BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of	:	**UNDOCKETED**
Status of operational support systems.	:	

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PROCEEDINGS: **WORKSHOP**

BEFORE: CHAIRMAN JOE GARCIA
COMMISSIONER J. TERRY DEASON
COMMISSIONER SUSAN F. CLARK
COMMISSIONER JULIA L. JOHNSON
COMMISSIONER E. LEON JACOBS, JR.

DATE: **Wednesday, May 6, 1999**

TIME: Commenced at 9:30 a.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

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IN ATTENDANCE:

(As heretofore noted.)

I N D E X

MISCELLANEOUS

P R O C E E D I N G S

(Workshop reconvened at 9:30 a.m.)

COMMISSIONER DEASON: The Chairman has asked that we go ahead and get started this morning.

Ms. Keating?

MS. KEATING: Our first presenter this morning is Jay Bradbury on behalf of AT&T.

MR. BRADBURY: Good morning, Commissioners. Thank you for this opportunity to talk to you this morning about the status of OSS implementation.

My presentation this morning will be broken into about eight parts. We'll spend some time initially talking about OSSs in general, their definition, and their role. We'll talk about AT&T's interface use over the years and our internal developments, and then we'll talk about the five business functions that OSS supports; preordering, ordering, flow-through provisioning, maintenance and repair. Obviously flow-through is not a business function, but it describes what happens in ordering.

One of the things we need to be very careful about is to understand the full scope of OSS. The name and the abbreviation make it very easy to assume that OSS is only concerned with technology. And OSS is actually concerned with process.

In fact, the U.S. Department of Justice originally described what they call wholesale support processes. There's really a much better name for what's going on here, but OSS is the terminology that has stuck in the industry and in the process that we're in today.

Operations Support Systems include three things: Systems, information, and personnel that support the use of network elements or services.

There are two types of processes that are included within operation support systems; automated processes and manual processes. Both are important, and both must be considered when you evaluate the status of OSS. And these processes are required to make resale services and unbundled elements meaningfully available to competitors. They support the five business functions that are often called the five OSS functions, but these are really business functions.

In implementing OSS functions, again, to be very careful, we must not focus only on the technology. We are in turn working with processes, the top tier that you see here. These are the tasks that need to get done. People and technology are what we use to get those tasks done with. Terrible

sentence. But you have to have both people and technology and processes that describe how they're used to manage the network elements or the portions of the data that you're trying to get.

So you see network elements, NEs. You see databases, DBs. You see people that you recognize on the third tier, and what we're trying to accomplish on the business process is represented on the upper tier. And so you've got to plan your OSS technology, your business processes that support that technology, your personnel training, your data architecture, and your data communications together to support all of the forms of market entry; resale, the use of unbundled elements or facilities-based interconnection.

There's been a general consensus in the industry, over the last four years that I've been involved in working on OSSs, that gateways are the potential solution to this problem. You saw yesterday with Telcordia, they're talking about the many-to-one problem.

They have a solution that's designed that the industry, you know, longer term, people like AT&T and MCI and some other players, we each are building our own gateways to deal with folks today.

But what a gateway does, it allows new

entrants and BellSouth's operations support systems, both the people and the computers, in this case largely the computers, to exchange information with each other as if they were one system seamlessly, yet they can still operate independently from each other internally.

We've had both successes and failures in developing these gateways, between AT&T and BellSouth specifically, and AT&T and other ILECs around the country. Some of the things that help are the use of industry standards, but you can develop gateways without industry standards. Doing that helps promote the development of industry standards.

One of the ways industry standards come about is two trading partners somewhere in this country figure out how to do something, and then they go tell the rest of the industry about it. They build a consensus around that solution and the industry adopts it. That's happened several times over the last four years.

But, ultimately, the two trading partners involved in any transaction have got to agree upon the data elements that they're going to transmit, how they're defined, what message formats they're going to use, and what communications protocols they're going

to use. Okay.

Gateways come in a pair. I've got a gateway that talks to BellSouth about a lot of things. They have a gateway that talks back to me. The Telcordia solution today we put -- you saw yesterday actually puts another gateway in the middle that talks to both of them. And, again, that's a long-term, potential solution to some problems that are facing the industry.

But the important thing is that what we're trying to do -- Sharon, you can go on to the next one -- is accomplish processes. Again, these are the business processes -- and this is an eye test for you folks with the half-page charts out there. It's not too much better for you Commissioners, I understand, and it's -- clearly it's not good here.

But across the top tier are the five business processes that OSSs support, and below each of those I've shown some of the functionality that we're talking about. You heard Mr. Stacy and the folks from GTE and Sprint talk about things like address validation and so forth yesterday, so you're familiar with those terms.

The next tier down are the OSSs and the work processes and the people that are necessary to

accomplish that. And in that tier I've tried to use the BellSouth names for things in most cases, and so you'll -- you see LENS and you see TAG and you see the LCSC, and I've got a little plus sign there. That means the LCSC and its other associated centers. There's a UNE center that's part of that organization, for example. There's some repair centers on the wholesale side of BellSouth. So those names and acronyms are all, to the best of my knowledge, you know, we're doing with BellSouth.

So the business processes are what we're trying to accomplish. The OSS and work processes are the means to accomplish those business processes. And then the next tier down is how are we doing; how is success to be measured. And that's where you see the performance measurements, and, again, these names come out of the BellSouth region-wide SQM, service quality management -- or measurement package. So these are the measurements that are generally in place to measure the success of the business processes being supported by the OSSs.

And, finally, at the bottom is the goal. What we're trying to accomplish here is competitive choice for consumers. If we fail to provide to the CLEC industry equivalency to what happens in

BellSouth, the CLECs' customers will perceive the CLECs' business and service and products as being inferior.

Sharon -- and you can go on to the next one.

We've used a number of interfaces to work with BellSouth since our initial market entry in February of 1997. Again, I began discussing interfaces with BellSouth in August of 1995, and we did do some trial work in late '96, but we entered the resale market in the state of Georgia in February of 1997.

These are some of the interfaces that we've used since then. These are the preordering interfaces. Some of them were used as an interim basis. We had what was called -- we had a direct access to the regional street address guide, a thing call IC ref, and we used that until about September of 1997.

We had, and still have a direct, download on occasion from the P/SIMS and COFFI databases at BellSouth. We've maintained that because throughout the iterations of the preordering interfaces that have been available to us, we have found that we get more information from this download than we get on a transaction by transaction using either LENS or ECI or

EC-LITE that we built or the TAG interface today.

COMMISSIONER JACOBS: That's an interesting point. So in essence you get a better cat -- I should say you get a better menu of features when --

MR. BRADBURY: It's what we're getting there is a download of those entire databases where it will take that download and put it into our computers and manipulate the data as we want to manipulate it on a transaction basis.

With the on-line interfaces, you go across and you ask on a specific customer-by-customer thing for that. By an address, you find out what features and services are available as BellSouth is delivering across those interfaces, and they're filtering some information out when they do that.

With -- this copy of the database that they were providing to us had more information.

COMMISSIONER DEASON: How do you receive updates to that database?

MR. BRADBURY: It's a network data mover download. I think you saw that term yesterday. It's a batch download, and this is a reasonably stable database. You know, we're talking about the features and services that are available in BellSouth's central offices. That doesn't change every day. So I think

typically we have been taking that download about once a month.

Again, we also had a direct connection for a while to the ATLAS, the number administration system, so that we could get telephone numbers, and that was a similar sort of thing, a network data mover. We sent a request over for blocks of numbers, say, 100 numbers. We brought them. We managed those numbers until we ran out of them and then we asked for another block. And so that was an interim process we used until we started using LENS.

You see right there we used ATLAS to September of '97, and from September of '97 on we have been making use of the BellSouth LENS ordering, preordering interface.

We jointly built and we did use for a period of time another preordering interface called EC-LITE. We used it from January through July of last year. It had the same functionality as LENS basically. We are currently also making use of the preordering capability in the TAG interface that BellSouth developed and put into service last year.

We turned it up on January the 15th and, to the best of my knowledge, we were the first CLEC that actually put that into a production mode with

BellSouth. We're not making a great deal of use of it right now. We're slowly integrating that into our back-end systems, but we are using it and, as I'll talk about later, we're only using it for a limited set of functions.

Ordering and provisioning: We use predominantly the EDI interface, and this is the mainframe version of EDI. There's a difference between that and what I'll call the PC version of EDI we'll talk about later. We use it for ordering provisioning.

We turned it up for use in early '97. We've gone through each of the changes, inversions that have come out, and we're looking forward to the OSS '99 version that will come out now in probably September or October of this year; and this is the merged version that's designed to save each of us some IT development resources in not having to step individually through 8, 9 and 10. So we're looking forward to that.

We also make use of the exact interfaces, the same interface that's used in the interconnection world in the IXC world to get trunks and things of that nature.

We did make use of LENS in testing, but

never used it in production for ordering.

EDI-PC, we also became certified in that last year. One of our business units looked at it briefly for an interim use. They never really got that far with it, but we maintain our little secure card and we use it on a dial-up basis; so we can still use it if we need to.

And of course we do a considerable amount of business in our ordering provisioning over manual facilities by sending faxes. There are many things that you can only do today by sending a fax.

COMMISSIONER JACOBS: Are you at liberty to say why LENS never -- for this particular function never moved into production?

MR. BRADBURY: We've been an EDI user all along. EDI has much fuller capabilities. It's machine to machine. It's integratable into our back-end systems, whereas the LENS is a human to machine interface; and so if you're going to use LENS to maintain your own database, you have the double entry.

COMMISSIONER JACOBS: And LENS, your focus there would be entering stuff, but now you can do direct --

MR. BRADBURY: Yeah.

COMMISSIONER JACOBS: Okay.

MR. BRADBURY: A couple other -- I lumped together here maintenance and repair billing in a miscellaneous interface that we've made use of over the years.

There's been an electronic bonding interface in the interexchange community for a long time called EBI. It had potential use for local. You could pass a ticket that way. We've never used it that way. We did build to and utilized BellSouth's ECTA. This is a version of electronic bonded interfaces that's specific to local, and we did build and use that in the March to April time frame last year.

We stopped because it takes a critical mass of a large number of customers to make that efficient. Okay. It's a machine to machine. It's designed for high volume.

We have a new chairman of our corporation, came on board about 18 months ago. He looked at our market entry plans, at that point which were based on resale, and he said, folks, I can't continue to lose $4 a month on every customer you sign up; so he put an end to that.

We put then the EBI ECTA interface on the shelf. We still have all the hardware and software

running. When we have a critical mass of customers again, we would turn that back on and use that as our maintenance and repair interface.

We did a brief evaluation of TAFI. Our business units concluded when they did that in July of '97 that because that of the lack of back-end integration on our side -- it's a -- again human to machine, so if we used that -- and I'll talk about this later -- I would have to work in TAFI, then turn around and update my own databases' dual entry.

In terms of billing interfaces, we make use of all of the available usage records that are out there; the ODUF, ADUF (phonetic). Extended -- ODUF you saw. And I don't think we were going to talk a whole lot about billing here, but I wanted to show that we've been doing that.

We receive most of the billing that we get from BellSouth where we have to pay them over the CAB system, carrier access billing system. And there's one other interface that we have that manages who is the long distance carrier for this local customer. We exchanged that over a system called CARE, and that's up been up in service right along.

COMMISSIONER DEASON: Let me ask a question before you leave that slide.

What interface are you currently using for maintenance and repair?

MR. BRADBURY: Telephone. When we turned down the EBI interface, we went back to telephoning our orders in. And, you know, I've got a section on maintenance where I'll talk about why we do that. It's a consistency of process issue.

Okay. So those are -- so that's what we've used with BellSouth.

I'll use the next two slides here to talk about what's on the left side of the screens. I get turned around here every once in a while.

This is our side of the gateways, and the right side is what's on BellSouth's side of the gateways. Again, starting from the top, we do still have a capability to use web LENS for preordering and are using it that way.

We still do get the P/SIMS download that we put in a database we call LUDM (phonetic), local -- gee whiz; what was that? I can't even remember -- but that's -- we've put it in that database, and we integrate it to our -- what's called here the AT&T integrated front-end system.

This is a new system that we're coming up on line with now. Its other name is BLISS. Great name

for an interface. It's our business local integrated support system. In past years we've had a host of systems out there. Each of the business units would have potentially a different front-end system that their service reps worked with. We're trying to get to a common system. BLISS is that system that's being implemented across the business units this year and next.

COMMISSIONER DEASON: Do you all have someone whose responsibility it is to come up with these acronyms? (Laughter)

MR. BRADBURY: I have had no idea.

COMMISSIONER DEASON: Okay. Pretty ingenious, some of them.

MR. BRADBURY: Some of them are. BLISS, as you see, talks to an order manager, and then the next thing over an order gateway. It's got the name ECIP on it, ECIP. That's electronic communications integration platform.

We've built three different versions of that over the last three years. When it first came up, we were using what we called ECIP-1. We're now on ECIP-2, and ECIP-3 is tied to the BLISS development and being implemented as we speak. So we've gone through quite a few systems on our side of the

interface over the last three years.

We do maintain the capability of using EDI-PC. One of the things I want to show you that's different here between EDI -- and I'll use BLISS -- BLISS works over EDI. And we talk to BellSouth's EDI gateway.

You'll notice that in BLISS or an EDI interface you've got the two gateways that we were talking about before. I've got my system on my side. It's separate from BellSouth's. I can build all of the functionality and editing capability of that interface that I want to make it be mine.

If you use the EDI-PC interface, you'll see that there's no gateway on the CLEC's side of this diagram. This is a PC stand-alone provided by a third-party vendor that BellSouth has given the specifications to. You buy this package from them and you use it. Okay. So you can't really effectively add a lot of edits to that aren't already in it.

So you're -- then you're using this, you're dependent on the edits that come with it, which may not be as robust as what you would build yourself. So it's -- while it still uses an EDI format, it is different from a full EDI operation.

Sharon, we can go to the next.

Again, here's -- you see our integrated front-end system again, BLISS. Here we're talking to BellSouth's TAG interface. The gateway we're talking to here is TAG instead of the EDI gateway. We're using this for preordering, so you see it's preordering. We're not using the leg down here of TAG that is designed for ordering.

So what we're doing is taking preordering TAG information using our ECIP and BLISS systems to integrate that with the EDI ordering that you saw on the previous page to send an EDI order back. So we're doing that integration on our side. Others may elect to take and use the two pieces of TAG and integrate them on their side. We do still place an awful lot of orders by telephone.

We place all of our trouble tickets today by telephone, although we have the hardware and software in place to reactivate the ECTA interface if we wanted to or when we reach that critical mass that makes it economically efficient to do that. And we looked at TAFI and are not using that.

All right. I'd like to move now into the preordering section.

COMMISSIONER DEASON: Before you leave that, how do you -- you just do it by telephone -- and I'm

talking about the trouble tickets. Do you have some type of internal system where you keep track of those so you can determine the time period it takes to reconcile a --

MR. BRADBURY: Yes, we do.

COMMISSIONER DEASON: -- trouble ticket and that sort of thing?

MR. BRADBURY: We have a -- that's one of the reasons we do that. We have a standard process on our side that makes use of a trouble report system. We enter our troubles into that system so that we can keep track of what our customers' trouble conditions were.

We can -- it constantly updates the database that tells what our customers' experience has been throughout time, and then we telephone the report to BellSouth using a script that we have negotiated with them so that that transaction is very -- we call in, we say who we are, and go straight down the script and pass them the trouble.

COMMISSIONER JACOBS: If I recall, TAFI had the capability of you hooking into a live test on the line; is that correct? Was that --

MR. BRADBURY: TAFI has a lot of great functionalities, and one of the things -- again, we

started talking about maintenance in 1996 and, in fact, that's when we first found out about TAFI. And when we first found out about it, we asked BellSouth, please provide us the TAFI functionality over the electronic bonded interface.

So we've had that request on the table with them since April of 1996. We don't have it yet. It appears that maybe sometime a couple years down the road that might happen. It's been technologically possible for the entire period of time.

COMMISSIONER JACOBS: Now, absent that capability, I assume that you're doing something before you call in. Have you gone through and done your own live tests or are you --

MR. BRADBURY: I can't -- with the configuration I have now, I can't look into BellSouth's network and conduct any tests.

COMMISSIONER JACOBS: Okay. So they have to do that on the other end.

MR. BRADBURY: Right.

COMMISSIONER JACOBS: And if I recall, one of the other LECs yesterday -- I think it was GTE -- said that they expect that the CLEC would have done that before they called.

MR. BRADBURY: What we can do is -- you

know, with this script we've negotiated, we've asked all of the questions of our customer that BellSouth needs the answers to when we call them.

COMMISSIONER JACOBS: Okay.

MR. BRADBURY: But since I don't have any physical connectivity to BellSouth's network if I'm dealing with a resale customer, I can't test that, do a test.

If I had -- you know, with the EBI interface, if it had the full functionality, I could do all of it myself and never even have to talk to BellSouth.

Again, I've got a section at the end; we'll see several slides on maintenance and make this explanation a little clearer at that point.

Mentioned earlier that we had done testing and we have the TAG interface for preordering up and running in BellSouth's production machine and AT&T's production machine. We're only using two of the transactions currently; the address validation and the customer service record retrieval. And the business unit that's using this right now is our AT&T digital link product line. This is our -- it's a large customer.

We already have a physical connectivity

between that customer's PBX and our 4ESS machine. So there's a lot of things that we're not interested in about that customer that is in BellSouth's database.

An interesting thing about TAG, it's been available for preordering use since August of last year, yet BellSouth has produced absolutely no operational data about its operation for preordering.

Similarly, it's been available for ordering use since November of last year. On the March flow-through report, there were two TAG orders, both of which failed to flow throw because of BellSouth programing errors. So TAG really, in my estimation, is not a commercially available interface today.

Mr. Stacy talked about he's got seven folks who are going to come up on it here in the next 30 days or so. That may be fine, but at this point in time, there's no operational data to support the fact that TAG has any commercial operations.

COMMISSIONER DEASON: How many orders have you placed through TAG?

MR. BRADBURY: We don't use TAG for ordering.

COMMISSIONER DEASON: So it's kind of hard to get information from BellSouth as to whether it's working, isn't it? I mean, you say you want

information, but you've not used it.

MR. BRADBURY: I'm using it for preordering.

COMMISSIONER DEASON: I'm asking you about ordering, and you're --

MR. BRADBURY: For ordering, since I'm not using it, I can only look at the information BellSouth produces about who is using what interfaces, the flow-through. There have been no data for TAG in the flow-through report until March when there were two orders placed by someone.

COMMISSIONER DEASON: And you want somebody else to be the guinea pig before you do it --

MR. BRADBURY: No. This is just not an interface I'm going to use for ordering. We're doing the EDI interface for ordering. But it appears from BellSouth's data that there is no one in commercial production through the end of March for ordering using TAG.

COMMISSIONER JACOBS: Is this something that ATTIS or someone like that should undertake?

MR. BRADBURY: No, sir. I think -- from what I hear from the states, there are going to be people using it. If you've got this large customer that's going to move from the ordering vehicle they're using to your LENS or an EDI-PC to this, you should

start to see data in the flow-through reports about TAG in the future; but the absence of data today just tells me that there's nobody using it.

COMMISSIONER JOHNSON: Why did you all decide not to use the TAG methodology, or whatever it's called, for ordering what --

MR. BRADBURY: Because we were already using the EDI ordering interface. The two interfaces, EDI and TAG, for ordering have the same functionality.

COMMISSIONER JOHNSON: Why would someone -- I'm just trying to better understand those, too, then, and I know that Mr. Stacy said that they were similar; they just use different software. I thought I had some notes.

But just better understanding the two, I'm assuming that those seven customers that he referred to, weren't they EDI but they're switching over to TAG?

MR. BRADBURY: Mr. Stacy said yesterday that they were LENS switching to TAG.

COMMISSIONER JOHNSON: Oh they were LENS, and LENS isn't integratable --

MR. BRADBURY: Correct.

COMMISSIONER JOHNSON: But EDI is integratable, so --

MR. BRADBURY: EDI mainframe is integratable. EDI-PC is also not integratable. That's the point I tried to make earlier.

COMMISSIONER JOHNSON: Okay. Well, then what's the difference in the two? Why would you need a TAG? TAG is a -- I thought TAG was kind of like the next step, more advanced technology. Why would one go to TAG at all? Why is it necessary? So it may not matter if it works or not if EDI does, you know. So what's --

MR. BRADBURY: Mainframe EDI -- and, Bill, you can correct me if I'm wrong -- I think the only two regular users, or even reasonably regular users of mainframe EDI, have been AT&T and MCI on occasion. We talked to the other people who -- there just aren't any people making use of mainframe EDI. You know, it's expensive. It's designed for large carriers. TAG covers a much broader scope of carriers.

COMMISSIONER JACOBS: It was web based?

MR. BRADBURY: No, it's not web based. You can reach TAG off the Internet, but its -- its technology has a lot of the similarities, and it's also used there, but it is not, you know, a web based thing. It's much better than that.

COMMISSIONER JOHNSON: So because EDI is --

you said it's mainframe EDI, it would be a more expensive proposition for smaller carriers and providers, and that's why they're developing, you would think, the TAG, to accommodate mid to smaller users?

MR. BRADBURY: It cover a much -- yeah. It allows a much larger scope of the CLEC industry to have an integrated interface.

COMMISSIONER JOHNSON: Otherwise those CLECs currently probably would have been using LENS, and that was not integratable?

MR. BRADBURY: Correct.

COMMISSIONER JOHNSON: Okay. I'm following you. Thanks.

COMMISSIONER CLARK: What makes TAG less expensive or more attractive to the medium to small carriers?

MR. BRADBURY: Okay. TAG generally runs on today's modern world of information technology called client server. These things are, you know, not much bigger than your desktop PCs -- it can be real large -- but it's a much more flexible architecture. It's much cheaper. Those machines don't cost what a large mainframe costs.

The software that supports TAG, the CORBA

software, is a much more commonly understood software. There are many more programmers around who can deal in CORBA than can deal in the software that supports the integrate -- the interfaces like an EDI full gateway to gateway.

COMMISSIONER CLARK: Well, then why isn't it to your advantage to change to TAG?

MR. BRADBURY: I'm already invested in a full mainframe EDI format. I've already made that investment. It has the same functionality that TAG has. There's no -- you know, no incentive for me to go that direction.

COMMISSIONER CLARK: Okay.

MR. BRADBURY: (Pause) Due date has been at issue within the preordering arena for some number of years. BellSouth recently added a preorder due date calculation capability in TAG and LENS for resale.

I'm uncertain, from the discussion I heard yesterday, whether there's such a capability in TAG for UNEs, and the reason I'm uncertain is Mr. Stacy said, you know, UNEs have this fixed interval and are always going to do that. So I'm not sure if I can calculate that in TAG.

But even with a due date calculation capability, we still don't have nondiscriminatory

access to due dates with BellSouth. BellSouth, unlike GTE and some of the other CLECs -- or ILECs, doesn't provide a due date reservation capability, where if I'm doing preordering and I get a due date, if I submit an order within X number of hours, that due date is good. You saw GTE talk about that yesterday. That capability doesn't exist with BellSouth. So I only get that due date when BellSouth issues --

CHAIRMAN GARCIA: But isn't the UNE more of a technical function than necessarily a client issue? In other words, getting the unbundled network element is something that you have to do with -- between you and the new client, not necessarily between you and BellSouth? That's something to be determined by technicians at a future date?

MR. BRADBURY: No. Getting the UNE is between me and BellSouth.

CHAIRMAN GARCIA: Right.

MR. BRADBURY: Okay.

CHAIRMAN GARCIA: But the due date there, if I remember correctly the presentation, is they get back to you in two days for that span, and then they confirm that, and then you're able to work that into your schedule or -- isn't that how it worked?

MR. BRADBURY: That has not been our

experience with it to date. Okay. BellSouth has not made consistently the interval -- the target intervals that are in their interval guide. We've not been able to depend on them making a loop, a UNE loop, available in seven days.

COMMISSIONER DEASON: I have a question. Your concern that there is not a due date reservation capability in, I take it that what you would like to have is that when you go through ordering and you get an estimated due date, that you want that spot reserved so that that installation can take place on your indicated reservation date; is that correct?

MR. BRADBURY: If my -- I'm getting that due date while I'm doing my preordering work with my customer. What I've been asking for for three and a half years is if I give you an order within a reasonable period of time after that, eight hours or less, if that due date that I obtained in preordering would still be good whenever -- within the next eight hours, I submit to you a good order.

COMMISSIONER DEASON: But aren't you asking them basically --

MR. BRADBURY: The reason--

COMMISSIONER DEASON: Let me ask my question, and you can explain.

Aren't you basically then asking them -- because every time you do a preorder, you're not going to do an order, and every time you do an order, you're not going to get a firm order.

So if you have that reservation, isn't it kind of analogous to selling more seats on a airplane than actually -- because you know that some people aren't going to show up -- are you asking them to give you a reservation date, and then if everything flows through, they may have to cancel some of those --

MR. BRADBURY: I would expect that to be very small. Again, I'm -- here I would be dealing with a customer who is saying, I want service. I'm taking the order from the customer. I have a firm order from the customer before I obtain that due date and reservation in the computer mode.

Then what I'm into is managing my process to get that order clean to BellSouth within whatever that window is. Let's call it four hours. At the end of that four hours, that reservation vanishes.

COMMISSIONER DEASON: So you basically -- what you want then --

MR. BRADBURY: Only --

COMMISSIONER DEASON: -- is when you get that reservation, you want it to be good for at least

a period of time that if you process that order within that period of time, you know that's a good date.

MR. BRADBURY: That's correct.

COMMISSIONER JOHNSON: And they don't provide that now? Tell me how it works now.

MR. BRADBURY: How it works now is, I talk with my customer. I see that due date. I tell the customer then. I submit my order. And let's say I submit my order and it gets to BellSouth in three and a half hours, and BellSouth FOCs that order, puts the order into their system.

In that three and a half hours' time, other people, BellSouth, other CLECs, have been placing orders in that same central office or for that same work group. The due date that I saw three hours ago may not be available now because of other orders that have processed in that period of time.

COMMISSIONER JOHNSON: And --

MR. BRADBURY: And so what happens then --

CHAIRMAN GARCIA: -- who are the --

MR. BRADBURY: -- is when I get the --

CHAIRMAN GARCIA: Who are the orders you're worried about? Other companies, or BellSouth --

MR. BRADBURY: Both. There's multiple --

CHAIRMAN GARCIA: Don't they all have the

same -- don't they all end up at the same place?

MR. BRADBURY: Because of the difference in process, BellSouth -- when BellSouth submits that order, when -- they don't have the delay, the potential delay, that the CLEC community has.

COMMISSIONER JOHNSON: Could you explain the delay again. I don't know why I'm missing this point. But what's the delay that the CLECs have that BellSouth --

MR. BRADBURY: Okay. When BellSouth submits an order using -- let's use RNS, the RNS system, that order automatically flows over to their SOC system within -- in near realtime and is -- unless they've really screwed up their order, is accepted right then.

And so the period of time between when you have worked with a customer and the order is accepted by SOCS is minutes. The period of time for a CLEC, depending on the type of ordering interfaces they're using, could be -- at a minimum, right now with EDI it's a minimum of 15 minutes, which is not too bad. Actually that's just to get at their front gateway -- there's two other gates in the LEO LESOG that it's actually a 30-minute minimum that it's going to get there if you do absolutely nothing wrong and you do everything right.

Some -- you know, that's for me with an EBI. If you're using some of the other interfaces, there may be longer delays.

COMMISSIONER JOHNSON: So it's just getting it processed is --

MR. BRADBURY: Right.

COMMISSIONER JOHNSON: -- a 30 to --

MR. BRADBURY: 30 to something.

COMMISSIONER JOHNSON: -- 30 to something-minute wait, whereas BellSouth is processed automatically. So they get in the queue -- there's is --

MR. BRADBURY: Their order --

COMMISSIONER JOHNSON: -- more predictability --

MR. BRADBURY: Right.

COMMISSIONER JOHNSON: -- with respect to getting in the queue. Okay.

COMMISSIONER JACOBS: And not until you -- the date is not official until you get accepted in SOCS, right?

MR. BRADBURY: That's correct.

COMMISSIONER JACOBS: And, of course, yesterday -- if you edited out of SOCS, you still haven't gotten your reservations yet.

MR. BRADBURY: That's correct. That would also be true for BellSouth. If their order falls out of SOCS, their due date isn't good either. Okay.

So I don't want to --

COMMISSIONER JOHNSON: And the solution -- I'm sorry. Go ahead.

COMMISSIONER JACOBS: It sounds like, then, you're getting a real date -- well, let me ask you this -- ask it this way: Once -- whatever time delay has -- has it expired, you've gotten your date, how effective are you in, let's say, in EDI in getting that back now; you know, do you then get back the real date within some reasonable period of time?

MR. BRADBURY: That's the firm order confirmation interval. And I've got a slide much further on to show you what current performance is on that. It varies from eight hours to several days.

COMMISSIONER JOHNSON: And how do the other -- you said GTE and the other ILECs have a different --

MR. BRADBURY: Some other ILECs have a process that allows you to -- as you're doing a preorder and come upon a due date, you can reserve that due date, and if you --

COMMISSIONER JOHNSON: Before the FOC --

MR. BRADBURY: -- successfully submit an order within a window period of time -- and you saw GTE yesterday. If you reserve one by noon, if you submit your order by 5:00, you're good. If you reserve one after noon and if you order before noon the next day, it's good.

So there's a window in there. The reservation disappears so you're not looking up many times beyond what we think is a reasonable request.

Okay. Sharon.

We had some discussion yesterday about customer service record information. We can retrieve that information using a number of databases. However, that information is not parsed today the same way that BellSouth is capable of parsing and does parse it for itself as you saw in the RNS demonstrations yesterday.

Okay. Sharon.

CHAIRMAN GARCIA: Go back. Tell me what exactly you mean by this. Walk me through this.

MR. BRADBURY: Okay.

CHAIRMAN GARCIA: What do you want, I think would be the better question.

MR. BRADBURY: Okay. With parsing, I will be able -- if I'm doing an order where I need to send

back to BellSouth information about the customer that BellSouth already has, okay -- in the customer service record, so I have to build that order that replicates that customer service record.

And this is true of a migration. With -- what we used to do with migrations is specified, okay, because there are certain things that are in that customer record I don't want when I migrate a customer. For example, we didn't want inside wiring, okay. But I had to replicate everything else that was in that customer's service record back to BellSouth. Okay.

Without parsing, I had to take that block of text, read it -- I have -- my people have to read those codes that BellSouth's people have, and read those same codes, turn them into whatever I'm putting into my system; because I don't put those -- my people don't put codes into their system; they put English.

So I have to do an English -- a code to English on a manual basis, put it into my system, which does then an English back to code to send to BellSouth.

With a full parsing capability, I can accept that machine -- code, machine to machine, put it over into my order, show my rep that in English. They

never have to enter it because it's already in there, but you avoid errors.

The process I've got now it's easy for us to miss something that's on a customer service record or to input it -- reinput it incorrectly converting it from their code to my English; I may retype it wrong.

COMMISSIONER DEASON: If you know what the codes are, can't you do that yourself?

MR. BRADBURY: No; because, again, my people don't type in code. Just like Bell's people in RNS type in English, our front ends type in English.

COMMISSIONER DEASON: I'm talking about --

MR. BRADBURY: -- (inaudible overlap) -- the customer service record --

COMMISSIONER DEASON: -- if you --

MR. BRADBURY: -- in code in a format that I can't machine load it, so I have to display it. They have --

COMMISSIONER DEASON: Well, I guess my question is, whose burden is that? Is it your burden -- if they give you the information for you to take it and put it in whatever format or language or protocol you want, or is it their responsibility to serve it to you the way you want it, in the format you want, in the protocol you want?

MR. BRADBURY: Okay. I believe it's their responsibility to provide it to me the same way that they are providing it to their own people. And you saw yesterday that they provide to the RNS system a customer service record that is parsed in such a fashion that the RNS system can put the English on it to display. Okay.

I'm not getting that. I'm getting a version that is only code, blocked together such that I can't do what the RNS people have done as easily. Now, I would be lying to you if I said I can't do something with that record. I can do something with it, but I can't do it as efficiently because of the way -- as BellSouth does it in our nest because of the way it comes to me. They have the capability of giving it to you parsed, broken into segments that are machine handleable very easily.

COMMISSIONER JOHNSON: And that's what they do --

MR. BRADBURY: But they --

COMMISSIONER JOHNSON: -- for themselves?

MR. BRADBURY: That's what they do for themselves when they submit that information to RNS.

COMMISSIONER JOHNSON: And you want them to do it for you and just charge you for it? It's

cheaper for them to do and then just charge you for it as opposed to you to get it not parsed and --

MR. BRADBURY: I don't have any -- any feel for charging on it.

COMMISSIONER JOHNSON: Well --

MR. BRADBURY: I work on the technical side.

COMMISSIONER JOHNSON: Aha.

COMMISSIONER DEASON: Well, you see, yesterday it seemed to me when the BellSouth individual indicated that they provide the information to -- they're kind of the support group, and they provide it in whatever format those other organizations within BellSouth that want it.

And there was one organization that did complex business that basically wanted to do it in code because they had the expertise and training and it was more cost-effective for them to do it than it was to set up the capability to put it in English, for lack of a better term, but that they did that for another group that wanted it that way.

And I got the impression that it was like he was treating those groups within BellSouth as a customer like he treats you as a customer in that it's a question of if they want it and are willing to pay for it type situation. And am I misunderstanding how

that works?

MR. BRADBURY: That is what Mr. Stacy said. What I find wrong with that is that is all BellSouth. This line that Mr. Stacy has drawn on there between BellSouth retail and BellSouth wholesale doesn't mean anything in the context that we're here in. That's all BellSouth. That retail is not a separate legal entity. It's the same organization. It's BellSouth. And their obligation is for BellSouth to provide to competitors what they're providing to themselves.

That's Bradbury, nonlawyer, but that's how I read the Act. And that's all BellSouth; that distinction between BellSouth retail and BellSouth wholesale is meaningless.

COMMISSIONER DEASON: So if they spun that off into a separate subsidiary and had their own entity within, you wouldn't have a reason to complain, then, in that --

MR. BRADBURY: It would certainly change the ground rules.

COMMISSIONER DEASON: Oh; okay.

MR. BRADBURY: All right. Talk about response times: How quickly do I get information back as compared to how BellSouth gets information back.

BellSouth reports these response times in

their SQM reports in other states. I don't think they have a regular reporting here in this state that I recall.

What I have done is taken the information that they report and created a weighted average across all of the transactions, because they do it by several different databases.

Historically you can see here a difference around 3%, three seconds per transaction, weighted transaction, November, December last year. It is an abnormality, I think, in January where it looks like there's only one second difference. There were a lot of things very funny about that particular month's data, and I'll just give you one as an example.

Historically in this data, CLECs make preorder inquiry requests 10 or 12 times per mechanized order. For the month of January, that ratio went up to 20 times. So there's something a little screwy, I think, in the data collection there. So historically there's been about a three-second -- difference on a weighted basis, but I'm doing this 10 or 12 times in my conversation with you in this contact that we're having about establishing service or changing your service.

Now, each of you probably occasionally makes

your own travel reservations; hotel, motel, airline. You know how frustrated you get when you're talking with that rep and they say, I have to wait on my computer. We've been become a very impatient society. One, two, three seconds' delay in a normal conversation is perceived as being poor service.

If that happens to me five, six, seven, eight times in a transaction, my feeling about that transaction continues to degrade. So three seconds' difference is important when it occurs 10 times.

COMMISSIONER JOHNSON: And this --

MR. BRADBURY: Or any number of times.

COMMISSIONER JOHNSON: And this preordering response is -- it's all the computer transaction, you getting the data --

MR. BRADBURY: Correct.

COMMISSIONER JOHNSON: It has nothing to do with the human beings.

MR. BRADBURY: Right.

COMMISSIONER JOHNSON: And what would you say is the cause for that?

MR. BRADBURY: Well, obviously it does have a cost, and it --

COMMISSIONER JOHNSON: No; the cause of --

MR. BRADBURY: Cause --

COMMISSIONER JOHNSON: -- of the delay.

MR. BRADBURY: -- of that?

COMMISSIONER JOHNSON: Just for --

MR. BRADBURY: I don't really know what the cause is. You know, it's just the difference in how the two systems are operating today, how BellSouth systems are operating for themselves and how the systems they're providing for us are operating for us.

COMMISSIONER JOHNSON: And the systems that are operating for you all, there's a -- I guess there's a couple extra steps, the diagram -- I mean, the traffic travels a greater distance and through more gateways, for lack of a better word? That may be --

MR. BRADBURY: Where this measurement is taken?

COMMISSIONER JOHNSON: Yeah; that's what I'm trying to --

MR. BRADBURY: Okay. Where this measurement is taken doesn't -- does not build in any delay that occurs on my side of --

COMMISSIONER JOHNSON: That would be --

MR. BRADBURY: -- their gateway.

COMMISSIONER JOHNSON: Yeah.

MR. BRADBURY: Okay. If there's any delay

on my side of that gateway, I'm not --

COMMISSIONER JOHNSON: That's not counted. That's what I was wondering, if it --

MR. BRADBURY: No.

COMMISSIONER JOHNSON: So this is all on BellSouth's side of the --

MR. BRADBURY: That's --

COMMISSIONER JOHNSON: -- gateway?

MR. BRADBURY: -- correct.

COMMISSIONER JOHNSON: Okay. Thanks.

MR. BRADBURY: Thank you for the question.

There are some other issues around performance measurements with preorder. We talked about the average weighted transaction. Customer service access intervals are longer yet. They traditionally have about a four or five or six-second differential between what BellSouth does.

BellSouth -- we get such a transaction typically in about six seconds. They get it in about two. So that particular transaction has a much larger differential, and that's very important, because that particular transaction in the CLEC world represents 50 to 60% of all the transactions that are done. For BellSouth, it's only 14 of their transactions. So I've got a transaction that has a longer interval and

I use it more often. Okay.

The data that's been presented today -- again, I've said this earlier -- TAG has been an available preordering interface since August, but there has been no TAG response time data ever presented.

Similarly, BellSouth only provides data about its RNS system. It doesn't provide data about the response times that people using DOE to receive information in BellSouth get. Why is that important? That's the business side. You know, BellSouth says, well, you know, in LENS you're getting both business and residence. Well, they're only comparing that against residence.

Another measurement is called percent availability. This is, are the systems available for use. The way BellSouth reports this particular one is as a percentage. What's wrong with that? If I see 100%, you think we're all getting the same thing. But if my system was scheduled for 100 hours and up 100 hours, the BellSouth system was scheduled for 200 hours and up 200 hours, who had more availability? The system that was up more hours. But the hours that the systems are up are not presented.

So the percentage, while it appears to

represent a fair comparison, masks the actual number of hours that might be available between systems.

Any other questions on preordering?

COMMISSIONER DEASON: Can you go back? I guess I missed the point on the percent availability. I understand that if it's the same percent applied to a higher base, one is a greater absolute value than the other. Is that the point you're --

MR. BRADBURY: Yeah.

COMMISSIONER DEASON: And how do they determine how many hours one is going to be available for one versus the other?

MR. BRADBURY: That's -- you know, they determine that themselves, and some of the -- is maintenance needs. You know, you do have to turn the computers systems down at certain hours of the day.

At this point in time, as I recall, I think we've got all of the systems pretty much on the same amount of maintenance hours, but they may have other reasons to be out of service. Over the fall last year there were several upgrades to the CLEC systems that didn't occur to the BellSouth systems that took the CLEC systems out of service for periods of eight, 10 or 12 hours. Okay. Scheduled, yes. But hours not available, also, yes. Reflected in the measurement?

No. (Indicating) You know, there -- if BellSouth systems were up those 10 hours and mine were down, they had more availability for that 10-hour period of time than I did.

COMMISSIONER DEASON: And so you're saying that you have information that shows they're discriminatory in choosing which system to --

MR. BRADBURY: No, I don't have it.

COMMISSIONER DEASON: Oh. You --

MR. BRADBURY: Without the hours, I don't know what's happening.

COMMISSIONER DEASON: Oh. So you're saying that the percentage --

MR. BRADBURY: It's the --

COMMISSIONER DEASON: -- the percent availability, you're just showing a flaw in the basis of that calculation and what it represents, but you don't have any information to show the actual availability of hours to --

MR. BRADBURY: No, I do not.

COMMISSIONER DEASON: -- to show that there's something discriminatory.

MR. BRADBURY: I do not.

COMMISSIONER DEASON: Okay.

MR. BRADBURY: Okay. Over the years

BellSouth has developed a number of interfaces for CLECs to use. Many of them don't provide the CLECs with the same ordering capabilities that BellSouth enjoys.

What happens when BellSouth elects not to provide CLECs with the same capabilities, then it's got -- then it has to provide those capabilities using people, through the intervention of human people.

There are a large number of issues that come out of the integration situation, and we'll try to discuss some of those as we go along.

And there are several available interfaces for ordering. We've talked about several of them already today; LENS, which is human to machine, nonintegratable.

EDI-PC. It is EDI, but it is also, like LENS, not integratable to the back -- BellSouth's back -- to our back office system on the CLEC side. EDI mainframe is. Has some limitations. Where it has the limitations BellSouth puts a person to fill that gap.

TAG API, again, from the data that's available, it really isn't in commercial operation. Two separate interfaces that, with proper documentation, a CLEC should be able to integrate, but

as you saw in the Telcordia demonstration yesterday, they haven't done it yet. I'm not sure, you know, if Telcordia, one of the world's greatest software developers, hasn't done it yet, where the other CLECs might be. It's just -- just a question.

Sharon.

Again, only mechanized, partially mechanized, four complex services. From the data, I don't see any actual mechanization of unbundled element ordering. Okay.

Go on to the next one, Sharon.

Editing is a big difference between the system that we have available for our use compared to BellSouth. The RNS and DOE systems both have extensive editing capabilities. This allows BellSouth to have some very high flow-through rates. These are the March numbers; 96% for residence and 83% for business.

COMMISSIONER CLARK: Can we go back for a second to the slide previous to this?

MR. BRADBURY: Yes, ma'am.

COMMISSIONER CLARK: Is it your view that BellSouth has fully mechanized their ordering process for those systems? I had understood that theirs wasn't either.

MR. BRADBURY: Yes, ma'am. I have a different opinion of BellSouth's mechanization capability, and I've got a slide later where I'll talk to that.

COMMISSIONER CLARK: Okay.

MR. BRADBURY: Okay. If I'm a CLEC using LENS -- and this is a proprietary interface -- and BellSouth provides all of the editing that's available on that interface; comes out there. Yet in March, the LENS interface didn't detect almost 14,000 orders which contained errors. It allowed a CLEC to think it had submitted a perfectly good order, and it was 18% of the LENS orders are that way.

COMMISSIONER JOHNSON: Could you explain that CLECs using LENS ordering must rely upon BellSouth to incorporate an on-line edit capabilities because LENS is a proprietary interface -- so what actually happens? Tell me the physical--

MR. BRADBURY: If I'm working with LENS, I work with LENS and I place an order in LENS --

COMMISSIONER JOHNSON: So you're on your --

MR. BRADBURY: I'm on this computer. Okay. And it's connected to BellSouth. Okay. I formulate my order. I submit it. I tell LENS to send that order. LENS, the terminal I'm working with, accepts

that order as being valid according to the edits that BellSouth has put forth to edit the "inputer's" work.

It goes on into BellSouth's system and hits those LEO and LESOG editors in BellSouth who say, there's something wrong with your order. Well, that -- because BellSouth is providing the LENS front end, it ought to have the same editing capability as the parallel system in BellSouth RNS.

RNS is a 96% flow-through system, because the edits that are applied to RNS won't allow that person to release an order that won't flow through the FUEL and SOLAR editors before it goes to SOCS. But here they've provided a very similar interface to the CLECs that doesn't provide that same level of editing to the input personnel. And the CLEC can do nothing about that.

COMMISSIONER JOHNSON: So --

MR. BRADBURY: And 72% -- excuse me -- in March, 81% of electronic orders submitted by CLECs were submitted using LENS.

COMMISSIONER JOHNSON: So how does a CLEC find out that there was an error, and what happens when there's a mistake, or --

MR. BRADBURY: They receive a reject message for the order that LENS accepted, sometime down the

road.

COMMISSIONER JOHNSON: Then what happens? I mean, how do they rectify --

MR. BRADBURY: Then they go back into LENS and correct that order according to the instructions that they received in the reject message.

COMMISSIONER JACOBS: And it won't know -- they won't know if that correction was adequate until it goes back to LESOG.

MR. BRADBURY: Repeats the cycle; that's correct.

COMMISSIONER JOHNSON: And what kind of time are you -- does that take how much time?

MR. BRADBURY: I have some data on reject notification times coming up in about two slides.

COMMISSIONER JOHNSON: Okay.

MR. BRADBURY: But, again, so for LENS as -- you know, BellSouth is really responsible for providing the front-end edits that are being used by the CLECs; and it's clear that those are not edits of the same quality that are available to BellSouth's reps using RNS.

For EDI mainframe -- and, again, I'm -- the best I know, AT&T is still the only regular user of EDI mainframe, and that's what -- I'm responsible for

those edit capabilities, but I'm dependent on receiving accurate business rules, edit rules and interface specifications to make that work.

So, you know, there's a dependency there that it is my job to take that information that I receive from BellSouth and put it into my front-end systems. Okay.

EDI-PC --

COMMISSIONER JOHNSON: Is that a problem -- I mean, you state that there are --

MR. BRADBURY: There are problems with business rules, edit rules, and interface specifications, but I wasn't prepared to bring those problems here to this. I just --

COMMISSIONER JOHNSON: I just -- I mean, it just strikes me that given the nature of how this is set up, I don't know how -- what else could be done about that.

To the extent that -- BellSouth, they do provide you with the business rules, edits, and whatever interface specifications --

MR. BRADBURY: There is --

COMMISSIONER JOHNSON: -- as they're developed, right?

MR. BRADBURY: There is information provided

by BellSouth. The quality of it, we have an ongoing dialogue with them as to whether it's adequate or not.

COMMISSIONER JOHNSON: Okay.

MR. BRADBURY: Okay. EDI-PC users, though, different from EDI mainframe users, are again dependent on what BellSouth told their third-party vendor to put into the system to do edits. Okay. And, again, from the flow-through reports, you see in March that about 19% of orders came from EDI. Again, based on my knowledge of whose mainframe and whose PC, I would say most of that is coming from PC based --

COMMISSIONER JOHNSON: But what --

MR. BRADBURY: -- and they're dependent upon BellSouth.

COMMISSIONER JOHNSON: What do you -- how -- I'm assuming that the way you're stating this is you're stating it as if it's a bad thing, like the last one there that the EDI-PC that they're dependent -- that BellSouth has to direct the EDI-PC vendor to incorporate edit capabilities; but I'm not seeing -- I'm not having a problem with that.

Why is that problematic? I mean, it's their system, you know, that --

MR. BRADBURY: The only problem is in doing that, the edit capability that they provide through

that interface and their third-party vendor should be equal to the edit capability they provide to themselves, and I'm just saying based on the data, that does not appear to be true.

COMMISSIONER JOHNSON: Oh. So you're going to the -- I see what you're -- okay. It's not a process; it's whether or not they're the same or --

MR. BRADBURY: That's right.

COMMISSIONER JOHNSON: -- if there's parity.

MR. BRADBURY: Right.

COMMISSIONER JACOBS: On the business rule edits, when you enter into the arrangement, do you get -- yesterday there was mention of this huge manual. You get that, and what you're saying is that that's not adequate?

MR. BRADBURY: We continue to find inaccuracies, omissions, and contradictory information within that documentation. We have an ongoing dialogue with BellSouth about that both individually, AT&T to BellSouth, and often industry players to BellSouth.

COMMISSIONER JACOBS: Okay.

COMMISSIONER DEASON: I have a question about LENS. BellSouth does not utilize LENS, correct?

MR. BRADBURY: Correct.

COMMISSIONER DEASON: Okay. So what do you compare -- when you're using LENS, what do you compare to what BellSouth uses to see if they're as comparable as far as editing capabilities?

MR. BRADBURY: It's used in virtually the same fashion as BellSouth's RNS system. The architecture is the -- is virtually identical. And I could go forward to a slide and show you.

COMMISSIONER DEASON: If you're going to get to it eventually, that's --

MR. BRADBURY: It's several slides back, but I will get there and show, you know -- and show you --

COMMISSIONER DEASON: That's fine.

MR. BRADBURY: -- how they're the same, very similar. And you would, therefore, expect similar, but we're not seeing that.

COMMISSIONER DEASON: So you're just saying that the tools you're using don't have the capabilities that the representatives in BellSouth were using --

MR. BRADBURY: Yeah.

COMMISSIONER DEASON: Is that your bottom line?

MR. BRADBURY: Yeah. And in the particular case of LENS, BellSouth is providing that tool to the

CLECs. You know, they're -- you know, they put that one out there themselves, and yet it doesn't have the same capabilities to edit a service rep's work. It's a big -- to me that's a big gap. Okay.

What happens when these edits fail? If they fail to detect an error, we use -- CLECs are experiencing very long delays in receiving the rejection notices.

This is the data for March. (Indicating) These are orders that were submitted electronically, encountered an error. How long on average did it take the CLECs to know about that error? For resale residence, it was 56 hours and 34 minutes; business, 22 hours and 43 minutes, and for a UNE order, 77 hours and 56 minutes.

COMMISSIONER DEASON: Can you give us a feel of what type of errors occur? Is it incorrect information in a field that won't be accepted, or some verification that didn't take place that should have taken place before the order -- I mean, what type errors result in these rejects?

MR. BRADBURY: I don't have -- there's a very nice letter out from BellSouth right now that I'll make -- that lists the top 20 -- or 12 and how a CLEC might go about solving those, and I'll make that

letter available to you.

COMMISSIONER DEASON: Okay. I guess then my next question is, has AT&T attempted to determine what are causing these rejects and put some type of a -- on the front end before you actually submit the order, do some type of editing yourself.

MR. BRADBURY: Okay. Here again I need to split things up. In the case of LENS, I'm not using that. Okay. And if I were using it, there's no capability to do what you said.

EDI, I am analyzing the errors that come back to me comparing that to the documentation that I have from BellSouth about what I should be putting in and having this dialogue. Your documentation says, do this; I did it; it failed. Or I didn't follow your -- we're trying to find a -- I didn't follow your documentation, so I'm at fault. We are doing that discussion day in and out, because as an EDI mainframe user, I am responsible for putting my front-end edits in.

UNIDENTIFIED SPEAKER: (Inaudible comment away from microphone.)

MR. BRADBURY: Yeah. This is -- again, this is CLEC aggregate data, not AT&T-specific data.

Thank you, Sharon.

One of the reasons that we have such long delays in receiving the fact that our orders were -- the CLECs' orders were incorrect appears to be that BellSouth manually processes nearly one-third of all the error notices that it sends back to CLECs for orders that CLECs submitted electronically, but there is human intervention in the reject process.

Sharon, we'll go on to the next slide.

COMMISSIONER DEASON: Well, let me ask: So what? I mean, what's the significance? Because there's --

MR. BRADBURY: Because --

COMMISSIONER DEASON: -- human intervention? Some people will say, well, I'm getting personalized attention and that's great. Other people would say, is it because of the delay. Are you indicating that you think they're doing it that way just to increase the delay time?

MR. BRADBURY: No, I don't think that's -- don't think that's their intention is --

COMMISSIONER DEASON: Well, what's the point, I guess --

MR. BRADBURY: The impact of having -- not having a fully automated reject process is that it lengthens the time. Okay.

BellSouth originally had no automation in the process. I mean, this is an improvement. There was originally no automation in that reject process, but at this point in time it still involves, you know, human intervention in 32% of the orders.

COMMISSIONER DEASON: But the bottom line, though, is that an --

MR. BRADBURY: At the time BellSouth --

COMMISSIONER DEASON: -- error is an error, and it's your input that is the error.

MR. BRADBURY: But once I've committed that error, BellSouth has an obligation to tell me about it in a timely fashion, and that's not happening. Okay. BellSouth tells itself about its errors in a timely fashion.

COMMISSIONER JACOBS: What are those numbers?

MR. BRADBURY: When BellSouth -- if you submit an order from RNS that is subsequently edited in SOCS that we saw yesterday -- Mr. Stacy talked about yesterday -- that drops out to a centralized group that takes care of those, and that happens no longer than 24 hours on a batch process, but they actually have a 30-minute -- they have a 30-minute capability to do that.

Similarly on business orders, the explanations that I've had from BellSouth in the past is the business rep makes an error in a DOE order; DOE accepts, sends to SOCS, and SOCS edits and finds that error. That error is returned to the center that sent it in, and it's returned -- the last I saw it was returned -- on a nightly batch is a message called the Questionable Activities Report, or something of that nature. And so the worst thing that happens is overnight.

These definitely --

COMMISSIONER JOHNSON: And in BellSouth's --

MR. BRADBURY: -- (inaudible overlap) -- longer than overnight.

COMMISSIONER JOHNSON: In BellSouth's own internal systems, the process is electronic as opposed to manual? You noted here that the reason why you believe the delays for --

MR. BRADBURY: I really --

COMMISSIONER JOHNSON: -- the CLECs is because it's manual and not electronic. Is it different for BellSouth?

MR. BRADBURY: The reject notice drops out to them. I'm not sure on where it goes, to their trouble error -- and error correction center, but it

drops out at worst on a printer in a reasonable period of time.

Again, they have -- I think there's a 30-minute objective that they had in the RNS side to correct errors when they thought -- that when an error occurs, SOCS drops out to this center, they have 30 minutes to correct it.

COMMISSIONER JOHNSON: For themselves or for --

MR. BRADBURY: For themselves. This is their process.

COMMISSIONER JOHNSON: Okay. And they -- you have something that shows that they meet their objectives?

MR. BRADBURY: No. BellSouth does not provide any information on reject notice intervals for BellSouth. They claim they don't have a parity -- they don't have an analog in their process to this measurement.

I disagree with them. The FCC disagrees with them.

COMMISSIONER JOHNSON: So there is no --

MR. BRADBURY: So there is no comparative data available.

COMMISSIONER JOHNSON: To the extent that

there was and it demonstrated the same amounts of time, then, that at least you'd have your parity.

MR. BRADBURY: If it demonstrated that. But, again, from the information they've told us about their process, it's a 30-minute process on the residence side, is of the objective side.

This is a little longer view of the same thing. (Indicating) You see March data on the far right. This gives you a feel for the trend. It doesn't look like an improving trend.

On the bottom you see the percent of mechanically or electronically submitted orders that are rejected and BellSouth has to inject themselves in that process with a human intervention. You see the last three months, 34, 29, 32%, so still a very high level of manual intervention in rejecting electronic orders.

CHAIRMAN GARCIA: I guess we asked this before. Maybe you'll -- what is the errors that are being made? I mean, you said BellSouth gave you a letter.

MR. BRADBURY: There's a letter about the CLECs' most common errors, yeah; and I'm -- you know, be glad to give it -- and in each of the flow-through reports they do -- they also -- there's an error

analysis summary that lists those, too. I don't have them memorized, but we can make that information available to you.

CHAIRMAN GARCIA: But obviously it's not in your interest to get more errors, is it, because -- I mean --

MR. BRADBURY: Absolutely not; no. My --

CHAIRMAN GARCIA: Let me understand --

MR. BRADBURY: -- my interest is to submit clean orders --

CHAIRMAN GARCIA: Obviously -- (Inaudible overlap) --

MR. BRADBURY: -- everybody -- (Inaudible overlap) --

CHAIRMAN GARCIA: But you're giving us the problems here. I mean -- (Inaudible overlap) --

(Court reporter asked for clarification.)

MR. BRADBURY: Pardon me. I'm sorry.

CHAIRMAN GARCIA: I'm sorry. I assume that it's not in your interest to get rejects. That said, is there any retraining of your people when they get these, or is it you just have ongoing problems? Is it that, you know, the 10 most made errors you try to internalize them into your input people, and then you get another 10 problems? Is that what's happening?

Are there corrections going on on your side, or you're just simply just downloading and this is the result of that?

MR. BRADBURY: Yes, sir. We don't ignore errors, you know. If we -- we look at the errors that we receive and we find that we have a training problem, process problem, on our side, we're going to fix that. Absolutely. And you'll see over --

CHAIRMAN GARCIA: All right. But -- and I know computers make mistakes, but they don't screw up one in every four as a typical thing. It's usually a small percentage. What's going on here then is, I guess, the question.

What is it that you need that -- I know you want quicker return time when something is wrong, but what exactly is it that's going on wrong?

MR. BRADBURY: Again, two things as -- say, an EDI user or a TAG user in the future needs good documentation of the business rules so that they can do their front-end edit work to avoid errors.

A LENS or a EDI-PC user needs BellSouth to have provided in those interfaces the same level of edits that are available to the BellSouth service rep. That's the need.

CHAIRMAN GARCIA: I'm sorry. I just don't

understand. I don't --

MR. BRADBURY: I'm sorry I'm not --

COMMISSIONER JACOBS: The point that I think -- what I heard you say earlier is that the business rules are essentially a moving landscape, or at least not cast in stone.

MR. BRADBURY: They are not cast in stone. They, you know --

CHAIRMAN GARCIA: So every morning you get up and BellSouth has a different set of rules?

MR. BRADBURY: It's not that bad. Don't --

CHAIRMAN GARCIA: All right. But every --

MR. BRADBURY: -- want to imply that.

CHAIRMAN GARCIA: I mean --

MR. BRADBURY: Don't want to imply that.

CHAIRMAN GARCIA: -- obviously you were down 19% and we ended up at 31%. Three months of experience should have made it better, not worse, so --

MR. BRADBURY: No. This -- that percentage is where BellSouth is intervening in telling us.

CHAIRMAN GARCIA: Either one. I mean, go up to the top. You --

MR. BRADBURY: That's the interval it takes them to tell us. Let me find the --

CHAIRMAN GARCIA: Okay. So explain to me what exactly is the problem. Because clearly your interest is to get as many orders through without a problem --

MR. BRADBURY: Correct.

CHAIRMAN GARCIA: Especially because it takes you so long to get it back; so you want to get it right on the front end.

Now, you said that BellSouth gave you a memo listing the top 10 problems. But what exactly is it that you do with that information? You retrain your people and what happens is that then BellSouth changes the rules on the front end so then you end up at the same place?

MR. BRADBURY: No. I wouldn't want to couch it that way.

CHAIRMAN GARCIA: No. But you're just giving us a problem, and I just want to understand --

MR. BRADBURY: Okay. We need to -- the problem has several parts to it. Depending on which interface you're using, the problem was different. For AT&T, the problem is an ongoing documentation of business rules. And we have an ongoing dialogue with BellSouth about when we find that they've told us one thing and we do it and it doesn't work. We do that.

We also take the errors that come back to us when we have violated the rule, our error. We retrain our people about those violations, absolutely, because we want as few errors as possible.

CHAIRMAN GARCIA: Correct.

COMMISSIONER JACOBS: Is it the case that the original statement of business rules was correct and it wasn't interpreted properly in the system, or is it the case that the original statement was incorrect and the system is doing it correctly? Which do you find most prominent?

MR. BRADBURY: Early on we found the second one. The business rules that we provided were incorrect. Okay.

What we're finding now is as changes to those business rules come out, a certain number of those are also incorrect, and so if that new business rule has come out and we've built to it and, in fact, BellSouth implemented it differently, then our initial orders for that business rule will fall out.

We'll call them up and say, what did we do wrong or what did you do wrong; and we'll figure out which one is right. So it's an ongoing thing.

UNIDENTIFIED SPEAKER: (Inaudible comment away from microphone.)

COMMISSIONER JOHNSON: You need to turn your mike on.

UNIDENTIFIED SPEAKER: (Further comment away from microphone.)

MR. BRADBURY: As Sharon said, a third impact there is the lack -- or has been the lack of integration between preordering and ordering where you have to rekey a lot of stuff, and so you get those kinds of errors, which aren't business rule errors. Those are just human types of errors.

If you have preordering and ordering integration and you don't have to inject on our end, or any other CLEC's end, the human and translating information or rekeying information, you reduce those types of errors.

COMMISSIONER JACOBS: And you --

MR. BRADBURY: And that's -- TAG should go a long way to reducing that type of an error.

COMMISSIONER JACOBS: And the way it does that, it makes that a machine-to-machine interface between preordering and ordering?

MR. BRADBURY: Correct.

COMMISSIONER JACOBS: You don't do that now?

MR. BRADBURY: We do that now. I'm not sure of the extent, you know.

COMMISSIONER JACOBS: In the other CLECs.

MR. BRADBURY: In the others.

COMMISSIONER JOHNSON: EDI mainframe allows that?

MR. BRADBURY: Correct.

COMMISSIONER JOHNSON: I need Page 24. It didn't come in my packet. But looking at Page 24 there, the first section is just how long it takes before you receive a reject notice?

MR. BRADBURY: That's correct.

COMMISSIONER JOHNSON: And you think that January was an anomaly as it relates it UNEs?

MR. BRADBURY: It would certainly look like it, but I would say that December was probably an anomaly, too.

COMMISSIONER JOHNSON: Yeah. I was going to ask you, because I thought you had raised that --

MR. BRADBURY: Average the two. I don't know.

COMMISSIONER JOHNSON: And on the bottom there, help me understand what this represents. Percentage --

MR. BRADBURY: This is the percentage of errors that occur on the electronically submitted order where BellSouth has to intervene in rejecting

that order and send us back the intervention -- the mechanized orders there -- mechanized -- two components of mechanized reject.

If I send an order that has a fatal error in it, that comes back to be mechanized. If I send an order over that has what BellSouth calls an autoclarification error, that comes back mechanized.

The bottom one is if I send an order over that was good enough not to be fatal, good enough not to encounter an autocorrection so it's gone through LEO and into LESOG but had something wrong with it that LESOG or SOCS found, BellSouth has to intervene in that order.

CHAIRMAN GARCIA: Is that intervention back to you, or they intervene and just keep it going on the system?

MR. BRADBURY: This is back to me.

CHAIRMAN GARCIA: Even though it wasn't a fatal --

MR. BRADBURY: It wasn't a fatal. It wasn't automatically identified to be returned to me. It had to be sent to a BellSouth person to determine that it wasn't -- to determine that it was my error.

CHAIRMAN GARCIA: So what you're -- let's look at March, then; okay. So you're telling -- that

31% of ALEC your orders were returned because --

MR. BRADBURY: Again, that --

CHAIRMAN GARCIA: -- there wasn't a fatal flaw? Or is that cumulative of all your flaws? Because you just said this went through LEO, LESOG, or SOCS or whatever, and then at the back end someone catches it and has to send it. 31% of them that happened.

MR. BRADBURY: That's correct.

CHAIRMAN GARCIA: Okay. And we saw some demonstrations where before they ever got there, something around 10, 15% were being stopped on the front end before it ever got to the manual side.

MR. BRADBURY: Right.

CHAIRMAN GARCIA: So 15% percent of --

MR. BRADBURY: That's the mechanized line-up there.

CHAIRMAN GARCIA: Okay. So that's a total, then.

MR. BRADBURY: Okay. The total in March would have been 19,000-some CLEC errors spread between fatals, all those, and CLEC errors found after BellSouth intervened --

CHAIRMAN GARCIA: So that's a total number.

MR. BRADBURY: Yeah. Okay. So that's the

interval, how long it take them to tell us we made an error and how many that they had to intervene in to be able to tell us that.

Going on to the next page, Sharon.

There are other impacts of BellSouth's manual intervention of the ordering process besides their intervention in the rejection process.

BellSouth manually rekeys a relatively high percentage of the EDI and LENS orders that we send over in the SOCS; actually, DOE here in the Florida region.

For example, in March there were some almost 20,000 orders that were valid orders the CLECs submitted, but BellSouth had to intervene into the -- put them back into the DOE machine. It is composed of the M orders that Mr. Stacy talked about yesterday, orders that we send over electronically but they process manually, or orders that we send over electronically they encounter some sort an of error in BellSouth's process and they drop out for manual treatment. So there were -- to get those 20,000 orders processed, BellSouth had to intervene into that process.

Now, I can't look into BellSouth's SOCS machine and see my order that's pending. Okay. So

BellSouth has taken these 20,000 orders and retyped them. There is some probability that they made an error when they did that, but I can't see that because I can't look into my pending order in SOCS.

So the first time I know that BellSouth made an error on these 20,000 -- or the CLEC industry -- again, this is all CLEC data -- knows about that is when my customer tells me, hey, I didn't get what you said I was going to get. And so that's a customer "non-satisfier".

COMMISSIONER DEASON: Why does BellSouth find it necessary to do this rekeying?

MR. BRADBURY: Again, there are two things -- two causes of that; those types of orders that I'm allowed to send electronically, but they do not allow to flow through; okay, and then those orders --

COMMISSIONER DEASON: Okay. Now, why don't they allow it to flow through? There is an error?

MR. BRADBURY: No, there's no error on this order. It's just they've not provided a process that allows that order to flow through without human intervention.

COMMISSIONER DEASON: And they process it the same way for themselves internally, similar

orders?

MR. BRADBURY: Internally, my contention is that they have submitted -- they would submit that same order themselves and it would flow through to SOCS without human intervention.

COMMISSIONER JACOBS: You listed those back here somewhere, right?

COMMISSIONER CLARK: What types of orders are they?

MR. BRADBURY: These are the M orders that Mr. Stacy talked about yesterday. And the definition of M orders when it first came out -- and Mr. Stacy started talking about this -- last year at the FCC was complex orders only and for EDI only.

That definition has recently been expanded to include 12 different categories of orders that crosses both the EDI ordering interface and the LENS ordering interface. I haven't memorized that list, but I can -- I could get it and read it to you, but I -- you know, things like an account that's in denial. It's an account where BellSouth has denied service to the customer but the CLEC is going to pick it up. That account falls out. That's a new expansion of the definition in recent weeks.

COMMISSIONER JACOBS: And also that no UNE

order can go through without human intervention?

MR. BRADBURY: It is my belief that no UNE orders currently flow through BellSouth's system.

COMMISSIONER JACOBS: What's the main purpose, or what's the main point at which intervention is required?

MR. BRADBURY: The main point?

COMMISSIONER JACOBS: Where in the process is the most common place where human --

MR. BRADBURY: I really don't have that information. The data that we get from -- that's available from BellSouth in public forums, I can't tell.

COMMISSIONER DEASON: So what are you asking? You want either BellSouth to do it electronically, or do you want the ability to review what they've done manually?

MR. BRADBURY: I need both. Okay. To the extent that BellSouth must rekey an order, if there are valid conditions under which BellSouth must intervene in my order to put it in, I need the capability when they've done that then to look into SOCS and see if they put it in correctly.

If there's no valid reason for them to have intervened in that order at all, I need them to

provide the process that allows that order to flow through.

Okay. Flow-through: Now, successful flow-through of an electronically submitted order is truly a win/win/win situation for BellSouth, for the CLEC community, and for the customer. It reduces BellSouth's and the CLECs' expenses for people, for programing, everything else. It reduces the errors that occur on orders, and it provides more timely services to the customers. So successful flow-through is absolutely in everybody's best interest.

Flow-through is being measured today. What it's designed -- should be designed to measure is what did not flow through the system for reasons that BellSouth caused.

There's a definition in two orders here in the south, in Georgia and Louisiana, that accomplishes that objective. Those two definitions also comport with the FCC's definition of flow-through in its notice of proposed rulemaking last April, but BellSouth currently doesn't measure in conformance with those definitions.

All right.

COMMISSIONER DEASON: Did you hear Mr. Stacy say that he thinks he's gotten the FCC to agree with

his calculation?

MR. BRADBURY: Yes, sir. And I have -- again, strangely enough, I have a different opinion of what the FCC has done there.

They have not agreed with what Mr. Stacy is doing. They have said if BellSouth follows certain steps, that -- and can prove certain things, their process might be acceptable. BellSouth has yet to do those things, to do that.

So it's not -- the FCC hasn't agreed. They've -- and, again, it's a common carrier really that's issued this letter. It's a very good letter. We'll talk about it later. But it's not an agreement with BellSouth.

It's a view that if BellSouth does certain things, that that would be satisfactory. BellSouth hasn't done those yet. But this is the definition that exists in the Georgia order. The Louisiana order is similar to it. And here what we're talking about is that percent flow-through service requests measures the percentage submitted electronically that utilized BellSouth's OSS without manual human intervention.

Then there's a calculation, total number of valid service requests that flow through to BellSouth divided by the total number of valid service requests

delivered to the BellSouth OSS.

The one exclusion is rejected service requests. A true CLEC error is excluded from this process.

Now, the next four slides I'm going to skip over. Okay. They are an example of how BellSouth calculates this -- how it should be calculated and how BellSouth is calculating it using, you know, the old 100 minus 10 minus 10. I'm going to do the same thing with some real data in some other slides, so these are simply here for referral later. It's a little easier process in working with the real data.

What are we talking about? We're talking about how many of what went where, when, and why did they go there. You know, in order to evaluate flow-through or, for that manner -- matter, any other measurement process -- measurement of a process, you've got to be able to count and account for all of the things that go into the process and all of the things that go out of the process.

So here's a funnel -- and I'm going to ask you to write, if you've got a pen or pencil with you. I wasn't as clever as Mr. Stacy and able to do this in advance.

At the top there we see the universe of CLEC

LSRs coming in. They can come in for resale, for UNE, for interconnection. They could be for business or residence. They could be for many types of activities, and they could come in over a number of interfaces.

If you put a number, say, in the upper left of that -- those of you who have got the big ones can probably do this -- 198,537. We're going to do a little math exercise. That's the number of CLEC LSRs submitted to BellSouth in March, both manually and electronically. Okay.

The next thing to do is put right in here the number 108,467. That's the number of those orders that came in up here, that came into BellSouth as manual requests. They received those either as fax or a box of mail or whatever.

CHAIRMAN GARCIA: Repeat -- which one of those?

MR. BRADBURY: The 108,467 arrived manually; fax, mail. So that's 55% of all the local service requests that BellSouth received. And, again, this is February data. Did I say March earlier? I thought I did. That's February data.

So the center core of this funnel is all manual. That's the last we know in terms of volumes

about manual order processing in BellSouth. In fact, BellSouth does not even report that number on any regular basis in any jurisdiction.

Now, we see percentages throughout the rest of the performance reports about what percentage of manual orders received rejections and so forth, but we have no volume data to go with it, and in most months we have no volume data at all. It's just through another source that this number for February became available to us.

If you've got room down this side here, the first number to put there is 90,070. That's the number of electronically submitted LSRs that were received in February. Obviously that's 45% of the grand total.

Now, below that we can put in two more numbers. And I'll tell you the first number will be the number of EDI LSRs, which is 25,189; and that was 28% of the electronic orders. That's 28% of the 90,000.

The next number down would be the LENS orders; 64,881, and that's 72% of the electronic orders that were received in February. Okay. So we know what came in now.

The objective of flow-through reporting

would be applied to what you wrote over here, the electronic orders, and you would try to then determine how many of those -- ultimately what you want to know, how many of those resulted in a service order over here. That's the objective is to get as many of those to be service orders as you possibly can.

Many different things are going to happen to them, as you go through that process. Several of them will drop out for manual processing as an M order Mr. Stacy talked about yesterday. Several of them will drop out even before that and come in over here. (Indicating) Several of them will drop out for being fatal errors; drop out for having -- being an autoclarified error.

Others will have gotten through LEO and into LESOG and will either drop out as a CLEC error, which is returned to the CLEC to correct, or a BellSouth error, which they correct. So for BellSouth errors, they correct and put them back into the system. They also put back into the system the M orders. Okay.

Again, the objective in any performance measurement, you should be able to continue down through the process and determine what happened to every one of those orders. We're not going to do that math, though.

Sharon, can we go on to the next chart.

COMMISSIONER JOHNSON: But for the manual, the 108,000 for March, you're saying that there is --

MR. BRADBURY: That's for February. I'm sorry.

COMMISSIONER JOHNSON: Oh. This is February?

MR. BRADBURY: Yes, February.

COMMISSIONER JOHNSON: There is no --

MR. BRADBURY: There's no other volume data about that.

COMMISSIONER JOHNSON: There's no other what?

MR. BRADBURY: No other volume -- I can't tell you what happened. In other words, I don't know how many of those became issued service orders, how many of those were returned to CLECs as errors. I don't know how many. I know some percentages of things, but BellSouth never on a regular basis produces that number anywhere.

COMMISSIONER JOHNSON: And they've been required to do that --

MR. BRADBURY: No.

COMMISSIONER JOHNSON: -- by the FCC, any --

MR. BRADBURY: No. They haven't -- there's

no requirement that I'm aware of for them to do that. However, not doing it glosses over the tremendous amount of manual effort BellSouth must perform, because not all of those -- we'll see another chart later -- not all of those things are manual because of the CLEC's choice to do manual.

COMMISSIONER JOHNSON: Well, wait a minute then. Of the manual requests, you said the 108,000, that they were actually the faxes, the mail, they came in as manual requests.

MR. BRADBURY: Correct.

COMMISSIONER JOHNSON: In those there's no flow-through accountability information. But of the 90,000 electronic submissions, some of which became M class or whatever you --

MR. BRADBURY: Right.

COMMISSIONER JOHNSON: -- now those, there would be the information for what happened in a flow-through process, wouldn't there?

MR. BRADBURY: Actually, we know how many of them there were, but we don't know how many of them subsequently turned into orders.

BellSouth -- it falls out, BellSouth manually processes it. But I actually do not now how many of those subsequently turn into orders. That's a

missing "goes-out-of" in this process.

Likewise -- Sharon, just go back to the slide.

So I really don't know how many of those turn into orders from the data that's being presented now. (Indicating)

CHAIRMAN GARCIA: How much longer do you have?

MR. BRADBURY: Probably a half hour.

CHAIRMAN GARCIA: All right. Let's take a break right here and we'll reconvene in 20 minutes.

(Brief recess.)

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CHAIRMAN GARCIA: We're going to get back started. I'm going to ask that those who are set to speak after AT&T -- we're going to take a lunch after this presentation is over. If you could look at your presentation. There's been substantial questions asked. I think it's been brutally exhaustive, the information we've gotten. So if you have a presentation, try to cut it down because according to our schedule we'll be here till 6:30, and I just don't think that we're going to get to where we need to get to if we last that long, at least in terms of learning what is going on.

So if you could, please, limit it. Let's not cover the same territory that's been covered here with our questions, and that'll put us back on schedule. And also, I leave the hearing in the capable hands of Commissioner Deason.

COMMISSIONER DEASON: Okay. We shall proceed.

MR. BRADBURY: All right. Thank you, sir. You all hear me in the back okay? Sharon, we'll go on to the next slide.

In the Louisiana II order the FCC did find certain deficiencies with BellSouth's flow-through reporting. Three of the four still exist today. BellSouth does now disaggregate its data by EDI and LENS and TAG. However, we are still -- there still is as dispute about the treatment of "M" orders, a dispute about the treatment of error allocation, and UNE data is still aggregated.

Sharon.

This is the impact of the exclusion of "M" orders. These are valid CLEC orders. There is nothing wrong with them when they're submitted. Nothing really has changed since the LA II order. The exclusion over states flow through so it makes it appear that the win/win/win situation for BellSouth,

the CLECs and our customers is greater than it really is.

You can see over time that the numbers of these orders has been increasing and has been increasing relative to the total orders. The percentages have been increasing.

Sharon.

On the error allocation dispute, these are those -- yeah -- "E"s that came out and BellSouth has to manually intervene to determine whether it's a BellSouth program that caused the error or a CLEC input error.

There was a change in methodology that occurred in November. Prior to November, the September and October data is fairly representative. CLECs were being allocated 60% to 75% of those E-type errors. With the change in reporting methodology that occurred in November, you can see that that has changed. The first month it was 11%. The consistent number seems to be something in the mid 30's these days. Big, big change.

The other thing that is interesting in the data here is the increase in the number of BellSouth errors that has occurred in the last two months. 10,000, almost 11,000. 9,500.

Okay. What does this mean at the reporting level? There is a number that I refer to as a basic flow-through number. This is how you measure the win/win/win. This is where you can determine how efficient this process is being for BellSouth, for the CLECs and for our customers.

Okay. It's the number of service orders that are issued, divided by the number of local service requests that came in electronically. It doesn't assign blame for why that happened or why there's a difference between the two. It just says, "Hey, in March only 61% of the LSRs that came in the front door resulted in an issued service order."

BellSouth applies "M" order exclusion and CLEC error exclusion and reports for that same month in March the number 85.2%. It's my belief that if they reported it in conformance to the orders guiding them, that it would be 73.5%.

BellSouth's performance for RNS, the residential orders, in March was 96.5%. For business flow-through was 83.2%. On waited average, and I used a 90/10, based on BellSouth's testimony in the past that that's about the relationship of orders between the two systems, their overall flow-through of their orders is in the 95% range.

Up at top, regardless of which one you pick, my basic flow-through, what their reporting and what I think they should be reporting, you can see in 1999 a definite downward trend in all three. It doesn't matter which one you pick to look at right now, CLEC flow-through is going down this year. Not up. Not improving.

COMMISSIONER JOHNSON: What do you think the cause of that might be?

MR. BRADBURY: Well, jump back one slide.

One of them is the increased number of BellSouth programming errors. We've gone here in February and March up to, you know, 11,000, 10,000, BellSouth calls, errors. Used to be as low, back in September, as 2,000. Again, the allocation process that's been used here in the past is questionable, so the past allocation and even the present allocation is subject to question, but that would be a cause.

COMMISSIONER JOHNSON: What would be the types of errors that BellSouth may be making?

MR. BRADBURY: I can't tell you. They don't tell us.

COMMISSIONER JOHNSON: Oh, they just report that there were errors on their part?

MR. BRADBURY: Yes, ma'am.

COMMISSIONER DEASON: Is this an increase in the number of errors or just that they're being reported more correctly?

MR. BRADBURY: Again, I really can't answer that question because of the problems that have existed in BellSouth's error allocation. If I take their reporting at face value, it's an increase in errors on their part.

Okay. Let's go forward and let's take a different view, forgetting formulas. This is what I like to call the whole experience. And again, now I'm working with March data. Before I was working with February data when I had you writing in numbers. Now I've got some numbers you don't have to write.

We've taken that one data point we were given about March and made an assumption -- about February and made an assumption that, you know, that same relationship about 54%, 55% would hold in March, so, we grossed up here. And so we see that there were some 200,000 orders that came in the front door at BellSouth from the CLECs. About 110,000 of them dropped out for -- didn't drop out, came in the door manually. These came in, you know, on the hand cart or in the mail or over the fax.

Some of those came that way simply because

the CLEC has made a business decision to do that. Okay. No fault on BellSouth's part. Some of those, though, came in the door because there's no other way to get that order to BellSouth. You know, you can't submit it electronically so you have to send it manually. We do not know what the relationship between those two is.

Next, we see dealing in electronic orders, that there were 4,500 rejects, fatal rejects. I would like to point out that 4,200 of those were made by one company.

Next, we see that there were 10,251 electronic orders submitted, fell out from manual processing because of BellSouth's decisions not to provide flow-through for those orders.

Next, we see that CLECs made errors that resulted in auto clarification, almost 9,000 times. 86 -- 8,700 times. So, here CLECs possibly have inadequate front-end or they're using an interface that BellSouth is providing that has an inadequate front-end editor.

I'd like to point out here that of those -- that's what? 8,700? There is one company responsible for 3,000 of them.

COMMISSIONER JOHNSON: Of which ones? I'm

sorry.

MR. BRADBURY: Of the auto clarifies. One company is responsible for 3,000. It happens to be the same company that was responsible for the 4,200 fatal rejects.

COMMISSIONER JOHNSON: Which company was that?

MR. BRADBURY: I don't know. Let's just call it company 128-B.

COMMISSIONER JOHNSON: Do you have anything -- was there a unique problem or something?

MR. BRADBURY: I don't know because I don't know who the company is.

COMMISSIONER JOHNSON: Oh, I got you.

MR. BRADBURY: All I can tell you is they're submitting orders via EDI and since the volume and so forth, and I know the EDI main frame players, it's EDI-PC that they're using to submit them.

COMMISSIONER JOHNSON: Okay.

MR. BRADBURY: Next, we see that BellSouth made 9,500 errors in processing these. These are BellSouth bugs in their programming. And that there were 6,200 CLEC errors. Now, we've -- you know, we've -- this is where we've gotten to the point where they have to divide the two. We've gone through LEO

and we're in LESOG and there were 6,200 of those.

And again, I'd like to point out that there was one company that was responsible for 5,800 of them. And guess what? It's that same company that was responsible for the 3,000 auto clarifies and the 4,000 fatal rejects.

So we have one company who, in the month of March, skewed the data completely out of -- that one company had 13,000 errors out of the 19,400 CLEC errors that were made in that month. So, just a fact of point.

Okay. But like I said, that's the big picture. 200,000 in, 55,000 out electronically. Don't know how many out manually. The data is not available.

Okay. Like to skip over the next two slides.

COMMISSIONER DEASON: Let me ask you a question, and to an extent, I guess, it's kind of facetious. It seems to me we've got too many errors. Those are errors being made on both sides. Should we have some type of an incentive plan that for every error you make, you pay BellSouth so much; for every error they make, they pay you, so that everybody has got a good incentive to not make errors?

MR. BRADBURY: I'd really like not to answer that question.

COMMISSIONER DEASON: Well, I mean, how do we solve the problem? I mean, we're caught in the middle as regulators. You're sitting over there saying, "We got all these errors. Things aren't working right." BellSouth is saying, "Things work really well and we're doing well, but we make as many errors for ourselves as we make for them." And we sit here and we try to determine where the truth is, and we really don't have the tools to know ourselves. And maybe we need a mechanism out there to try to minimize the errors and usually what gets people attention more than anything else is when you start talking about dollars.

Have you thought about it as a policy question as to how do we go about minimizing the errors, because no one wins when there is errors. And not only does customers get unhappy, but it cost the system more money, too, to reprocess all of these things.

MR. BRADBURY: No, I have not thought about it as a policy matter. I think about error correct as an operational and a cost product -- cost of doing business all the time. That's why I wanted to point

out, in this particular month, there is one company who's responsible for --

COMMISSIONER DEASON: Well, maybe somebody needs to get their attention.

MR. BRADBURY: It's not my company. You know --

COMMISSIONER DEASON: Maybe somebody needs to get their attention some way. Maybe they are -- they're imposing unreasonable burdens and cost on the system which is not -- which is not helping anyone, and I don't know who they are either.

MR. BRADBURY: I don't know they're identity either.

COMMISSIONER CLARK: Well, let me ask the question.

MR. BRADBURY: Again, this is CLEC aggregate nine state data. Please understand that.

COMMISSIONER CLARK: It seems to me one of the things -- I don't disagree that you might want to do something like that, but one of the things to get right is that the performance standards that BellSouth or whoever needs to be held to, should only be those over which they have control. The fact that bad data was put in by the CLEC should not impact their performance standards at all.

MR. BRADBURY: And the calculation, as in the Georgia and Louisiana orders and proposed by the FCC, if a CLEC is, indeed, making errors that are CLEC caused errors, those do not penalize BellSouth's performance. The formula works that way. Okay. BellSouth is not penalized for a true CLEC -- the only dispute here --

COMMISSIONER CLARK: Is what is a true CLEC.

MR. BRADBURY: And it's not -- this is not a dispute at the fatal reject level or at the auto clarify level. It's at the "E" level where that error could have been either BellSouth's or the CLEC's. That's where the dispute on those errors is.

So on that pipe, there were 9,500 BellSouth errors and 6,200 CLEC errors, per BellSouth's allocation of those errors. Don't know if that allocation is right or wrong. We have questions based on prior data that it may not be correct. It's never been audited.

All right. Like to skip over the next two and go to one more chart that talks about flow-through.

MS. NORRIS: Jay, could I just add one thing? This is Sharon Norris. I work with Jay on OSS issues for AT&T. And in response to the question,

what can we as regulators do, there really -- and everything that's been said by you is absolutely accurate.

My position or my thoughts about -- in responding to your question, is as a regulator you can ensure hopefully through some methods that all the things that the CLECs need to minimize errors on the front end are done; that integration is available; that business rules are adequate; that the change control process or changes in business rules is managed well. And if you don't have the tools to do that -- as you said, you may not have those -- some other states have undertaken having an independent third party to go in and take the business rules and documents and systems of an RBOC back and see if they can use them. And it sort of eliminates this he said/she said stuff that kind of gets you in the middle. So that's one alternative that you have.

And then, absent that, then you're right. Then it gets to auditing the performance measures and saying, "Let's have somebody look at this, all of this allocation process, and see if it's an equitable one."

Those are two things that I would offer as regulators that you have as tools at your disposal to resolve this problem.

MR. BRADBURY: 41. Okay. It was postulated yesterday that BellSouth has no flow-through for its business orders. I'm a picture oriented person. This picture is my explanation of yes, they do, and that Mr. Stacy and BellSouth have been accurately reporting it for the last 18 months.

On the BellSouth side here we see a service representative who could be inputting those into DOE and SONGS or RNS. I saved myself one block. Only one service rep. But in both cases they are inputting into a system that applies edits to an order and then sends the order to SOCS, which also applies edits, which turns the order -- service request into a service order.

Similarly on the CLEC side, I have a service representative typing into my system, sends it across to BellSouth where it also receives some more edits, goes to SOCS where it's edited finally, resulting in a service order. There is no difference in my mind.

BellSouth has been accurately reporting its business flow-through for the past 18 months, and that their argument that they don't have flow-through for business is bogus. And that closes my section on flow-through.

Like to talk very briefly about provisioning

and the FCC said a couple of things about provisioning.

Sharon, we can go on to the next slide.

There are two measurements that they talked about, relationships to intervals. They wanted to look at the long interval, which is from the receipt of when they got a valid order until the CLEC received a completion notice. And then they had, within that interval, from the receipt of a valid order until the service was actually provided.

It's very difficult to calculate these intervals from the data BellSouth is providing. For the long run, BellSouth has not been providing reliable data on completion notice intervals, and I will show you why I say that in a minute.

The way the data is presented is disaggregated differently for FOC and installation internals so it's hard to add those together to get that one. And BellSouth, just like they provided no comparison -- (telephonic interference) -- rejects -- are we still alive -- for rejects, also provides no comparative data for FOCs, claiming they have no similar process.

Sharon, the next slide.

This is the completion notice interval data

that has been provided. (Telephonic interference.)

UNIDENTIFIED SPEAKER: The thing needs to be taken off the --

MR. BRADBURY: Where do I --

UNIDENTIFIED SPEAKER: Saturn mission was successful. (Laughter.)

MR. BRADBURY: Okay. Are we back on? All right. This is the data that's been provided recently regarding completion notice intervals. In November BellSouth sent out a blank table. In December there was a percent distribution but no intervals. January we saw some intervals for residence in business. We see them again in February. Picked up a UNE design interval. And we see intervals for residence, business, resale of UNE and design.

I really don't think it's taking BellSouth 29 days to provide us with completion notices in the CLEC world. I think their data here is still unreliable.

Firm order confirmation. We talked about this and you've been following along and you really know that firm order confirmation belongs back in ordering. The reason it's here is because I was trying to do what the FCC said to do with provisioning intervals and added to it.

See some marked improvements recently in the residential mechanized -- "M" stands for mechanized. "NM" for nonmechanized -- January, February and March intervals for that type of an order returning to us.

This is where I have submitted what is a clean order and it gets FOCed mechanically. Looks pretty good. I don't think I'd say the same about the rest of them in the mechanized world. Business 30 hours, UNEs 71 hours, reading from the March. No data for loops with LNP, which is a very common transaction, which indicates to me that none of those are flowing through.

And the other -- kind of a real interesting change there between February and March. Like to see more data to see what is going to happen with that one.

COMMISSIONER DEASON: What period of time are you measuring? From the time that you submit an order which has no errors, goes through the system, it takes this long to get an FOC or does this measure the amount of time that it takes to correct the errors?

MR. BRADBURY: No. This is just a clean order to FOC.

COMMISSIONER DEASON: Clean order?

MR. BRADBURY: Right.

COMMISSIONER DEASON: Okay.

MR. BRADBURY: Okay. Like to turn next to maintenance and repair, and walk through some slides. This is -- it's very important when you talk about maintenance and repair to start from the CLEC's perspective. It's the CLEC who's dealing with the customer.

Okay. So we have a system at AT&T that's set up and we can talk to our databases that contain our customer service information, our problem information, our trouble report information. If it's a facility-based customer we'd have that kind of information also.

These days, I can be talking to a customer about his long distance, his wireless, his local, his Internet, his video, so I've got about six different things that I could be talking to my customer about, so I have to have my own database. So my process is set up to meet the needs of the CLEC, AT&T, first. Assumes that I can go out and get what I need from other providers.

Next slide is my current "standard" maintenance process with BellSouth. It's a telephonic process. We talked earlier, we had used the EBI interface for a little bit. I make a phone call to

BellSouth's wholesale repair center where they have access to the WFA system and the TAFI system and they take my trouble report using the pre-agreed to script that we have between us and that's how I'm doing business with them today.

Next slide please, Sharon.

We looked at using TAFI back in 1997 and you see what it did to my process then, is I had to split my process if I was going to be using TAFI. If I had a trouble report that I could use TAFI on, I'd use it. But if I didn't, I'd go use a telephone. So I now had two processes to accomplish the same thing. And I now, since I'm doing data entry into TAFI, I now have two data entries and I can make errors between the two. So what I put into TAFI may not match what I put into my internal database.

There was sufficient additional cost related to this operation that the business unit said, "I don't want to do this," because we were looking at that point at EBI coming up. Within six months time we'd have had a machine-to-machine capability. So we tested it and evaluated it and then did not continue to use it.

This is the electronic bonding to ECTA interface that we did use. And very, very briefly,

because we left the resale market, we didn't have the critical mass of customers to make this an efficient operation.

I would like to point out that while we call this a machine-to-machine operation, it's only machine-to-machine right here. Everything falls out to the BellSouth person, and Mr. Stacy said that yesterday, for handling. We knew about this as early as April of '96.

And Sharon, we can go on to the next slide.

And what we have been asking for since April of '96 is a configuration that would look like this where we would have a machine-to-machine capability between ourselves and BellSouth that would allow us the access to TAFI and WFA and only reach a person as a final default. That request has been on the table for three years.

All right. Sharon.

Last July, BellSouth submitted its third application to the FCC. In conclusion, I'd like to just present to you the overview of BellSouth -- of the FCC and BellSouth's application.

Couple of key things. The FCC says here they filed a second application for Louisiana without fully addressing the problems we had identified in

previous applications. Particularly evident in Operations Support Systems.

Again, BellSouth had a map before they came back there the second time. Actually, this was their third time because they did it in South Carolina before. The argument that they don't know what the FCC wants is a little hallow. Clearly reflected in the FCC's order here.

The next three pages outline more of the FCC's conclusions specifically about preorder. They started out, again, restating their overall conclusions about failures to provide nondiscriminatory access. Also in the unbundled network world, and highlighted preordering and flow-through that we spent a lot of time talking about.

Stated the evaluation standards. The same ones that Bill talked about yesterday. Substantially same time and manner; meaningful opportunity to compete; and that their preference is for performance measurement of actual commercial usage.

In terms of preordering, they were pretty harsh about the lack of integration in preordering.

Next slide.

Ordering has spent considerable amount of

time on flow-through, as we have here today. They were very, very concerned about manual processing. And I think we talked today about how much manual processing still exists within BellSouth's systems, both for orders that are submitted manually and for orders that are submitted electronically and require subsequent manual handling.

Next slide.

Provisioning, and they talked about the installation intervals that are unable to compute easily.

Maintenance -- this is -- (telephonic interference.)

Talked about the differences in the functionality available between TAFI and the electronic -- (telephonic interference) -- interface.

Had some comments on billing. Those two comments probably -- I would say have probably been pretty well addressed by BellSouth at this time. They highlighted several other of the check list items that were impacted by OSS.

What's remaining? Most of the issues that the FCC addressed in LA II are still unaddressed today in an efficient manner.

There is a very interesting letter that

Mr. Stacy referred to yesterday from the Chief of the Common Carrier Bureau, February 10th. Talks about five issues; flow-through, TAFI integration, performance measurements, complex ordering and third-party testing.

And third-party testing, again, they state their preference for commercial usage, but where there is none or it's inconclusive, he said/she said, some form of testing is necessary to demonstrate that the BOC's OSS is operationally ready.

Wasn't particularly enamored with internal testing or carrier-to-carrier testing, but that a third-party test would serve as a reasonable safe harbor.

It's a very good letter. We'll make this available to you if you don't have it already. And if you have other questions, I'm through.

COMMISSIONER JACOBS: I'm sorry. That letter is from the FCC Common Carrier in response to what?

MR. BRADBURY: Actually BellSouth and the FCC had a dialog in mid December and this documents that dialog. It presents their viewpoints -- the Common Carrier's viewpoints on these five issues. It is not an approval of anything that BellSouth is

doing. It is a series of suggestions. There are things here that BellSouth needs to do. As they say, they can't make a conclusive determination until they receive the next -- (telephonic interference) -- application.

COMMISSIONER DEASON: Okay. Thank you. Let me ask, at this point, has MCI reviewed their presentation to see whether it can be shortened any? We're still before the noon hour. I would suggest we go ahead with MCI. If we have to break during the middle of it, fine, but perhaps we can go ahead and conclude MCI and try to get back on schedule.

MS. KEATING: If I could just point out one thing before we move on. I think we're getting the phone situation worked out so that if people want to call in for the rest of the session they shouldn't have a problem.

I just want to remind people, though, not to put the line on hold because we get the music that is on your hold line, but to also put us on mute or to make sure that your office is quiet.

MR. GREEN: Good morning everybody. Mr. and Mrs. Commissioner. My name is Bryan Green and I am with MCI and today I'm going to present to you a brief overview. I'm not going to retread ground that was

already trenched today and/or yesterday.

But what I will go through is just real briefly where MCI is with their development with BellSouth. Talk to you a bit about some of the results of an operational trial that MCI commenced in the beginning of or late 1998, early 1999, as well as talk about where the issues reside with the development process going forward and some of the things that the Commission may be able to do to help expedite that to make sure that the operational interfaces are up and operational to support market entry.

With that, let me dive right into sort of the objective of our development efforts with BellSouth. Obviously, it's to get machine-to-machine interfaces up and operational, such that MCI has the means by which to submit orders effectively through the BellSouth system such that we enhance the efficiency of the MCI systems through mechanized interfaces, as well as gives us the opportunity to meaningfully compete.

The end goal of that is for our customers that will be transitioning to MCI to experience the same level of service that they're used to getting from BellSouth themselves. At a minimum that same

level of service. And without the means of having operationally efficient interfaces, we won't successfully be able to meet that goal.

Before I go to the next slide, because I don't have a slide prepared to share with you where MCI is with the development of BellSouth, I'm going to break this up into the five silos of OSS, which would be preordering, ordering -- and I'm going to lump provisioning in with ordering. We'll talk about maintenance and we'll talk about where we are with billing.

Billing is less of an issue for us right now because of the number of customers we have operational and the amount of information we've been able to derive, but that will probably be the next horizon where their issues will reside because of lack of functionality in that arena as well.

Specifically from a preordering vantage point, as Mr. Stacy mentioned yesterday, MCI elected to place on hold or to delay the development of our interactive agent requests using the TCPIP protocol based on SSL3 architecture. Bill Stacy defined that yesterday as the interactive agent.

Our decision to place that on hold was principally decided because of the fact that we don't

have a UNE-P offering in key states in the BellSouth region. Preorder, obviously, is one of those mechanisms that has a much greater impact on our residential business customer -- on our residential customers than it does on our business customers. Therefore, until we have a UNE-P offering in key BellSouth states, we will not be moving forward with the development of preordering.

Now, MCI is committed to that development and we're in the process of developing that architecture today in the New York Bell Atlantic region where we do have a UNE-P offering and we are actively in the market with a commercial service delivery method that allows us to be successful in that market. So we will be moving forward expeditiously with BellSouth as soon as we get that capability for UNE-P.

From the ordering vantage point, where we are is we are still in the midst of the developing, tweaking, adding the necessary functionality for EDI Version 7 with BellSouth. Specifically designed for the delivery of orders associated with local number portability and stand-alone loops and loops plus number portability. That development effort has been underway. I have some slides to talk about the

process we've been through thus far and some of the issues that are still outstanding with that interface.

Provisioning is lumped into that, and specifically, when I talk about provisioning with OSS, I am specifically talking about the electronic notifications that are necessary. Those would be the service jeopardies. Those would be the completion notices. Those would be the rejects. Those would be the notifications that are necessary that feed the MCI back-end system such that those systems know what the status of orders are in BellSouth land as well as allows us to kick off other processes downstream for us. Particularly, for example, with the completion notice. Our systems would kick off information to our maintenance centers as well as to our billing centers that we now have ownership of that customer.

From the maintenance vantage point, we never elected to use the TAFI system that BellSouth offered early in this whole OSS development cycle, but have developed with BellSouth the electronic -- the ECTA interface for maintenance with BellSouth based upon the current industry standard.

There's an issue or so that exists with that interface but we have been up and operational with that interface for -- I would -- upwards of about six

months or longer. And then from billing, we're using the same billing systems and functionality that AT&T talked about earlier today so I won't go into those.

Okay. Let me take you through some of the development that we have gone through with BellSouth just to sort of get you up to speed of where we are, and this is going to be from a historical perspective, but it's going to have some bearing on some of the things that we've been able to uncover as we move through trying get this interface up and operational and rolled out into a production environment.

Specifically, we began the development of this interface about 15 months ago with BellSouth. As a matter of fact, we began this development in January of 1998 where we began to review the documentation provided by Bell and work in teams with BellSouth to go through that documentation, business rules, EDI specifications and the like. And that process took about three to four months to get through all of that information.

Beginning in April through June, we began to submit what we define and what the industry defined as EDI simulation orders. The significance of that is that we, on the MCI side of the interface, would submit orders to BellSouth that we would generate

manually, send them through the Bell interface that was up and operational at this time, such that before we got to the coding of those actual EDI maps as is defined in the technical realm, we would be able to identify any errors in the documentations, any errors that were in the operation of the system.

And through that process, we were able to identify at least 14 problems either with the documentation that was provided by Bell that we spent the last three months reviewing and/or problems with the operation of the interface.

Specifically, there was three things that we uncovered. One was the inconsistency of the documentation and the operation of the interface. The other was the fact that there was no test environment for local number portability orders.

What that means is, that when we did submit local number portability orders as part of the EDI stimulation testing, they were manually reviewed by BellSouth's reps. In other words, we pull them -- they pull them off, look at them, say, "yeah, this stuff looks right based upon the business rules, so we think they'll be okay."

And then we also uncovered the fact that Bell could not transmit to us electronic firm order

confirmations or completion notices throughout this trial. We worked with Bell to try to get those issues resolved and there were promises made as a result of those findings that they would get those issues fixed.

We completed end-to-end testing in the August time frame with Bell, but that end-to-end testing, again, did not include local number portability end-to-end testing because there was no test environment to available to do that in.

Subsequently, in September of 1998 we accepted the interface from BellSouth with the promised enhancements that Bell committed to us that would be necessary in order for us to use this interface in a production environment.

Two things specifically that we needed Bell to provide to us were partial migrations. Partial migrations is necessary because when you initially approach a customer who has been doing business with BellSouth for an extended period of time, nine times out of ten they're going to be reluctant to migrate their entire service over to you. So the way that you're going to prove to the customer that you can provide the level of service necessary for them is to take a portion of that service.

In order to do that we needed to send what's

been defined in the industry as partial migrations over to BellSouth. BellSouth systems, at the time that we received and accepted the interface, did not support partial migrations. That was one functionality that was absolutely critical to us.

The other one that was absolutely critical was the fact that the Bell system did not support electronic notifications for local number portability. And specifically, it did not provide rejects and clarifications electronically for LNP orders, nor did they provide at the time automated maintenance -- or I'm sorry -- missed appointment jeopardies and/or service jeopardies.

So those were the commitments that Bell committed to enhance the system.

The target date for partial migrations was March 28th of 1998. So, you can see that that was about six months after we had accepted the interface that they got that functionality provided. And to date, that functionality still hasn't been thoroughly tested, but just recently they said that that functionality was available.

As well as electronic rejects for -- or electronic rejects and clarifications also came on line per Bell 3-28. We're still, to date, waiting for

service jeopardies for local number portability orders.

COMMISSIONER JOHNSON: I'm sorry. You said the electronic rejects that that is -- that they did implement?

MR. GREEN: Bell shared with us that that functionality had been integrated into the interface as of 3-28. We haven't had the opportunity to test through that, but that's a commitment that Bell has said they've met.

COMMISSIONER JOHNSON: So both the partial migration and electronic rejects --

MR. GREEN: Electronic rejects, both on 3-28.

COMMISSIONER JOHNSON: They just haven't been tested?

MR. GREEN: Right. By MCI or any other provider in the industry.

COMMISSIONER JOHNSON: But service jeopardy for number portability, that is not in place?

MR. GREEN: Still is not available. Their commitment date for that functionality is May of 1999. So, this month. That is suppose to be there. Okay.

From there, let me walk you through the operational trial information that we did with

BellSouth, and let me share with you just to make sure everybody is grounded on operational trial.

This operational trial was conducted by MCI as an effort to prove that the interface actually operated as prescribed. In other words, even though we knew that we were missing some functionality, we wanted to confirm that the functionality that Bell said was there, that we believed was there, was actually there and could be used in a production environment.

We used real orders. And when I say real orders, they were test orders from MCI. They were real to BellSouth. They had no idea that we were sending these orders as part of an operational trial. They believed that these were real production orders and were to treat these as real production orders.

MCI used their own facilities to submit these orders. What we submitted as part of the test was stand-alone loop orders, local number portability with loop orders. These were full migrations of customers' accounts.

And subsequently, throughout the trial as we got these lines installed, obviously we needed to disconnect these lines as well. So subsequent or after January, we began to issue some disconnects and

through the process we had some cancellation orders that we submitted as well.

Okay. The operational trial identified a number of problems that were existent with the BellSouth interface. Primarily, there was a lack of flow-through. In other words, there were -- all of the orders that we submitted through the Bell interface were handled manually; had some means or at some point were handled with manual intervention.

We received from BellSouth invalid rejects. Now, let me define an invalid reject. MCI submits an order that is based upon the business rules provided to us by BellSouth. BellSouth receives that order via the electronic interface, and subsequently sends us back a reject for an error that -- for a problem that is not an error.

In other words, they may reject and have rejected the orders for invalid user name. Well, the user name on the order was the right user name on the order, but they rejected it in error. Says that a service rep looked at that order, wasn't quite familiar with what the rules should have been and rejected that order back to us, delaying the MCI process and impacting our process as well.

Let me talk about what happens when we

receive manual notifications that we transmit electronically.

MCI has built on their back-end systems that interface with the Bell EDI system. So what we are looking for when we transmit orders across to BellSouth are electronic notifications back. We are looking for those confirmations that they received the orders, that either they are negative or affirmative, what's defined as 997s. We are looking for firm order confirmations. We are looking for rejects. We are looking for clarifications. We are looking for completion notices. We are expecting all of that information to come back electronically because our systems are set up such that if we do get it, it triggers some response downstream.

What happens if I get these things manually is that now I have to deploy people to go find the order because it comes across fax. What is it? And then go update our systems to allow our service reps to make the necessary changes to the order in order to get those things sent downstream.

And for 15 orders that we sent through this interface between November 1998 and January 1999, that was a horrendous process. Very horrendous process.

We also were missing completion

notifications. We, on many instances, didn't receive a completion notice whatsoever. And again, a completion notice is important because it allows MCI, No. 1, to know that we should begin billing our customer. No. 1.

No. 2, we should expect to begin to receive billing from BellSouth on "XY" date, as well as being able to communicate to the customer that your service is up or it's not up or we have some problem. So, those things are important.

Jay spent a lot of time on performance measurements, going through timeliness of notifications. Well, during our trial, our operational trial with BellSouth, we identified the fact that our notifications were very untimely, as well as there was inconsistency in processing of orders, specifically there with the disconnects and the cancellations orders that I will talk about later.

I mentioned already that all of the orders that were submitted in November to January that were for loop, loop and LNP were handled at some point during the transaction manually. All of the orders -- let me reiterate here -- that we sent through the interface was either defined by Bell as simple, flow-through and/or 100% flow-through.

So we specifically issued orders that we believed should flow through the interface; stand-alone loops, loops plus LNP. And Bill in his documentation yesterday showed that LNP orders flow through as well as loop orders flow through so you would suspect that loop plus LNP orders should flow through.

COMMISSIONER JACOBS: I'm trying to remember. This morning I think we heard that none of the UNE orders that AT&T sent through were flow-through. There was manual intervention in all of those. Is it -- do the business rules provide for automatic flow through of UNE orders?

MR. GREEN: The expectation, when we developed our system, was that stand-alone loop orders, which are UNE orders, loop and LNP orders would flow through the interface without human intervention. So the expectation there is, absolutely.

Of the -- from the lack of flow-through we received 20 rejects on the 15 orders that we submitted through the Bell system. Some of that was -- some of those were valid rejects. Others, and many of those were invalid rejects. Rejects that we should have never received.

And again, what we also saw was a situation where we received individual rejects for multiple errors on an order. What I mean is that once the order gets sent through the system, Bell's commitment to us is that they will send back a reject or clarification identifying all of the errors, not just one. In many instances we got multiple clarification for errors on the same order, which that shouldn't be the case as well.

And then again, most of the FOCs that we received were received manually as opposed to electronically which caused that problem in our back-end systems of our service reps having to grab that information and update our system so that we could keep track of it.

Now, during this time we were communicating with BellSouth and identifying for them the problems that we were uncovering, so it's not as if we were gathering this information to all of a sudden come to a Commission hearing or go to the FCC and say that things aren't working the way that they're suppose to.

So we began to communicate with BellSouth shortly after we began to see these types of problems. We identified through -- from the November through December, 20 issues. Bell responded to our issues in

the January time frame, so it took them about 60 days just to respond back to us with what they believed the issues were. And of the nine problems we identified -- or of the 20, rather, that we identified with BellSouth, nine of those were identified as BellSouth training rep issues.

Let me give you a couple of examples. Multiple clarifications via EDI was identified as a BellSouth service rep training issue.

Local number loop and number portability missing the firm order confirmation was identified as a BellSouth service rep training issue.

So there is a number of things in here that if the system was fully automated, supported total flow-through, you would not expect to see a situation where it was a BellSouth service rep training issue for things that shouldn't involve a BellSouth service rep.

Okay. Next slide, Dee.

Of the rejects that we did receive, 60% of them were invalid. And again, invalid reject reasons were they ran the gamete, but the -- I will jump down a slide.

The primary reasons that Bell rejected our orders in error was the fact that they rejected valid

network channel codes that we put on the order that were provided to us by Bell, and the fact that they rejected our end user names.

Now, let me explain the end user name scenario, if you would. When you submit a new installation order for a loop, you have control over what that end user name is going to be. MCI, for these trials, so that we could keep track of them, were placing end user names of EDI Atlanta-02 on the order.

Well, the Bell service rep, who is manipulating these orders, was expecting to see a person's name. Therefore, they were rejecting these errors in order -- I mean, they were rejecting these orders in error, which was a problem because we can put any name on that order that we so choice because we are maintaining a relationship with that customer.

Other problems were that three of the invalid rejects we received electronically. Now, that begs a question. You wouldn't expect to receive an invalid reject electronically. Says one of two things.

One is, either the system is programmed incorrectly and kicking you back these errors when it shouldn't; or that they're service reps involved in

this process and that they have the ability to manipulate the EDI system such that they can send you back EDI transactions as opposed to sending them back to you via fax, which we believe the latter to be the case.

And again, I talked about the fact that we received multiple rejects, and at least on two orders we received multiple invalid rejects. So not only did we receive the first invalid reject, but we received a second invalid reject on that exact same order.

And I'll say this. That for the most part, when we got an invalid reject we did absolutely nothing with the order. We didn't send another order in. We would call BellSouth and tell them that this order should not have been rejected and then subsequently, in at least two instances, we received additional invalid rejects.

COMMISSIONER JOHNSON: I think I must be missing a major point here. You are sending these orders over electronically?

MR. GREEN: Yes. Via the EDI 7 interface that was turned up in September.

COMMISSIONER JOHNSON: And you stated though, that you don't expect to receive the rejects back electronically. Wouldn't you -- when you were

talking about the machine-to-machine interface, if the user name was invalid because you didn't use the right business code, wouldn't you want it to come back electronically and --

MR. GREEN: There is two points there. First of all, that the system is coded correctly. I wouldn't expect to see an invalid reject electronically. Otherwise, that's suggesting to me that the system is not designed correctly.

COMMISSIONER JOHNSON: I see what you're saying. I was just thinking -- so, is the fact that it was an invalid --

MR. GREEN: But I do expect to get rejects electronically. I just don't expect to get those that are invalid electronically.

COMMISSIONER JOHNSON: I'm following you.

MR. GREEN: Okay. Let me go to completion.

COMMISSIONER JACOBS: Excuse me. Do you have the front-end editing on your EDI -- front-end gateway on yours, your inputs to EDI?

MR. GREEN: Let me make sure I heard the question.

COMMISSIONER JACOBS: If I recall, earlier this morning AT&T had a -- sort of like a pre-processor, if you will, on their inputs to EDI.

Do you have a similar process?

MR. GREEN: Absolutely. When we build the interface with BellSouth we take the business rules. And the reason the business rules are so important is it allows us to develop the editing capability on our front end so that if we were inputting information correctly -- in other words, if one of the business rules, for example, said that a Network Channel Code, for example, was all ALFAs or should be five ALFAs, and we go in and we -- our service reps enter the information and they get fat fingers and type it in wrong, and let's say that they put some numerics in there and make it eight characters. Well, our system will reject that order back to our service rep because it doesn't meet the business rules for BellSouth. So there is a pre-editing function that is included in our front-end systems.

Completion notices. 57% of the orders or 8 out of 14 did not receive a completion notice. Now, you see that there is only 14 there. That's because one of the orders we had to cancel due to some inherent problems and there was a couple of problems.

One was, MCI had made an error on that order so we had cancelled that one because another order was actually the right one, so we only expected to see 14

completion notices. Then we only received 8 out of 14.

I will say that all of the completion notices, when we began to receive them, came electronically. We did not receive one completion notice manually. One completion notice, however, we received five days after we cancelled the order. So, you wouldn't expect to see a completion notice on an order that was cancelled. And I will talk more about some of the issues we found with cancellation orders.

And then, again, this is one of those situations where Bell identified this issue as a service rep training issue. So, again, it baffles MCI to understand how it's a service rep issue if these orders are truly flowing through the interface as tallied.

Lack of timely notifications. And I think this correlates fairly well with some of the information that Jay Bradbury of AT&T had up here earlier this morning.

Bell's commitment to MCI via our interconnection agreement is that they will provide us with firm order confirmations in four hours; four hours from the time that we submit a clean order to BellSouth. Their rejects are one hour from the time

that they receive the order from MCI, and we will get completion notices within one hour of the service being completed.

As you can see there from the results of just our 15 orders, Bell didn't meet those objectives. They failed to meet those objectives in every way.

On average -- and these I will say, in my numbers here, I excluded weekends and holidays. Now, that's to give Bell the benefit of the doubt. One would suspect that the system doesn't care about weekends and holidays, so if I sent an order, that order would at least be processed through the system. It may not be worked by BellSouth representatives if it needed provisioning, but I would expect that the system, if the system was up, would be transmitting the information regardless of if it's Christmas Day or Saturday. Okay.

So these time frames that you see here do not include even those weekends and holidays, so the number would be higher if I did.

On average 2.9 days to return a reject. 4.69 days to return a FOC, and for the completion notices -- I'm sorry -- that I did receive, on average three days after the order was due to be completed.

I mentioned that we submitted some

additional orders, some cancellation orders, some disconnect orders, but we also transmitted three additional loop orders, two cancellation orders and 14 disconnects.

Let me talk about the cancellation problems because these may not seem like a big deal and you don't hear much about -- you know, you hear a lot about migrates as-is, migrates as specified, new installs, add, move, changes, but what about cancellations and disconnects? Those things never get discussed. And unfortunately -- well, I guess I'd say unfortunately or fortunately, we stumbled on this. We did not expect these things to be an issue. We expected these things to flow through the system not have any problem.

But what we found was that the cancellation orders, when we did send them weren't cancelling the original order that we submitted. In other words, I submitted an order to be installed on -- let me pick a date. December 5th. I send a cancellation order in for that order on December 1st. What I get back from BellSouth is a firm order confirmation for that original installation order. I don't get a firm order confirmation back on the cancellation order. That costs us some great concern.

I also got those FOCs back late. They didn't come back within the four hour time frame.

COMMISSIONER CLARK: Let me ask you to -- go back to what you get is the firm order confirmation for the original ordering. Do you get anything subsequent to that?

MR. GREEN: Not on those cases. I will say that we -- throughout this trial, sometimes they -- which is why I call this inconsistency in order processing. Sometimes it was done right. Other times it was not. And for the most part, it was not done correctly. So the answer is, sometimes yes, most times, no.

The FOCs were consistently late with these orders, and in at least one instance, I received a -- back to the completion notice I received once when I had cancelled an order. But another time, I received a missed appointment jeopardy when I cancelled an order because we weren't ready to meet them at the switch. We were going to turn up the loop, obviously, because we disconnected or cancelled the order.

Now, you may not think that it's a big deal if they're not cancelling the orders, but the problem is that if I'm dealing in a customer scenario and the customer calls and cancels the order for whatever

reason, they may want to change and it's easier for us just to cancel the order than to try to submit multiple sups for BellSouth, we may go back in and use the exact same facilities on this order that we were using on the original order. Bell would reject that order because the facility is a pending installation. That's a problem.

They may ultimately -- if it didn't require our services, they may ultimately go ahead and install that service, send us a completion notice and then we have all kinds of billing issues and other installation services being installed at the customer site that we aren't expecting.

It also throws our systems out of sync. When we send orders to BellSouth -- again, I talked about our back-end systems keeping track of what we're doing with BellSouth. If they are not processing our cancellation order, then my back-end systems are out of sync with their systems and that causes us some problems.

Obviously, we would have to throw human resources in to resolve those issues, which again, drives, you know, cost into our business, delays and other headaches, which on a volume basis, you would expect to see a number of cancellation orders. We're

trying to do an operational trial to prove that the system works the way that it's suppose to, so these caused us some pretty good concerns.

On the disconnects, this is a real interesting scenario. And again, let me reiterate that these orders were submitted just a couple months ago now. So this is an interface that has been up and operational for some time.

I'm surprised that nobody else, out of all the 17 or 200,000 orders that have been submitted through this interface, hasn't identified these as issues. Maybe these are issues with the customized main frame interface that we're developing with BellSouth. But, again, if the processes are the same, it's just the interfaces or the software presentation to the customers, one would expect to see similar problems.

On the disconnects, when we started to do the disconnects, we didn't send all 14 at one time. We sent two disconnects originally and ran into similar problems with the installations. They were being rejected in error, late FOCs. Called BellSouth. "What's going on." Sent two more. Those two flowed through flawlessly. FOCs on time. Done on the date. Completions. Everything. We thought the problem was

resolved.

Well, since we thought the problem was resolved, we sent 10 more. We sent those 10 on March 24th or 23rd. Bell rejected all of them in error. But they did not, in this case, send us back either a manual or an electronic reject. They just sent us nothing and communicated with us via e-mail.

They confirm that they should not have rejected these orders in error. They then sent us firm order confirmations, but they sent the firm order confirmations on April 7th, which is about 15 days after we submitted the original disconnect order. And then they ultimately got the disconnect done and the completion notice came. But, again, one would not expect to see a problem like that. If we had had shorter due dates on our disconnects than we did, then we would have had a problem with the service being disconnected on time.

Again, we have the same issues with customer relationships; billing issues on both sides, billing to the customer, billing from BellSouth. So all of those things are issues for us that we are today trying to get resolved with BellSouth.

Some of the unresolved problems that are still existent today is -- and Bell knows about many

of these. And some of these -- and I'll identify which ones on this list. Again, Bell has made the statement that they have resolved that issue in their interface.

But, to date we still have a problem of missing circuit ID when we get a firm order confirmation back. And let me talk a little bit about that.

When we send a loop order to BellSouth, what happens is they assign a circuit ID to that order and that circuit ID is communicated to the CLEC via the firm order confirmation. So when you get the firm order confirmation, you're looking for the unique identifier for that circuit. That's important in order to reference that circuit back to BellSouth. If you need maintenance; if you need to clarify some billing; whatever the case may be, the only way you can identify that circuit to them is through circuit ID. It's similar to a telephone number. If you don't have your telephone number there's no way that they can identify the line. This circuit ID represents the telephone number equivalent for stand-alone loops.

Those aren't coming back to us on firm order confirmations. And, I guess, the curious part is, it doesn't happen all the time. Sometimes it does.

Sometimes it doesn't. And that's a problem in and of itself.

Bell committed to fix this problem by 4-24, which was just, I guess, a week or two ago. We have had problems as recent as 4-29 with not receiving a circuit ID on a firm order confirmation. So, very recent problem. Still a problem nonetheless.

COMMISSIONER JOHNSON: Would that -- that would be something that should be done electronically? If something is processing, you have a firm order confirmation, some electronic system should also give you your circuit ID or would that be a manual --

MR. GREEN: Well, unfortunately, I don't know how Bell is doing it behind their systems, but if it's flow-through and there is no manual interpretation, if I take that literally, then that means that there is no human intervention.

COMMISSIONER JOHNSON: So it should be consistent.

MR. GREEN: So it should be consistent. No end-to-end testing for local number portability. Bell's converted their major metropolitan areas over to LNP so ILNP is not an option.

MCI is going to be moving forward. Once all of these issues get resolved, then we're were hoping

that we can work through many of these issues with BellSouth in the next month or so. Our plan is to turn this interface up into production on June, July, 1999.

We still don't have a test environment for local number portability. What that means is, again, we won't know what types of problems we should expect. I mean, our history now with using this interface suggests to us that we should expect to see some problems.

When I released this service into -- when I released this interface into production, what that means is that my LNP orders are subject to problems that we have not yet been able to identify because of a lack of a test environment with Bell. That means that I will have additional hand-holding of these orders. In other words, my reps are going to sit there and track these orders through so that we make sure that even if they fall off for manual processing, they don't impact the customer commit times of which we will have to extend as well because we suspect that there will probably be problems.

It means that our wrap-up will be much slower than it ordinarily would be because we are going to step into this thing gingerly as opposed to

just rushing in after we know that the interface is up and operational.

So the lack of that test environment is something that's been around now since we began the development of this interface. We identified this back in June of 1998 that there is no test environment and today there still is none.

As you heard KPMG -- not KPMG. I'm sorry. Telcordia suggest the other day is that a test environment is one of those things that CLECs absolutely need in order to validate the operation of the interface.

I haven't talked a lot about maintenance, and I mentioned that in my opening that there was still a problem with the maintenance interface with BellSouth. And the primary problem above and beyond those things that were identified by AT&T as far as functionality, is the fact that the interface does not support what Bell has designated as a nondesign loop.

And I'm not sure if you all are familiar with design or nondesign, but it is a distinction that Bell has made for two wire loops. This interface, to date, does not support the ability to transmit an order via ECTA to BellSouth for nondesign loops.

Bell's commitment, again, their promise to

fix this flaw is this month. And again, I believe this is another one of those scenarios where they have shared with us within the last few days, week or few days, that the ECTA interface now supports nondesign loops. Again, it's a scenario. It's a situation where we need to go out and prove that fact out.

We talked about errors, processing cancellation orders. Those things still exist. Have not been resolved to date to our satisfaction, so we're still going to need to push through getting those things identified and that process fixed and resolved.

You see here that, you know, I also talk about nondesign loops from the ordering, not only from an automated vantage point, but from a manual vantage point as well. And that might be a little deceiving.

Back in August we identified the fact that these business rules that we received for developing of this interface in January did not include the business rules for nondesign loops, which was news to us because we found out about the August time frame that nondesign loops were available and that there was some pricing differences between design loops and nondesign loops.

The issue that is before us today, and just

recently as this afternoon or this morning when I called about it, the issue with nondesign loops is this.

Bell has not been able to provide us with the definitive concrete business rules for how to order those nondesign loops. We did, in fact, submit a nondesign loop order manually. But that was through the support of BellSouth in getting that order through.

Specifically, there's a unique piece of information that needs to be placed on the nondesign loop order. That's called a miscellaneous account number. And that's different than ordering a design loop because I don't need that information for a design loop.

Bell has yet to inform us, No. 1, where to get that information from, and just recently confirmed with us that that information should be ten ALFA numerics as opposed to 12 excluding dashes. So we've had some difficulty in getting the necessary business rules for ordering those types of services from Bell. Up until just recently, the last day to -- or let me say within the last week, we've gotten a lot closer.

Part of the problem here is that you don't know these things until you start to dive into the

layer of detail and then all of the issues start to pop out as you start to dive in for additional layers of detail, which is a problem with the whole development process that I will talk about coming up.

Obviously, we talked about service jeopardies for LNP; the fact that those things still don't exist today and those are as important as any other notification that's being provided by Bell.

Talked about nondesign loops and the maintenance interface.

And then there is this other issue for adding a line to an existing service. We ran into this scenario -- again, this is one of those things that you don't hear about when you're hearing about specified migrations or migrates as-is or new orders or UNEs or things of that nature, but something as simple as adding a line to an existing order.

If I don't have the circuit ID for the orders that I submitted I can't, No. 1, add a line to an existing service. So that's one of the impacts of not having circuit ID.

But another one was the fact that we couldn't even, up to last week, even get an order into the Bell system for adding a line to an existing service. Those things were just rejected on face

value and Bell informed us that they could not support those.

Again, this is one of those situations where just recently, Bell has communicated to us that you do now have the ability to get an order through. We've sent an order for adding a line to an existing service. It made it through the interface. It wasn't rejected and we did get a firm order confirmation back on it and we're waiting for it to be installed.

That's only one order. I don't know what they're doing behind the scenes to make sure that that order gets through. But I would suggest that there needs to be more volume testing of these problems before one is assured that the issues have been fixed.

COMMISSIONER JOHNSON: And in order to fix the adding a new line problem that presupposes that they fix the circuit ID problem?

MR. GREEN: Right.

COMMISSIONER JOHNSON: But you stated that -- or did they already state that they've fixed that problem?

MR. GREEN: No, they didn't. Even though they don't send us the circuit ID, we pick the phone up and say, what's the circuit ID on this order because, again, these are trial orders. These are

only 15. So we're able to get it, it's just not there.

COMMISSIONER JOHNSON: Got you.

MR. GREEN: Okay. Okay. Good. Now, let me bring this all back because, you know, we talked about what we've done with the interface, how we've used it, how we tested for its operation. But I think one of the things that is key here that is a consistent thing, not only through this development but going forward, is the fact that there have been a number of commitments, promises, statements made by Bell as to the operational readiness of their interface.

Specifically, flow-through for simple UNEs has been available since December 1996. We proved that that functionality has not been available or at least wasn't available as early as January, 1999. And Bell themselves have actually confirmed the fact that that flow-through was not available in a letter.

Automated nondesign loop ordering since October 1997. Well, in light of the fact that the business rules weren't included in January 1998 and in light of the fact that they just recently got me the specifications in April of 1999, one would suggest that that functionality wasn't available as well.

LNP process would be automated by first

quarter 1998. Well, through our operational trials we proved that loop and LNP orders fell out from manual processing. So, again, another claim made by BellSouth that was proven not to be operationally ready.

Commercially ready interface for EDI 7.0 in March of 1998, as well as electronic rejects and notifications available at that same time for that same interface.

Well, again, through our operational trials we proved that this interface, obviously, couldn't be commercially ready because sending 15 orders all being handled manually, all having manual notifications, is not the definition or should not be the definition of commercially available. As well as, proving even during our EDI simulation testing that Bell at that time, which was back in April, May, June of 1998, could not provide electronic rejects and notifications for even non-LNP orders.

And then, you know, the last one there. That again, has been confirmed by Bell and just recently enhanced by them. The fact that they're electronic bonding maintenance interface supported nondesign loops back in 11-1997. Obviously, that's not true because they just fixed that problem in May,

per them; untested, by us, 1999.

Obviously -- I mean, there is a number of issues with the development process. One is easily identifiable which is the lack of urgency around getting many of these issues resolved.

Again, we identified in this process with Bell through the development, issues that were important to us that were not included in the interface. I mean, on average is takes Bell's account team up to, at the minimum, 30 days to respond back to issues that we address to them.

To give you some specific examples, we identified the limitation of being able to add a line to an existing account back in August of 1998. Bell just recently again said that they resolved that issue in March, which is almost eight to nine months after we identified the problem to them.

Another instance is the fact that it's taken over a year for LNP service jeopardies and around a year for rejects and clarifications with LNP related orders, on top of seven months to fix this nondesign loop issue with the maintenance interface. So you can see that it takes some considerable amount of time, once the issue is identified, to move Bell to getting these issues fixed and resolved.

Promise functionality. We've gone through that. There -- it just wasn't available. Those things that they said was there, was not there when we began to transmit these orders. That's obviously a problem because you're developing these interfaces with the belief, with the hope, with the realization that those things will be there. When you prove that they're not, that's discouraging and causes you some pain in your own company when these things aren't working the way that they're supposed to.

I define this whole development process with Bell as hit and miss. I mean, unless we're driving to uncover it, we're not going to find out about it. The fear there is that a year from now, 18 months from now, we're going to stumble on a whole series of additional problems that are out there. That may be a little too late to get any expedited resolution through because you don't have the same leverage with the desire of the Bell operating company to get into End Region LD.

So the hit and miss process that we go through is really in effective for development of these interfaces.

And then lastly is the inadequate systems testing by Bell. Now, you know, Bell has stated that

their systems have been tested by Ernest and Young and that they do their own internal testing of these interfaces to prove that these interfaces are operationally ready in lieu of commercially available volumes.

Well, I'm not suggesting that my 15 orders were commercial volume. But I am suggesting that that testing was not adequate to identify the problems.

I mean -- let me draw another point here. In Mr. Stacy's testimony yesterday there was this -- I think Jay touched on it as well. There was this "E" category for errors and he identified those as BellSouth programming errors sometimes. Well, you wouldn't expect to see those "programming errors" in an interface that is commercially ready. You just absolutely would not expect to see those.

COMMISSIONER JOHNSON: You stated that, I guess, on your first bullet that the lack of urgency in resolving issues and providing the functionalities that, I guess, that points are promised, but there's a hit and miss proposition. What do you think it would take to sufficiently motivate?

You also mentioned, kind of as an aside, that getting into long distance doesn't seem to be sufficient enough motivation in your opinion in this

particular region. What could we do then, assuming that getting into long distance isn't an objective right now for the company? What do you suggest that we could do to expedite the process?

MR. GREEN: I'll answer that, but let me just make sure I clarify a point. I wasn't suggesting that getting into End Region LD was not a significant enough incentive for Bell, but if they got in before we identified the other problems through this hit and miss process, we go through and develop it, we would lose the leverage to move them to get those issue resolved even more quickly than they're resolving them now.

COMMISSIONER JOHNSON: Well, obviously, the leverage --

MR. GREEN: Is --

COMMISSIONER JOHNSON: Looking at your presentation, it doesn't suggest that that is -- the leverage is moving them any quicker.

MR. GREEN: Or quickly at all.

COMMISSIONER JOHNSON: And, again, just on your presentation --

MR. GREEN: Right. Or quickly at all. What I believe is the next step to try to move this is addressed on my final slide and it's an excellent

segue.

COMMISSIONER JOHNSON: Could you also, when you address that, as a part of your summation -- perhaps not in a wish list kind of way. But if there are best practices, some things that other companies in Florida or that you've dealt with that are doing that works or that works well, just a couple of those, and maybe you could do something on a follow-up basis.

But you pointed to quite a few things and you were excellent in providing us with some real life examples of things that were not working. It would be helpful for me to gage, too, is it just not working in Florida in BellSouth's region, or is it not working across the nation. And is this something that, you know, is unique to the South or -- those kinds of things would at least give me some perspective.

MR. GREEN: Okay. Let me do my best to try to address that. Obviously, you can tell from the slide that where I think the direction should head from here is driving towards some type of third-party testing of the operational interfaces. I mean, that moves us out of this, you know, "Well, Bell says it works and MCI says it doesn't and AT&T says it doesn't." I mean, it's similar to what's going on in New York, and I think that's what has allowed the

process to move more quickly in the Bell Atlantic New York region.

And you see a movement through various states, a number of states, actually, moving towards third-party testing.

Ideally for us it would be based upon the third-party testing format that is established in New York as opposed to some of the others that are going on in other parts of the country, primarily because that process tests the whole gamete of order functionality, not just the functionality that's been developed by an individual CLEC and oversight of CLEC to CLEC testing, but actual developing the interface from the ground up, using the documentation that's been provided by the RBOC that will allow anybody coming behind a third-party test to build very similar interfaces. And again, addressing the whole gamete of ordering capabilities.

They can replicate commercial volumes. I mean, until we get the interfaces up and operational, until we get some of the capabilities that we need in order to move forward, we don't expect to see commercial volumes any time soon.

So they can replicate commercial volumes. And again, commercial volumes are going to be those

things that flush out the errors in the system that will move us from this hit and miss.

One of the things that's worked so well in the NYNEX region or -- I'm sorry -- the Bell Atlantic New York region -- history there -- is the fact that there are exceptional reports that are filed by KPMG and it gives the CLEC participants early identification of problems that they may not have encountered yet or may not encounter for some time down the road. So it's a way for them to get those issues addressed and closed via this CLEC third-party RBOC process.

So I think that's the direction that things need to head. We've been doing this for two and a half years and MCI is serious about getting into the business where there is an opportunity. We are in the business in New York. We are doing commercial volumes there. And we're fairly successful. There is gaps in the Bell Atlantic interfaces as well as gaps in the BellSouth interfaces.

So to address your question about, is it unique to the South, I don't think it's unique to the South. I think it's just -- I think it's unique to the process because everybody, I mean, truly is going through the exact same process to try to get these

interfaces built.

And to give credit where it's due, there is companies out there that are trying to look for ways to try to lessen the pain to develop these interfaces. But, you know, in my opinion, those may not quite be ready yet as well.

So, I think the most immediate approach is probably going to be third-party testing and then there may be some other things that flow out of that that allows this Commission and other Commissions to make a prudent decision on whether or not the interfaces are operational or not.

COMMISSIONER JACOBS: Do you share in the view that the TAG offerings don't address -- don't adequately address the inadequacies of the EDI?

MR. GREEN: MCI is not a supporter of TAG. We are a supporter of the EDI application for preordering.

COMMISSIONER JACOBS: Mainly because of volume issues?

MR. GREEN: From our vantage point, it's mainly from a systems vantage point. We have an EDI system that's up and operational. It only makes sense to have a preordering functionality that's based upon EDI as well. Gets us out of the habit of maintaining

two different protocols for one operation. And then that operation is a sale to a customer.

So, I'm going to refrain from addressing TAG because MCI has not been a participant in the development of TAG. And if there is no other questions, that concludes my presentation.

COMMISSIONER DEASON: Okay. Thank you. Any other questions? We're going to take a lunch recess. We'll reconvene at 1:45.

(Thereupon, lunch recess was taken at 12:40 p.m.)

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(Transcript continues in sequence in Volume 3.)

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