "an incumbent LEC must provide nondiscriminatory access to their operation support systems functions for pre-ordering, ordering, provisioning, maintenance and repair, and billing available to the LEC itself. Such nondiscriminatory access includes access to the

functionality of any internal gateway systems the incumbent employs in performing the above functions for its own customers." *Id.* at ¶523.

SWBT has delayed and resisted providing AT&T with access to OSS functions that will enable AT&T to pre-order, order, provision, and maintain UNE service for its customers with the same quality and speed that SWBT uses to serve its retail customers, contrary to the requirements of Section 251(c)(3) of the Act and the FCC's very plain, specific interpretation. This resistance has manifested itself in disagreements over a number of provisions in Attachment 7: Ordering and Provisioning - Unbundled Network Elements and Attachment 8: Maintenance - Unbundled Network Elements. The specific types of information discussed below in more detail include:

a. Dispatch scheduling and due date information
b. 855 EDI transaction, which provides jeopardy information in case a due date is in danger of not being met
c. Provisioning intervals at parity
d. Maintenance scheduling

SWBT's refusal to make this information available to AT&T via electronic interface cannot be justified under the Act. SWBT has commented in defense of its position that it does not "order UNEs" or "provide UNE service" to itself, so that its failure to provide such information is not discriminatory. If SWBT is serious about this position, it misapprehends the fundamental nature of the 251(c)(3) requirement that UNEs must be provided on terms that are nondiscriminatory. The FCC expressly admonished that the Act requires ILECs to provide access to UNEs that is not only equal as between all carriers requesting access, but also "must be at least equal-in-quality to that which the incumbent LEC provides to itself." FCC Order at ¶ 312. This more

broad nondiscrimination requirement is necessary to protect against the ILEC's "incentive to discriminate against its competitors by offering them less favorable terms and conditions" than it provides itself. *Id.* at ¶ 218 (addressing interconnection; same concern referenced with regard to UNE access at ¶ 312, note 675).

The Act's nondiscrimination requirement cannot be evaded by the facile contention that SWBT does not use unbundled elements for itself. SWBT has and does use unbundled elements -- i.e., facilities and equipment used to provide a telecommunications service (the definition of a network element at 47 C.F.R. § 51.5). The FCC's interpretation of the nondiscrimination requirement is directed at ILEC's such as SWBT. The requirement would be meaningless if ILECs could avoid it by saying that they do not order or use "unbundled network elements" as such.

All of these OSS functions are functions that SWBT provides to itself. All are important to AT&T's ability to compete meaningfully with the incumbent. In response to SWBT's assertions that it does not have to modify its systems, we cite paragraph 524 of the FCC order that states: "We recognize that . . . providing nondiscriminatory access to operations support systems functions may require some modifications to existing systems necessary to accommodate such access by competing providers." All these contract provisions should be accepted in order to require SWBT to make nondiscriminatory OSS access a reality. The specifics follow.

a. Real-time pre-order access to dispatch scheduling and due date information

AT&T's proposed language which will appear in Attachment 7 would include dispatch scheduling requirements and due date in the categories of information that would be available to AT&T via electronic interface for pre-ordering purposes for unbundled network elements. That information is required so that AT&T can coordinate its inside plant vendor with the time table of the end user. This is available to SWBT in performing pre-ordering for its retail customers who will be served through the same equipment and facilities (i.e., network elements) as AT&T's retail customers served through unbundled network elements. SWBT has agreed to provide this information via electronic interface for resale pre-ordering. *See Attachment 2.* The FCC itself has said that, "to the extent that customer service representatives of the incumbent have access to . . . service interval information during customer contacts, the incumbent must provide the same access to competing providers." FCC Order at ¶ 523.

One explanation for SWBT's refusal to agree to provide due date and dispatch information electronically for UNE pre-ordering (as it does for itself in providing equivalent services to end users) is that its decision to treat all UNE orders as "designed circuit" orders will result in SWBT administering these orders under systems that do not provide electronic access to this information. SWBT's business discretion, however, does not extend to avoiding the requirements of the Act. This information is available to SWBT customer service representatives providing pre-order services to prospective POTS customers, customers who will be served by a combination of SWBT local switches, loops, and its common network. When AT&T performs pre-order services for prospective POTS customers whom it may serve through those same

facilities ordered as unbundled network elements, the Act entitles it to the same information. AT&T's proposed Section 2.X should be accepted in its entirety.

The fundamental problem that would be caused if the Commission did not allow AT&T to have access to this information is the perception with Missouri consumers that AT&T service and quality is inferior to SWBT service and quality. If a customer can call SWBT and have SWBT provision its network to provide a service to the customer within one to three days as available on the due date reservation board, the customer would assume that AT&T would be inferior if the earliest that AT&T could provide service would be five days. This is the reason for the parity and non-discriminatory portions of the Act. This Commission should develop rules that put all competitors on an even playing field so that market forces and marketing prowess are the differentiators between all LECs. This will be the only way to secure a competitive local telecommunications industry in Missouri.

b. Jeopardy notices (855 EDI transactions)

SWBT should be obligated to provide AT&T with jeopardy information that will give AT&T an equivalent opportunity to inform its customers about potential delays in provisioning service. SWBT should provide AT&T an electronic transaction (the 855 EDI) to notify AT&T that a due date is not going to be met so that AT&T can notify its customer of the situation. When AT&T places an order with SWBT and SWBT confirms to AT&T the due date of the order, both AT&T and AT&T's end user customer expect the order to be completed in the specified time frame. AT&T has paid SWBT the necessary charges to complete the order on time. Therefore if SWBT

determines that it is not able to complete an order that it has confirmed to AT&T, SWBT should notify AT&T of the jeopardy. AT&T's needs to have time to contact its end user customer of the delay so that the customer is not left waiting at home for the installation crew. The customer will obviously believe that AT&T missed the appointment not knowing the arrangements between AT&T and SWBT. This is an extremely important issue as competition develops as customers in a competitive environment will choose its local service provider based on the level of service.

c. Provisioning intervals

SWBT should not put AT&T at a competitive disadvantage by not providing to AT&T the same level of performance that they provide to their end users for equivalent services (e.g. SWBT POTS customer vs. AT&T POTS customer served via UNE Loop and Port). For example, SWBT will offer a 2-day interval to its own or resale customers for POTS service, but to date has offered no better than a 5-day interval in Missouri to LSPs who wish to provision POTS service over an unbundled loop and switch port. SWBT has been unable or unwilling to explain why, when the same function is being performed, it takes longer to provide service on UNEs. SWBT should not be permitted to build into its UNE wholesale service impediments that will require AT&T customers receiving service from UNEs to wait longer for their service than SWBT or resale customers. Where AT&T is providing customer service over UNEs that is analogous to (and in competition with) customer service provided by SWBT over the same network components, AT&T should be able to turn up service to the customer in the same intervals achieved by SWBT. If a customer can call SWBT and have SWBT provision its network to provide a service to the customer within one to three days as available on the due date reservation

board, the customer would assume that AT&T would be inferior if the earliest that AT&T could provide service would be five days. This is the reason for the parity and non-discriminatory portions of the Act. This Commission should develop rules that put all competitors on an even playing field so that market forces and marketing prowess are the differentiators between all LECs.

AT&T's proposed contract language provides for parity intervals based on equivalent end user service and references performance measurements and intervals recommended by the Local Competition User's Group (LCUG), an association of long-distance carriers interested in providing local telephone service. As an alternative to the LCUG reference, AT&T would be willing to use in Missouri the performance measurements and intervals that have been the subject of recent discussions between the companies in Texas as a consequence of the September 30, 1997 Arbitration Award in that state.

d. Maintenance scheduling.

SWBT, in recent negotiations, retracted agreement on AT&T's proposed language for Attachment 8. It is unclear to AT&T why, at this time, SWBT is retracting its agreement, when it agreed in the original 4/25/97 Missouri filing. This Commission should award the language that now shows as AT&T's in order to give AT&T parity with scheduled maintenance provided by SWBT to itself.

Conclusion

SWBT indicated in its initial filed matrices in this arbitration proceeding that it has "re evaluated the work required to provide UNE parity. In order to provide non discriminatory access, SWBT will modify its back office systems to provide UNE Parity to AT&T." The September 30, 1997 Arbitration Award in Texas ruled in AT&T's favor on the specific UNE parity items presented in this issue. To the extent SWBT has prepared to implement those rulings and is willing to carry that implementation to Missouri, these issues could be resolved. SWBT's prior statement certainly indicates that SWBT **could** provide the nondiscriminatory access being requested by AT&T. The question is whether SWBT will provide that access consensually, so that competition may proceed, or whether it will insist on litigating these same issues in state after state. AT&T would welcome agreement on these items.

Sponsoring Witnesses: Sean Minter and Nancy Dalton

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?

AT&T LANGUAGE:

Attachment 7

6.X When AT&T orders Elements or Combinations that are currently interconnected and

functional, such Elements and Combinations will remain interconnected and functional without any disconnection and without loss of feature capability and without loss of associated Ancillary Functions. This will be known as Contiguous Network Interconnection of Network Elements. There will be no charge for such interconnection.

6.X "Contiguous Network Interconnection of Network Elements" includes, without limitation, the situation when AT&T orders all the SWBT Network Elements required to convert a SWBT end-user customer or an AT&T resale customer to AT&T unbundled Network Elements service (a) without any change in features or functionality that was being provided by SWBT (or by AT&T on a resale basis) at the time of the order or (b) with only the change needed to route the customer's operator service and directory assistance calls to the AT&T OS/DA platform via customized routing and/or changes needed in order to change a local switching feature, e.g., call waiting. (This section only applies to orders involving customized routing after customized routing has been established to an AT&T OS/DA platform from the relevant SWBT local switch, including AT&T's payment of all applicable charges to establish that routing.) There will be no interruption of service to the end-user customer in connection with orders covered by this section, except for processing time that is technically necessary to execute the appropriate recent change order in the SWBT local switch. SWBT will treat recent change orders necessary to provision AT&T orders under this section at parity with recent change orders executed to serve SWBT end-user customers, in terms of scheduling necessary service interruptions so as to minimize inconvenience to end-user customers.

AT&T POSITION:

Disconnecting working elements.

As noted earlier, the 8th Circuit Court's October 14th order on rehearing vacated FCC Rule 51.315(b), which had prohibited ILECs from separating elements ordered as UNEs, if those elements were currently combined, unless separation was specifically requested.

The 8th Circuit's decisions on the responsibility for recombining elements rest on a key assumption -- that the ILECs "would rather allow entrants access to their networks than have to rebundle the elements for them." July 18, 1997 slip op. at 141. The positions taken by SWBT in arbitration proceedings across five states over the past year, confirmed most recently in Texas, reflect a very different preference on SWBT's part. SWBT has not been forthcoming with terms and conditions that would provide AT&T and other LSPs with network access for the purpose of combining elements that is equivalent to the access available to SWBT technicians for that purpose. On the contrary, SWBT's statements to date on this subject, grounded in its oft-repeated concern for the security of its network, lead to the conclusion that network access offered to LSPs for combining loops to switch ports will be significantly inferior and substantially more costly than the access enjoyed by SWBT. For example, SWBT's witnesses testified in August 1997 Texas arbitration proceedings that SWBT will not permit AT&T technicians to perform the cross connects themselves at the main distribution frame between the loop and switch port in their central offices, which is how SWBT accomplishes those connections when a physical connection is required to turn up service.

Even if SWBT were to do a sudden about-face and express a willingness to allow LSPs to make connections at the MDF, SWBT has not begun to develop the systems and procedures that would be required to implement this type of network access. To take but one example, the SWBT system, TIRKS, that inventories network elements would have to be modified to support a multi-vendor environment, so that AT&T and other users of UNEs would have access to the portions of the system necessary to engineer combinations of elements. SWBT has not prepared to offer network access in this fashion; no detailed terms and conditions of network access are available to an LSP to evaluate, much less utilize, for engineering and effecting combinations of elements. On the contrary, SWBT's preparations for implementing UNE service to date, insofar as they are known to AT&T, all have assumed that SWBT will combine unbundled network elements on behalf of the requesting carrier.

Nor should SWBT be heard to suggest that it may disconnect loops and switch ports ordered by AT&T and require AT&T to reconnect them through physical or virtual collocation. Under the FCC First Report and Order and as upheld by the 8th Circuit, an LSP is not required to own or control any portion of a telecommunications network before being able to purchase UNEs. July 18, 1997 slip op. at 143. Requiring LSPs to combine elements through collocation is thus prohibited.

In short, SWBT has not provided AT&T or other LSPs with the type of nondiscriminatory access to its network that was presupposed by the 8th Circuit, to enable the new entrants to combine loops and switch ports, as well as the other unbundled elements, for the purpose of providing a

finished telecommunications service. Under these circumstances, the only way that SWBT can attempt to provide the required access to UNEs will be to do what it has prepared to do all along – combine the elements for the LSPs (or leave intact already combined elements).

Allowing SWBT to disconnect customers and require AT&T and other LSPs to reconnect selected elements (loop/switch port) to restore service also raises serious public policy concerns and defies common sense. If the loop and switch port that serve a SWBT customer today may be used by AT&T to serve that customer tomorrow – a proposition no one denies – what sense is there in disconnecting and reconnecting those facilities? That activity serves no purpose other than to deter competition. To take customers out of service simply to force a recombining of elements that are already combined not only presents a serious inconvenience, but potentially a danger to Missouri customers. What if, during this artificially imposed "disconnection and recombining" activity, a customer needs to make a 911 call? This would surely be within the scope of the practices considered discriminatory and unreasonable in violation of Missouri law.

Given SWBT's particular restrictions on LSP access to its network, and in view of the public policy concerns raised, AT&T requests the Commission to approve AT&T's proposed contract language requiring SWBT to leave intact elements that are interconnected and functional when ordered.

d. <u>Length of service interruption.</u>

SWBT plans to move all UNE elements to its designed service system. This threatens to cause a

service interruption (independent of the service disruption issue discussed above) to AT&T UNE customers when AT&T orders a loop and switch port from SWBT to offer POTS service (alternatively, this will deny the UNE switching user access to testing capability altogether; see issue 7 below). Because of its decision to administer UNEs as a designed service, SWBT will take those loops out of the current system, which has an automated testing component, and move it to their SARTS system, which does not. As a result, if AT&T wants to have any remote testing capability, SWBT will have to interrupt service on loops (by its own account, for approximately 30 minutes), to install a SMAS test point. This disadvantages AT&T customers served by UNEs, and places an unreasonable and unnecessary constraint on any new entrant's opportunity to compete.

AT&T's proposed language prohibiting extended customer service interruptions in the situations described above should be accepted in order to provide AT&T with nondiscriminatory access to element combinations on terms that will provide it with a meaningful opportunity to compete. AT&T's proposed language allows for a momentary service interruption in order to execute a recent change order in the switch, a nearly instantaneous software activity that is necessary with every conversion order. No greater interruption is necessary or should be tolerated.

Sponsoring Witnesses: Steve Turner and Nancy Dalton

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?

AT&T LANGUAGE

Attachment 6

4.X 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. **This section does not apply when AT&T orders a Loop/Switch port combination from SWBT.**

5.X Analog Line Port: A line side switch connection available in either a loop or ground start signaling configuration used primarily for switched voice communications including centrex-like applications. **When AT&T orders a Loop/Switch combination in which the loop is served by IDLC, AT&T will pay the applicable loop charge and an Analog Line Port charge.**

5.X ISDN Basic Rate Interface (BRI) Port: A line side switch connection which provides ISDN Basic Rate Interface (BRI) based capabilities including centrex-like applications. **When AT&T orders a Loop/Switch combination in which the loop is served by IDLC, AT&T will pay the applicable loop charge and a BRI Port charge.**

AT&T POSITION:

SWBT should not be permitted to disconnect to rearrange loop facilities on working service served by IDLC technology when AT&T orders the loop and switch port in combination. IDLC is a technology that enables the telecommunications carrier to concentrate more loops onto the same number of physical paths. Essentially, a loop that is "seized" becomes a time slot on the facility side of the IDLC rather than a physical path. This lack of a distinct physical appearance is maintained directly into the SWBT local switch. For loops that run long distances from the central office to the customers' premises, this is efficient, forward-looking technology the use of which can be expected to increase.

AT&T and SWBT's proposed language is identical in that 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." This movement off of IDLC is required except in next generation Digital Loop Carrier because there is no other efficient way to unbundle the loop. However, this movement off of IDLC should not apply when AT&T purchases both the loop and the switch port. In this case the movement unnecessarily leads to a disruption of service for the customer and may result in SWBT responding that there is no alternative loop available, thereby effectively denying AT&T access to the customer. AT&T's proposed additional contract

language would allow AT&T to serve the customer over the existing IDLC loop/switch combination only when AT&T is purchasing both the loop and the switch port.

SWBT maintains that IDLC technology is not in widespread use in its network today. However, this is new, forward looking technology. Although IDLC may only be present in less than 10% of SWBT's network today, we can expect that number to grow in the future. AT&T should have the opportunity to combine an IDLC loop and switch port in the same way the SWBT combines them – by utilizing the functionality of the IDLC itself. The Commission should rule in favor of AT&T's language for the reasons stated above.

Sponsoring Witnesses: Steve Turner and Nancy Dalton

ISSUE 5: ORDERING AND PROVISIONING: PARITY OF PROVISIONING INTERVALS

Combined with Issue IV-2.

Sponsoring Witnesses: Sean Minter and Nancy Dalton

ISSUE 5: ORDER AND PROVISIONING: PARITY OF DATABASES

Combined with Issue IV-2.

Sponsoring Witnesses: Sean Minter and Nancy Dalton

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?

AT&T LANGUAGE:

Attachment 6: UNE

9.X In the event that AT&T is using SWBT's OS platform, until otherwise agreed, no charge is made for such Validation queries other than applicable OS charges under Appendix Pricing UNE - Schedule of Prices labeled "Operator Services Call Completion Services" and all subparts thereunder.

Attachment 7: O&P

1.X **When AT&T utilizes UNE switching, SWBT will populate its LIDB database with customer information using information provided by AT&T using standard OBF fields as *defined in the LSOG (Local Service Ordering Guide).***

AT&T POSITION:

In order for AT&T to receive full functionality of the switching element, SWBT provisions several databases. AT&T views LIDB as simply another such database to be provisioned in order for AT&T to receive full functionality of the unbundled local switch, much as the switch database, directory listing database, and 911 database are agreed-upon as being provisioned by SWBT for UNEs today.

SWBT should provide to AT&T the same flow through provisioning process that it provides to itself and that it provides to AT&T for all other unbundled elements and databases when AT&T purchases UNE switching. The LIDB update consists of updating collect calling, 3rd number

billing, and credit card information linked to the customer information provided to SWBT on the UNE switching order. In negotiations, SWBT stated that it will remove such information from the database, then require AT&T to re-enter the data. SWBT also should not be allowed to clear all such functionality of a customer that migrates to AT&T service. No other RBOC has imposed this completely unnecessary requirement on AT&T.

SWBT claims that the FCC's First Report and Order, ¶ 493[1] only requires SWBT to "provide access, on an unbundled basis, to the service management system (SMS), which allow competitors to create, modify, or update information in call-related databases." This paragraph in the FCC's Interconnection Order is irrelevant to SWBT's obligation to provide operations support systems functions that will place AT&T and SWBT at parity.

The specific parity issue is this: SWBT's own retail systems today flow through information for SWBT's customers directly to the LIDB. Yet SWBT proposes to require that AT&T manually update the LIDB with customer information for every AT&T customer. AT&T is willing to specify all of the necessary information to SWBT on the customer service order, and SWBT should flow through that information to update the LIDB as it does for itself. There is no reason to distinguish LIDB from other databases, such as 911/E911 and directory listings, which SWBT has agreed to update based on the service order.

[1] First Report and Order, Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98 (August 8, 1996) ("First Report and Order").

SWBT also claims that there are security reasons that keep it from updating the LIDB. AT&T finds it peculiar that SWBT singles out this particular database when it today updates its own switch, directory listings, 911/E911 etc. with the information that AT&T provides over the service order. SWBT is trying to introduce manual work on the part of AT&T to slow down the service order process and create additional costs to AT&T. In response to SWBT's assertion that "that's just the way our system works," we cite paragraph 524 of the FCC order that states: "We recognize that . . . providing nondiscriminatory access to operations support systems functions may require some modifications to existing systems necessary to accommodate such access by competing providers."[2]

The LIDB database houses information on collect call blocking, calling name of the customer, third part billing, etc.. These are items that are important to a customer and SWBT should flow through this information to LIDB in the same manner it should flow information to the switch. In evaluating 271 applications, the FCC in the recent Ameritech order has stated that flow through of service order information was critical in the incumbent meeting its OSS checklist item.

Sponsoring Witnesses: Sean Minter and Nancy Dalton

[2] *Id.*

ISSUE 7: MAINTENANCE: AUTOMATED TESTING

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

AT&T LANGUAGE:

Attachment 6

11.X 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. **When AT&T orders a switch port, or local loop and switch port in combination, SWBT will, at AT&T's request, provide automated loop testing through the Local Switch rather than install a loop test point.**

AT&T POSITION:

SWBT's position of treating UNE orders as "designed services" will deny AT&T and other LSPs the capability to use the MLT capability of the unbundled local switch port, without technical justification. The consequence will in all likelihood be inferior service for AT&T customers receiving POTS-type service through loop/switch port combinations. For POTS circuits administered in LMOS, the MLT system in SWBT's local switches runs regular routines that test loops. Any problems detected by these regular tests automatically are reported to the appropriate SWBT personnel for repair. This automated testing thus enables SWBT to identify and fix problems with its POTS circuits before its POTS customers recognize any problem. *Once POTS circuits are transferred to SWBT's Workforce Administration (WFA) System, however, AT&T's UNE-based customers will lose the preventive benefits of automated MLT testing.* WFA and

SMAS/SARTS do not provide automated proactive testing. They are reactive systems, meaning that problems are identified and addressed only after the customer identifies a problem. In addition, MLT, in combination with LMOS, allows SWBT automatically to test the loop of a customer within 60 seconds of a complaint call. This automated feature allows SWBT to test the condition of the customer's line, without the intervention of a customer service representative, moments after the customer calls in a complaint, while the customer is still on the line. Because MLT in combination with LMOS allows for such automated testing, the results of the test can be discussed with the customer during the complaint call, and a customer service representative can ask additional questions of the customer regarding his or her service based on these test results, resulting in timely and effective resolution of the problem. This testing feature is not available in WFA. SWBT's planned changeover of LSPs' UNE-based customers to the WFA system, therefore, results in the LSPs' POTS customers receiving *service that is technically inferior* to the service provided to SWBT's own POTS customers, whose circuits will continue to be maintained under LMOS.[3] There is no technical justification for this discrimination.[4]

[3] See Exhibit ST-1 for a SWBT advertisement stating: "Each night, we run sophisticated tests on our customer's lines and we may **test your line every night.**" This capability is a function of the switch via MLT working with LMOS and must be provided to LSPs purchasing the unbundled local switch.

[4] AT&T has complained to SWBT about the inferior service that would be provided to UNE customers over the WFA system. SWBT's response was to urge AT&T to drop use of UNEs in favor of resale of SWBT's services:

> If AT&T wishes to provide services exactly as SWBT does for its own retail customers (including testing by SWBT via MLT), AT&T has the option of using resale to serve its customers.

Letter from Stephen Carter, SWBT, to Rian Wren, Vice President-Southwest Region LSO, AT&T, at 2 (April 11, 1997).

AT&T, in negotiations with SWBT, proposed the following language to provide parity access to automated testing within SWBT's network:

> When AT&T orders a switch port, or local loop and switch port in combination, SWBT will, at AT&T's request, provide automated loop testing through the Local Switch rather than install a loop test point.

SWBT has refused to agree to this language, confirming its opposition to providing AT&T with parity access to MLT testing capability in connection with UNEs. Incorporating this language into the Interconnection Agreement will provide AT&T nothing more than nondiscriminatory access to SWBT's unbundled network elements.

AT&T agrees that, when it wishes to combine an unbundled local loop with its own facilities, it has no need for SWBT to provide automated testing. AT&T will supply its own loop testing in those circumstances. It was for such cases that AT&T sought, and this Commission ordered, the option to purchase loops without automated testing. However, in cases where AT&T orders a switch port, or combines a local loop and switch port, parity requires that the same MLT functionality that is available to SWBT to test the loop through the switch port must be available to AT&T.

Sponsoring Witnesses: Sean Minter, Steve Turner and Nancy Dalton

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?

AT&T LANGUAGE:

Attachment 6

2.X **AT&T may combine any unbundled Network Element with any other element, equipment, or facility in its network, without restriction or limitations, regardless of whether that other element, equipment, or facility is owned or managed by AT&T, for the provision by AT&T of a telecommunications service, provided that the combination is technically feasible and would not impair the ability of other carriers to obtain access to other unbundled Network Elements or to interconnect with SWBT's network.**

AT&T POSITION:

Yes. In negotiations, SWBT has taken the position that, under the Act, AT&T may not combine or connect UNEs to access services or tariffed services provided by SWBT. This constitutes a restriction on AT&T's use of UNEs, creates inefficient networks, and should be rejected by the Commission.

Section 251(c)(3) of the Act requires SWBT to provide access to unbundled network elements "in a manner that allows requesting carriers to combine" such elements in order to provide" a telecommunications service. The FCC has held "that this language bars incumbent LECs from imposing limitations, restrictions, or requirements on requests for, or the sale or use of, unbundled network elements that would impair the ability of requesting carriers to offer telecommunications services in the manner that they intend." FCC Order at ¶ 292. Further, the

Missouri Commission, in its 12/11/96 order, ruled (p. 13) that "...there shall be no restrictions or limitations on LSP use of UNEs."

SWBT's position is contrary to the Act and the FCC Order. The Act permits CLECs, including AT&T, to use UNEs without restriction, however they deem appropriate to provide a telecommunications service. To take one example: a CLEC may purchase an unbundled DS1 loop and cross-connect that loop to SONET facilities purchased out of the STN tariff. Through this combination the CLEC can provide private line service to a customer. Nothing in the Act authorizes or justifies SWBT's attempt to foreclose such combinations. Under the Act, AT&T must be able to combine unbundled elements in many different ways in order to meet the needs of its end user customers. AT&T should have the ability to combine access services and tariffed services with unbundled elements for its local customers just as SWBT can provide access and other tariffed services for its local customers.

SWBT even proposes in its language some situations where it will "permit" commingling of access and UNEs: "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." It is not clear why SWBT believes these "combinations" are justified, or by what criteria it

deems certain situations allowable. It is clear that when it is in SWBT's interest (to preserve access revenues), it will "allow" connections of access to UNEs, but when it is not in SWBT's interest (i.e., when it would allow new entrants to build efficient networks), it refuses to do so.

AT&T has proposed contract language that would recognize its unqualified right to combine UNEs with other equipment and facilities, whether owned or managed by AT&T or third parties, for the provision of a telecommunications service. AT&T's proposed language should be included in the contract because it is consistent with the Act and will provide for implementation of the network unbundling previously ordered by the Missouri Commission without unnecessary disputes.

Sponsoring Witnesses: Steve Turner and Nancy Dalton

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?

AT&T LANGUAGE:

Attachment 8

3.X **SWBT agrees to notify AT&T of upgrades to existing test systems and the deployment of new test systems within SWBT and to negotiate with AT&T to allow AT&T to use such systems through a controlled interface.**

AT&T POSITION:

Yes. Proposed Section 3.X allows AT&T the opportunity to negotiate with SWBT should new upgrades to existing test systems be developed. AT&T does not attempt to dictate when SWBT develops new systems; it only seeks parity when those systems are developed. SWBT must provide parity of systems; especially when those systems directly affect the quality of service provided to the end user. This is a reasonable, limited measure to provide some assurance that SWBT will not abandon a system that is less capable for an upgraded testing system, yet force AT&T to remain on the less capable test system. AT&T's request is reasonable and therefore, AT&T's language should be accepted. The Commission should even the playing field in local service to bring competition to the local service market. AT&T and its customers should have access to the same capabilities as SWBT and its end users.

Sponsoring Witnesses: Sean Minter and Nancy Dalton

ISSUE 10: MAINTENANCE: AUTOMATED TESTING THROUGH EBI?

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

AT&T LANGUAGE:

Attachment 6: UNE

5.X 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 **for an equivalent service**.

Attachment 8: Maintenance

3.X SWBT and AT&T agree to work together to develop new or modify existing standards for Phase II of EBI (specific date by which said development is to be completed to be jointly agreed upon) which will provide AT&T the following capabilities, including, but not limited to :

a) performing feature and line option verification and request corrections;

b) performing network surveillance (e.g., performance monitoring);

c) **initiating and receiving test results;**

d) receiving immediate notification of missed appointments;

e) identifying existing cable failures (by cable and pair numbering).

AT&T POSITION:

SWBT has agreed to work with AT&T to create four out of five capabilities through electronic bonding. It has refused to provide the capability to initiate and receive test results in the future, much in the same way that it currently refuses to provide automated testing through MLT today (Issue 7 above). AT&T should have the capability to provide online testing to its end users for the same services that SWBT provides such testing to its end users. By refusing to agree to this language, SWBT seeks to perpetuate the deficiency it seeks to create in AT&T's use of UNEs.

SWBT should provide this capability over the standard interface to all companies. SWBT participates in the standards body that developed the standards to provide this capability, and SWBT should develop its EBI interface to take advantage of the efficiencies provided by this

interface. The only other option would be to have each company manually call SWBT and have SWBT test the loop and provide results. This creates more work for both companies and is totally inefficient.

Sponsoring Witnesses: Sean Minter and Nancy Dalton

ISSUE 11: PERFORMANCE DATA
What performance measurements should be provided for UNEs?

AT&T LANGUAGE:

Attachment 6

2.X **SWBT and AT&T will jointly define performance data consistent with that provided by SWBT to other LSPs, that is to be provided monthly to AT&T to measure whether unbundled Network Elements are provided at least equal in quality and performance to that which SWBT provides to itself and other LSPs. Such performance data will be defined by the Parties no later than ninety (90) days from the effective date of this Agreement or a date mutually agreeable by the Parties.**

The performance data to be measured will be according to the Supplier Performance Metrics in accordance with the Local Competitive User Group (LCUG) recommendations, and any such future LCUG revisions, which includes but is not limited to network elements, pre-ordering and provisioning, maintenance, billing, operator services/ directory assistance, as incorporated herein to this Agreement. These performance measurements will be measured and reported to AT&T on a monthly basis by SWBT for both AT&T

customers and SWBT customers. The Parties will review the measures three months after AT&T's first purchase of a SWBT network element to determine if (1) the information meets the needs of the Parties and (2) the information can be gathered in an accurate and timely manner. SWBT will not be held accountable for performance comparisons based on the data until after the three month review or longer as the Parties may agree.

AT&T POSITION:

Regular measurement of the ILEC's performance against a reasonable set of objective benchmarks will serve all parties' interests, including the Commission's, in assuring that nondiscriminatory access to UNEs is achieved and maintained. It will be important to measure and report the performance of SWBT's network elements and OSS systems, in a way that allows the reviewer to compare the performance provided to LSPs for their use in delivering customer services with the performance SWBT provides to itself for delivering similar services to its retail customers. This performance data is important to a new entrant such as AT&T, so that it can rely on the UNEs it has purchased to meet the high, competitive level of service quality that it plans to offer to its customers. The data will be important to SWBT to be able to demonstrate that it is satisfying its obligations, under the Act and its interconnection agreements, to provided nondiscriminatory access to its unbundled network elements. The data will be important to this Commission -- objective, readily available performance data will serve to minimize and more easily resolve disputes about discriminatory performance, and the data will provide a moving picture showing whether unbundled elements are available in Missouri in a way that provides

efficient telecommunications service providers with a meaningful and ongoing opportunity to compete.

Throughout this testimony we have described many deficiencies in AT&T's access to SWBT's UNEs, compared to SWBT's own access. These deficiencies persist despite the clear language of the Act and the current Interconnection Agreement, and despite several months of implementation efforts and continuing negotiations. A general requirement of nondiscriminatory performance, while essential, is not self-executing and not easily assessed in the abstract. The Justice Department has recognized the difficulty of relying on discrimination claims to open the local telephone service marketplace, in the absence of objective performance measurement.

> Regulatory and judicial proceedings over claims of discrimination and failure to provide access can be drawn out for years by BOCs unwilling to cooperate with competitive entry into their local markets. The difficulty of effectively regulating against discrimination in this context is well documented in practice and in economic literature. In contrast, regulation has better prospects of providing effective constraints on competitive misconduct and backsliding by the incumbent LEC where stable arrangements with competitors are already in place and performance measurements have been established based on competitive experience.
>
> The establishment of such performance measures will ensure the continued availability of functional and operable wholesale support processes and signal to competitors and regulators that the market has been irreversibly opened to competition. With clear performance standards in place, both competitors and regulators will be better able to detect and remedy any shortcomings in the BOC's delivery of wholesale support services to its competitors.[5]

[5] Justice Department Evaluation of SBC Oklahoma Section 271 application at 46-47. The Justice Department included as Exhibit D to its evaluation the Affidavit of Michael J. Friduss. Mr. Friduss, who worked almost 30 years as a manager and officer of Ameritech, Michigan Bell and Illinois Bell, reviewed SWBT's performance

In order to provide the parties and the Commission with a reasonable means of assuring that AT&T obtains nondiscriminatory access to SWBT's UNEs, the contract should incorporate specific UNE and OSS performance criteria, in addition to the general contract requirement of parity in UNE performance quality and the limited performance data provided for as a result of the prior Arbitration Award.

In order to provide meaningful measurement of the key criterion -- whether AT&T and other LSPs obtain access to UNEs that places them and SWBT on equal footing in using the network elements to compete for the customer -- performance measurements must take account of the services (e.g., POTS, ISDN, Centrex) being provided over the elements. The Justice Department has supported such "product parity" measurements and has indicated that these measurements are being made available to LSPs elsewhere:

> Product parity also requires that performance measures be identified, measured and reported for product or product families a CLEC offers to end users. Examples include POTS, Subrate data, HICAP data, Centrex, and ISDN. If a CLEC offers DS1 service to its end users as part of a UNE loop resale arrangement, SWBT would need to provide results for service provided to those customers and for its own DS1 customers. Ameritech has proposed product-based performance measures in its Michigan SGAT.[6]

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measurement commitments under several interconnection agreements (including the AT&T/SWBT Texas agreement), statements of generally available terms and conditions, and arbitration orders. Mr. Friduss concluded that "some performance measures needed to determine parity in SWBT's provision of wholesale products [including UNEs] are not identified in any document or proceeding." Friduss Aff. at 35 (listing 16 examples of missing performance measures).

[6] Justice Department Evaluation of SBC Oklahoma Section 271 Application, Friduss Affidavit at 33.

The contract should provide a reasonable set of performance measures for each of the functions that SWBT will provide to AT&T in unbundling its network to meet the requirements of the Act and this Commission's Arbitration Award. The contract should include performance measures for UNE pre-ordering, ordering, provisioning, maintenance, network/element performance, and billing. The Local Competition User's Group (LCUG), an organization of long-distance carriers and other parties interested in entering the local marketplace, has developed a set of such measures. These measures provide a reasonable assurance that a CLEC is providing parity service with SWBT and provides CLECs with a reasonable opportunity to compete.

Sponsoring Witnesses: Sean Minter and Nancy Dalton

ISSUE 12: PERFORMANCE MEASUREMENTS: PROVISIONING INTERVALS
What provisioning intervals should be provided for UNEs?

AT&T LANGUAGE:

Attachment 7: O&P

9.X **SWBT will provide AT&T with the provisioning intervals as currently outlined in the LCUG Service Quality Measurements document, or as may be revised from time to time.**

Attachment 8: Maintenance

2.X SWBT will provide maintenance for all unbundled Network Elements and Combinations ordered under this Agreement at levels equal to the maintenance provided by SWBT in serving its end user customers **for an equivalent service**, and will meet the requirements set forth in this Attachment. Such maintenance requirements will include, without limitation, those applicable to

testing and network management. **For maintenance of UNE and UNE combinations, for example, loop and switch port, the service must be supported by all the functionalities provided to SWBT's local exchange service customers. This will include but is not limited to, MLT testing, dispatch scheduling, and real time repair commitments. The maintenance to support these services will be provided in an efficient manner which meets or exceeds the performance metrics SWBT achieves when providing the equivalent end user services to an end user.**

AT&T POSITION:

The Local Competition Users Group (LCUG) has developed a set of reasonable performance metrics to be expected when ordering Unbundled Network Elements. These performance metrics are in most cases the same as those SWBT provides itself for equivalent services. As discussed above in Issue IV-11, for measures that do not have a retail equivalent for SWBT, there should be a provisioning interval defined and SWBT should measure its performance against that interval. For UNEs and combinations that have a retail analog for SWBT (e.g. loop and port used to provide POTS), SWBT should be required to provide AT&T a parity measurement. As described above, this will allow the Commission to determine if SWBT is providing satisfactory service to CLECs, it will allow CLECs to be comfortable with the service obtained from SWBT, and it will allow SWBT to avoid complaints of inferior service because SWBT will have proof of the quality.

Again, AT&T is willing to agree to the same performance measurements that it has discussed with SWBT pursuant to the recent Texas arbitration award.

Sponsoring Witnesses: Sean Minter and Nancy Dalton

ISSUE 13: PERFORMANCE MEASUREMENTS: NETWORK OUTAGES

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

AT&T LANGUAGE:

Attachment 8

8.X For network outages other than emergency outages, the following performance measurements will be taken with respect to restoration of Unbundled Network Elements and Combinations service:

8.8 For network outages other than emergency outages, the following performance measurements will be taken with respect to restoration of Unbundled Network Elements and Combinations service:

a) speed of answer in the LSPC -

Note: Comparison will be made against the results for speed of answer in SWBT's CSBs (where SWBT's customers call in to refer troubles directly);

b) percent missed commitments for nondesigned services;

c) average outage duration time: nondesigned — receipt to clear;
designed — mean time to repair;

d) percent right the first time (repeat reports): nondesigned — 10 days;
designed — 30 days;

e) percent report rate nondesigned -

Note: Comparison will be applicable only after AT&T s customer base equals or exceeds 300,000 total lines (Resale and UNE);

f) percent no access - nondesigned.

g) percent severity 1 (out of service) cleared in 24 hours

8.X The above performance measurements will be measured and reported to AT&T on a monthly basis by SWBT for both AT&T customers and SWBT customers **for an equivalent service**. If the quality of service provided to AT&T customers based on these measurements is less than that provided to SWBT customers for three consecutive months, or if the average quality of service for a six month period is less than that provided to SWBT customers, AT&T may request a service improvement meeting with SWBT.

AT&T POSITION:

SWBT should treat AT&T customers served via UNEs in the same manner that they treat their customers for an equivalent service. AT&T would be at a competitive disadvantage if SWBT did not provide the same performance for maintenance to AT&T UNE customers that its provides its own end users for an equivalent service. AT&T is not asking for a superior network or superior performance as SWBT claims. AT&T is only asking for parity from SWBT. Parity should also include the number of times AT&T customers are affected by network outages and how fast the service is restored as compared to SWBT customers. Network outages cause the most customer grief. If a customer believes that he or she will have fewer outages with SWBT or SWBT is better at restoring service, SWBT will create a huge competitive advantage for itself.

SWBT should provide the necessary performance to CLECs and report the measurement to prove the nondiscriminatory performance.

Again, AT&T would be willing to resolve this issue on the basis of the package of performance measures that it has offered to agree to in Texas pursuant to that State's recent Arbitration Award.

Sponsoring Witnesses: Sean Minter and Nancy Dalton

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?

AT&T LANGUAGE:

Attachment 6

8.X SWBT will provide multiplexing/demultiplexing for Voice Grade to DS1 and DS1 to DS3 conversions. **SWBT will provide all technically feasible types of multiplexing / demultiplexing and grooming on the same basis as is available to SWBT for the purpose of providing telecommunications service.**

8.X 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". **The multiplexing / demultiplexing and grooming associated with optical multiplexing is**

included in the optical interoffice dedicated transport price.

8.X AT&T may use the DCS to directly access and control AT&T's 45 Mbps or 1.544 Mbps facilities or unbundled Dedicated Transport, subtending channels, and Internodal Facilities (the facilities that connect a DCS in one central office with a DCS in another central office). DCS devices will perform 3/3, 1/3, and /0 type functions. **Where DCS devices are SONET capable and will terminate SONET signals, SWBT will make such SONET capabilities available to AT&T to the extent technically feasible and to the extent such capability is available to SWBT for its use in providing telecommunications service.**

8.X SWBT will offer Digital Cross-Connect System (DCS) as part of the unbundled dedicated transport element with the same functionality that is offered to interexchange carriers, or additional functionality as the Parties may agree.

AT&T POSITION:

This group of issues concern various types of equipment that AT&T believes are part of UNEs, to which the Commission ordered AT&T to have access. SWBT takes a more limited view and seeks to "fence off" portions of its network from required unbundling; instead it asserts the business discretion to offer these items or not, and not at TELRIC prices.

Access to optical multiplexing and DCS capability allows AT&T access to SWBT's forward looking technology. The denial of this supplement to AT&T constitutes a refusal to allow full functionality to the dedicated transport element, which the Commission ordered SWBT to

unbundle.

AT&T has proposed contract language that would provide AT&T with the ability to use SWBT optical multiplexing facilities as part of dedicated transport, equivalent to SWBT's ability to use those facilities for the provision of telecommunications services. SWBT has opposed that language and asserted that multiplexing facilities are not part of any network element. SWBT maintains that it has no obligation under the Act to offer AT&T or other CLECs access to multiplexing. During negotiations, AT&T offered to provide specific requirements regarding the types of multiplexing required, but SWBT steadfastly maintained its position that it would not offer optical multiplexing at all, except under Special Request "ICB" pricing, making discussion of specific requirements a moot point. SWBT has agreed to offer electronic multiplexing but is unwilling to offer access to optical multiplexing at parity with its own access to such facilities. SWBT has offered no more than uncertain and discriminatory access to such facilities through a special request process.

Multiplexing functionality is required to interconnect unbundled local loops or lower bandwidth dedicated transport to higher bandwidth dedicated transport. Multiplexing is necessary to take advantage of economies of scale of higher bandwidth transport. DCS equipment performs both multiplexing and grooming functions.

SWBT's position is contrary to the Act and would deny AT&T the ability to implement contractually the nondiscriminatory access to unbundled interoffice transport that the Missouri

Commission ordered. Multiplexing functionality and DCS equipment certainly meet the regulatory definition of a network element as a "facility or equipment used in the provision of a telecommunications service." 47 C.F.R. §51.5. Multiplexing functionality and DCS equipment are a part of the transmission facilities between SWBT switches and wire centers, or between such SWBT locations and those of other carriers. As such, they form part of the element identified by the FCC as "interoffice transmission facilities," one of the elements ordered unbundled by the Missouri Commission. 47 C.F.R. § 51.319(d). Further, the FCC explicitly required the unbundling of DCS at ¶ 444 of the First Report and Order. SWBT's refusal to provide AT&T access to multiplexing functionality and DCS facilities that SWBT uses to provide local service in Missouri today violates the Act's requirement that it provide access to unbundled network elements on terms that are just, reasonable, and nondiscriminatory.

Since AT&T learned of SWBT's position that it has no obligation under the Act to offer access to multiplexing, it has presented that issue to other state commissions. The Kansas, Arkansas, and Texas commissions all have rejected SWBT's position and confirmed that SWBT must provide multiplexing as part of dedicated transport. In Kansas, the Arbitrator found that "SWBT is required to provide all technically feasible types of multiplexing, demultiplexing, grooming, DCS bridging, broadcast, test and conversion features to the extent such services and features are available to SWBT." AT&T/SWBT Kansas Arbitration Order at 45; see also AT&T/SWBT Arkansas Arbitration Order at 31. The Texas Award is to like effect. September 30, 1997 Texas Arbitration Award at App. B – p.19. Similarly, the state commissions in Oklahoma and Kansas

have found that SWBT is to offer DCS SONET capability as captured in the AT&T language at right.

AT&T's proposed contract language provides AT&T with no more access to multiplexing than the access that SWBT provides to itself for similar purposes. AT&T's language should be accepted in order to implement nondiscriminatory access to unbundled dedicated transport.

Sponsoring Witnesses: Steve Turner and Nancy Dalton

ISSUE 14b. INPUT/OUTPUT PORT

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

AT&T LANGUAGE:

Attachment 6

5.X Input/Output (I/O) Port: Provides access to the switch for a variety of functions including but not limited to voice mail functions (e.g., SMDI Port).

AT&T POSITION:

The language in Section 5 of Attachment 6 defines certain local switching ports that SWBT will make available to AT&T and which are priced on Appendix Pricing UNE - Schedule of Prices. The language in that Section further provides that AT&T may request additional port types through the Special Request process. The special request process provides for feasibility analysis, pricing, and implementation planning, over a 90-day period, in connection with requests

for new categories of unbundled elements and other requests that are expected to be out of the ordinary.

In order to avoid placing AT&T at a significant competitive disadvantage relative to SWBT, in terms of access to switching functionality, AT&T must have reasonable assurance that the parties have included in the "standard" ports a complete list of the ports necessary to utilize the switching functionality that will meet the projected needs for the life of the contract.

During recent negotiations AT&T requested that SWBT include "input/output" ports in the list of ports available under Attachment 6 without special request. Third-party voice mail providers use a type of input/output port called an "SMDI" port to make voice mail functions available through local switching. Not all switches, however, use the name "SMDI" for the port that provides this functionality. Accordingly, AT&T has proposed that the contract recognize the more generic "input/output port." This functionality is available to SWBT for use in providing voice mail service to its local customers, and it should be available to AT&T. Further, this additional switch port should be made available as a "standard" switch port without need for the Special Request Process.

AT&T believes that, during the price proceedings, the Commission may have found that the cost of input/output ports is already included in the SWBT switching cost study (see page 43 of Attachment C to the Commission's July 31, 1997 order). To the extent that this is the case, then there should be no additional charges for input/output port functionality.

Sponsoring Witnesses: Steve Turner and Nancy Dalton

ISSUE 14c: SWITCH CAPABILITY

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

AT&T LANGUAGE:

Attachment 6

3.X a list of all services and features, functions and capabilities of each switch 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. Within ten (10) business days after the Effective Date of this agreement, SWBT will provide AT&T an initial electronic copy of this information. SWBT will provide complete refreshes of this data to AT&T electronically as changes are made to the SWBT data base or as AT&T may otherwise request. SWBT will send the initial batch feed electronically via the Network Data Mover Network using the CONNECT: Direct protocol;

AT&T POSITION:

Here, AT&T seeks to differentiate its service and avail itself of the full functionality of the UNE switching element, not just those features that SWBT currently provides its customers. AT&T has proposed contract language that will require SWBT to provide it with a detailed list of all services, features, functions and capabilities of each local switch, by switch CLLI and NPA

NXX. SWBT opposes providing information about any switch service or feature capabilities that are not currently activated and working.

SWBT elsewhere disparages the use of end-to-end UNE combinations as "sham unbundling" and nothing more than resale service. But when AT&T requests the ability to identify switching capabilities that would enable AT&T to create services that are differentiated from the incumbent's, SWBT refuses. In order to have full, nondiscriminatory access to the capabilities of the local switch, it seems fundamental that AT&T be entitled to know what those capabilities are. The information that AT&T seeks, and SWBT has refused to provide, is the type of information that is necessary to provide AT&T with a meaningful opportunity to compete, so that it may plan and design competitive services. That information is available to SWBT, and it should be available to AT&T. AT&T's proposed language should be accepted.

Sponsoring Witnesses: Steve Turner and Nancy Dalton

ISSUE 14d: EXPEDITED SPECIAL REQUEST PROCESS

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

AT&T LANGUAGE:

Attachment 6

2.X Whenever AT&T submits the Special Request for any of the following elements: Local Loop, Local Switching; Tandem Switching; Operator Services and Directory Assistance; Interoffice Transport, including Common Transport and Dedicated Transport; Signaling

and Call Related Databases; Operations Support Systems; and Cross Connects – and the particular unbundled Network Elements requested is operational at the time of the request, but is not priced under this Agreement, SWBT will provide a price quote to AT&T for that element within ten days following receipt of AT&T's request. If the Parties have not agreed to the price within ten days thereafter either Party may submit the matter for dispute resolution as provided for in Attachment 1: Terms and Conditions.

AT&T POSITION:

Yes. During the life of the contract, AT&T may request an element that has not been provided for under the Agreement (i.e., a request for unbundling some facility or functionality not previously recognized as a distinct unbundled element). The language in Attachment 6, Section 2.21 describes a "Special Request Process." The standard process provides for a 30-day preliminary feasibility determination by SWBT; it then provides an additional 60 days for developing a price quote and more detailed description of how the request would be implemented. The process requires the Parties to act "promptly" and to develop a quote "as soon as feasible," but specifies only the 30 and 60-day deadlines for action by SWBT.

Pursuant to the 12/96 Arbitration Order, AT&T and SWBT have agreed to contract language that applies to this process and these time frames for requests that are truly for "new elements." However, the Agreement also refers other kinds of requests to the Special Request Process, which AT&T believes go beyond the types of requests that the Commission intended to cover in its arbitration order. For a number of the elements that the Commission ordered to be unbundled

(e.g., local loops), it became apparent during prior negotiations that SWBT was prepared only to offer certain types on a standard basis. Thus, Section 4.X of Attachment 6 provides for a 2-wire analog loop, with and without conditioning, a 4-wire analog loop, and 2-wire (BRI) and 4-wire (PRI) digital loops. Section 4.X provides that AT&T may request additional loop types through the Special Request Process. Other provisions of the Agreement refer other types of requests to this process, including requests to modify an element or requests to provide an element performing with greater or lesser quality than SWBT provides to itself.

The 90-day time frames provided for processing special requests will not be appropriate for some types of requests, but will serve as an anti-competitive barrier. Specifically, an expedited process is needed to fulfill those requests when the request is for an element that exists in the network but is not priced. If AT&T requests an element that is in place and serving a SWBT customer whom AT&T has won (e.g., a loop that is in place and functional but is not one of the standard types priced under the Agreement), there is no need for feasibility analysis. All that requires development is a price. Allowing an extended time for "analysis" of the request in these circumstances will certainly delay delivery of AT&T service to the end-user customer and may well deny AT&T the opportunity to win the customer.

AT&T has proposed language that would require SWBT to provide a price quote within 10 days of receiving a request for an element that is within one of the recognized categories of elements and is operational at the time of the request.

SWBT's intended scope of application for a Special Request Process did not become apparent until post-hearing Missouri interconnection agreement negotiations. Since that time AT&T has presented these timing concerns directly to the Arkansas, Kansas, Oklahoma, and Texas Commissions. All of those Commissions have found AT&T's 10-day price quote procedure to be reasonable and have ordered the parties to follow it. See, e.g., Arkansas Arbitration Order, February 28, 1997, at p. 29-30 ("The time frame proposed by AT&T appears to be reasonable and SWBT's unwillingness to agree to any schedule is unreasonable.")

AT&T's proposed language should be accepted in order that the Special Request Process does not deny AT&T nondiscriminatory, just and reasonable access to the network elements that the Commission has ordered SWBT to unbundle.

Sponsoring Witnesses: Steve Turner and Nancy Dalton

ISSUE 15: BLOCKING/SCREENING REQUIREMENTS

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

AT&T LANGUAGE:

Attachment 6

5.X There will be no charge to AT&T, over and above switch port and usage charges to obtain the blocking/screening and recording functions that SWBT provides to its own customers served by the local switch. If AT&T requests special screening or recording

capabilities that SWBT does not provide to its customers, AT&T will pay SWBT its cost to provide those capabilities.

Attachment 7

5.X When AT&T requests call screening capability in connection with a purchase of unbundled Local Switching, AT&T will not be required to pay these proposed "Call Blocking/Screening" charges, but will pay the applicable switch port and switching usage charges from Appendix Pricing UNE - Schedule of Prices for the local switch used to provide such screening. If it is determined by the Missouri Commission that additional "Call Blocking/Screening charges should apply, AT&T will pay the rates and charges ordered by the Missouri Commission or as the Parties may otherwise agree.

AT&T POSITION:

The ability to block 900, 976, toll, and international calls are features commonly requested by customers. AT&T and other new entrants using UNEs should have access to the same blocking and screening capabilities that are available to SWBT through its switches.

SWBT provides these blocking and screening capabilities to its own retail customers by line class codes in its local switches. SWBT previously has advised AT&T that it will not allow UNE purchasers to use the blocking and screening line class codes that SWBT uses for these functions. Indeed, SWBT initially made a "business decision" to offer only twelve default line class codes to UNE-based providers. Further, those codes did not include any blocking or screening

capability. When asked why such a limited default set was defined, SWBT explained that this was a "business decision" to conserve line class code resources and receive compensation for work driven by their decision to use these line class codes. In negotiations, it has become clear that the development of line class codes for these capabilities will consume an inordinate amount of time and money, similar to the prohibitive pricing for customized routing that was based on line class code methodology. AT&T's ability to offer these features to their customers should not be impaired by SWBT's internal business decisions.

SWBT has proposed that AT&T will be required to order any call blocking or screening requirements on a per class of service basis, by end office, when it uses unbundled local switching. SWBT would require such orders, regardless of whether AT&T orders customized routing to its own OS/DA platform from the affected switch or whether AT&T uses SWBT's OS/DA element associated with that switch.

AT&T understands that it may need to address call blocking/screening requirements as part of establishing customized routing orders in those limited instances, if any, where line class code methodology will be used to provide customized routing in an end office. For switches where AIN customized routing is used, or where AT&T does not request customized routing for OS/DA, AT&T would expect to receive the same range of call screening and blocking capabilities for its customers that SWBT provides to its customers out of that same end office. AT&T should not be required to place a special end-office order for such capabilities, unless it proposes to vary the screening and blocking capabilities from those that SWBT provides.

Regardless of any ordering requirements, AT&T should not be required to pay any separate charges associated with call screening and blocking. These capabilities of the SWBT switch, commonly used by it to provide service to its customers, should be included in the rates for unbundled local switching. Blocking 900/976, toll, and international calls today is a basic service that AT&T must be able to offer. There is no justification for SWBT's proposed blocking/screening charges. In preparing for UNE implementation, SWBT developed a set of line class codes to make available to LSPs who order UNEs. It developed those standard codes without opportunity for input from LSPs. SWBT chose to omit from its "standard" UNE line class codes any call blocking or screening capability. Here again SWBT has designed a UNE infrastructure that places LSPs at a competitive disadvantage.

SWBT also has disclosed that it uses line class codes to accomplish certain recording functions, e.g., recording associated with certain calling plans. This functionality also should be available to AT&T on a parity basis, without separate charge, unless AT&T orders some type of recording not used by SWBT.

SWBT has recently advised AT&T that it will only have to order special line class codes, and that SWBT will only propose separate charges for blocking and screening, when AT&T uses line class code customized routing. According to SWBT, the AIN customized routing technology will allow AT&T and other LSPs to use the same line class codes for blocking and screening that SWBT uses for itself. At this time, it is not clear how many switches in Missouri will have to

use line class code customized routing (such as some versions of DMS technology switches) rather than AIN technology. To the extent that AIN customized routing displaces SWBT's plans to utilize line class code customized routing, SWBT's new position, if embodied in a contractual commitment, has the potential to resolve this issue. However, it is not yet established or agreed that AIN customized routing will be available in all SWBT end offices at cost-based prices, and that the AIN solution will provide routing capability to AT&T that is equivalent to the routing capability to SWBT through its local switches. However these customized routing issues are resolved, AT&T is entitled to access to the blocking and screening capabilities of the local switches at parity with SWBT.

SWBT's proposed special end-office ordering requirements for call blocking and screening capabilities should be rejected, and AT&T's contract language -- providing that AT&T will pay only applicable local switching charges, unless it requires blocking/screening or recording capabilities that SWBT does not use in providing services to its customers -- should be adopted.

See related issue in memorandum of disputed pricing issues.

Sponsoring Witnesses: Steve Turner and Nancy Dalton

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?

AT&T LANGUAGE:

Attachment 7:

6.X When AT&T orders elements that are not currently interconnected and functional, SWBT will connect the elements for AT&T, except as follows: (a) if AT&T requests that the elements terminate in a collocation space, AT&T will be responsible for making the connection; and (b) if AT&T orders an unbundled NID for connection to an AT&T loop, AT&T will be responsible for connecting the loop to the unbundled SWBT NID. There is no separate charge to AT&T for SWBT providing the connections called for under this section, apart from the rates and charges for the relevant elements as listed on Appendix Pricing UNE - Schedule of Prices.

AT&T POSITION:

Yes. SWBT has stated in testimony during the Texas arbitration, following the 8th Circuit's July 18, 1997 decision, that it prefers not to allow LSP technicians the same type of access to SWBT network facilities that SWBT technicians use to connect network components for SWBT customers. Rather, SWBT stated there that it would continue, as it had planned, to make such connections between elements for LSPs. Given SWBT's stated unwillingness during Texas testimony to provide nondiscriminatory access for purposes of making connections, SWBT's commitment to make those connections itself is essential to its provision of nondiscriminatory access to unbundled network elements.

As discussed above in connection with the basic parity issue (Issue 1) and the disconnection issue (Issue 3), all indications remain that SWBT is unwilling to provide AT&T with equivalent access to its network facilities for the purpose of effecting combinations and there is no evidence that it has begun to develop the systems modifications or to address the operational issues that would be associated with providing such access. It should be kept in mind that, in many cases, SWBT does not have to install a physical cross-connect to turn up new service; rather, service to the address may have been severed electronically when a prior resident vacated, and new service will be established by means of a recent change order. Thus, providing equivalent access to LSPs for combining elements will not only involve addressing the coordination and systems concerns associated with physical disconnection by a SWBT technician and reconnection by an AT&T technician, but also the development of access that will permit LSPs electronically to re-connect elements in order to provide service to their customers in circumstances where SWBT would do so. Whether these issues can be addressed in a way that produces access to UNEs for LSPs on terms that are no less favorable than the incumbent's access to those elements, or access to UNEs that will allow LSPs a meaningful opportunity to compete, is a question that has only begun to be asked, with a very uncertain answer.

In its *Iowa Utilities Board* decision, the 8th Circuit vacated the subparts of FCC Rule 51.315 that had required ILECs to perform the functions necessary to combine unbundled network elements as requested by competing carriers. In reaching this decision, the 8th Circuit stated its assumption that the ILECs "would rather allow entrants access to their networks than have to rebundle the unbundled elements for them." Slip. op. at 141.

In an August 1997 arbitration hearing with AT&T in Texas, SWBT was called upon to address the impact of this 8th Circuit ruling. During that hearing, SWBT confirmed that it continues to object to AT&T or any other LSP installing cross-connects between loop and switch port terminations on the main distribution frame in a SWBT central office, which is the means that SWBT uses to cross-connect those network components for its own purposes. August 1997 AT&T/SWBT PUCT Arbitration, Tr. 501-02 (Deere); 511 (Deere). Based on this position, and citing its need to balance its own section 271 objectives, SWBT announced at the hearing that it had decided that 'the best approach at this time is to continue to offer to do the connecting of unbundled elements." Tr. 503 (Auinbauh). "To the extent that the access that we offer to the unbundled elements will not allow the local service provider to do the connecting, we will do the connecting. It's a pretty reasonable position." Tr. 503-04 (Auinbauh); *see also* Tr. 507-08 (Auinbauh).

In that hearing, SWBT took that position that it will not allow entrants access to SWBT's network, at parity with SWBT's access, which was the assumption underlying the 8th Circuit's decision to vacate the FCC rule provisions that obligated ILECs to do the "combining" work for entrants. *Iowa Utilities Board*, slip op. at 141. If that is still the case (and because SWBT has yet to propose business rules for AT&T to combine the elements in a nondiscriminatory fashion), for elements that are not currently interconnected and functional at the time of an AT&T order, SWBT should be required to "continue to offer to [AT&T] what we have offered in the past; and that is to actually do the connecting of the network elements." Tr. 507-08 (Auinbauh).

AT&T submits that it is necessary and appropriate to incorporate its proposed language on this issue into the Interconnection Agreement, in order to provide for the nondiscriminatory access to UNEs that the Act requires, given SWBT's position on AT&T access to its facilities.

Sponsoring Witnesses: Steve Turner and Nancy Dalton