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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission
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**IN THE MATTER OF THE U S WEST
COMMUNICATIONS, INC.'S
COMPLIANCE WITH SECTION 271 OF
THE TELECOMMUNICATIONS ACT OF
1996**

Docket No. T-00000B-97-0238

**U S WEST'S RESPONSE TO
PROCEDURAL QUESTIONS
AND BRIEF RELATING TO
PROCEDURAL ORDER**

U S WEST respectfully submits this Response to the questions posed by the Hearing Division in its order of June 8, 1999. This Response will also serve as U S WEST's brief relating to procedural issues.

I. INTRODUCTION

U S WEST understands and supports the Hearing Division's desire to more fully explore the OSS issues in this case. In this document, U S WEST sets forth a detailed proposal for workshops to explore OSS issues. However, there is no reason that the remaining issues cannot be resolved while the OSS workshops are being conducted. U S WEST proposes that the

1 Hearing Division adopt a schedule that would result in an early hearing on all non-OSS issues,
2 including the competitive checklist, the Track A issues and Section 272 issues. A proposed
3 schedule for non-OSS issues is attached as Exhibit A.

4 U S WEST is willing to dedicate the resources necessary to make the OSS workshops as
5 productive as possible. However, U S WEST is concerned that a “collaborative process” could
6 become unacceptably long and unreasonably unmanageable unless it is conducted according to
7 pre-defined timelines. A proposed schedule and agenda for the workshops and consideration of
8 OSS issues is also attached as Exhibit B.

10 The Commission and the Hearing Division should understand that the collaborative
11 process is unlikely to result in an agreement between the parties. Unlike in other dockets, the
12 Intervenors here have nothing to gain from reaching an agreement. The Intervenors have
13 powerful reasons of economic self-interest to avoid reaching an agreement. The three IXC's that
14 dominate the long distance market, AT&T, MCI and Sprint, have a considerable economic
15 interest in delaying as long as possible the entry of U S WEST into the long distance market. On
16 the other hand, because those companies have no apparent intention to enter the local residential
17 market in Arizona in any significant way, they have nothing to gain from reaching agreement
18 with U S WEST.

20 Experience in other states demonstrates that the OSS workshops are unlikely to result in
21 an agreement between the parties. For example, in New York BellAtlantic has participated in a
22 collaborative process for almost two years, and it has spent over \$15 million on an OSS test that
23 resulted from that process. Incredibly, AT&T still claims that BellAtlantic does not meet any of
24 the 14 checklist items. (See Exhibit C.)
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1 Because of these economic factors, the focus of the workshops should not be on a futile
2 effort to reach an agreement. The focus of the workshops should be on providing a forum for all
3 parties to educate the Commission and Hearing Division on unbundled access to OSS. This will
4 allow the Commission and Hearing Division to fully understand all of U S WEST's OSS
5 capabilities, along with all OSS issues and the positions of the parties.
6

7 **II. DISCUSSION**

8 **A. The OSS issues should be bifurcated from this docket, and a schedule should
9 be set for expeditious consideration of all other issues.**

10 The Hearing Division vacated the procedural order to more fully examine the OSS issues.
11 That goal can be accomplished by bifurcating this case between OSS issues and all other issues.

12 While the OSS issues are being fully investigated, there is no reason to delay
13 consideration of the remaining 271 issues, including the competitive checklist, Track A issues
14 and issues relating to Section 272. A considerable amount of work has already been expended in
15 developing the record on these issues. U S WEST, at the insistence of the Intervenors and by
16 order of the Hearing Division, has submitted a complete application on these issues, including
17 detailed affidavits. U S WEST has responded to many hundreds of data requests on these issues,
18 and the Intervenors should have their testimony close to completion.
19

20 It would be a shame to let all of this work go to waste. The most reasonable and efficient
21 method of proceeding would be to adopt a schedule that would proceed to a hearing on these
22 issues. U S WEST has proposed such a schedule in Exhibit A.

23 While compliance with OSS requirements is necessary to pass several checklist items, the
24 OSS issues can be evaluated by themselves, and all other aspects of those checklist items can be
25 considered separately. For example, for checklist item 4 (loops) and checklist item 14 (resale),
26

1 the Commission can determine whether U S WEST's performance measures and provisioning
2 intervals are acceptable. The Commission can then either tell U S WEST what further work it
3 needs to do or conditionally approve U S WEST on those checklist items pending the result of
4 the OSS proceeding.

5
6 A bifurcated process would be consistent with the process adopted in states outside
7 U S WEST's region. For example, the Texas Commission recently issued an order conditionally
8 approving SBC on all non-OSS issues pending the outcome of OSS proceedings. This
9 Commission should follow a similar procedure and proceed to hearing on all non-OSS issues.

10 **B. The OSS workshops should be conducted according to a strict schedule.**

11 Time is of the essence in this case, and the collaborative process cannot be
12 allowed to continue indefinitely. The workshops should be limited in number and the
13 subject matter set in advance. U S WEST agrees with the Staff that several days be set
14 aside in August and September to conduct a series of three workshops.

15
16 U S WEST has filed detailed testimony relating to OSS, and there is no reason for
17 U S WEST to file additional materials before the workshops. However, U S WEST will
18 be prepared to make a presentation regarding its OSS interfaces and a live demonstration
19 of its primary OSS interfaces (IMA and EDI). U S WEST will also be prepared to
20 discuss OSS standards and the FCC's pronouncements on OSS in its Local Competition
21 Order and its orders on the 271 applications of other BOCs.

22
23 For the workshops to be most productive, the Intervenors should provide forecasts, by
24 service and product type, of their projected OSS usage. The Intervenors should also provide
25 reports of their OSS needs before the workshops, along with backup internal documentation to
26

1 support their forecasts and OSS needs.

2 Some of the subjects that should be considered at the workshops are: standards, FCC
3 requirements, preorder, order, repair, billing and change management. Participation in the
4 workshops should be open to all parties in this case.

5
6 **III. RESPONSES TO QUESTIONS**

7 **1. What are the current national standards for OSS?**

8 **Response:**

9 The FCC has not required that a BOC follow all national OSS standards. Rather, the
10 FCC has held that a BOC must provide nondiscriminatory access to its OSS for order, preorder,
11 provisioning, repair and billing. The FCC requirements are set forth in the response to Question
12 No. 3.

13
14 All carriers make necessary modifications when implementing a standard in order to meet
15 business needs and to handle technical situations due to the carrier's internal OSS. U S WEST
16 and other carriers have put substantial effort into developing standards to overcome technical
17 problems associated with the unbundling of OSS. As a general rule, standard-setting bodies refer
18 to national standards as guidelines rather than requirements.

19
20 That being said, U S WEST's OSS interfaces are standards-based, and comply with the
21 following national standards:

22 The primary Organization for national OSS standards is the **Alliance for**
23 **Telecommunications Industry Solutions (ATIS)**. Information about ATIS can be found at the
24 following World Wide Web address: *http://www.atis.org*

25 The **Alliance for Telecommunications Industry Solutions (ATIS)** is a North American
26 standards body that is leading the development of telecommunications standards, operating
procedures and guidelines through its sponsored committees and forums. Because ATIS
committees are currently defining standards and guidelines, many of the national standards and

1 guidelines for OSS are in the development process.

2 The ATIS committees and forums that address OSS issues and standards are listed below.

3 The **Carrier Liaison Committee (CLC)** is an executing oversight committee
4 which provides mechanisms for identification, discussion and voluntary resolution of
5 industry-wide concerns regarding the provision of exchange access and
6 telecommunications network interconnection within the North American Numbering Plan
(NANP) area.

7 The CLC is comprised of the several forums, committees and subcommittees,
8 primarily, the Network Interconnection Interoperability Forum, the Ordering and Billing
Forum, the Industry Numbering Committee and the Toll Fraud Prevention Committee.

9 The **Ordering and Billing Forum (OBF)** provides a venue for customers and
10 providers in the telecommunications industry to identify, discuss and resolve national
11 issues that affect ordering, billing, provisioning and exchange of information about access
12 services, other connectivity and related matters. The OBF has seven standing
13 committees: Billing Committee, Directory Services Committee, Message Processing
Committee, Ordering and Provisioning (O&P) Committee, Subscription Committee,
SMS/800 Number Administration Committee (SNAC) and Telecommunications Service
Ordering Request (TOR) Committee.

14 The **Committee T1-Telecommunications (T1)** is accredited by the American
15 National Standards Institute (ANSI). The committee develops technical standards and
16 reports for telecommunications network interconnection, interoperability and
17 performance. More than 1,500 scientists and engineers bring their technical expertise to
18 Committee T1's six technical subcommittees. The six committees are as follows: T1A1 -
19 Performance and Signal Processing, T1E1 - Interfaces, Power and Protection of
Networks, T1M1 - Internetwork Operations, Administration, Maintenance &
Provisioning, T1P1 - Wireless/Mobile Services and Systems, T1S1 - Services,
Architectures and Signaling and T1X1 - Digital Hierarchy and Synchronization.

20 The **Telecommunications Industry Forum (TCIF)** provides a forum for
21 purchasers, manufacturers and suppliers of telecommunications equipment, products and
22 services to address issues relating to industry standards associated with the provision,
procurement and use of such equipment, products and services.

23 The **Electronic Communications Implementation Committee (ECIC)** fosters the
24 implementation of electronic communications to improve customer service. Its mission is
25 to identify and resolve common technical and operational issues for the successful
26 implementation of electronic bonding. ECIC focuses on the implementation of
application-to-application communications for operations, administration, maintenance
and provisioning (OAM&P) functions.

1
2 The **Electronic Data Interchange** (EDI) committee is dedicated to the
3 interpretation of established and future American National Standards Institute (ANSI)
4 Accredited Standards Committee (ASC) X12 standards and United Nations/Electronic
Data Interchange for Administration, Commerce and Transport (UN/EDIFACT) Message
application in the telecommunications industry.

5 The primary standards that address the different OSS functional areas are:

6 **Pre-Order.** So far, the following Pre-order transactions have been standardized:
7 Address Validation, Telephone Number Inquiry/Selection, Appointment
8 Inquiry/Scheduling, Service Availability Query. The Local Service Request Guidelines
9 (LSOG) Issue 3 documents the guidelines for these Pre-Order transactions. The EDI
specifications and the CORBA specifications have also been defined for these Pre-Order
transactions.

10 **Order / Provisioning.** The primary sources of guidelines for Ordering are LSOG
11 Issue 3, and ASOG Issue 21. The EDI Specifications have also been defined for Order.
12 LSOG Issue 3 lists guidelines for the following products: Loop Service (LS),
13 Number Portability (NP), Loop Service with Number Portability (LSNP), Resale Service
14 (RS), Port Service (PS), Resale Private Line (RPL), Resale Frame Relay (RFR),
15 CENTREX Resale (CRS), DID Resale Service (DRS), Local Service Request
Confirmation (LSC), Directory Service Request (DSR), Directory Listings (DL),
Directory Service Caption Request (DSCR), Directory Service Request/Completion
Notice (DSCN), Directory Service Request/Error Detail (DSRED).

16 **Repair.** The primary standards for repair functions (trouble administration) are
17 the ANSI T1.5.227/228 standards. The Electronic Commerce Implementation
18 Committee (ECIC) Electronic Bonding-Trouble Administration guidelines and the CMIP
protocol also apply to repair functions.

19 **Billing.** The ANSI ASC X12 Standards for Electronic Data Interchange (EDI)
20 apply to electronic billing.

21 The Exchange Message Interchange (EMI) standard records apply to the
22 transmittal of usage records. Also used for some electronic billing is the Billing Output
Specification (BOS).

23 Other billing guidelines include the Multiple Exchange Carrier Access Billing
24 Guidelines (MECAB) and the Small Exchange Carrier Access Billing Guidelines
(SECAB).

1 U S WEST complies with national standards set forth in pages 53-54 of the affidavit
2 testimony of Dean W. Buhler.

3 The U S WEST OSS electronic interfaces comply with industry, national and
4 international standards as applicable for each interface. Listed below is a description of the
5 standards used by each of the electronic interfaces.
6

7 **IMA GUI.** The IMA GUI system complies with applicable national standards. First,
8 IMA's LSR forms employ the Ordering and Billing Forum's (OBF) Local Service Order
9 Guidelines (LSOG) for ordering resold products and unbundled network elements. The
10 presentation of IMA screens employs the HyperText Markup Language (HTML), version 3, and
11 JAVA – international standards for the presentation of graphical information. Addressing
12 linkages employ the international standard of HyperText Transport Protocol (HTTP). Finally,
13 the transmission of this information from a user's personal computer to U S WEST's IMA
14 gateway is done through the use of another international standard known as Transmission
15 Control Protocol/Internet Protocol (TCP/IP). IMA repair functionality is also compatible with
16 the ANSI T1.227/228 maintenance and repair specification. The IMA repair functions are based
17 on the Electronic Commerce Implementation Committee (ECIC) Electronic Bonding-Trouble
18 Administration guidelines.

14 **EDI.** The EDI interface for pre-ordering, ordering and provisioning employs the OBF
15 Local Service Ordering Guidelines, the EDI X.12 message format standard as well as the ECIC's
16 Interactive Agent (IA) specification. U S WEST was instrumental in defining the ECIC IA
17 specification, which uses the TCP-IP/SSL-3 (Secured Sockets Layer-3) transport protocol
18 standard.

18 **EB-TA.** EB-TA, the U S WEST computer-to-computer interface for repair, is based on
19 the ANSI T1.227/228 Trouble Administration Standard. It also uses the ECIC EB-TA guidelines
20 as well as the ISO OSI CMIP/CMISE standard protocols (Open Systems Interface Common
21 Management Information Protocol/Common Management Information Services Element).

21 **EXACT.** EXACT is a Bellcore product. As such, it is an industry standard for ordering
22 products using an Access Service Request (ASR).

22 **Billing.** The billing batch files also use national industry guidelines. The daily usage
23 feed uses Exchange Message Interchange (EMI) standard records. EDI is used for the monthly
24 wholesale summary and detail feeds for POTS and designed services resale, unbundled loops,
25 and line-side unbundled switch ports. Billing Output Specification (BOS) is used for trunk-side
26 unbundled network elements and some resale supporting elements, such as Frame Relay. The
customer activity files (loss and completion report) along with the daily usage feed and the
wholesale summary bills, is available through the NDM transport protocol.

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2. For areas in which no national standards exist, when are national standards anticipated?

Response:

In all OSS functional areas, standards bodies and committees are currently defining standards and guidelines that continue to evolve over time. A few of the items that may be finalized in the near future are:

Pre-Order. The LSOG Issue 4 guidelines will include information that further defines the following Pre-Order transactions: Customer Service Record retrieval, and Facility Availability Query. The guidelines are expected to be completed by December 1999. Along with the LSOG Issue 4 guidelines, the EDI and CORBA Specifications are also due to be completed by December 1999.

Order / Provisioning. For Ordering, the LSOG Issue 4 guidelines, which are scheduled to be completed by December 1999 will also apply to OSS functions.

Repair. For repair, further EDI and CORBA specifications are due to be completed by the second half of 2000. Also, the ANSI T1.5.227/228 repair standards continue to be addressed and updated by new standards.

Billing. There are currently no current standards in process for this functional area.

3. What are the current FCC guidelines for OSS?

Response:

The Telecommunications Act of 1996¹ does not mention OSS. The FCC first imposed a requirement to unbundle OSS in its Local Competition Order and codified the requirement in its Rule 319. (Rule 319 has been vacated by the Supreme Court, and the FCC is in the process of revisiting its unbundling requirements.) Section 251(c)(4) (B) of the Telecom Act establishes the standard for resold services by imposing upon the BOC “[t]he duty – not to prohibit, and not to

¹ Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56, *codified at* 47 U.S.C. §§

1 impose unreasonable or discriminatory conditions or limitations on . . . resale.” The standard for
2 access to unbundled network elements is different: Section 251(c)(3) of the Telecom Act
3 imposes the duty to provide, upon request, just, reasonable and nondiscriminatory access to
4 unbundled network elements.

5
6 In its First Report and Order, the FCC concluded that “an incumbent LEC must provide
7 nondiscriminatory access to their operations support systems functions for pre-ordering,
8 ordering, provisioning, maintenance and repair, and billing available to the LEC itself.”² In the
9 orders addressing section 271 applications filed by other BOCs, the FCC employed a two-prong
10 test to determine whether a BOC is providing nondiscriminatory access to its OSS.³

11 The first inquiry is “whether the BOC has deployed the necessary systems and personnel
12 to provide sufficient access to each of the necessary OSS functions and whether the BOC is
13 adequately assisting competing carriers to understand how to implement and use all of the OSS
14 functions available to them.”⁴ The second inquiry is “whether the OSS functions that the BOC
15 has deployed are operationally ready, as a practical matter.”⁵ Under the first part of this two-
16 prong test, the FCC stated that the “BOC must demonstrate that it has developed sufficient
17 electronic and manual interfaces to allow competing carriers to access all of the necessary OSS
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20 151 *et seq.* (*Telecom Act*).

21 2 *FCC First Report and Order*, ¶ 523.

22
23 3 *See In re Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as*
24 *amended, to Provide In-Region, InterLATA Services in Michigan*, CC Docket No. 97-137, Memorandum
Opinion and Order, FCC 97-137, ¶ 136 (rel. Aug. 19, 1997) (*FCC Ameritech Order*).

25 4 *FCC Ameritech Order*, ¶ 136.

1 functions.”⁶ For those OSS functions that are analogous to the OSS functions that a BOC
2 provides to itself, such as pre-ordering, ordering and provisioning for resale services, the FCC
3 stated that the “BOC must offer access to competing carriers equivalent to the access the BOC
4 provides for itself.”⁷ “Equivalency” is not defined as identical, but rather as systems that provide
5 access in “substantially the same time and manner.”⁸
6

7 Notably, the FCC did not impose an equivalency requirement on those OSS functions
8 that the BOC does not perform for itself, “such as ordering and provisioning of unbundled
9 network elements.”⁹ For those functions, “the BOC must demonstrate that the access it provides
10 to competing carriers satisfies its duty of nondiscrimination because it offers an efficient
11 competitor a meaningful opportunity to compete.”¹⁰
12

13 Under the second part of this two-prong test, the inquiry is “whether the OSS functions
14 provided by the BOC to competing carriers are actually handling current demand and will be
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17 5 *FCC Ameritech Order*, ¶ 136.

18 6 *FCC Ameritech Order*, ¶ 137.

19 7 *See In re BellSouth Corp. et al. Pursuant to Section 271 of the Communications Act of 1934, as*
20 *amended, To Provide In-Region, InterLATA Services in South Carolina*, CC Docket No. 97-208,
21 *Memorandum Opinion and Order*, FCC 97-418, ¶ 98 (rel. Dec. 24, 1997) (*FCC BellSouth Order*); *In re*
22 *BellSouth Corp., BellSouth Long Distance, Inc. for Provision of In-Region, InterLATA Services in*
Louisiana, CC-98-121, *Memorandum Opinion and Order*, FCC98-271, ¶ 87 (rel. Oct. 13, 1998) (*FCC*
BellSouth Louisiana 2nd Order).

23 8 *FCC BellSouth Louisiana 2nd Order*, ¶ 87.

24 9 *FCC BellSouth Order*, ¶ 98; *FCC BellSouth Louisiana 2nd Order*, ¶ 87.

25 10 *FCC Ameritech Order*, ¶ 141.

1 able to handle reasonably foreseeable demand volumes.”¹¹ Here, the FCC will examine
2 performance measurements and other evidence of commercial readiness to determine if the OSS
3 functions are operationally ready. As evidence that OSS functions are operationally ready, the
4 FCC stated that, in addition to actual commercial usage, “[c]arrier-to-carrier testing, independent
5 third-party testing, and internal testing also can provide valuable evidence pertaining to
6 operational readiness.”¹²

7
8 Therefore, in a 271 proceeding, the FCC will look to see whether the BOC has deployed
9 the necessary systems and personnel to provide sufficient access to its OSS, the BOC is
10 adequately assisting competing carriers to employ OSS functions, and the OSS functions are
11 operationally ready, as a practical matter.

12 The FCC rules implementing the 1996 Act have been reviewed by both the United States
13 Court of Appeals for the Eighth Circuit and the United States Supreme Court. In Iowa Utilities
14 Board v. FCC, 120 F.3d 753 (8th Cir. 1997), the Eighth Circuit affirmed some of those rules and
15 vacated others. The opinion of the Eighth Circuit Court bears directly on electronic interfaces.
16 First, it held that the FCC did not exceed its authority when it recognized ILECs to provide
17 nondiscriminatory access to OSS. The court further found that subsection 251(c)(3) requires
18 unbundled access only to an ILEC’s existing network, not to a yet unbuilt superior one.
19

20
21 Some sections of the Eighth Circuit Court of Appeals’ opinion were appealed to the
22 Supreme Court, which issued an opinion on January 25, 1999. The Eighth Circuit Court’s
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25 ¹¹ *FCC Ameritech Order*, ¶ 138.

26 ¹² *FCC Ameritech Order*, ¶ 138.

1 superior network holdings were not part of the appeal to the Supreme Court, and the FCC's rules
2 requiring superior quality remain vacated. Thus, the Eighth Circuit's interpretation of the "at
3 least equal in quality" standard remains the law.

4 Regarding the sections that were appealed, the Supreme Court determined that the FCC's
5 inclusion of OSSs as a network element was reasonable.¹³ However, the Court held that the FCC
6 used a wrong standard when determining which network elements need to be unbundled,
7 including OSS. The court held that the FCC must make a determination regarding each network
8 element whether access is necessary and whether failure to provide access would cause an
9 impairment to the CLEC.¹⁴ Rejecting the idea that "any increase in cost (or decrease in quality)
10 imposed by denial of a network element renders access to that element 'necessary,' and causes
11 the failure to provide that element to 'impair' the entrant's ability to offer its desired services,"
12 the Court found that it was "simply not in accord with the ordinary and fair meaning of those
13 terms."¹⁵ Thus, the FCC is reconsidering its decision regarding which network elements must
14 be unbundled, including OSS.

17 **4. What are the other standards this Commission should consider in evaluating**
18 **whether U S WEST's OSS complies with Section 271?**

19 **Response:**

20 The primary focus of the Commission should be on the requirements for OSS set
21 forth by the FCC in its Local Competition Order. It should also consider the pronouncements of
22

23
24 ¹³ *AT&T Corp. v. Iowa Utils. Bd.*, No. 97-826, *slip op.* at 19-20 (U.S. Jan. 25, 1999).

25 ¹⁴ *Id.* at 22.

26

1 the FCC in its orders on the 271 applications of other BOCs. When considering the 271 orders,
2 the Commission should keep in mind that the pronouncements in those orders are very fact
3 specific. Each application must be viewed in the unique context of the competitive landscape of
4 that state. The OSS needs of the competitors in one state may be different from the OSS needs of
5 the competitors in another state. Therefore, the Commission should determine the OSS systems
6 and functionalities that competitors actually need in Arizona and base its ultimate decision on
7 that determination.
8

9 **5. Has an OSS, or any portion of OSS, been approved by the FCC? If so, please
10 provide specifics.**

11 **Response:**

12 Despite the hundreds of millions of dollars spent by BOCs in developing OSS interfaces,
13 to date the FCC has not approved any OSS or portion of OSS. The FCC has considered BOCs'
14 OSS interfaces in the following dockets:

- 15 BellSouth South Carolina – CC Docket No. 97-208, 12-24-1997
- 16 BellSouth Louisiana - CC Docket No. 97-23, 2-4-1998
- 17 BellSouth Louisiana – CC Docket No. 98-121,10-13-98
- 18 Ameritech Michigan – CC Docket No. 97-137, 9-19-1997

19 In those orders, the FCC set forth the reasons why the BOC's OSS interfaces were not
20 sufficient, but it did not indicate what elements of the BOC's OSS were sufficient. For example,
21 BellSouth in its South Carolina filing was found to be non-compliant in the area of pre-ordering
22 because due date reservation for service installation was found to be discriminatory. However no
23 comments were made regarding the compliance of the remainder of the pre-ordering transactions
24

25
26 15 *Id.* at 22.

1 such as obtaining customer service records or validating addresses.

2 The FCC's response in paragraph 128 of the Ameritech Michigan 271 order summarizes
3 why no OSS function has been found to be compliant. It states, "We conclude that Ameritech
4 has not demonstrated that the access to OSS functions that it provides to competing carriers for
5 the ordering and provisioning of resale service is equivalent to the access it provides to itself.
6 Because Ameritech fails to meet this fundamental obligation, we need not decide, in the context
7 of this application, whether Ameritech separately complies with its duty to provide
8 nondiscriminatory access to each and every OSS functions. Therefore, although we do not
9 address every OSS-related issue raised in the context of this application, we wish to make clear
10 that we have not affirmatively concluded that those OSS functions not addressed in this decision
11 are in compliance with the requirements."
12

13
14 **6. What type of collaborative process do you recommend to enable the parties to reach
15 agreement on an acceptable OSS?**

16 **Response:**

17 U S WEST agrees with the Staff that the Hearing Division conduct workshops to explore
18 OSS issues. Several days should be set aside in August and September for a series of three
19 workshops.

20 The first phase of the workshops should focus on OSS legal requirements and how those
21 requirements should be applied in the context of the needs of CLECs in Arizona. The parties
22 should be prepared to give presentations regarding OSS requirements and standards. The
23 Intervenors should give presentations regarding their OSS needs and projections in Arizona.

24 The second round of workshops should be designed to educate all parties, the Hearing
25 Division and the Commission regarding OSS issues. U S WEST will be prepared to give a
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1 presentation regarding its OSS interfaces, as well as a live demonstration of its primary OSS
2 interfaces (IMA and EDI). A discussion would follow regarding the application of those
3 requirements and standards in the context of the unique competitive landscape in Arizona.

4 The third phase of the workshops would be less structured. The workshop would consist
5 of a discussion between the parties to identify any areas of agreement and the issues upon which
6 the parties agree to disagree. Following the third workshop, any appropriate issues would be
7 presented to the Commission at its next open meeting.

8 Unfortunately, this case does not lend itself to a process designed to “enable the parties to
9 reach agreement on an acceptable OSS.” Experience in other states demonstrates that the
10 Intervenor is not willing to reach agreement with BOCs regarding compliance with 271
11 requirements. For example, in New York BellAtlantic has engaged in a collaborative process
12 that has lasted almost two years, and has spent more than \$15 million on OSS testing.
13 Nevertheless, AT&T still asserts that BellAtlantic does not meet any of the 14 checklist items.
14 (See Exhibit C.)

15 U S WEST continues to be willing to attempt to reach agreement with any party willing
16 to participate in the give and take of negotiations. However, the progress of this docket should
17 not be contingent on the illusory prospect of agreement between the parties.

18 **7. What information is necessary to enable you to determine whether U S WEST’s**
19 **OSS is acceptable?**

20 **Response:**

21 In its testimony, U S WEST has submitted more than enough information to demonstrate
22 that it meets all OSS requirements. U S WEST has also responded to many hundreds of data
23 requests on OSS issues, providing further support that it meets all OSS requirements.
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1 However, U S WEST's testimony is based on the best available information regarding the
2 actual projections of CLECs. The inquiry into the OSS issues in this case would be greatly
3 advanced if the Intervenors would provide actual information and documents relating to their
4 OSS requirements and projections.

5 Such information would be highly relevant. The FCC has indicated that a 271 applicant
6 must establish that it can provision checklist items in quantities that competitors may reasonably
7 demand. *See FCC Order on BellSouth's Louisiana II Application*, ¶ 54. The FCC also looks to
8 whether an applicant's OSS systems are "designed to accommodate both current demand and
9 projected demand of competing carriers." *FCC Order on Ameritech' Michigan 271 Application*,
10 ¶ 137. The Intervenors' projections are central to the issues in this case.

11
12 **8. Do you agree that formal discovery should remain in place during the workshop**
13 **phase of OSS? Should the discovery process be modified? If so, how?**

14 **Response:**

15 The discovery process in this case has been a continuing source of frustration for
16 U S WEST. U S WEST has responded to hundreds of discovery requests, while the Intervenors
17 have refused to respond to most discovery and have provided virtually no information.

18 U S WEST has responded to over 400 data requests, most of which contained many subparts.

19 Each Intervenor has been compelled to answer only three requests.

20
21 After promulgating hundreds of data requests, it is inconceivable that the Intervenors
22 have not yet received the information they need. Civil Procedure Rule 33.1(a) imposes a
23 presumptive limit of 40 interrogatories, including subparts. Until now, U S WEST has chosen
24 not to invoke that provision, recognizing that this is a complex case. But the volume of requests
25 directed at U S WEST, and the disparity in requests responded to, has reached an unacceptable
26

1 level. U S WEST suggests that OSS discovery be suspended during the workshop phase, and
2 that U S WEST be allowed to proceed to conduct its discovery regarding all other issues.

3 **9. What discovery items that had been incorporated into intervenors' testimony should**
4 **be separated out and responded to by intervenors prior to the filing of testimony?**

5 **Response:**

6 At this point, it is appropriate for the Intervenors to respond to all OSS questions in
7 U S WEST's data requests. Those requests are 18-21, 23-25, and 32-35.

8 Those requests ask the Intervenors to identify, among other things, the OSS interfaces
9 necessary for them to enter the market in Arizona and their projected order volume, by interface
10 type in Arizona and in U S WEST's region.

11 In these requests, U S WEST seeks information about the actual OSS requirements and
12 demands of competitors in Arizona. FCC rulings indicate that an ILEC's systems must be
13 judged against the needs of CLECs, and that ILECs have only a responsibility to build systems
14 that CLECs will use. The FCC has repeatedly indicated that it will examine the BOC's ability to
15 handle the CLECs' reasonably foreseeable demands, particularly OSS demands. U S WEST is
16 entitled to discover what the CLECs' systems require in order to establish that those requirements
17 can be met.
18

19 Consistent with the FCC's decisions, U S WEST's Section 271 obligation is to provide
20 the systems and capabilities that CLECs actually need, now and in the foreseeable future, in
21 order to compete. In fact, the FCC encouraged BOCs to develop evidence to validate their
22 positions and indicated it will seriously consider such filings. BellSouth Louisiana II Order at
23 ¶59 ("While this and prior orders identify certain types of information we would find helpful in
24 our review of Section 271 applications, we reiterate that we remain open to approving an
25
26

1 application based on other types of evidence if a BOC can persuade us that such evidence
2 demonstrates nondiscriminatory treatment and other aspects of the statutory requirements”).

3 The Intervenors should respond to non-OSS requests as well, so that the parties can
4 proceed with the non-OSS issues.

5
6 **10. How should the workshops be conducted to ensure maximum results in assessing**
7 **U S WEST’s OSS? Who should participate? How many workshops do you**
8 **anticipate being useful, and over what period of time?**

8 **Response:**

9 U S WEST agrees with the Staff on a series of three workshops to be conducted in
10 August and September. All parties to this proceeding would be invited to participate.

11 The first workshop would focus on OSS standards and requirements. The parties would
12 give presentations regarding OSS legal requirements, and the Intervenors would give
13 presentations on their OSS needs.

14 The second workshop would be designed to educate the parties, the Commission and the
15 Hearing Division on OSS issues. U S WEST would give a presentation regarding its OSS
16 interfaces and would give a live demonstration of its interfaces, EDI and IMA. A discussion
17 would follow regarding the applications of OSS requirements to the competitive landscape in
18 Arizona.

19 The third workshop would consist of a general discussion of the OSS issues.

20 U S WEST proposes the following schedule:

21
22 8/17/99 Presentation of OSS Legal Requirements
23 Intervenor Presentations of OSS Needs
24 Discussion of OSS Legal Requirements

25 8/31/99 U S WEST OSS Presentation
26 Demonstration of IMA and EDI

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Discussion of OSS Legal Requirements and Arizona Competitive Landscape

9/14/99 Discussion of OSS Issues

11. Should a Staff Report issue with recommendations regarding existing OSS compliance and modifications to achieve compliance? How long after the last workshop will Staff need to issue a Report?

Response:

The Staff should determine whether a report is necessary or appropriate. If such a report is appropriate, it should be filed at the same time as Intervenor testimony – following the general procedure in Arizona.

12. How much time after issuance of a Staff Report will you need to respond to the Report?

Response:

Following the filing of the Staff Report and Intervenor Testimony, U S WEST should have approximately one month to conduct discovery and file reply testimony. A proposed schedule is attached as Exhibit B.

13. When will the intervenors and Staff be able to file a preliminary statement indicating whether U S WEST is in compliance with any checklist items?

Response:

As more fully set forth above, the OSS issues should be bifurcated from the other issues in this case.

With regard to non-OSS issues, no “statement” is necessary or appropriate. The Intervenor should file testimony. A date should be set for the filing of Intervenor testimony and a Staff Report. A proposed schedule is attached as Exhibit A.

With regard to OSS issues, the Intervenor should file information regarding projected

1 OSS demand and needs, along with supporting documentation. Following the workshop phase,
2 the Intervenors should file testimony addressing U S WEST's OSS and the legal requirements
3 for OSS. Approximately one month later, U S WEST would file reply testimony addressing
4 those issues. A proposed schedule is attached as Exhibit B.

5
6 **14. Any other relevant information that the parties desire to provide.**

7 **Response:**

8 U S WEST has provided all appropriate information in the preceding sections of this
9 document.

10 **III. CONCLUSION**

11 For all of the foregoing reasons, the Hearing Division should issue an order that:

- 12 1. Bifurcates OSS issues from the remaining issues in this case;
13 2. Adopts the schedule set forth in Exhibit A for non-OSS issues; and
14 3. Adopts the schedule set forth in Exhibit B for OSS issues.

15
16 DATED this 22nd day of June, 1999.

17
18
19 Respectfully submitted,

20 **U S WEST COMMUNICATIONS, INC.**

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EXHIBIT A

Non-OSS Procedural Dates

8/2	Staff Report & Intervenor Testimony Due
9/3	USW Rebuttal Testimony Due
9/13	Pre- Hearing Conference
9/20	Hearing
10/25	Parties to File Briefs to Include Proposed Decision
11/24	Order to Issue

EXHIBIT B

OSS Procedural Dates

- | | |
|-------|---|
| 7/26 | Intervenors to Submit Forecasts, Report of OSS Needs and Supporting Documents |
| 8/17 | Workshop |
| | Agenda: |
| | Intervenor Presentations of OSS Needs |
| | Presentations on OSS Legal Requirements |
| | Discussion of OSS Legal Requirements |
| 8/31 | Workshop |
| | Agenda: |
| | U S WEST OSS Presentation |
| | Demonstration of IMA and EDI |
| | Discussion of OSS Legal Requirements and Arizona Competitive Landscape |
| 9/14 | Workshop |
| | Agenda: |
| | General Discussion of OSS |
| 9/15 | Commission to Consider any Appropriate Issues at Open Meeting |
| 10/11 | Staff Report and Intervenor Testimony Due |
| 11/15 | Reply Testimony Due |
| 11/22 | Pre-Hearing Conference |
| 11/29 | Hearing |
| 12/20 | Parties to File Briefs to Include Proposed Decision |
| 1/17 | Order to Issue |

EXHIBIT C

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Communications Daily

April 15, 1999, Thursday

SECTION: TODAY'S NEWS

LENGTH: 1356 words

HEADLINE: N.Y. PSC TO BEGIN BELL ATLANTIC HEARINGS MAY 23

BODY:

N.Y. PSC said it plans to open public hearings May 23 on Bell Atlantic (BA) request late Tues. for agency's endorsement of Sec. 271 petition to FCC for authority to serve state's \$8 billion interLATA long distance market. In its application BA said its N.Y. local network is "irreversibly open," state's local exchange market is competitive and it has fulfilled all federal and state conditions for long distance entry. But some competitor and consumer interests were quick to dispute claims.

N.Y. docket for BA has been closely watched by FCC and other states and its reliance on KPMG Peat Marwick as 3rd party independent entity has been widely praised. Many observers see BA in N.Y. as most likely to be first Bell operating company to offer in-region long distance. If BA is first into long distance, it will have set national pattern for all subsequent Bell company long distance entries.

"Bell Atlantic faced the most stringent conditions ever placed on an American telephone company seeking to enter a new business, and we're meeting the challenge," BA Pres. James Cullen said. "Our markets are open to competitors, we serve them well, and we must be freed to give our customers what they demand: Long distance services now."

Leading up to May 23 hearing, PSC said comments on BA's filing are due April 27, replies May 4. It also will open 3-day technical conference May 17 with PSC staff, administrative law judges, BA, IXCs and other parties to review BA compliance with

checklist items beyond operation support system (OSS) requirements. PSC said upcoming draft OSS test report from KPMG Peat Marwick, due April 19, will be discussed in May 10 technical conference, with KPMG to submit final official report on OSS test results May 20.

In its 118-page PSC filing, BA cited more than 400 issues it said it had resolved to satisfy Telecom Act's 14-point open-market checklist, plus additional requirements set by PSC, and demands from competitive local exchange companies (CLECs). "We ran a 2-year marathon, carefully following detailed requirements along a path set by the PSC and supported by the Justice Department," Cullen said. "Along the way, we met new demands from our competitors and regulators time and again, refining our processes, meeting their needs. This was truly a collaborative process, and it worked."

Filing follows last week's release of partial results from KPMG's 7-month test of BA's N.Y. OSS that indicated BA will have met most, but not all, test criteria (CD April 13 p8). Partial results addressed 7 performance areas associated with OSS elements needed by competitors. They showed BA met 66% to more than 90% of test criteria for each area, but did not achieve 100% compliance in any of those cited. KPMG last week warned against drawing conclusions from partial results, which were issued solely to familiarize parties with OSS testing issues and reporting formats to be used for final results.

BA said final KPMG test results on April 19 will indicate that it meets more than 90% of approximately 450 test criteria for OSS performance areas covering CLEC inquiries, ordering, order changes, service transfers, billing, maintenance, repair. "We showed unequivocally that we can manage whatever our competitors send us, even when systems are stressed to maximum capacity," Cullen said. "Still, many of our competitors will press the PSC to ignore these excellent results, focusing instead on a few issues we're still working on. We think the PSC will recognize that, in a leading edge business, perfection is elusive." He said BA has spent \$1 billion regionwide on its OSS and related network assets for opening its local markets, and on training competitors' employees to use BA's new ordering systems. BA assigned more than 500 employees to develop systems needed to support CLECs in New York.

While BA said it has met all long distance entry requirements, AT&T and one N.Y. consumer group were quick to challenge company's claims that it has satisfied Telecom Act checklist in N.Y. AT&T Vp Michael Morrissey said BA's filing "is obviously premature" and its claims of meeting all 14 points of Telecom Act checklist are "absolutely ludicrous." He said BA has failed to comply fully with any checklist items, "although it is making slow and steady progress." And he noted KPMG's testing report will include 53 "exception reports" on OSS problem areas that must be fixed.

Elizabeth Gallagher, exec. dir. of Consumers for Economic Competition, said interim results from KPMG independent testing showed "inconsistent switching" of customers to competitors and "faulty billing." She predicted final results would show BA was "somewhere below abysmal and somewhat above appalling." Gallagher said PSC should require 2nd-phase tests to demonstrate BA OSS can handle 25,000 CLEC changes per day, which is average volume of long distance carrier change orders, and suggested BA shouldn't get long distance authority until local carrier changes are as swift and smooth as interexchange carrier changes.

BA's filing triggers final phase of N.Y. long distance review under 1998 agreement with PSC. Agreement in essence says that if BA complies fully with all Telecom Act and PSC conditions, including satisfactory 3rd party OSS testing, PSC unconditionally would recommend that FCC grant BA long distance entry. DoJ officials have indicated that if N.Y. PSC finds BA meets all conditions and gives unqualified endorsement, they would be inclined toward approval. DoJ hasn't approved any Bell long distance application filed to date. Telecom Act requires FCC merely to "consult" with affected state but to give "substantial weight" to DoJ's recommendation.

ALTS complained that BA petition was premature since company fell short on at least 5 items, including number portability, colocation, directory listings, trunk provisioning, extended enhanced loops. "Bell Atlantic still has a lot of work to do," ALTS Pres. John Windhausen said. Loops are being offered, he said, but only to deliver voice and ISDN service, not more enhanced digital subscriber line services. "That's keeping CLECs out of data," he said. BA's directory assistance listings are inaccurate about 50% of time, he said, and BA has cut over CLEC customers too soon, resulting in dropped service. Windhausen praised BA for being "far out ahead" of other Bells in remedying local competition issues. BA spokesman admitted numerous issues remain unresolved but said company was confident they would be fixed by time PSC completes its review next month.

In related development, Bell Atlantic (BA) and GTE late Wed. withdrew their Feb. 24 request for interLATA relief (CD March 8 p2) for GTE in connection with their merger, saying that progress being made toward gaining Sec. 271 relief may change their needs. Companies sought interim waiver that would let GTE's Internet backbone service continue to cross LATA lines after merger is complete. Otherwise, merger would subject GTE to regulations that bar BA and other Bell companies from providing services that cross LATA boundaries -- at least until BA gets Sec. 271 approval to offer long distance service in all of its states. Companies told FCC Wed. that "imminent filing" of Sec. 271 application at FCC for N.Y. and "the progress we are making in the states to expedite our long distance filings" will change "the nature and scope of the relief we requested." Letter doesn't offer further explanation. Companies told FCC that after BA files its N.Y. Sec. 271 application, it will make "a further submission that addresses the long distance issues" raised by proposed merger. BA spokeswoman said "once we file [N.Y. application] with the FCC, we'll be in a better position to address the FCC's concerns about GTE Internetworking."