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August 28, 2002

Dalè Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65101

Re:

Case No. TO-2001-438

FILED³
AUG 2 8 2002

Sarvice Commission

Dear Judge Roberts:

Attached for filing with the Commission is the original and eight (8) copies of a corrected Page 9 to the Joint Sponsors' Reply to Southwestern Bell's Application for Reconsideration and/or Rehearing filed on August 26, 2002. A typographical error was discovered in the middle of the page wherein a portion of a sentence was inadvertently moved, creating an incomplete sentence. I apologize for any confusion and/or inconvenience this has caused.

I thank you in advance for your cooperation in bringing this to the attention of the Commission.

Very truly yours,

Attachment

cc: All Parties of Record

SWBT's EASE system, and by failing to essentially adopt the fallout rates in Performance Measure ("PM") 13.1 related to SWBT's §271 compliance. However, the Commission's rationale on its fallout decision, for automated systems and the type of UNE orders at issue here, is an unassailable and astute application of TELRIC. This issue is not about what actual fallout percentages SWBT is achieving today, nor about what actual fallout percentages are appropriate for compliance with SWBT's §271 obligations. This issue is about what kind of forward-looking fallout rate is appropriate to use in setting a TELRIC-compliant rate. SWBT has provided no basis for the Commission to reconsider its decision on this issue and SWBT's Application on this issue should be denied. The Joint Sponsors' Reply Brief, at page 92, thoroughly argued the concept of "long run" in the context of setting TELRIC rates, and the Joint Sponsors will not repeat those arguments here except to say that the Commission's "reliance" on the fallout rates from SWBT's EASE system in this instance is perfectly consistent with the FCC's rules and orders on TELRIC. In their Reply Brief, the Joint Sponsors pointed out that SWBT has never explained why the "simple" migration and feature activation orders that achieve a 1% fallout rate in EASE should not also obtain a 1% or 2% fallout rate in the LEX or EDI UNE ordering systems. The Commission's finding that TELRIC principles require that such highly automated UNE order types should obtain fallout rates comparable to SWBT's most efficient processes for such order types is reasonable and amply supported by the record. (See Turner Rebuttal, Ex. 27, p. 127).7 SWBT has

⁷ In addition, the Joint Sponsors' Reply Brief at pages 92 – 93 also pointed out how the record conclusively proved that SWBT's proposed fallout rates are tainted by a <u>systematic</u> flaw in SWBT's cost study methodology. In the Overview/Methodology section for this study, which was attached to the Direct Testimony of SWBT Witness Makarewicz, the methodology description reads: "Forward looking is defined as the most efficient method of performing the defined activity during the study period, given SWBT's <u>existing systems and network design</u>." Ex. 12, Sch. TJM-17, pg. 2 of 6, ¶ 4. (emphasis added)

Respectfully Submitted,

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CERTIFICATE OF SERVICE

A true and correct copy of the foregoing document was mailed this Atladay of _______, 2002, to the persons listed on the attached service list, by U.S. Mail postage paid.

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