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August 22, 1996

Ms. Blanca S. Bayó
Director, Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. [redacted] 960833-TP

Dear Ms. Bayó:

On behalf of MCI Telecommunications Corporation and MCImetro Access Transmission Services, Inc. (MCI), I have enclosed for filing in the above docket the original and 15 copies of the direct testimony of Terry Farmer and additional direct testimony of Don Price.

By copy of this letter this document has been provided to the parties on the attached service list.

Very truly yours,

Richard D. Melson

RDM/cc
Enclosures
cc: Parties of Record

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Price
DOCUMENT NUMBER-DATE
08972 AUG 22 96
FPSC-RECORDS/REPORTING

Farmer
DOCUMENT NUMBER-DATE
08952 AUG 22 96
FPSC-RECORDS/REPORTING

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following parties by hand delivery this 22nd day of August, 1996.

Donna Canzano
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81563.1
COS/960846

DIRECT TESTIMONY OF TERRY FARMER

ON BEHALF OF MCI

DOCKET NO. 960846-TP

August 22, 1996

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Terry Farmer and my business address is 8521 Leesburg Pike, Vienna, VA 22182.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by MCI Telecommunications Corporation as a Senior Negotiations Manager.

Q. PLEASE GIVE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND EXPERIENCE.

A. I have been employed by MCI since 1982 in a variety of capacities. I have experience in network administration, traffic analysis and forecasting, network planning, facilities management, carrier management, technical sales support, and most recently, local services negotiations. Prior to joining MCI, I worked for Sprint for two years when just out of college. I have a Master's degree in Business from Georgetown University, and a BS in Business from San Francisco State University.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to identify the operations support systems that

MCI and other new entrants will require be implemented to eliminate, to the greatest extent possible, barriers to competition. As explained further herein, access to key databases and operations support systems is essential for MCI to be able to offer local exchange telecommunications and exchange access service competitively. Nondiscriminatory access to ILEC databases and systems is necessary to ensure that the ILECs do not gain an unfair market advantage through their control of their networks and these essential databases and systems. In this testimony, I will explain the systems, databases, and processes to which MCI requires access to provide services equal in quality to the ILECs.

Q. PLEASE EXPLAIN THE IMPLICATIONS OF THE RECENT FCC ORDER AND RULES ON THIS ISSUE.

A. The FCC has come to the same conclusion as MCI. In its discussion of Operations Support Systems in the August 8, 1996 Order implementing the local competition provisions of the Telecommunications Act of 1996, the FCC found:

> that it is absolutely necessary for competitive carriers to have access to operations support systems functions in order to successfully enter the local service market. (Paragraph 521)

Moreover, the FCC concluded that:

> operations support systems and the information they contain fall squarely within the definition of "network element" and must be unbundled upon request under

section 252(c)(3). (Paragraph 516)

Q. WHY IS NONDISCRIMINATORY ACCESS TO THE ILEC'S UNBUNDLED OPERATIONS SUPPORT SYSTEMS NECESSARY?

A. In competitive markets, providers compete on such factors as customer service and quality of service in addition to service features and price. Customer service and quality of service include such factors as the time to install service, the time to repair service when trouble is reported, and the accuracy of the bill rendered, in addition to overall responsiveness to customer inquiries. To the extent that ILEC competitors such as MCI must rely on the underlying network of the ILEC to provide local and exchange access service -- either through resale of services (including ancillary services) or through leasing of unbundled network elements (including those needed to provide ancillary services) -- competitors' ability to control customer service or quality of service they offer is limited. To that same extent, an ILEC has incentives to provide a lower quality of service to competitors because consumers will blame the CLEC, rather than the ILEC for any problems. Consequently, access to the ILEC's operations support systems is critical to competitors' ability to provide quality service and meet customers' service delivery expectations.

Q. HOW IS THIS ISSUE ADDRESSED BY THE FCC IN ITS RECENT ORDER?

A. The FCC explicitly recognized this at paragraph 525 in its Order:

in order to comply fully with section 251(c)(3), an

> incumbent LEC must provide, upon request, nondiscriminatory access to operations supports systems functions for pre-ordering, ordering, provisioning, maintenance and repair, and billing of unbundled network elements under section 251(c)(3) and resold services under section 251(c)(4). Incumbent LECs that currently do not comply with this requirement of section 251(c)(3) must do so as expeditiously as possible, but in any event no later than January 1, 1997.

The FCC Order also identifies, at paragraph 518, the sort of operations support systems databases to which access is necessary:

> Without access to review, *inter alia*, available telephone numbers, service interval information, and maintenance histories, competing carriers would operate at a significant disadvantage with respect to the incumbent. Other information, such as the facilities and services assigned to a particular customer, is necessary to a competing carrier's ability to provision and offer competing services to incumbent LEC customers. Finally, ... access to the information such [operations support] systems contain, is vital to creating opportunities for meaningful competition.

Q. WHAT SHOULD BE THE COMMISSION'S MAIN CONSIDERATION IN ITS RESOLVING OPERATIONS SUPPORT SYSTEM FUNCTION AND

DATABASE ISSUES?

A. In considering the appropriate nature and extent of access to these systems and databases, the overarching principle that the Commission or any inter-carrier contract should strive to achieve is "service parity." In several places in its Order, the FCC explicitly recognized the need for parity. For example, in its discussion of resale services, at paragraph 970, the Commission stated:

> We conclude that service made available for resale be at least equal in quality to that provided by the incumbent LEC to itself or to any subsidiary, affiliate, or any other party to which the carrier directly provides the service, such as end users. Practices to the contrary violate the 1996 Act's prohibition of discriminatory restrictions, limitations or prohibitions on resale. This requirement includes differences imperceptible to end users because such differences may still provide incumbent LECs with advantages in the marketplace. Additionally, we conclude that the incumbent LEC services are to be provisioned for resale with the same timeliness as they are provisioned to the ILEC's subsidiaries, affiliates, or any other party to which the carrier directly provides the service, such as end users.

Similar language appears in other sections of the Order -- based on language in the Act. For example, in the discussion of interconnection at paragraph 224, the Commission stated:

> We conclude that the equal in quality standard of section

> 251(c)(2)(C) requires an incumbent LEC to provide interconnection between its network and that of a requesting carrier at a level of quality that is at least indistinguishable from that which the incumbent provides itself, a subsidiary, an affiliate, or any other party. We agree with MFS that this duty requires incumbent LECs to design interconnection facilities to meet the same technical criteria and service standards, such as probability of blocking in peak hours and transmission standards, that are used within their own networks...[W]e further conclude that the equal in quality obligation imposed by section 251(c)(2) is not limited to the quality perceived by end users. The statutory language contains no such limitation, and creating such a limitation may allow incumbent LECs to discriminate against competitors in a manner imperceptible to end users, but which still provides incumbent LECs with advantages in the marketplace...

Q. WHAT SHOULD THE COMMISSION DO TO FOSTER SERVICE PARITY?

A. Toward this goal, the Commission must specifically reject any ILEC assertions that the only standards of quality to which they should be held are those standards currently in place via Commission quality rules or state statutes. It must be understood that those standards, some of which may be outdated,

were developed to enforce minimum requirements for retail services. The services in question here are either network elements or services provided on a wholesale basis to competitors for their provision of competing retail services. It is for this purpose that the FCC's standard of "parity" is critical. Allowing an ILEC to provide to MCI services at lower levels of quality than the levels it provides to itself (including operational coordination), even if meeting current Commission standards for retail services, will either reduce the quality of MCI's service or force MCI to incur unnecessary costs in order to provide a competitive product, thus hindering competition.

Parity -- in the FCC context of being at least of equal quality -- can only be measured in terms of detailed technical standards, interfaces, and performance measures (such as installation intervals and maintenance and repair times) that are better addressed in mediated negotiations or industry fora than in contested hearings. At the same time, full implementation of these standards, interfaces, and measures must be achieved in order to ensure that the ILEC has met its unbundling and resale requirements under Section 251(c)(3) and 251(c)(4) of the Act and -- where the ILEC is an RBOC-- before the Section 271 checklist can be met to allow the RBOC to provide long distance service in-region. This need not create a problem of timing, however, since as the FCC concluded in its Order, access to ILEC operations support systems and databases is technically feasible today (Paragraph 520), and in fact the FCC has ordered the ILECs to comply with its access requirements by January 1, 1997. While issues involving these detailed standards, interfaces, and measures were asked by MCI to be addressed in a process that runs concurrent with, but separate from, a contested arbitration

hearing, these, standards, interfaces, and measures, to the extent they are unresolved, must be resolved as a part of this arbitration process.

Q. SHOULD THE COMMISSION ENCOURAGE STANDARDIZED INTERFACES TO ILEC DATABASES AND SUPPORT SYSTEMS?

A. ILECs that provide unique interfaces to their databases and operations support systems do not meet the requirement to provide access of equal quality to operations support systems. If each ILEC is allowed to develop its own unique gateway to these systems, as NYNEX is attempting to do today, the burden for new entrants like MCI will be unnecessarily increased by the requirement to develop separate interfaces and systems for each ILEC. The FCC stated, at paragraph 527:

> Ideally, each incumbent LEC would provide access to support systems through a nationally standardized gateway. Such national standards would eliminate the need for new entrants to develop multiple interface systems, one for each incumbent.

The FCC is confident that this will happen, citing (at paragraph 514) an *ex parte* letter filed in the proceeding in which Bell Atlantic and AT&T state that they expect that, given appropriate guidance from the Commission, the industry can achieve consensus on sufficient data elements and formatting conventions to facilitate that 95% of all inter-telecommunications company transactions may be processed via electronic gateways within twelve months. We are less confident that this will happen unless the states and the FCC implement rules that require the industry to do so rather than allowing

individual ILECs to develop their own proprietary gateways.

Q. DESCRIBE THE VARIOUS FUNCTIONS FOR WHICH ACCESS TO OPERATIONS SYSTEMS ARE NECESSARY.

A. The FCC Order identified a number of functions that are performed by ILEC operations support systems. These include: 1) pre-ordering and ordering processes, 2) provisioning and installation, 3) maintenance and trouble resolution, and 4) billing. Competitors must have access to ILEC systems that provide these functions on an equal basis. I discuss what that means below.

Q. PLEASE DESCRIBE THE PRE-ORDERING AND ORDERING PROCESSES.

A. Pre-ordering and ordering processes involve the exchange of information between LECs about current or proposed customer products and services, or unbundled network elements, or some combination. Intercompany procedures must be developed to support the ordering of unbundled network elements (such as loops and subloop elements, transport, and switching), interconnection facilities (trunks, etc.), resold wholesale services, and ancillary services such as interim number portability mechanisms (e.g., remote call forwarding and direct inward dialing), and customer listing databases that support the white pages directory and directory assistance databases. For example, when MCI uses resale or unbundled elements to provide service to our end users, it is necessary for us to submit orders for such services to the ILEC. If MCI is forced to utilize ordering procedures and interfaces that are inferior to that which the ILEC provides to itself, then we will not be able to provide to our

customers an offering equivalent to that provided by the ILEC.

The ordering interface used by the ILEC is direct electronic access to systems that permit the simultaneous establishment of the customer account and of the service installation. For example, when a customer calls an ILEC customer representative, that customer's account can be established immediately, a telephone number given, and an installation date determined. If the ILEC does not provide direct electronic access to such systems, MCI will not be able to provide potential customers with their new telephone numbers (in the case of resale) in "real time" (during the phone call) the way the ILEC can, or to inform customers of the service installation date (in the case of either resale or unbundled elements) in real time fashion, the way the ILEC can.

The importance of access to ILEC operations support systems using electronic interfaces is demonstrated by the case of Rochester Telephone, in which AT&T was not given electronic interfaces with Rochester's ordering systems. Rather, AT&T had to rely on paper faxes to submit orders. Not only did this paper process result in the types of delays and lack of service parity noted above, it was also enormously inefficient and could not handle orders in any significant quantity. In the absence of electronic interfaces for order processing, the ILEC will not be providing "service parity" to MCI.

Thus, the directive to provide equal quality service requires that ILEC provide to MCI electronic, real-time interfaces with the ILEC ordering systems for the ordering of trunks, unbundled elements, resale and other ILEC services to ensure MCI's orders are processed with the same efficiency that the ILEC provides to itself or its affiliates. These electronic interfaces should conform,

to the extent practical, to current or expected industry standards. To the extent the ILEC develops a proprietary and different electronic interface system, MCI will be forced to expend additional resources to use the interfaces.

In addition, a mechanism is needed to enable MCI to transfer customers from ILECs quickly and easily. This "transfer-as-is" mechanism would allow MCI to present a wholesale order form to an ILEC instructing the ILEC to transfer a customer to MCI and include all existing services and functionalities to which the customer subscribes. Without a mechanism that allows for quick and accurate transfers for existing customers, efficient shifting between local carriers will be deterred. The FCC recognized the need for such transfers in paragraph 421:

> We agree with CompTel and LDDS that new entrants will be disadvantaged if customer switchover is not rapid and transparent. We also note that the Michigan Commission has recognized the significance of customer switchover intervals and has directed Ameritech and GTE to file proposals on how they will "ensure the equal availability of expeditious processing of local, interLATA, and intraLATA carrier changes." [footnote omitted] Therefore, we require incumbent LECs to switch over customers for local service in the same interval as LECs currently switch end users between interexchange carriers

Q. PLEASE DESCRIBE THE PROVISIONING AND INSTALLATION FUNCTIONS.

A. Provisioning involves the exchange of information between LECs in which one executes a request for a set of products and services or unbundled network elements (or a combination) from another with attendant acknowledgements and status reports. Service parity requires that when MCI initiates an order for an unbundled network element, interconnection trunk, resold wholesale service, or other ILEC equipment, facility, or service, our order is processed through the same provisioning and installation systems as orders initiated by the ILEC. Just as ILEC service representatives have real time access to the ILEC provisioning system to track the status of installation, an important customer service, MCI requires real time access to those provisioning systems in order to track installation status.

The ILECs have (or should have) target installation intervals for most, if not all, services. To ensure these same intervals are available to all providers of local service, the Commission should require the ILEC to report regularly the installation intervals for CLECs and itself on each type of installation. Absent such monitoring and reporting, the ILEC could take advantage of the opportunity to provide shorter service installation intervals for its own customers than for CLECs or their customers. Such potential discriminatory treatment can be minimized, if not prevented, by establishing monitoring and reporting requirements.

Q. PLEASE DISCUSS THE MAINTENANCE AND TROUBLE RESOLUTION FUNCTIONS.

A. Maintenance and repair involves the exchange of information between LECs in which one initiates a request for repair of existing products and services or unbundled network elements (or combination) from the other with attendant acknowledgements and status reports. As with ordering and provisioning, customers will judge the quality of MCI's service by its response time when trouble is reported. Because many of these troubles will not be problems within MCI's control, but rather within the control of the ILEC, it is critical that MCI have access to the ILEC's trouble reporting, tracking and resolution systems and that the ILEC meets the same standards for MCI as for its customers.

MCI is requesting a single point of contact with the ILEC with 24 hour a day, 7 day a week (7/24) coverage. In addition, MCI requires a trouble management and escalation process with repair intervals equivalent to that which the ILEC provides for itself. Failure to have these procedures will inhibit MCI's ability to resolve trouble reports, restore service in a timely manner and maintain the image of a quality provider in customers' eyes. As with other operations support systems functions, MCI requires real time access to the ILEC's Trouble Reporting system so that MCI's customer service personnel can provide real time trouble tracking for our customers. In addition, the Commission should establish a reporting requirement to ensure that the ILEC is resolving MCI's and other competitors' maintenance and repair problems within the same time intervals as it resolves its own trouble reports. Failure to have such a reporting requirement provides the opportunity for unequal and discriminatory treatment.

Q. PLEASE DESCRIBE THE ISSUES REGARDING THE BILLING FUNCTIONS.

A. Billing issues can be divided into two categories: billing between ILECs and CLECs, and billing of end user customers. For ILEC/CLEC billing, a CABS or CABS-like billing system should be used for charges related to interconnection, unbundled elements, and resale. While CABS may require modifications to be able to bill these elements, it is a system that is familiar to both ILECs and CLECs and has been the foundation for intercompany billing since access charges began. A CABS-like system would be cost effective because a standardized format would be used for all carriers, rather than a format unique to each LEC. It is important that any system used provide timely and accurate billing detail and be subject to audit reviews.

Timely and accurate billing detail is also needed for billing of end user customers. Customers expect to receive accurate bills on a timely basis reflecting their actual level of service with appropriate rates and charges. For this to happen, it is necessary that the ILECs and CLECs exchange billing information in an efficient, timely manner.

The quality of items purchased from the ILEC, including interconnection trunks, unbundled elements, resold wholesale services, and other ILEC items, should be of the same quality as the ILEC provides to itself, not merely the standards in the Commission's rules or state statutes, as discussed above. Anything less would constitute discriminatory treatment and would be a violation of the Act. To assure this quality standard, we propose that state commissions require the ILEC to report regularly on quality standards such as average outage durations and the percent of call blocking for

new entrants and itself.

Q. IDENTIFY THE VARIOUS DATABASES TO WHICH MCI AND OTHER CLECS SHOULD HAVE NONDISCRIMINATORY ACCESS.

A. In order to be able to access and commercially use the ILECs' unbundled elements and resold services, CLECs need access to ILEC operations support systems and databases that house the following kinds of information:

- Centrex Business Group Information, which contains the centrex dialing plan and a feature information database. With access to this information, MCI could migrate a centrex application from the ILEC to itself without disrupting the customer's service.
- Intercept Information, which contains records relevant to customer disconnect referrals. Access to this information would allow MCI to monitor the accuracy of ILEC disconnect referrals.
- Operator Reference Information, which contains general information regarding valid area codes, exchanges, and dialing instructions. Access to this information is critical if MCI is to provide a full range of operator services.
- Customer Record Information System (CRIS), which contains the ILEC's database of customer orders. Access to this database is required for MCI to monitor the status and verify service installations and disconnects, and is particularly important for service parity when MCI resells the incumbent's local services.
- Emergency Services Information, which associates customer name and address to 911 routing plans.
- Repair/Dispatch Information, which would allow MCI to monitor the status of

repairs and dispatches of repair personnel related to use of MCI-purchased unbundled ILEC network functions or resold ILEC services.

- o Installation/Order Processing data, which allows MCI to monitor the status of service activation related to our use of unbundled ILEC network functions or resold ILEC services.
- o Switch Network ID data, which describes each ILEC switch, including services supported through each switch, NPA-NXXs served, business and residential line counts, and rate centers served, *etc.* Access to this database is critical to planning efficient local interconnection.
- o Local Calling Area data, which describes local calling areas and extended area service calling areas. MCI needs access to this database to construct accurate switch routing tables for our networks when mirroring existing ILEC local calling areas.
- o CMDS contains the industry standard mechanism for the exchange of billed messages such as third-party billed, collect, and calling card messages. Access to this database is necessary for MCI participation in the intercompany arrangements for the clearing of these calls.
- o Plant inventory data, containing information on conduit, fiber, switch port, loop feeder, and loop distribution. Access to this database is necessary to reduce the likelihood that MCI will request infeasible points of interconnection or unbundled network functions. Additionally, access will allow MCI and regulators to ensure that ILEC facilities are made available on a non-discriminatory basis.
- o Number Assignment data, access to which would allow MCI, using resold ILEC service or unbundled local switching, to assign numbers to our

customers directly, rather than rely on the ILEC to assign phone numbers to MCI customers. As a result, MCI would avoid discriminatory delays to fulfillment of the service order.

Q. DO YOU HAVE ANY FINAL REMARKS?

A. The FCC has concluded that it is imperative for competitive carriers to have access to operations support systems functions to allow them to offer local exchange telecommunications and exchange access services on a competitive basis. Consistent with the FCC's conclusion, this Commission should require nondiscriminatory access to ILEC databases and systems to ensure that ILECs do not gain an unfair market advantage and thwart competitive entry into the local exchange market.

Q. DOES THIS COMPLETE YOUR TESTIMONY?

A. Yes.