

## **Appendix C**

### **CONDITIONS**

## INDEX TO CONDITIONS

### PROMOTING EQUITABLE AND EFFICIENT ADVANCED SERVICES DEPLOYMENT

I.	Separate Affiliate for Advanced Services .....	2
II.	Discounted Surrogate Line Sharing Charges .....	23
III.	Advanced Services OSS.....	25
IV.	Access to Loop Information for Advanced Services.....	30
V.	Loop Conditioning Charges and Cost Studies .....	31
VI.	Non-discriminatory Rollout of xDSL Services.....	32

### ENSURING OPEN LOCAL MARKETS

VII.	Carrier-to-Carrier Performance Plan (Including Performance Measurements) .....	32
VIII.	Uniform and Enhanced OSS.....	34
IX.	Restructuring OSS Charges.....	42
X.	OSS Assistance to Qualifying CLECs.....	43
XI.	Collocation Compliance .....	43
XII.	Most-Favored-Nation Provisions for Out-of-Region and In-Region Arrangements.....	46
XIII.	Multi-State Interconnection and Resale Agreements.....	48
XIV.	Carrier-to-Carrier Promotions: Unbundled Loop Discount.....	48
XV.	Carrier-to-Carrier Promotions: Resale Discount .....	51
XVI.	Carrier-to-Carrier Promotions: UNE Platform.....	53
XVII.	Offering of UNEs .....	55
XVIII.	Alternative Dispute Resolution through Mediation .....	55
XIX.	Shared Transport in Ameritech States .....	55
XX.	Access to Cabling in Multi-Unit Properties.....	57

**FOSTERING OUT-OF-REGION COMPETITION**

**XXI. Out-of-Territory Competitive Entry (National-Local Strategy) ..... 59**

**IMPROVING RESIDENTIAL PHONE SERVICE**

**XXII. InterLATA Services Pricing ..... 62**

**XXIII. Enhanced Lifeline Plans ..... 63**

**XXIV. Additional Service Quality Reporting ..... 65**

**XXV. NRIC Participation ..... 66**

**ENSURING COMPLIANCE WITH AND ENFORCEMENT OF THESE CONDITIONS**

**XXVI. Compliance Program ..... 66**

**XXVII. Independent Auditor ..... 67**

**XXVIII. Enforcement ..... 70**

**XXIX. Sunset ..... 71**

**XXX. Effect of Conditions ..... 71**

**ATTACHMENT A: Carrier-to-Carrier Performance Plan**

**ATTACHMENTS A-1a, A-1b, A-2a, A-2b: Performance Measurements**

**ATTACHMENT A-3: Calculation of Parity and Benchmark Performance  
and Voluntary Payments**

**ATTACHMENT A-4: Voluntary Payments for Performance Measurements**

**ATTACHMENT A-5a, A-5b: SBC/Ameritech Measurement Lists**

**ATTACHMENT A-6: Monthly and Annual Caps**

**ATTACHMENT B: Model Collocation Attestation Report**

**ATTACHMENT C: Promotional Discounts for Residential Unbundled Local Loops**

**ATTACHMENT D: Alternative Dispute Mediation**

**ATTACHMENT E: Potential Out-of-Territory Markets**

## CONDITIONS

As a condition of exercising the grant authorized herein, SBC and Ameritech shall comply with the following enumerated Conditions.<sup>1</sup> Unless otherwise specified herein, the Conditions described herein shall become effective 10 business days after the Merger Closing Date. The Conditions described herein shall be null and void if SBC and Ameritech do not merge and there is no Merger Closing Date.

It is not the intent of these Conditions to restrict, supersede, or otherwise alter state or local jurisdiction under the Communications Act of 1934, as amended, or over the matters addressed in these Conditions, or to limit state authority to adopt rules, regulations, performance monitoring programs, or other policies that are not inconsistent with these Conditions. Nor do the Conditions reflect or constitute any determination or standard regarding SBC/Ameritech's compliance or non-compliance with 47 U.S.C. §§ 251, 252, 271, or 272.<sup>2</sup>

For the purposes of these Conditions, the term "Merger Closing Date" means the day on which, pursuant to their Merger Agreement, SBC and Ameritech cause a Certificate of Merger to be executed, acknowledged, and filed with the Secretary of State of Delaware as provided in Section 251 of the Delaware General Corporation Law, as amended. The term "prior to the Merger Closing Date" means prior to the time that SBC and Ameritech cause a Certificate of Merger to be executed, acknowledged, and filed with the Secretary of State of Delaware as provided in Section 251 of the Delaware General Corporation Law, as amended.

For purposes of these Conditions, the term "SBC/Ameritech" shall mean Illinois Bell Telephone Company, Indiana Bell Telephone Company, Incorporated, Michigan Bell Telephone Company, Nevada Bell, The Ohio Bell Telephone Company, Pacific Bell, The Southern New England Telephone Company ("SNET"), Southwestern Bell Telephone Company ("SWBT"), and Wisconsin Bell, Inc.; any successor or assign of such company that provides wireline telephone exchange service; and Ameritech Corporation, SBC Communications Inc., and any successor of either company.

For purposes of these conditions, the term "SBC/Ameritech Service Area" shall mean the combined service areas of Illinois Bell Telephone Company, Indiana Bell Telephone Company, Incorporated, Michigan Bell Telephone Company, Nevada Bell, The Ohio Bell Telephone

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<sup>1</sup> All annotations to these Conditions contained in the following footnotes are explanatory notes that have been added to SBC/Ameritech's proposed conditions by the Commission in order to facilitate implementation and enforcement of these Conditions.

<sup>2</sup> The intent of these Conditions is to address concerns raised by the proposed merger. To the extent that these Conditions impose fewer or less stringent obligations on SBC/Ameritech than the requirements of any past or future Commission decision or any provisions of the 1996 Act or the Commission or state decisions implementing the 1996 Act or any other pro-competitive statutes or policies, nothing in these Conditions shall relieve SBC/Ameritech from the requirements of that Act or those decisions. The approval of the proposed merger subject to these Conditions does not constitute any judgment by the Commission on any issues of either federal or state competition law. In addition, these conditions shall have no precedential effect in any forum, and shall not be used as a defense by the Merging Parties in any forum considering additional procompetitive rules or regulations.

Company, Pacific Bell, SNET, SWBT, and Wisconsin Bell, Inc. where those companies operated as incumbent local exchange carriers (“incumbent LECs”) as of August 27, 1999.

For purposes of these conditions, the term “SBC/Ameritech States” shall mean Arkansas, California, Connecticut, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas, and Wisconsin. The term “SBC States” shall mean Arkansas, California, Connecticut, Kansas, Missouri, Nevada, Oklahoma, and Texas. The term “Ameritech States” shall mean Illinois, Indiana, Michigan, Ohio, and Wisconsin.

For purposes of these Conditions, the term “affiliate” shall have the same meaning as in 47 U.S.C. § 153(1).

For purposes of these Conditions, the term “telecommunications carrier” shall have the same meaning as in 47 U.S.C. § 153(44).

## **PROMOTING EQUITABLE AND EFFICIENT ADVANCED SERVICES DEPLOYMENT**

### **I. Separate Affiliate for Advanced Services**

1. SBC/Ameritech shall provide all Advanced Services in the SBC/Ameritech Service Area through one or more affiliates that are structurally separate from the SBC/Ameritech incumbent LECs in accordance with the provisions and schedule set forth below. As described below, Ameritech and SBC shall establish separate Advanced Services affiliates prior to the Merger Closing Date. Upon receiving state approval of any necessary interconnection agreements and obtaining any necessary state authority or certification, SBC/Ameritech shall transition the provisioning of Advanced Services to one or more separate Advanced Services affiliates. Nothing in this Section I is intended to prohibit SBC/Ameritech’s separate Advanced Services affiliates from providing services that are not Advanced Services in accordance with any applicable federal or state laws or regulations.

2. Advanced Services. For purposes of these Conditions, the term “Advanced Services” means intrastate or interstate wireline telecommunications services, such as ADSL, IDSL, xDSL, Frame Relay, Cell Relay and VPOP-Dial Access Service (an SBC Frame Relay-based service) that rely on packetized technology and have the capability of supporting transmissions speeds of at least 56 kilobits per second in both directions. This definition of Advanced Services does not include (1) data services that are not primarily based on packetized technology, such as ISDN, (2) x.25-based and x.75-based packet technologies, or (3) circuit switched services (such as circuit switched voice grade service) regardless of the technology, protocols or speeds used for the transmission of such services.

3. Section 272 Requirements for the Separate Advanced Services Affiliates. Subject to the transitional mechanisms discussed below, the separate Advanced Services affiliate(s) required by this Section I shall operate in accordance with the structural, transactional, and non-discrimination requirements that would apply to a separate affiliate's relationships with a Bell Operating Company (“BOC”) under 47 U.S.C. § 272(b), (c), (e), and (g), as interpreted by the Federal Communications Commission (the “Commission”) as of August 27, 1999, except to the extent those provisions are inconsistent with the provisions of this Paragraph, in which case the provisions of this Paragraph shall

apply. Except as provided in Subparagraph 3i below, SBC/Ameritech shall comply with the Commission's accounting safeguards pursuant to 47 U.S.C. § 272 for all transactions (including chaining transactions)<sup>3</sup> between an incumbent LEC and a separate Advanced Services affiliate and shall continue to do so regardless of, and consistent with, the specific accounting method SBC/Ameritech uses. If the separate Advanced Services affiliate does not deviate (other than in an inadvertent or incidental manner) from the requirements of 47 U.S.C. § 272(b), (c), (e), and (g) except as described in this Paragraph and Subparagraphs below, such separate affiliate(s) shall not be deemed<sup>4</sup> a successor or assign of a BOC or incumbent LEC for purposes of applying 47 U.S.C. §§ 153(4) or 251(h). Moreover, if Advanced Services assets<sup>5</sup> or employees are transferred, assigned, or sold from an SBC/Ameritech incumbent LEC to the separate Advanced Services affiliate consistent with these Conditions, the incumbent LEC's obligations under 47 U.S.C. §§ 251, 252, or 272 shall not be assigned or transferred<sup>6</sup> to the separate Advanced Services affiliate.

a. Any SBC/Ameritech separate Advanced Services affiliate and any SBC/Ameritech incumbent LEC may joint market their services with the services of the other, and provide related customer care on behalf of the other, without being subject to any non-discrimination requirement under these Conditions. Permitted joint marketing by the incumbent LEC that may be conducted on an exclusive basis would include the sale of Advanced Services provided by the Advanced Services affiliate and the transfer of the customer's Advanced Services order or customer identified by the incumbent LEC through inbound or outbound marketing to the affiliate for completion in accordance with Subparagraph 4b(5). When performing these joint marketing activities later than 180 days after the Merger Closing Date in all states except Connecticut), the employees of the incumbent LEC may only access the incumbent LEC's loop information through the same interfaces, Operations Support Systems ("OSS"), processes, and procedures as are made available to unaffiliated telecommunications carriers, as described in Paragraphs 15, 19, and 20. In Connecticut, this obligation shall apply consistent with the schedules established in Paragraphs 15 and 20 for deployment of OSS interfaces in Connecticut. Permitted joint marketing by the Advanced Services affiliate would include sales and completing the sales function, up to and including the taking of an order, for Advanced Services and local services by the affiliate (using the same interfaces and processes used by unaffiliated telecommunications carriers as required by these Conditions) and the transfer of customer orders or calls identified by the affiliate to the SBC/Ameritech incumbent LEC for provisioning of the customer's local service order. Permitted joint marketing by either the incumbent LEC or the separate Advanced Services affiliate would include customer contacts up to and including the completion of the order taking process, including responding to customer inquiries, sales, and order-taking. For purposes of

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<sup>3</sup> The term "chaining transactions" refers to transactions between the incumbent LEC and separate affiliate through other SBC/Ameritech entities.

<sup>4</sup> This means that the Commission does not regard the separate affiliate as a per se successor or assign based on the relationship described in these Conditions. Rather, there is a rebuttable presumption that the separate affiliate will not be a successor or assign. The final determination of whether a relationship establishes a successor or assign is a case-by-case determination based on the totality of the facts and circumstances.

<sup>5</sup> The term "assets" is defined as equipment, software, customer accounts, initial capital contribution, and real estate.

<sup>6</sup> This means that the Commission does not regard the separate affiliate as a per se successor or assign based on the transactions contemplated by these Conditions. Rather, there is a rebuttable presumption that the separate affiliate will not be a successor or assign. The final determination of whether transfers of assets or employees establishes a successor or assign is a case-by-case determination based on the totality of the facts and circumstances.

these Conditions, “customer care” means the following functions performed after the sale: on-going customer notification of service order progress, response to customer inquiries regarding the status of an order, changes to customer information, and receipt of customer complaints (other than receipt and isolation of trouble reports, such as reports of service outages or service impairment, which shall be processed in accordance with Subparagraph 4(j)).

b. The SBC/Ameritech incumbent LEC may provide billing and collection services to the separate Advanced Services affiliate on a non-discriminatory basis. Permitted billing and collection services include payment arrangements, account adjustment, responding to account balance inquiries, account closure, responses to legal action affecting or involving the customer, and receipt and resolution of customer billing and collection complaints.<sup>7</sup> In the event that the SBC/Ameritech ILEC provides billing and collection services to the separate Advanced Services affiliate within a state under this Subparagraph, it shall provide the same billing and collection services to unaffiliated providers of Advanced Services in that state on nondiscriminatory rates, terms, and conditions, including start-up costs and timeframes. Transactions between the incumbent LEC and a separate Advanced Services affiliate that are permitted by this Subparagraph shall be made pursuant to a written agreement between the incumbent LEC and the affiliate.

c. Any SBC/Ameritech incumbent LEC may provide the operations, installation, and maintenance (“OI&M”) services permitted under Paragraph 4 to any separate Advanced Services affiliate on a non-discriminatory basis pursuant to a tariff, written affiliate agreement, or approved interconnection agreement, provided that the same services made available to the separate affiliate are made available to unaffiliated providers of Advanced Services in that state on a non-discriminatory basis consistent with the requirements of 47 U.S.C. § 272(c) and the Commission’s implementing rules as in effect on August 27, 1999, where not inconsistent with the provisions of this Section. Because such OI&M services are not UNEs and, therefore, are not subject to forward-looking pricing methodologies,<sup>8</sup> they will be priced and made available on a non-discriminatory basis according to the Commission’s affiliate transaction rules. The following additional provisions shall apply to the incumbent LEC’s provision of OI&M services:

(1) With respect to transactions for OI&M services, SBC/Ameritech shall comply with the Commission’s Section 272 accounting safeguards and will continue to do so regardless of, and consistent with, the specific accounting method SBC/Ameritech uses.

(2) Processes, systems, and procedures made available by the incumbent LEC for use by the separate Advanced Services affiliate to obtain OI&M services from the SBC/Ameritech incumbent LEC under this Subparagraph shall be available for use by unaffiliated providers of Advanced Services in that state on non-discriminatory rates, terms, and conditions.

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<sup>7</sup> Billing and collection services will be offered on a sufficiently disaggregated basis so that an unaffiliated telecommunications carrier may select only the particular services it requires.

<sup>8</sup> OI&M services that are subject to the Commission’s UNE pricing rules are subject to forward-looking pricing methodologies. For example, SBC/Ameritech will be undertaking various operations, maintenance, and installation functions as a normal consequence of providing services, unbundled elements and interconnection. These normal functions will be priced in accordance with forward-looking rules applicable to the underlying service, unbundled element or interconnection.

(3) In order to provide for an orderly and efficient transfer of personnel and systems to the separate Advanced Services affiliate, for a period of not more than 180 days after the Merger Closing Date, the incumbent LEC may provide, under a written agreement, network planning, engineering, design, and assignment services for Advanced Services Equipment as defined in Subparagraph 3d (including the creation and maintenance of customer records), including the use of systems and databases associated with these services, on an exclusive basis to the separate Advanced Services affiliate. After 180 days, the separate affiliate shall not obtain such services from any SBC/Ameritech incumbent LEC.<sup>9</sup>

d. The incumbent LEC and separate Advanced Services affiliate(s) may separately own facilities or network equipment used specifically to provide Advanced Services (“Advanced Services Equipment”), provided that the separate Advanced Services affiliate shall own (or lease from an entity other than an SBC/Ameritech incumbent LEC)<sup>10</sup> and operate all new Advanced Services Equipment (as defined below) used to provide Advanced Services (including equipment used to expand the capability or capacity of existing Advanced Services Equipment) put into service by SBC/Ameritech later than 30 days after the Merger Closing Date. Repair and/or replacement of Advanced Services Equipment owned by the incumbent LEC shall not be considered to be new Advanced Services Equipment put into service. For purposes of this Section I, Advanced Services Equipment is: (1) DSLAMs or functionally equivalent equipment; (2) spectrum splitters that are used solely in the provision of Advanced Services; (3) packet switches and multiplexers such as ATMs and Frame Relay engines used to provide Advanced Services; (4) modems used in the provision of packetized data; and (5) DACS frames used only in the provision of Advanced Services.<sup>11</sup> Spectrum splitters (or the equivalent functionality) used to separate the voice grade channel from the Advanced Services channel shall not be considered Advanced Services Equipment; any such splitters installed after the Merger Closing Date that are located at the customer premises shall be considered network terminating equipment. In order to allow an efficient transition to the non-discriminatory use of Advanced Services Equipment or an efficient transfer of Advanced Services Equipment to the separate Advanced Services affiliate, any Advanced Service Equipment that was utilized by the incumbent LEC to provide an Advanced Service to its embedded base of customers in a state as of the Merger Closing Date may continue to be utilized by the incumbent LEC and access may be provided (under a written agreement) to the separate Advanced Services affiliate on an exclusive basis within the state during a transitional period. The transitional period shall be until such time as SBC/Ameritech is required to provide all Advanced Services utilizing the Advanced Services Equipment through a Separate Advanced Services affiliate in that state, in accordance with the provisions of Paragraph 6. Additionally, the incumbent LECs may provide the ADSL service derived from the integrated combination of an unbundled loop, a DSLAM, and spectrum splitters at each end of the unbundled loop where the unbundled loop is also used to provide voice grade service (“Interim Line Sharing”),

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<sup>9</sup> If the Advanced Services affiliate is provided network planning, engineering, design, and assignment services from another SBC/Ameritech entity (which is not an incumbent LEC), and if that other entity has substantial relationships with the incumbent LEC such that the other entity probably is a successor or assign of the incumbent LEC, a question would arise as to whether the Advanced Services affiliate is also a successor or assign of the incumbent LEC.

<sup>10</sup> If the Advanced Services affiliate is provided services, facilities, or network equipment from another SBC/Ameritech entity (which is not an incumbent LEC) and if that other entity has substantial relationships with the incumbent LEC such that the other entity probably is a successor or assign of the incumbent LEC, a question would arise as to whether the Advanced Services affiliate is also a successor or assign of the incumbent LEC.

<sup>11</sup> Advanced Services Equipment does not include DACS frames used for voice services.

including OI&M functions associated with Interim Line Sharing, to the separate Advanced Services affiliate(s) on an exclusive basis within any geographic area until line sharing is provided to unaffiliated providers of Advanced Services within the same geographic area, as described in Paragraph 8, provided that the incumbent LEC provides unaffiliated providers of Advanced Services within the same geographic area the Discounted Surrogate Line Sharing Charges, as described in Paragraph 14;

e. The incumbent LEC may (but shall not be required to) transfer or sell to the separate Advanced Services affiliate(s), on an exclusive basis, any Advanced Services Equipment, including supporting facilities and personnel, during a “Grace Period.” The Grace Period shall be from August 27, 1999 until the date that is 180 days after the date that the Commission issues a final order, not including any appeals, in the UNE remand proceeding (CC Docket 96-98). In states where regulatory approval is required to transfer Advanced Services Equipment, if SBC/Ameritech seeks such required regulatory approval during the Grace Period, and completes the transfer of Advanced Services Equipment for which regulatory approval is required within 180 days after receiving such approval, then such Advanced Services Equipment shall be deemed to have been transferred during the Grace Period. Such Advanced Services Equipment that may be transferred to the separate affiliate on an exclusive basis is limited to that equipment described in Subparagraph d above. If SBC/Ameritech transfers to its separate affiliate a facility that is deemed to be a UNE under 47 U.S.C. § 251(c)(3), the Commission’s unbundling requirements will attach with respect to that UNE as described in section 53.207 of the Commission’s rules, 47 C.F.R. § 53.207.

f. The separate Advanced Services affiliates may use the incumbent LEC's name, trademarks, or service marks on an exclusive basis.

g. Employees of the separate Advanced Services affiliate(s) may, on an exclusive basis, be located within the same buildings and on the same floors as employees of the incumbent LECs.<sup>12</sup>

h. For a transition period of up to 12 months after the Merger Closing Date, an SBC/Ameritech incumbent LEC may receive and process Advanced Services-related trouble reports and perform related trouble isolation, as described in Subparagraph 4j, on behalf of a separate Advanced Services affiliate on an exclusive basis.<sup>13</sup>

i. Public disclosure of the governing interconnection agreement (including the prices, discounts, terms, and conditions associated with that agreement) shall replace the transaction disclosure requirements (including Internet posting) that otherwise would apply to the incumbent LEC and separate Advanced Services affiliate under Section 272(b)(5) and the Commission’s implementing rules for facilities and services provided pursuant to such agreement.

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<sup>12</sup> Where transactions between the incumbent LEC and the separate affiliate are required to be on a non-discriminatory basis, such transactions between the separate affiliate and the incumbent LEC shall be conducted in the same manner in which unaffiliated entities conduct transactions with the incumbent LEC.

<sup>13</sup> We note that the corporate compliance officer described in paragraph 65 of these Conditions will notify appropriate Commission staff when the transaction period ends (*i.e.*, when SBC/Ameritech has stopped receiving and processing Advanced Services-related trouble reports and performing related trouble isolation on behalf of the separate Advanced Services affiliate on an exclusive basis).

4. Steady-State Provisioning of Advanced Services. After a transition period (as defined in Subparagraph 4n below), all Advanced Services offered by SBC/Ameritech in the SBC/Ameritech Service Area will be provisioned in accordance with the terms of this Paragraph, which provisions are consistent with the provisions of Paragraph 3. After such transition period, the overall responsibility for providing Advanced Services in the SBC/Ameritech Service Area shall rest with a separate Advanced Services affiliate. In fulfilling those responsibilities a separate Advanced Services affiliate may utilize the facilities and services of an incumbent LEC consistent with the provisions of Paragraph 3. Specifically, with respect to SBC/Ameritech's steady-state provisioning of Advanced Services in the SBC/Ameritech Service Area, this Paragraph describes (1) the activities that an SBC/Ameritech incumbent LEC may undertake, and associated conditions that apply if an incumbent LEC chooses to perform such activities, and (2) the activities that are the responsibility of a separate Advanced Services subsidiary and which may not be performed by an incumbent LEC.

a. Creating an Inventory of Advanced Services Equipment and Advanced Service Capability. Consistent with the Commission's rules implementing the provisions of 47 U.S.C. § 272(b)(1), the separate Advanced Services affiliate shall be responsible for network planning and engineering functions related to Advanced Services, and these functions may not be provided by an incumbent LEC.<sup>14</sup> The network planning and engineering functions related to Advanced Services that are the responsibility of the separate Advanced Services affiliate and which may not be performed by an incumbent LEC include:

(1) Determining where, when, and how much Advanced Services Equipment needs to be deployed to meet forecasted customer demands, and ensuring that such equipment is compatible with the interconnection services (e.g., unbundled local loops) and/or tariffed services (e.g., DS1 special access service) the separate Advanced Services affiliate will purchase from the incumbent LEC.

(2) Arranging for the purchase of Advanced Services Equipment.

(3) Arranging and negotiating for collocation space with the incumbent LEC under the same terms and conditions, and utilizing the processes that are made available to unaffiliated telecommunications carriers, and arranging for any new Advanced Services Equipment to be delivered.

(4) Inventorying, in systems and databases owned by the separate Advanced Services affiliate, its Advanced Services Equipment deployed and identifying whether such equipment is used or available to provide Advanced Services to customers.

The incumbent LEC may, pursuant to the OI&M provisions of Subparagraph 3c, perform the following tasks that are associated with creating an inventory of Advanced Services Equipment and Advanced Service capability. Processes, systems, and procedures used by the separate Advanced Services affiliate to obtain OI&M services under this Subparagraph shall be available to unaffiliated providers of Advanced Services on a non-discriminatory basis.

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<sup>14</sup> This means that these functions may not be provided by the incumbent LEC as part of the OI&M contemplated in subparagraph 3c.

(5) The incumbent LEC may install the affiliate's Advanced Services Equipment. If the incumbent LEC provides these services to the separate Advanced Services affiliate, it must provide the same services under the same rates, terms, and conditions to unaffiliated telecommunications carriers of Advanced Services.<sup>15</sup>

(6) An incumbent LEC technician may connect together various items of Advanced Services Equipment owned by the affiliate located in virtual collocation space or other space controlled by the incumbent LEC, or may connect various items of Advanced Services Equipment owned by the affiliate located in such space with telecommunications services and/or unbundled network elements ordered by the affiliate (e.g., the incumbent LEC technician could connect a DSLAM to an ATM switch via a DS3 special access service ordered by the affiliate), in accordance with a work order from the affiliate. If the incumbent LEC provides these services to the separate Advanced Services affiliate, it must provide the same services under the same rates, terms, and conditions to unaffiliated telecommunications carriers.<sup>16</sup>

(7) An incumbent LEC technician may connect together various items of Advanced Services Equipment owned by the affiliate located in physical collocation space, or may connect various items of Advanced Services Equipment owned by the affiliate located in physical collocation space with telecommunications services and/or unbundled network elements ordered by the affiliate, in accordance with a work order from the affiliate. If the incumbent LEC provides these services to the separate Advanced Services affiliate, it must provide the same services under the same rates, terms, and conditions to unaffiliated telecommunications carriers.<sup>17</sup>

b. Customer Sales Process for New Installations. Consistent with the joint marketing provisions of Subparagraph 3a, the incumbent LEC may, on an exclusive basis, complete the sale of, up to and including the taking of an order for, Advanced Services on behalf of the separate Advanced Services affiliate by performing any of the following activities:

(1) On inbound customer calls, the incumbent LEC service representative may discuss Advanced Services with the customer and obtain the customer's agreement to purchase an Advanced Service provided by the separate Advanced Services affiliate.

(2) An incumbent LEC service representative may make outbound calls to discuss Advanced Services with a customer and may obtain the customer's agreement to purchase an Advanced Service provided by the separate Advanced Services affiliate.

(3) During a sales discussion with a customer, an incumbent LEC service representative may review loop information to determine if it is possible to provide an Advanced Service to the customer provided, however, that the incumbent LEC service representative may only have access to the same loop information of the incumbent LEC as is available to unaffiliated telecommunications carriers and may only access such loop information through the same electronic

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<sup>15</sup> The brand and model number of the particular Advanced Services Equipment will generally not be a material term or condition, so that the incumbent LEC will provide non-discriminatory service regardless of the specific equipment brand and model selected by unaffiliated carriers. Unaffiliated entities shall pay reasonable costs to train the incumbent LEC's employees to service the equipment.

<sup>16</sup> *Id.* Incumbent LEC work order processes, including interfaces, must also be non-discriminatory.

<sup>17</sup> *Id.*

OSS interfaces, Internet access, and/or manual methods, as are made available to unaffiliated telecommunications carriers, in accordance with Paragraphs 15, 19, and 20.<sup>18</sup>

(4) During a sales discussion with a customer, an incumbent LEC service representative may review Advanced Services availability information provided to the incumbent LEC by the separate Advanced Services affiliate to determine whether the affiliate offers a certain Advanced Service in the area where the customer resides.

(5) Upon securing a customer's agreement to purchase an Advanced Service provided by the separate Advanced Services affiliate, the incumbent LEC service representative may obtain from the customer all customer information necessary to complete the order (e.g., name, address, due date, premises access information, services, ISP information, CPE information). The incumbent LEC service representative must pass such information to the separate Advanced Services affiliate for placement of any necessary service order(s) by the affiliate. The separate Advanced Services affiliate shall use the same interfaces and associated processes and procedures made available by the incumbent LEC for placing Advanced Services orders with the SBC/Ameritech incumbent LEC as are made available by the incumbent LEC to unaffiliated providers of Advanced Services in accordance with Subparagraph 15c.<sup>19</sup>

(6) Consistent with regulatory requirements, the separate Advanced Services affiliate and unaffiliated providers of Advanced Services shall have access to the same customer-specific information for pre-ordering and ordering, other than credit history, that is available to the incumbent LEC, through the same interfaces that are made available on a non-discriminatory basis by the incumbent LEC.<sup>20</sup>

c. Design of the Customer's Advanced Service. Consistent with the Commission's rules implementing the provisions of 47 U.S.C. § 272(b)(1), a separate Advanced Services affiliate shall be responsible for design functions related to a customer's Advanced Services sales order, and these functions may not be performed by an incumbent LEC.<sup>21</sup> The separate Advanced Services affiliate is responsible for the overall design of the Advanced Service, but the incumbent LEC is responsible (and the affiliate is not responsible) for the design of unbundled network elements or telecommunications services used in the Advanced Service where these elements or services are provided by the incumbent LEC. The design functions related to a customer's Advanced Services order that are the responsibility of the separate Advanced Services affiliate include:

(1) The identification of Advanced Services network components, unbundled network elements, telecommunications services and work activities necessary to provision the Advanced Service to the customer's premises;

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<sup>18</sup> The fact that unaffiliated telecommunications carriers and the separate affiliate are using the same interface, process, and procedure, even if other interfaces, processes, and procedures are made available by the incumbent LEC to accomplish the same purpose, would be evidence of good faith, non-discriminatory implementation of this Condition.

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> This means that the functions may not be provided by the incumbent LEC as part of the OI&M contemplated in Subparagraph 3c.

(2) The determination of the routing of the Advanced Service and the location(s) of the identified Advanced Services network components, unbundled network elements, and telecommunications services;

(3) The creation of a work order to have all such Advanced Services network components, unbundled network elements and telecommunications services made available and all such activities completed. Examples of Advanced Services network components, unbundled network elements and telecommunications services that would be identified in the design stage are (i) unbundled local loops and DS1 special access circuits provided by the incumbent LEC, and (ii) DSLAMs and ATM switch ports provided by the separate Advanced Services affiliate. Examples of work activities that would be identified in the design stage are (i) the conditioning of an unbundled local loop, (ii) the cross-connections required to connect all of the components, and (iii) the installation of Advanced Services Customer Premises Equipment (“CPE”) at the customer premises.

d. Assignment of the Advanced Services Equipment Required to Provide the Customer’s Advanced Service. Consistent with the Commission’s rules implementing the provisions of 47 U.S.C. § 272(b)(1), the separate Advanced Services affiliate shall be responsible for the assignment functions related to the Advanced Services Equipment used to provision a customer’s Advanced Services order, and these functions may not be performed by an incumbent LEC.<sup>22</sup> Examples of the assignment functions related to a customer’s Advanced Services order that are the responsibility of the separate Advanced Services affiliate include (i) assignment of the DSLAM equipment, and (ii) assignment of the ATM switch port.

e. Creating and Maintaining the Customer’s Record, Including the Customer’s Advanced Service Circuit Layout Record. The separate Advanced Services affiliate shall be responsible for creating and maintaining all records associated with the customer’s Advanced Services account, and these records may not be created or maintained by an incumbent LEC.<sup>23</sup> These records may be provided to an incumbent LEC for its use in providing joint marketing, customer care, and billing and collection services to the separate Advanced Services affiliate.<sup>24</sup> The records that the separate Advanced Services affiliate shall be responsible for creating and maintaining include:

(1) The record that describes the Advanced Services network components, unbundled network elements, and telecommunications services (including location, identification numbers, etc.) utilized by the separate Advanced Services affiliate to provision the customer’s Advanced Service. Where the separate Advanced Services affiliate utilizes the telecommunications services or unbundled network elements of the incumbent LEC, the incumbent LEC will be responsible for all records associated with how such services or unbundled network elements are provisioned.<sup>25</sup>

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<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> Only the information required to perform the permitted function may be extracted from the record, and such information may be used only for a permitted purpose. Systems used for providing information to the incumbent LEC are to be designed consistent with these limitations.

<sup>25</sup> The ILEC will provide access to all records associated with services or unbundled elements provided to the separate affiliate and unaffiliated providers of Advanced Services in a non-discriminatory fashion, and will keep all such records in a manner equally useful to the separate affiliate and unaffiliated providers of Advanced Services.

For example, if the affiliate orders (from the incumbent LEC) a DS1 special access service from location A to location Z, (i) the affiliate's circuit layout record will reflect the DS1 service from location A to location Z, and (ii) the incumbent LEC's record will reflect the layout of the circuit utilized to provision the DS1 service (e.g., that the circuit routes from location A through locations B and C before it terminates at location Z).

(2) The record that contains the information necessary to facilitate billing the customer for the Advanced Service being provided to the customer.

f. Ordering, from the Incumbent LEC, the Interconnection Facilities and Telecommunications Services Required to Provide the Customer's Advanced Service. The separate Advanced Services affiliate shall be responsible for ordering all interconnection facilities (e.g., unbundled local loops) and all telecommunications services (e.g., DS1 special access service) from the incumbent LEC, and the ordering of such facilities and services may not be performed by an incumbent LEC.<sup>26</sup> The incumbent LEC must permit unaffiliated telecommunications carriers to order such facilities and services under the same rates, terms, and conditions, and to utilize the same interfaces, processes, and procedures as are made available to the separate Advanced Services affiliate.<sup>27</sup> In particular, the separate Advanced Services affiliate may utilize only those OSS interfaces for ordering unbundled network elements and other interconnection services as are made available to unaffiliated telecommunications carriers.

g. Connecting and Testing the Network Components and Telecommunications Services Required to Provision the Customer's Advanced Service. An incumbent LEC technician may, pursuant to the OI&M provisions of Subparagraph 3c, perform the following tasks:

(1) An incumbent LEC technician may, in accordance with a work order received from the separate Advanced Services affiliate, connect the various network components and telecommunications services utilized to provision the customer's Advanced Service. These connections could include (but would not be limited to) the connection from an unbundled loop to a DSLAM port identified by the affiliate, and the connection from a DS1 special access service to an ATM switch port identified by the affiliate. If the incumbent LEC provides these services to the separate Advanced Services affiliate, it must provide the same services under the same rates, terms, and conditions<sup>28</sup> to unaffiliated telecommunications carriers, and it must provide unaffiliated telecommunications carriers access to the same process for sending work orders to the incumbent LEC as the incumbent LEC provides to the affiliate.<sup>29</sup>

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<sup>26</sup> This means that the functions may not be provided by the ILEC as part of the OI&M contemplated in Subparagraph 3c.

<sup>27</sup> The fact that unaffiliated telecommunications carriers and the separate affiliate are using the same interface, process, and procedure, even if other interfaces, processes, and procedures are made available by the incumbent LEC to accomplish the same purpose, would be evidence of good faith, non-discriminatory implementation of this Condition.

<sup>28</sup> The brand and model number of the particular Advanced Services Equipment will generally not be a material term or condition, so that the incumbent LEC will provide nondiscriminatory service regardless of the specific equipment brand and model selected by unaffiliated carriers. Unaffiliated entities shall pay reasonable costs to train the incumbent LEC's employees to service the equipment.

<sup>29</sup> The fact that unaffiliated telecommunications carriers and the separate affiliate are using the same process and procedure, even if other processes and procedures are made available by the incumbent LEC to accomplish the

(2) An incumbent LEC technician may, in accordance with a work order received from the separate Advanced Services affiliate, test the customer's Advanced Service circuit after all of the various network components and telecommunications services utilized to provision the service have been connected together. In performing this test, the technician may use whatever test systems or equipment are typically made available to the technician. If the incumbent LEC provides these services to the separate Advanced Services affiliate, it must provide the same services under the same rates, terms, and conditions to unaffiliated telecommunications carriers, and it must provide unaffiliated telecommunications carriers access to the same process for sending work orders to the incumbent LEC as the incumbent LEC provides to the affiliate.<sup>30</sup>

h. Installing and Testing any CPE Associated with the Customer's Advanced Service. An incumbent LEC technician may, pursuant to the OI&M provisions of Subparagraph 3c, install and test CPE at the customer premises on behalf of the separate Advanced Services affiliate. If the incumbent LEC provides these services to the separate Advanced Services affiliate, it must provide the same services under the same rates, terms, and conditions<sup>31</sup> to unaffiliated telecommunications carriers.

i. Advising the Customer of the Status of the Order. Consistent with the customer care provisions of Subparagraph 3a, an incumbent LEC service representative may, on an exclusive basis on behalf of the separate Advanced Services affiliate, provide ongoing customer notification of service order progress and respond to customer inquiries regarding the status of the customer's order. The incumbent LEC service representative must obtain all information regarding the status of the customer's Advanced Service order from the separate Advanced Services affiliate.

j. Receipt and Isolation of Troubles Affecting the Customer's Advanced Service. In the event that an end user customer contacts the SBC/Ameritech incumbent LEC to report a trouble that may affect an Advanced Service provided by the separate Advanced Services affiliate, the incumbent LEC may perform the following trouble-related functions for the affiliate, provided that the same functions and related processes and procedures provided to the affiliate are made available to unaffiliated providers of Advanced Services in the same state on non-discriminatory rates, terms, and conditions:

(1) Where the customer contacting the incumbent LEC is a customer of the incumbent LEC, the incumbent LEC may perform a line test of facilities the incumbent LEC uses to provide its services to the customer, to indicate whether the trouble is associated with or affects services provided to the customer by the incumbent LEC. If the incumbent LEC's line test indicates that the trouble is associated with or affects services provided to the customer by the incumbent LEC, the incumbent LEC may resolve the trouble.

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same purpose, would be evidence of good faith, non-discriminatory implementation of this Condition.

<sup>30</sup> *Id.*

<sup>31</sup> The brand and model number of the particular Advanced Services Equipment will generally not be a material term or condition, so that the incumbent LEC will provide nondiscriminatory service regardless of the specific equipment brand and model selected by unaffiliated carriers. Unaffiliated entities shall pay reasonable costs to train the incumbent LEC's employees to service the equipment.

(2) Where the customer contacting the incumbent LEC is a customer of the incumbent LEC, and the incumbent LEC's line test of facilities the incumbent LEC uses to provide its services to the customer indicates that the trouble is not associated with and/or does not affect services provided to the customer by the incumbent LEC, the incumbent LEC may transfer the trouble report (including the results of any line test performed by the incumbent LEC) or refer or transfer the end user customer to the separate Advanced Services affiliate. If the incumbent LEC provides the separate Advanced Services affiliate such referral or transfer services, the incumbent LEC shall offer the same referral or transfer services to unaffiliated providers of Advanced Services, on non-discriminatory rates, terms, and conditions.<sup>32</sup> In the event that the incumbent LEC uses an electronic system to transfer trouble reports to its affiliate in a state, (i) the affiliate shall pay its appropriate share of the costs of that system in accordance with the Commission's accounting safeguards pursuant to 47 U.S.C. § 272 in accordance with Paragraph 3 above and (ii) the incumbent LEC shall offer to develop in that state, within 12 months of a written contract for development of such access, nondiscriminatory access to the same electronic system for unaffiliated Advanced Services providers. In the event that the incumbent LEC uses an electronic system to transfer trouble reports to its affiliate, the incumbent LEC shall also provide unaffiliated Advanced Services providers the option of receiving trouble reports through a public Internet connection. If more than one Advanced Services provider requests access to the same electronic system used by the incumbent LEC to transfer trouble reports to its affiliate, each provider entering into a written contract to obtain such access will pay its proportionate share of the costs associated with developing the access based upon the number of providers requesting access. If the requested access has already been developed for another provider, SBC/Ameritech shall provide the access without a development charge. SBC/Ameritech shall develop and pay for a training package, and the requesting Advanced Services provider shall pay for the costs of delivery of the training.

(3) Where the customer contacting the incumbent LEC is not a customer of the incumbent LEC, but contacts the SBC/Ameritech incumbent LEC to report a trouble affecting an Advanced Service, the incumbent LEC shall not perform testing on the line, but will refer the customer to the customer's Advanced Services provider, if known,<sup>33</sup> for resolution of the trouble.

k. Repair of Troubles. A separate Advanced Services affiliate is responsible for maintaining and repairing any Advanced Services Equipment it owns or leases. To fulfill this responsibility, a separate Advanced Services affiliate may contract with an incumbent LEC, pursuant to the OI&M provisions of Subparagraph 3c, to maintain and repair Advanced Services Equipment owned or leased by the affiliate. If the incumbent LEC provides these maintenance and repair services for Advanced Services Equipment to the separate Advanced Services affiliate, it must offer to provide the same services under the same rates, terms, and conditions to unaffiliated providers of Advanced Services. All maintenance and repair that is provided by the incumbent LEC, including maintenance and repair in connection with its provision of interconnection, unbundled network elements, or resold

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<sup>32</sup> The incumbent LEC's offer must include -- without additional charge -- processes and procedures which protect unaffiliated carriers' proprietary interests in the identity of their customers. Failure to satisfy this requirement would be evidence that this condition has not been implemented in a good faith, non-discriminatory fashion.

<sup>33</sup> Good faith implementation of this condition would require that the incumbent take the same steps to discover the identity of the provider of Advanced Services (*e.g.*, by asking the customer), regardless of who is providing the Advanced Services. However, the incumbent cannot use the information obtained as a result of the transfer for any marketing or sales purpose.

services, shall be made available to the separate Advanced Services affiliate using the same interfaces, processes, and procedures as are made available to unaffiliated providers of Advanced Services.<sup>34</sup>

l. Servicing the Customer's Account. Consistent with the joint marketing and customer care provisions of Subparagraph 3a, an incumbent LEC service representative may, on an exclusive basis on behalf of the separate Advanced Services affiliate, perform certain tasks to service the account of a separate Advanced Services affiliate customer. Specifically, these tasks are:

- (1) on-going customer notification of service order progress,
- (2) response to customer inquiries regarding the status of an order,
- (3) changes to customer information, and
- (4) receipt of customer complaints (other than receipt and isolation of trouble reports, such as reports of service outages or service impairment, which shall be processed in accordance with Subparagraph 4(j)).

m. Billing and Collecting for the Advanced Service. An SBC/Ameritech incumbent LEC may provide billing and collection services consistent with the provisions of Subparagraph 3b.

n. Transitional Mechanisms. In recognition of the fact that the SBC/Ameritech incumbent LECs provided most Advanced Services prior to the Merger Closing Date and to minimize any disruption to the efficient and timely delivery of Advanced Services to customers, several transitional mechanisms have been adopted to permit an orderly transition to the steady-state provisioning of Advanced Services described in Subparagraphs (a) through (m) above:

(1) Interim Line Sharing. Pursuant to the provisions of Subparagraph 3d, an incumbent LEC may provide, on an exclusive basis, Interim Line Sharing (as defined in Subparagraph 3d) including OI&M functions associated with Interim Line Sharing to a separate Advanced Services affiliate. The duration of this transition mechanism, with respect to new activations, is dependent on when the Commission requires SBC/Ameritech to provide line sharing to unaffiliated telecommunications carriers.

(2) State Approvals for Providing New Activations of Advanced Services. Pursuant to the provisions of Subparagraphs 5a, 6a, 6b, and 6d, an incumbent LEC may continue to provide new activations of Advanced Services in a state until 30 days after the separate Advanced Services affiliate has received all required state certifications and approvals to provide Advanced Services or is operating, pending such approvals, in accordance with Subparagraph 5a. The affiliate is required to file for all such approvals prior to the Merger Closing Date.

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<sup>34</sup> The fact that unaffiliated telecommunications carriers and the separate affiliate are using the same interface, process, and procedure, even if other interfaces, processes, and procedures are made available by the incumbent LEC to accomplish the same purpose, would be evidence of good faith, non-discriminatory implementation of this Condition.

(3) State Approvals for Providing Advanced Services to Embedded Advanced Services Customers. Pursuant to the provisions of Subparagraphs 6a, 6c, and 6e, an incumbent LEC may continue to provide Advanced Services to embedded customers in a state until the later of 270 days after the Merger Closing Date or 30 days after SBC/Ameritech have obtained all necessary approvals in that state to transfer or assign the embedded customers to the separate Advanced Services affiliate.<sup>35</sup> The affiliate is required to file for all such approvals prior to the Merger Closing Date, and the incumbent LEC is required to file for any required tariff approvals no later than 5 business days after the Merger Closing Date.

(4) Network Planning, Engineering, Design, and Assignment. Pursuant to the provisions of Subparagraph 3c, the incumbent LEC may, on an exclusive basis, provide network planning, engineering, design and assignment services for Advanced Services Equipment (including the creation and maintenance of customer records) to the separate Advanced Services affiliate for a period of no more than 180 days after the Merger Closing Date.

(5) Advanced Services Equipment. Pursuant to the provisions of Subparagraph 3d, the incumbent LEC may continue to own Advanced Services Equipment that was installed no later than the date that is 30 days after the Merger Closing Date. After SBC/Ameritech is required to provide all Advanced Services through a separate Advanced Services affiliate in accordance with the provisions of Paragraph 6, if the incumbent LEC permits the separate Advanced Services affiliate to use such equipment (except for such equipment that is used to provide Interim Line Sharing) the incumbent LEC must permit unaffiliated telecommunications carriers to use the equipment under the same rates, terms, and conditions.

(6) Loop Information. Pursuant to the provisions of Subparagraph 3a, the incumbent LEC, when engaged in the joint marketing permitted by Subparagraph 3a, may access loop information through an OSS interface that is not available to unaffiliated telecommunications carriers for a period of no more than 180 days after the Merger Closing Date. During this transition, unaffiliated telecommunications carriers will be able to access the same loop information as is available to the incumbent LEC but will do so through a different interface.

5. Requests for State Approval and Schedule for Establishing Advanced Services Affiliates. SBC/Ameritech will establish the separate Advanced Services affiliate(s) required by Section I in accordance with the following provisions and schedule:

a. In any state where SBC/Ameritech will be providing Advanced Services on the Merger Closing Date, the separate Advanced Services affiliate(s) shall, prior to the Merger Closing Date: negotiate<sup>36</sup> and file for approval pursuant to 47 U.S.C. §§ 251 and 252 interconnection agreement(s) with the affiliated incumbent LEC setting forth terms, conditions and prices for the provision of interconnection, telecommunications services, and network elements that the affiliated incumbent LEC shall provide to the separate Advanced Services affiliate for the purposes of the separate affiliate's provision of Advanced Services. Such agreement(s) shall be sufficiently detailed to permit telecommunications carriers to exercise effectively their "pick-and-choose" rights under 47 U.S.C. § 252(i) and the Commission's rules implementing that section. A telecommunications carrier

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<sup>35</sup> New activations for embedded customers are governed by Subparagraph (2).

<sup>36</sup> These negotiations are to be on an "arm's length" basis.

may pick and choose the specific types of OI&M services that the incumbent LEC has agreed to provide to the separate Advanced Services affiliate in that state. If an SBC/Ameritech incumbent LEC provides OI&M services to a separate Advanced Services affiliate within a state, the incumbent LEC shall offer those OI&M services to unaffiliated telecommunications carriers within the same state on a non-discriminatory basis. If the interconnection agreement negotiated between the SBC/Ameritech incumbent LEC and its separate affiliate has not become effective within 90 days of the filing date pursuant to 47 U.S.C. § 252(e)(4), the separate affiliate and the incumbent LEC, subject to effective state orders, will operate for jurisdictionally interstate services as if the interconnection agreement were in effect for those services.

b. In any state where SBC/Ameritech will be providing Advanced Services on the Merger Closing Date, the separate Advanced Services affiliate(s) shall, prior to the Merger Closing Date, consistent with state law, file for any required state certifications (for intrastate services) or approvals necessary for the separate affiliate to provide Advanced Services.

c. In any state where an SBC/Ameritech incumbent LEC will provide Advanced Services on the Merger Closing Date, SBC/Ameritech shall establish prior to the Merger Closing Date a separate Advanced Services affiliate.

d. In any state where SBC/Ameritech provided Advanced Services through a separate Advanced Services affiliate on August 27, 1999, except Connecticut, such affiliate shall be in compliance with the provisions of Paragraph 3 prior to the Merger Closing Date. In Connecticut, SBC/Ameritech shall establish, prior to the Merger Closing Date, a separate Advanced Services affiliate in compliance with the provisions of Paragraph 3, to comply with the provisions of Subparagraphs 6b and 6d.

e. In any state where SBC/Ameritech does not provide Advanced Services on the Merger Closing Date, SBC/Ameritech shall incorporate and establish a separate Advanced Services affiliate to provide Advanced Services prior to the Merger Closing Date.

f. Notwithstanding Subparagraphs b-e of this Paragraph or Paragraph 6 below, SBC/Ameritech may provide Advanced Services through an SBC/Ameritech incumbent LEC (or other entity that does not comply with the provisions of Paragraph 3) in any state until SBC/Ameritech has obtained all necessary state authorizations and approvals to provide the Advanced Service through the separate Advanced Services affiliate in that state. SBC/Ameritech shall make good-faith efforts to secure the necessary state authorizations and approvals.

6. Providing Advanced Services through the Separate Advanced Services Affiliate. SBC/Ameritech shall phase-in the provision of Advanced Services through its separate Advanced Services affiliate(s), as follows:

a. Ameritech States. In the Ameritech States, SBC/Ameritech shall provide all xDSL Advanced Services through a separate Advanced Services affiliate(s) no later than the Merger Closing Date. SBC/Ameritech shall provide new activations of all other Advanced Services (i.e., Frame Relay) in the Ameritech States through a separate Advanced Services affiliate(s) no later than 30 days after the later of (i) the Merger Closing Date, or (ii) approval of any tariffs necessary for the separate Advanced Services affiliate to provide such Advanced Services. Any non-xDSL Advanced

Services provided by the Ameritech incumbent LEC on either a retail or wholesale basis in the Ameritech States prior to the Merger Closing Date shall be transferred to a separate Advanced Services affiliate no later than the later of: (i) 30 days after state approval of all necessary agreements with the affiliated incumbent LEC that are necessary to carry out the provisions of this Section I, including any interconnection agreement(s),<sup>37</sup> (ii) 30 days after approval of any tariffs necessary for the separate Advanced Services affiliate to provide such Advanced Services, or (iii) 270 days after the Merger Closing Date. Any tariffs necessary for the separate Advanced Services affiliate to provide those Advanced Services that were provided by the incumbent LEC on the Merger Closing Date shall be filed no later than 5 business days after the Merger Closing Date.

b. SBC States - New Activations for Advanced Services Customers that are Providers of Internet Services. In each SBC State, SBC/Ameritech shall provide new activations of Advanced Services to customers that are providers of Internet services through a separate Advanced Services affiliate no later than 30 days after the later of (i) state approval of all agreements with the affiliated incumbent LEC that are necessary to carry out the provisions of this Section I, including any interconnection agreement(s),<sup>38</sup> or (ii) approval of any tariffs necessary for the separate Advanced Services affiliate to provide such Advanced Services. Any tariffs necessary for the separate Advanced Services Affiliate to provide such Advanced Services shall be filed no later than 5 business days after the Merger Closing Date. The terms of this Subparagraph b are established in recognition of, and are expressly contingent upon, the fact that the FCC has determined that Advanced Services used to provide Internet services are jurisdictionally interstate services. In the event such services are determined to be jurisdictionally intrastate, and state certification is required to provide new activations of Advanced Services to customers that are providers of Internet services through a separate Advanced Services affiliate, the obligations of this Subparagraph b shall apply 30 days after state approval of any certification that the state deems required for the separate Advanced Services affiliate to provide new activations of Advanced Services to customers that are providers of Internet services.

c. SBC States - Incumbent LEC's Embedded Base of Advanced Services Customers That Are Providers of Internet Services. In each SBC State, any Advanced Services provided by SBC/Ameritech's incumbent LEC in that state to customers that are providers of Internet services shall be transferred or assigned, along with the associated customer relationship, to the separate Advanced Services affiliate no later than the later of: (i) 30 days after such state approval of all necessary agreements as discussed in Subparagraph b, (ii) 30 days after approval of any tariffs necessary for the separate Advanced Services affiliate to provide such Advanced Services, or (iii) 180 days after the Merger Closing Date. Any tariffs necessary for the separate Advanced Services Affiliate to provide such Advanced Services shall be filed no later than 5 business days after the Merger Closing Date. The terms of this Subparagraph c are established in recognition of, and are expressly contingent upon, the fact that the Commission has determined that Advanced Services used to provide Internet services are jurisdictionally interstate access services. In the event such services are determined to be jurisdictionally intrastate, and state certification is required to transfer Advanced Services provided by SBC/Ameritech's incumbent LEC to customers that are providers of Internet services to the separate Advanced Services affiliate, the obligations of this Subparagraph c shall apply 30 days after state

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<sup>37</sup> If the interconnection agreement negotiated between the SBC/Ameritech incumbent LEC and its separate affiliate has not become effective within 90 days of the filing date pursuant to 47 U.S.C. § 252(e)(4), SBC/Ameritech will follow the rule in Subparagraph 5a above with respect to jurisdictionally interstate services.

<sup>38</sup> *Id.*

approval of any certification that the state deems required for the separate Advanced Services affiliate to provide Advanced Services to customers that are providers of Internet services.

d. SBC States - New Activations for Other Advanced Services Customers. In each SBC State, SBC/Ameritech shall provide new activations of Advanced Services to customers that are not providers of Internet services through a separate Advanced Services affiliate no later than 30 days after the later of: (i) state approval of all agreements with the affiliated incumbent LEC necessary to carry out the provisions of this Section I, including any interconnection agreement(s),<sup>39</sup> (ii) state approval of any certification that the state deems required for the separate Advanced Services affiliate to provide Advanced Services in that state, or (iii) approval of any tariffs necessary for the separate Advanced Services affiliate to provide such Advanced Services. Such tariffs shall be filed no later than 3 business days after state approval of any certification that the state deems required for the separate Advanced Services affiliate to provide Advanced Services in that state.

e. SBC States - Incumbent LEC's Embedded Base of Other Advanced Services Customers. In each SBC State, any Advanced Services provided by SBC/Ameritech's incumbent LEC in that state to customers that are not providers of Internet services shall be transferred or assigned, along with the associated customer relationship, to the separate Advanced Services affiliate no later than the later of: (i) 30 days after state approval of any necessary certification, tariffs, or any other required state authorization, (ii) 30 days after state approval of all necessary agreements, including any agreement to transfer or assign customers from the incumbent LEC to the separate Advanced Services affiliate, or (iii) 180 days after the Merger Closing Date. Any necessary tariffs shall be filed no later than 3 business days after state approval of any certification that the state deems required for the separate Advanced Services affiliate to provide Advanced Services in that state. It is understood that in Connecticut the duration of the transition period may be prolonged as a consequence of state-law restrictions relating to Advanced Services on SNET and its affiliates.

f. Existing Tariffs. To comply with the requirements of Subparagraphs a, b, and d above, SBC/Ameritech shall, no later than 3 business days after obtaining all necessary certifications, authorizations, and/or approvals to provide new activations of an Advanced Service through a separate Advanced Services affiliate in a state, (i) file tariff changes with the Commission and/or the state commission to terminate the offering of new activations of such Advanced Service by the incumbent LEC, and (ii) cease initiating any marketing or sales of new activations of such Advanced Service from the tariffs of the incumbent LEC. Notwithstanding the requirements of Subparagraphs a, b, and d above, until such tariff changes are approved by the Commission and/or the state commission (including any mandatory customer notification period), the SBC/Ameritech incumbent LEC shall comply with such tariffs as then in effect if the incumbent LEC receives a request for a new activation of an Advanced Service.

g. Transition Period. In the SBC/Ameritech Service Areas in each SBC/Ameritech State, until such time as SBC/Ameritech is required, pursuant to the provisions of Subparagraphs a, b, or d, above, to provide new activations of Advanced Services through the separate Advanced Services affiliate in that state, SBC/Ameritech shall be permitted to provision such services through SBC/Ameritech's incumbent LEC in that state in the following manner, which is intended to be the "functional equivalent" of provisioning service through a separate Advanced Services affiliate.

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<sup>39</sup> *Id.*

(1) Either the SBC/Ameritech incumbent LEC or the separate Advanced Services affiliate may joint market Advanced Services to customers;

(2) Except for orders that contain ADSL service that uses Interim Line Sharing, as provided for in Paragraph 8, customer orders for Advanced Services obtained by the incumbent LEC must be passed to the separate Advanced Services affiliate for processing. For customer orders that contain ADSL service that uses Interim Line Sharing, as provided for in Paragraph 8, the incumbent LEC may, on an exclusive basis pursuant to a written agreement with the separate Advanced Services affiliate, process the order;

(3) Except for orders that contain ADSL service that uses Interim Line Sharing, as provided for in Paragraph 8, the separate Advanced Services affiliate shall order the facilities and/or services needed to provide the Advanced Service from the incumbent LEC. Within 180 days of the Merger Closing Date, the separate Advanced Services affiliate shall order such facilities utilizing the same interfaces with the incumbent LEC as the incumbent LEC provides to unaffiliated providers of Advanced Services. For customer orders that contain ADSL service that uses Interim Line Sharing, as provided for in Paragraph 8, the incumbent LEC may, on an exclusive basis pursuant to a written agreement with the separate Advanced Services affiliate, order the facilities needed to provide the ADSL service; and

(4) Any Advanced Services orders received by the separate Advanced Services affiliate shall be passed to the incumbent LEC, which shall provide Advanced Services to the SBC/Ameritech customer. The SBC/Ameritech incumbent LEC may lease from the separate Advanced Services affiliate any Advanced Services Equipment required for the incumbent LEC to provide any Advanced Service.

7. [No text; paragraph number retained to preserve cross-reference integrity]

8. Provisioning of Interim Line Sharing to the Separate Advanced Services Affiliate. Notwithstanding the non-discrimination provisions of Paragraph 3 above, an SBC/Ameritech incumbent LEC may provide Interim Line Sharing (as defined in Subparagraph 3d), including OI&M functions associated with Interim Line Sharing, to a separate Advanced Services affiliate on an exclusive basis in accordance with the following provisions:

a. The SBC/Ameritech incumbent LEC may provide Interim Line Sharing capability to the separate Advanced Services affiliate within a certain geographic area for the provision of Advanced Services activated prior to the time that line sharing is provided to unaffiliated providers of Advanced Services within the same geographic area.

b. The SBC/Ameritech incumbent LEC shall establish and make available through interconnection agreements with the separate Advanced Services affiliate (and with unaffiliated telecommunications carriers pursuant to the provisions of Paragraph 14) surrogate charges for the costs incurred in making available an unbundled local loop capable of providing Advanced Services (such as ADSL) in combination with voice grade services (“Surrogate Line Sharing Charges”). For purposes of this Section I, “voice grade service” means the transmission of an analog signal within an approximate bandwidth of 300 to 3000 Hz. The Surrogate Line Sharing Charges shall be 50 percent of the lowest

monthly recurring charge, 50 percent of the lowest non-recurring line or service connection charge, and 100 percent of the lowest non-recurring service order charge (i.e., there is no discount for the service order charge), for the unbundled local loop then effective that have been established by the state commission pursuant to 47 U.S.C. § 252(d)(1). The lowest non-recurring charges used in calculating the Surrogate Line Sharing Charges shall be the set of non-recurring charges contained in a tariff and/or single interconnection agreement for which the sum of the non-recurring line or service connection charge and the non-recurring service order charge is the lowest. The SBC/Ameritech incumbent LEC shall charge the separate Advanced Services affiliate these Surrogate Line Sharing Charges for the affiliate's shared use of a local loop if: (i) the SBC/Ameritech incumbent LEC is able to provision the Advanced Service of the separate Advanced Services affiliate over the same loop that the incumbent LEC is using to provide voice grade services on either a retail or wholesale basis, and (ii) the Advanced Service is within a spectral mask that is compatible with the incumbent LEC's voice grade service and the filters used by the incumbent LEC to provide Interim Line Sharing. The compatibility standard in the previous sentence shall be presumptively met if the Advanced Service utilizes a technology for which the spectral mask complies with an industry-recognized standard that would be compatible with both (i) the incumbent LEC's voice grade service, and (ii) the filters specified in Annex E to ANSI standard T1.413-1998. For any other technology, the separate Advanced Services affiliate may meet the compatibility standard by showing that the technology (i) would be compatible with the incumbent LEC's voice grade service and (ii) is compatible with the filters specified in Annex E to ANSI standard T1.413-1998. Surrogate Line Sharing Charges shall not apply retroactively to charges for an unbundled loop incurred prior to the effective date of the Surrogate Line Sharing Charges, but will apply to charges incurred after the effective date of the Surrogate Line Sharing Charges for both (i) recurring charges for qualifying loops in service, and (ii) recurring and non-recurring charges for new installations of qualifying loops. In order to be entitled to the Surrogate Line Sharing Charges, however, the SBC/Ameritech separate Advanced Services affiliate must certify to the incumbent LEC that it is not providing voice grade service in conjunction with Advanced Services over the broadband channel. The Surrogate Line Sharing Charge may be billed through credits, true-ups, or other billing mechanisms provided, however, that such credits, true-ups or other mechanisms are applied within 60 days of the initial billing for the service.

9. The separate Advanced Services affiliate(s) required by this Section shall, to the extent that they provide jurisdictionally interstate services,<sup>40</sup> be regulated by the Commission as non-dominant carrier(s) with respect to the provision of Advanced Services.<sup>41</sup> The separate Advanced Services affiliate shall comply with the Commission's rules regarding tariffs, including the Commission's rule that non-dominant telecommunications carriers that provide interstate services are subject to a permissive detariffing requirement.

10. The Performance Measurements required by Section VII of these Conditions shall be reported separately to the Commission, on a proprietary basis and in accordance with Paragraph 1 of Attachment A, by each SBC/Ameritech incumbent LEC for each separate Advanced Services affiliate required by this Section I to the extent that such Performance Measurements are applicable. If the

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<sup>40</sup> The separate Advanced Services affiliate may not provide interLATA services in a state until: 1) the SBC/Ameritech incumbent LEC serving that state has received any required interLATA authority from the Commission; and 2) the separate Advanced Services affiliate complies with the separate affiliate requirements of section 272 and the Commission's rules.

<sup>41</sup> This condition presumes that the separate Advanced Services affiliate is not found to be a successor or assign of the incumbent LEC.

Commission orders that the SBC/Ameritech incumbent LECs must provide line sharing to unaffiliated providers of Advanced Services, then within 10 business days of the effective date of such an order SBC/Ameritech shall propose to the Chief of the Common Carrier Bureau an additional performance measurement, or an additional sub-measurement, to measure SBC/Ameritech's performance with respect to the provisioning of line sharing. Within 90 days of receiving written notice that the Chief of the Common Carrier Bureau agrees that a line sharing measurement should be implemented, SBC/Ameritech shall implement the new measurement consistent with the provisions of Section VII.

11. In setting the annual bonuses paid to officers and management employees of a separate Advanced Services affiliate, SBC/Ameritech shall give substantial weight to the performance of the separate Advanced Services affiliate.

12. Separate Advanced Services Affiliate Sunset Provisions. The requirements of this Section I requiring SBC/Ameritech to provide Advanced Services through one or more separate affiliates, as described in this Section, shall terminate immediately upon any of the following events:

a. In each SBC/Ameritech State, the date that is the later of (i) 42 months after the Merger Closing Date or (ii) 36 months after the incumbent LEC ceases to process trouble reports for the separate Advanced Services affiliate on an exclusive basis under the provisions of Subparagraph 3h; or

b. The date upon which (i) legislation enacted by the U.S. Congress that specifically prohibits the Commission from requiring incumbent LECs to establish separate affiliates for the provision of Advanced Services becomes law, and (ii) the Commission modifies its rules and regulations in a manner that materially changes the substance of what is covered in this Section I (e.g., if the Commission were to establish rules that prohibit an incumbent LEC from providing joint marketing to the separate Advanced Services affiliate on an exclusive basis, or rules that prohibit an incumbent LEC from providing OI&M services to the separate Advanced Services affiliate on a non-discriminatory basis, either such change would be an example of a change that would be considered a material change).

c. Subject to the sunset provisions of Subparagraphs 12a-b, nine months after the date upon which a final and non-appealable judicial decision by a court of competent jurisdiction determines that the separate Advanced Services affiliate must be deemed a successor or assign of the incumbent LEC for the purposes of applying 47 U.S.C. §§ 153(4) or 251(h). However, such a judicial decision that is based in whole or in substantial part on conduct of, or relationship between, the SBC/Ameritech incumbent LEC and/or the separate Advanced Services affiliate not expressly permitted by these conditions, shall not be a basis for terminating any of the separate affiliate provisions of this Section I.

13. Upon the date that SBC/Ameritech determines, as a result of one or more of the provisions of Paragraph 12 above, to no longer provide Advanced Services through a separate affiliate in a particular state, then SBC/Ameritech shall be required to comply with the following provisions in that state until the date that is 48 months after the Merger Closing Date:

a. The Discounted Surrogate Line Sharing Charge provisions of Paragraphs 8b and 14, if the SBC/Ameritech incumbent LEC uses Interim Line Sharing (as defined in Paragraph 3d)

to provide new activations of ADSL service;

b. The Advanced Services OSS discount provisions of Paragraph 18;

c. The incumbent LEC shall provide Advanced Services through a separate Advanced Services office or division within the LEC and shall comply with the following provisions:

(1) The Advanced Services office or division within the LEC will continue to use the same interfaces, processes, and procedures made available by the incumbent LEC to unaffiliated providers of Advanced Services for pre-ordering, ordering, provisioning, and repair and maintenance of Advanced Services;

(2) The SBC/Ameritech retail operations within the incumbent LEC shall use the EDI interface discussed in Paragraph 15c, below, for processing a substantial majority (i.e., at least 75 percent of pre-order inquiries and at least 75 percent of orders) of Advanced Services;

d. The local loop information provisions of Paragraphs 19 and 20;

e. The incumbent LEC will continue to make available to unaffiliated Advanced Services providers the OI&M services that were previously made available to such providers by the LEC pursuant to these conditions.

f. The incumbent LEC shall provide unaffiliated telecommunications carriers with the same OI&M services at the customer premises that it provides for its own retail operations in the same SBC/Ameritech State with respect to the offering of Advanced Services; and

g. The incumbent LEC shall be required to provide the enhanced OSS interfaces for provisioning Advanced Services as discussed in Paragraph 15, below.

## **II. Discounted Surrogate Line Sharing Charges**

14. The terms for Surrogate Line Sharing Charge discounts offered by SBC/Ameritech to unaffiliated providers of Advanced Services for inclusion in interconnection agreements shall reflect the following:

a. In any geographic area where the SBC/Ameritech incumbent LEC either (i) provides Interim Line Sharing for new activations of ADSL service to a separate Advanced Services affiliate per the provisions of Paragraph 8, above, or (ii) utilizes Interim Line Sharing to provide new activations of ADSL service provided by the incumbent LEC, the incumbent LEC shall charge unaffiliated providers of Advanced Services the same Surrogate Line Sharing Charges as described in Paragraph 8 for use of an unbundled local loop in the same geographic area, where: (i) the unaffiliated provider purchases the unbundled local loop to provide Advanced Services only and does not use the unbundled local loop to provide any voice grade service; (ii) the unaffiliated provider's Advanced Services are provided to an end user customer to whom the incumbent LEC provides voice grade service, on either a retail or wholesale basis, at the same premises; and (iii) the unaffiliated provider's Advanced Services are within a spectral mask that would, if line sharing were available, be compatible with the incumbent LEC's voice grade service and the filters used by the incumbent LEC to provide

Interim Line Sharing. The compatibility standard in the previous sentence shall be presumptively met if the unaffiliated provider's Advanced Services utilize a technology for which the spectral mask complies with an industry-recognized standard that would be compatible with both (i) the incumbent LEC's voice grade service, and (ii) the filters specified in Annex E to ANSI standard T1.413-1998. For any other technology, the unaffiliated provider of Advanced Services may meet the compatibility standard by showing that the technology (i) would be compatible with the incumbent LEC's voice grade service and (ii) is compatible with the filters specified in Annex E to ANSI standard T1.413-1998.

b. Surrogate Line Sharing Charges shall not apply retroactively to charges for an unbundled loop incurred prior to the effective date of the Surrogate Line Sharing Charges, but will apply to charges incurred after the effective date of the Surrogate Line Sharing Charges for both (i) recurring charges for qualifying loops in-service, and (ii) recurring and non-recurring charges for new installations of qualifying loops. SBC/Ameritech may provide the Surrogate Line Sharing Charges discounts through credits, true-ups, or other billing mechanisms, provided, however, that such credits, true-ups or other mechanisms are applied within 60 days of the initial billing for the service. To obtain the Surrogate Line Sharing Charges, a telecommunications carrier must provide written notification (which may include e-mail) to SBC/Ameritech identifying the unbundled loops that it is using or will use to provide a qualifying Advanced Service. For unbundled loops ordered after the effective date of the Surrogate Line Sharing Charges, notification must be given at the time the order is placed. For unbundled loops in service prior to the effective date of the Surrogate Line Sharing Charges, the Surrogate Line Sharing Charges will only apply to unbundled loops for which such notification is received within 30 days of the date that SBC/Ameritech notifies the telecommunications carrier that the Surrogate Line Sharing Charges are in effect. Not less than 3 business days after the availability of Surrogate Line Sharing Charges in the relevant geographic area, SBC/Ameritech shall provide notice of that availability to telecommunications carriers having unbundled loops in service in that geographic area as of the effective date of the Surrogate Line Sharing Charges.

c. Unaffiliated providers of Advanced Services that obtain unbundled local loops for the Surrogate Line Sharing Charges shall, on a quarterly basis, certify to SBC/Ameritech and the appropriate state commission that they are using all unbundled local loops provided at the Surrogate Line Sharing Charges in accordance with Subparagraph a above. SBC/Ameritech shall have the right to hire, at its own expense, an independent third-party auditor to perform all necessary audits and inspections needed to assure that unbundled local loops provided for the Surrogate Line Sharing Charges are used in accordance with Subparagraph b above. Unaffiliated providers of Advanced Services that obtain unbundled local loops for the Surrogate Line Sharing Charges shall agree to cooperate in the performance of such audits and inspections.<sup>42</sup> Audit information shall be restricted to SBC/Ameritech regulatory, legal, and/or wholesale personnel, and SBC/Ameritech shall prohibit those personnel from disclosing audit-related, customer-specific or company-specific proprietary information to SBC/Ameritech retail personnel.<sup>43</sup> If SBC/Ameritech conducts any audit of an unaffiliated Advanced Service provider's use of unbundled local loops in a state, under this Subparagraph c, SBC/Ameritech's annual compliance report for the calendar year in which the investigation was

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<sup>42</sup> Any such audit or inspection is limited to being a "technical" audit.

<sup>43</sup> This restriction includes, in particular, employees of the separate Advanced Services affiliate or SBC/Ameritech personnel who perform the retail functions contemplated in Subparagraphs 3a-3c.

concluded shall describe the uses of shared loops by SBC/Ameritech's separate Advanced Services affiliate(s) in the same state.

d. Any unaffiliated provider of Advanced Services found by the appropriate state commission to have violated the use restrictions of Subparagraph a or that fails to cooperate in an audit may be denied the Surrogate Line Sharing Charges on any unbundled local loop for which the use restrictions or audit provisions are violated. In addition, any such provider that intentionally and repeatedly violates the use restrictions of Subparagraph a may be denied the Surrogate Line Sharing Charges for unbundled local loops ordered or installed after the date of such a finding by a state commission.

e. SBC/Ameritech shall waive all non-recurring charges for new installations of line sharing on behalf of unaffiliated providers of Advanced Services, where such new installations are (i) ordered no later than 60 days after the date on which line sharing is offered to unaffiliated providers of Advanced Services in the geographic area ("the line sharing date"), with a requested installation date of no later than 90 days after the line sharing date and (ii) installed to replace an unbundled local loop provided at the Surrogate Line Sharing Charges at the same customer premises to the same provider of Advanced Services. In addition, for line sharing installations meeting the requirements of the previous sentence, Surrogate Line Sharing Charges shall continue to apply to the unbundled loop until SBC/Ameritech has completed all work necessary for the conversion to line sharing to be completed. Unless the Commission establishes other notification requirements for deployment of line sharing, SBC/Ameritech shall provide unaffiliated providers of Advanced Services not less than 60 days advance notice of the line sharing date.

### **III. Advanced Services OSS**

15. SBC/Ameritech shall provide telecommunications carriers the following options for pre-ordering and ordering components used to provide digital subscriber line ("xDSL") and other Advanced Services (Section I of these Conditions):

a. Until SBC/Ameritech develops and deploys enhancements to its existing Datagate and EDI interfaces as described in Subparagraph 15c below: (i) SBC/Ameritech shall provide telecommunications carriers in the SBC/Ameritech Service Area within the SBC States, except for the SBC/Ameritech Service Area within Connecticut, not later than 180 days after the Merger Closing Date, with access to the same pre-order interface(s) utilized by SBC/Ameritech's retail operations (including the retail operations that will be part of the separate Advanced Services affiliate(s) described in Section I) in those states to obtain theoretical local loop length information or, in the alternative, SBC/Ameritech's retail operations shall utilize the same Datagate and/or Verigate pre-order interfaces that are available to unaffiliated telecommunications carriers to obtain theoretical local loop length information, and (ii) SBC/Ameritech shall provide unaffiliated telecommunications carriers access to Ameritech's existing EDI interface for ordering within each of the Ameritech States.

b. SBC/Ameritech shall provide unaffiliated telecommunications carriers with direct access to SORD, and the Ameritech and SNET equivalent service order processing systems, for pre-ordering and ordering xDSL and Advanced Services, as described in Paragraph 29 below.

c. Within 14 months after the Merger Closing Date (assuming the duration of Phase 2 described below is no longer than 30 days), SBC/Ameritech shall develop and deploy, in the SBC/Ameritech Service Area, except for the SBC/Ameritech Service Area within Connecticut, in advance of industry standards, both enhancements to the existing Datagate or EDI interfaces for pre-ordering xDSL and other Advanced Services components, and enhancements to the existing EDI interface for ordering xDSL and other Advanced Services components. Both interfaces are to be used in common by SBC/Ameritech's incumbent LEC service representatives (when engaged in permitted joint marketing), by the separate Advanced Services affiliate(s), and by unaffiliated telecommunications carriers. In Connecticut, these enhancements to the existing Datagate or EDI interfaces shall be developed and deployed in conjunction with the introduction of the uniform application-to-application OSS interfaces described in Paragraph 26 below. In the interim, SBC/Ameritech may continue to use its existing interfaces for the pre-ordering and ordering of xDSL and other Advanced Services components, as they may be updated during the interim period. SBC/Ameritech shall provide telecommunications carriers authorized to provide local services in the SBC/Ameritech Service Area ("CLECs") with 12 months advance notice of any plans to no longer make the enhancements available; provided, however, that this notice requirement shall expire 48 months after the Merger Closing Date.<sup>44</sup> Milestones applicable to the development and deployment of enhancements to the existing Datagate and EDI interfaces as set forth above are as follows:

(1) Phase 1 – SBC/Ameritech shall (i) complete a publicly available Plan of Record, which shall consist of an overall assessment of SBC's and Ameritech's existing Datagate and EDI interfaces, business processes and rules, hardware capabilities, data capabilities, and differences, and SBC/Ameritech's plan for developing and deploying enhancements to the existing Datagate or EDI interfaces for pre-ordering xDSL and other Advanced Services components and enhancements to the existing EDI interface for ordering xDSL and other Advanced Services components, and (ii) notify all unaffiliated telecommunications carriers that have a current interconnection agreement with SBC/Ameritech of the Plan of Record. The target date for completion of Phase 1 is 60 days after the Merger Closing Date.

(A) Not later than 3 business days after the target date, SBC/Ameritech shall file a notice regarding its satisfaction of this target with the Secretary of the Commission. SBC/Ameritech shall pay \$10,000 per business day per state in voluntary payments to the U.S. Treasury if the Chief of the Common Carrier Bureau determines in writing (after any appeals to the Commission, which may be taken) that SBC/Ameritech has failed to submit a Plan of Record that is in substantial compliance with the requirements of this Paragraph by the target date in any SBC/Ameritech State. Voluntary payments for all SBC/Ameritech States shall not exceed total of \$110,000 per business day for a failure to submit a Plan of Record that is in substantial compliance with the requirements of this Paragraph. The pendency of proceedings under this Subparagraph shall not delay the commencement of Phase 2 after the target date for Phase 1.

(B) If, 90 days after the Merger Closing Date, one or more CLEC(s) has requested enhancements to SBC/Ameritech's existing Datagate or EDI interfaces that are different from what is contained in the Plan of Record, SBC/Ameritech shall immediately begin Phase 2. If, by the end of 90 days after the Merger Closing Date, no CLEC has requested enhancements to

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<sup>44</sup> It is anticipated that after this 48-month period, the change management process will provide a reasonable notice period concerning SBC/Ameritech's plans to discontinue the availability of these enhancements.

SBC/Ameritech's existing Datagate or EDI interfaces that are different from what is contained in the Plan of Record, then Phase 2 will be considered completed and SBC/Ameritech shall file a notice with the Secretary of the Commission (within 3 business days after the date that is 90 days after the Merger Closing Date) and begin to develop and deploy the enhancements contained in the Plan of Record, pursuant to Phase 3 below.

(2) Phase 2 – SBC/Ameritech shall work collaboratively with CLECs, in a single series of workshop sessions (in multiple locations, if necessary), to obtain written agreement on enhancements to the existing Datagate or EDI interfaces identified in the Plan of Record, and a change management process, including a 12 month forward-looking view of process changes and deployment schedule. The target date for completion of Phase 2 is 30 days after the start of Phase 2 if there is a written agreement, or 90 days after the start of Phase 2 if Phase 2 issues are sent to an arbitrator for resolution. Successful completion of Phase 2 is dependent upon the full cooperation of all participants in consummating a written agreement with SBC/Ameritech on the work to be done. The Chief of the Common Carrier Bureau shall try to assist and encourage the parties to reach a written agreement. If SBC/Ameritech and all of the CLECs participating in the workshop reach a written agreement, SBC/Ameritech shall file a copy of that agreement with the Chief of the Common Carrier Bureau and proceed with Phase 3. If SBC/Ameritech and all of the CLECs participating in the workshop cannot reach a written agreement within 30 days after the start of Phase 2, SBC/Ameritech shall, and participating CLECs may, notify the Chief of the Common Carrier Bureau and submit a list of the remaining unresolved issues in dispute. SBC/Ameritech shall at the same time submit a plan for development and deployment of enhancements to the existing Datagate or EDI interfaces for pre-ordering xDSL and other Advanced Services components, and enhancements to the existing EDI interface for ordering xDSL and other Advanced Services components that incorporates what was agreed to with the CLECs in the workshop sessions. The Chief of the Common Carrier Bureau shall (a) direct SBC/Ameritech to implement the plan for development and deployment of enhancements to the existing Datagate or EDI interfaces for pre-ordering xDSL and other Advanced Services components, and enhancements to the existing EDI interface for ordering xDSL and other Advanced Services components as proposed by SBC/Ameritech in its entirety, (b) authorize SBC/Ameritech and the CLEC(s) to submit the remaining unresolved issues in dispute to consolidated binding arbitration, or (c) extend the collaborative period to continue efforts to obtain a written agreement. If SBC/Ameritech and all of the CLECs participating in the workshop do not reach a written agreement in Phase 2, in no event shall work begin in Phase 3 until SBC/Ameritech is directed by the Chief of the Common Carrier Bureau to implement the plan for development and deployment of enhancements to the existing Datagate and EDI interfaces as proposed by SBC/Ameritech in its entirety, or SBC/Ameritech is directed by the Chief of the Common Carrier Bureau to arbitrate the remaining unresolved issues in dispute and SBC/Ameritech receives the arbitrator's decision. Any such consolidated binding arbitration shall be conducted before an independent third-party arbitrator nominated by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, in consultation with subject matter experts selected by the arbitrator from a list of 3 firms supplied by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, which may include Telcordia Technologies, and shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The Chief of the Common Carrier Bureau shall direct the arbitrator that the arbitration will last no more than 60 days, unless the Chief extends that deadline. SBC/Ameritech shall pay 50 percent of the costs of the arbitrator and expert(s), and the CLECs that are parties to the disputed issues shall pay 50 percent of the arbitrator and expert costs.

(3) Phase 3 – SBC/Ameritech shall develop and deploy, using a phased-in approach, the enhancements to the existing Datagate or EDI interfaces for pre-ordering xDSL and other Advanced Services components, and enhancements to the existing EDI interface for ordering xDSL and other Advanced Services components consistent with the written agreement obtained in Phase 2 or the arbitrator’s decision in Phase 2. To the extent that SBC/Ameritech has completed negotiation of a uniform change management process in accordance with Paragraph 32, SBC/Ameritech shall follow that uniform change management process in Phase 3. The target date for completion of Phase 3 is 10 months after completion of Phase 2, with the exception of Connecticut where the target date shall be consistent with that for the deployment of the uniform application-to-application OSS interfaces described in Paragraph 26 below. The target dates in Phase 3 shall begin to run on the date the plan for Phase 3 is finalized, which may be the date of execution of the written agreement in Phase 2, the date on which the Chief of the Common Carrier Bureau directs SBC/Ameritech in writing to implement SBC/Ameritech’s plan in its entirety, or the effective date of a final decision by the arbitrator in Phase 2 resolving all outstanding issues, whichever date is applicable. Within 3 business days of the target date, SBC/Ameritech shall file a notice regarding its satisfaction of this target with the Secretary of the Commission.

(A) If a CLEC contends that SBC/Ameritech has not developed and deployed enhancements to the existing Datagate or EDI interfaces in substantial compliance with the written agreement obtained in Phase 2, or has not complied with the arbitrator’s decision received in Phase 2, it may notify the Chief of the Common Carrier Bureau and request consolidated binding arbitration. Thereafter, the Chief of the Common Carrier Bureau may require SBC/Ameritech and the CLEC(s) to submit the dispute to consolidated binding arbitration, if the Chief of the Common Carrier Bureau determines in writing that arbitration of the dispute is appropriate and in the public interest. Any such consolidated binding arbitration shall be conducted before an independent third-party arbitrator nominated by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, in consultation with subject matter experts selected by the arbitrator from a list of 3 firms supplied by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, which may include Telcordia Technologies, and shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The Chief of the Common Carrier Bureau shall direct the arbitrator that the arbitration will last no more than 60 days, unless the Chief of the Common Carrier Bureau extends that deadline. SBC/Ameritech shall pay 50 percent of the costs of the arbitrator and expert(s), and the CLECs that are parties to the disputed issues shall pay 50 percent of the arbitrator and expert costs. If the arbitrator determines that SBC/Ameritech has not developed and deployed enhancements to the existing Datagate or EDI interfaces in substantial compliance with the written agreement obtained in Phase 2, or has not complied with the arbitrator’s decision received in Phase 2, SBC/Ameritech shall pay up to \$10,000 per business day per state in voluntary payments to the U.S. Treasury, as directed by the arbitrator. Voluntary payments shall not exceed a total of \$110,000 per business day for all SBC/Ameritech States.

(B) Voluntary payments of up to \$10,000 per business day per state shall be due only with respect to time periods during which SBC/Ameritech is in non-compliance and that are one or more of the following: (i) a period for which SBC/Ameritech acknowledges a failure to meet the relevant target date; (ii) within the first 3 business days after the relevant missed target date; or (iii) between the date on which the arbitrator has issued a final decision that SBC/Ameritech is in non-compliance and the date on which SBC/Ameritech files a notice with the Chief of the Common Carrier Bureau that it has corrected that non-compliance. In addition, if the arbitrator finds in writing

that SBC/Ameritech intentionally and willfully failed to comply with the relevant requirement(s), and the Chief of the Common Carrier Bureau concurs in writing with such a finding, SBC/Ameritech shall make an additional payment of up to \$110,000, as determined by the arbitrator, for each business day that SBC/Ameritech was not in compliance. SBC/Ameritech shall have the right to appeal any such finding to the Commission.

(4) Notwithstanding anything else in these Conditions, the total of all voluntary payments relating to any or all milestones established under this Subparagraph 15c shall not exceed \$20 million.

16. Within the SBC/Ameritech Service Area, SBC/Ameritech shall provide unaffiliated telecommunications carriers with access to the OSS enhancements and additional interfaces required by Paragraph 15 of these Conditions for not less than 36 months after they are deployed.

17. Payments made to the U.S. Treasury in connection with the above OSS enhancements and additional interfaces shall not be reflected in the revenue requirement of an SBC/Ameritech incumbent LEC.

18. OSS Discounts. Until SBC/Ameritech has developed and deployed OSS options for pre-ordering and ordering xDSL and other Advanced Services components in satisfaction of Subparagraph 15c of these Conditions and the EDI interface specified in that Subparagraph is used by the separate Advanced Services affiliate for pre-ordering and ordering a substantial majority (i.e., at least 75 percent of pre-order inquiries and at least 75 percent of orders) of the Advanced Services components the separate Advanced Services affiliate uses in the relevant geographic area, SBC/Ameritech's incumbent LECs within the SBC/Ameritech Service Area shall, beginning 30 days after the Merger Closing Date, make available through inclusion of appropriate terms in interconnection agreements with telecommunications carriers, a discount of 25 percent from the recurring and nonrecurring charges (including 25 percent from the Surrogate Line Sharing Charges, if applicable) that otherwise would be applicable for unbundled local loops used to provide Advanced Services in the same relevant geographic area.

a. Such discounts shall not apply retroactively to charges incurred prior to the effective date of the discounts, but will apply to charges incurred after the effective date of the discount for both (i) recurring charges for qualifying loops in-service, and (ii) recurring and non-recurring charges for new installations of qualifying loops. By way of example, if the Surrogate Line Sharing Charges are \$8.00/month, the charge would be discounted to \$6.00/month in areas where this OSS discount is applicable. SBC/Ameritech may provide promotional discounts through credits, true-ups, or other billing mechanisms, provided, however, that such credits, true-ups or other mechanisms are applied within 60 days of the initial billing for the service. To obtain such discounts, a telecommunications carrier must provide written notification to SBC/Ameritech identifying the unbundled loops that it is using to provide an Advanced Service.

b. Unaffiliated providers of Advanced Services that obtain OSS discounts on unbundled local loops pursuant to this Paragraph shall, on a quarterly basis, certify to SBC/Ameritech and the appropriate state commission that they are using all unbundled local loops on which they are receiving the OSS discounts to provision an Advanced Service in compliance with the provisions of this Paragraph. SBC/Ameritech shall have the right to hire, at its own expense, an independent third-

party auditor to perform all necessary audits and inspections needed to assure that unbundled local loops provided under the OSS discount are used in accordance with this Paragraph. Unaffiliated providers of Advanced Services that obtain OSS discounts shall agree to cooperate in the performance of such audits and inspections. Audit information shall be restricted to SBC/Ameritech regulatory, legal, and/or wholesale personnel, and SBC/Ameritech shall prohibit those personnel from disclosing audit-related, customer-specific or company-specific proprietary information to SBC/Ameritech retail personnel.

#### **IV. Access to Loop Information for Advanced Services**

19. In the SBC/Ameritech Service Area SBC/Ameritech shall provide unaffiliated telecommunications carriers with non-discriminatory access to the same local loop information for the deployment of xDSL and Advanced Services that is available to SBC/Ameritech's retail operations, including the retail operations that will be part of the separate Advanced Services affiliate(s) described in Section I. The systems and information described in this Section IV shall be made available by SBC/Ameritech for 36 months after the systems and information are made available to unaffiliated telecommunications providers.

20. Without regard to the local loop information for the deployment of xDSL and Advanced Services that is available to SBC/Ameritech's retail operations, SBC/Ameritech shall provide unaffiliated telecommunications carriers the following local loop information for the deployment of xDSL and Advanced Services in the SBC/Ameritech Service Area:

a. SBC/Ameritech shall provide unaffiliated telecommunications carriers with non-discriminatory, electronic pre-order OSS access to the theoretical loop length on an individual address basis (e.g., whether the loop length is approximately 12,000 feet or less from the customer premises to the central office; between 12,000 and 17,500 feet from the customer premises to the central office; or greater than 17,500 feet from the customer premises to the central office). This information shall be made available no later than the Merger Closing Date in the SBC/Ameritech Service Area within all SBC States, except for Connecticut and Nevada. In the SBC/Ameritech Service Area within Connecticut, it shall be made available by no later than 22 months after the Merger Closing Date, and in the SBC/Ameritech Service Area within Nevada it shall be made available no later than 180 days after it is made available in the SBC/Ameritech Service Area within California. This information shall be made available in the SBC/Ameritech Service Area within all Ameritech States no later than 22 months after the Merger Closing Date.

b. SBC/Ameritech shall provide unaffiliated telecommunications carriers with non-discriminatory, electronic pre-order Internet access to the theoretical loop length based upon a zip code of end users in a wire center (e.g., how many end users' loops are approximately 12,000 feet or less from the customer premises to the central office; between 12,000 and 17,500 feet from the customer premises to the central office; or greater than 17,500 feet from the customer premises to the central office within a zip code). This information shall be made available at no additional charge, beginning 12 months after the Merger Closing Date, in the SBC/Ameritech Service Area.

c. SBC/Ameritech shall provide unaffiliated telecommunications carriers in the SBC/Ameritech Service Area with non-discriminatory access to loop make-up information regarding the capability of loops to support Advanced Services, whether such access is available by electronic or manual means. Loop make-up information is the information contained on an individual loop (i.e., a single loop to a specific address) record, which typically contains: (1) the actual loop length; (2) the length by gauge; and (3) the presence of repeaters, load coils, or bridged taps; and may include, if noted on the individual loop record, (4) the approximate location and number of bridged taps, load coils, and repeaters; (5) the presence of pair-gain devices, digital loop carriers, or digital added main lines, and (6) the presence of disturbers in the same or adjacent binder groups. No later than 90 days after the Merger Closing Date, SBC/Ameritech shall, in response to an address-specific written request from a telecommunications carrier or from SBC/Ameritech's separate Advanced Services affiliate(s) described in Section I, provide the loop make-up information that is available in SBC/Ameritech's individual loop records for that specific address. SBC/Ameritech may provide non-discriminatory access to loop make-up information manually, in which case the response time to a written request may reflect the manual effort that may be required to retrieve loop make-up information. A written request for loop make-up information shall specify, on an individual address basis, precisely what loop make-up information (from the list above) is desired. A request for all loop make-up information on all loops at all addresses within a state, city, county, municipality, zip code, or wire center would not satisfy this requirement. SBC/Ameritech shall price the provision of loop make-up information in compliance with any applicable Commission pricing rules for UNEs.<sup>45</sup> If SBC/Ameritech provides loop make-up information through an electronic means in the SBC/Ameritech Service Area within any state, then SBC/Ameritech shall not be required to provide the same loop make-up information through a manual means in the SBC/Ameritech Service Area within that state.

## V. Loop Conditioning Charges and Cost Studies

21. No later than 180 days after the Merger Closing Date, SBC/Ameritech shall file cost studies and proposed rates for conditioning xDSL loops in the SBC/Ameritech Service Area within each SBC/Ameritech State that has not already started or completed cost proceedings for these services. SBC/Ameritech's cost studies and proposed rates shall be prepared in compliance with the methodology set forth in the Commission's and the relevant state commission's pricing rules for UNEs. The cost-based rates resulting from these proceedings shall be effective in that state. In SBC/Ameritech States where rates have not been approved by the state commission for the removal of load coils, bridged taps, and/or voice-grade repeaters, SBC/Ameritech shall make available to Advanced Services providers, pending the approval of state-specific rates and subject to true-up, the rates for these xDSL loop conditioning services that are contained in any effective interconnection agreement, to which any SBC/Ameritech incumbent LEC is a party, that is identified by the Advanced Services provider in any state, provided that the rates for these services provided in the agreement are greater than zero.<sup>46</sup> Provided, however, that during this interim period and subject to true-up, unbundled loops of less than 12,000 feet (based on theoretical loop length) that could be conditioned to meet the minimum requirements defined in

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<sup>45</sup> See *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, Second Further Notice of Proposed Rulemaking, CC Docket No. 96-98, FCC 99-70 (rel. Apr. 16, 1999).

<sup>46</sup> For example, the Arbitration Order, Petition of BroadSpan Communications, Inc. for Arbitration of Unresolved Interconnection Issues Regarding ADSL with Southwestern Bell Telephone Company, Case No. TO-99-370 (Mo. PSC issued June 15, 1999).

the associated SBC/Ameritech technical publications through the removal of load coils, bridged taps, and/or voice grade repeaters will be conditioned at no charge to the requesting Advanced Services provider. Where an SBC/Ameritech incumbent LEC identifies conditioning (with associated conditioning charges) that is necessary for an unbundled loop ordered by a provider of Advanced Services, SBC/Ameritech will obtain the provider's authorization to perform, and agreement to pay for, each type of conditioning before proceeding with any conditioning work.<sup>47</sup> The foregoing interim provisions do not constitute or reflect any determination by the Commission regarding the lawfulness or appropriateness of the interim rates, and are not intended to delay or otherwise influence approval of state-specific rates by other state commissions in the SBC/Ameritech States.

## **VI. Non-discriminatory Rollout of xDSL Services**

22. SBC/Ameritech shall take the following steps to ensure that its deployment of xDSL services (viewed on an aggregated basis without regard to the entity through which SBC/Ameritech provides those services) in the SBC/Ameritech Service Area is not discriminatory:

a. In consultation with the relevant state commission, if the state commission chooses to engage in such consultation, SBC/Ameritech shall within 90 days of the Merger Closing Date reasonably classify all SBC/Ameritech wire centers as either urban or rural wire centers for purposes of this Paragraph.

b. SBC/Ameritech shall identify the 10 percent of urban wire centers within the SBC/Ameritech Service Area in each SBC/Ameritech State that have the greatest number of low-income households, as estimated by using the latest available census data ("Low Income Urban Pool"). After the date that is 180 days after the Merger Closing Date, by the time SBC/Ameritech has deployed xDSL in at least 20 urban wire centers in a particular state, and for at least 36 months thereafter, at least 10 percent of the urban wire centers in which SBC/Ameritech deploy xDSL in that state shall be wire centers from the Low Income Urban Pool.

c. SBC/Ameritech shall identify the 10 percent of rural wire centers within the SBC/Ameritech Service Area in each SBC/Ameritech State that have the greatest number of low-income households, as estimated by using the latest available census data ("Low Income Rural Pool"). After the date that is 180 days after the Merger Closing Date, by the time SBC/Ameritech has deployed xDSL in at least 20 rural wire centers in a particular state, and for at least 36 months thereafter, at least 10 percent of the rural wire centers in which SBC/Ameritech deploys xDSL in that state shall be wire centers from the Low Income Rural Pool.

d. SBC/Ameritech shall file a quarterly report with the Commission describing the status of its xDSL roll-out. This report shall include xDSL deployment information by SBC/Ameritech state, including the number and name/location of urban and rural wire centers and low-income wire centers where SBC/AIT has deployed xDSL. The report shall be submitted 180 days after the Merger Closing Date and on a quarterly basis thereafter.

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<sup>47</sup> The rates, terms, and conditions associated with loop conditioning will be sufficiently disaggregated so that an unaffiliated telecommunications carrier may select only the conditioning it requires on a particular loop.

## ENSURING OPEN LOCAL MARKETS

### VII. Carrier-to-Carrier Performance Plan (Including Performance Measurements)

23. In the SBC/Ameritech Service Area, SBC/Ameritech shall implement the Carrier-to-Carrier Performance Plan (“the Plan”) described herein and in Attachment A. The Plan has two elements. First, it requires SBC/Ameritech to report, on a monthly basis and in each of the SBC/Ameritech States, its performance in 20 measurement categories (with sub-measurements) that address functions that may have a particularly direct effect on SBC/Ameritech’s local competitors and their customers. This information will be made available on an Internet website and will provide the Commission, state commissions, and CLECs new tools to verify and benchmark SBC/Ameritech’s performance in these measurement and submeasurement categories. Second, the Plan obligates SBC/Ameritech to make voluntary payments of up to \$1.125 billion over 3 years to the U.S. Treasury based on SBC/Ameritech’s performance in the 20 measurement categories. These payments may reach as much as \$250 million in the first year, \$375 million in the second year, and \$500 million in the third year. The \$1.125 billion total voluntary payment for which SBC/Ameritech may be liable may be reduced by up to \$125 million if SBC/Ameritech completes the OSS commitments provided for in these Conditions ahead of schedule. See Attachment A, Paragraph 11. The Plan does not limit the authority of any state to adopt additional or different state performance monitoring requirements or associated remedies.

24. The Plan shall be effective for the SBC/Ameritech Service Area within each SBC/Ameritech State, except for Connecticut, until the earlier of (i) 36 months after the date that SBC/Ameritech is first potentially obligated to make Plan payments for that state, or (ii) the first date on which SBC/Ameritech is authorized to provide in-region, interLATA services in that state pursuant to 47 U.S.C. § 271(d)(3). The Plan shall be effective for the SBC/Ameritech Service Area within Connecticut for 36 months after the date that SBC/Ameritech is first potentially obligated to make Plan payments in Connecticut. Not later than 10 business days after the relevant deadlines under this Section VII, SBC/Ameritech shall file with the Secretary of the Commission notices regarding its satisfaction of the deadlines listed below.

a. In the SBC/Ameritech Service Area within Arkansas, Kansas, Missouri, Oklahoma, and Texas, SBC/Ameritech shall implement the performance measurements shown on Attachments A-2a and A-5a, and provide the Commission with 2 months of performance data on these measurements, by November 1, 1999. For the SBC/Ameritech Service Area within California and Nevada, SBC/Ameritech shall implement the performance measurements, using the California business rules shown in Attachments A-2b and A-5b, and provide 2 months of performance data on these measurements, by the first day of the first month that begins more than 30 days after the Merger Closing Date. Beginning with the first month that starts at least 270 days after the Merger Closing Date, SBC/Ameritech’s performance shall be used to determine whether SBC/Ameritech shall be obligated to make voluntary payments to the U.S. Treasury, as set forth in the Plan. SBC/Ameritech’s performance in prior months shall not be used to determine whether SBC/Ameritech shall make voluntary payments.

b. In the SBC/Ameritech Service Area within Connecticut, SBC/Ameritech shall implement the performance measurements shown on Attachments A-2a and A-5a, and provide 2 months of performance data no later than 12 months after the Merger Closing Date. Beginning with the first month that starts at least 15 months after the Merger Closing Date, SBC/Ameritech's performance shall be used to determine whether SBC/Ameritech shall be obligated to make voluntary payments to the U.S. Treasury, as set forth in the Plan. SBC/Ameritech's performance in prior months shall not be used to determine whether SBC/Ameritech shall make voluntary payments. When implementing the performance measurement business rules in Attachment A-2a within Connecticut, SBC/Ameritech shall substitute 'SNET' for 'SWBT.'"

c. In the SBC/Ameritech Service Area within the Ameritech States, SBC/Ameritech shall implement performance measurements 2, 4-5, 10-13, 15, and 17-19 as shown on Attachments A-2a and A-5a, and provide 2 months of performance data on these measurements, no later than 90 days after the Merger Closing Date. In the SBC/Ameritech Service Area within the Ameritech States, SBC/Ameritech shall implement performance measurements 1, 3, 6-9, 14, 16, and 20, as shown on Attachments A-2a and A-5a, and provide 2 months of performance data on these measurements, no later than 150 days after the Merger Closing Date. Beginning with the first month that starts at least 270 days after the Merger Closing Date, SBC/Ameritech's performance shall be used to determine whether SBC/Ameritech shall be obligated to make voluntary payments to the U.S. Treasury, as set forth in the Plan. SBC/Ameritech's performance in prior months shall not be used to determine whether SBC/Ameritech shall make voluntary payments. When implementing the performance measurement business rules in Attachment A-2a within the Ameritech States, SBC/Ameritech shall substitute 'Illinois Bell Telephone Company,' 'Indiana Bell Telephone Company,' 'Michigan Bell Telephone Company,' 'The Ohio Bell Telephone Company,' or 'Wisconsin Bell, Inc.,' as appropriate, for 'SWBT.'"

### **VIII. Uniform and Enhanced OSS**

25. SBC/Ameritech will develop and deploy uniform, electronic OSS throughout the 13-State SBC/Ameritech Service Area. No later than the Merger Closing Date, SBC/Ameritech shall provide the Commission an OSS Process Improvement Plan identifying and assessing SBC's and Ameritech's existing OSS and generally identifying the OSS changes that are needed to implement SBC/Ameritech's OSS commitments identified in this Section. The commitments in this Section are intended to facilitate local services competition (including local Advanced Services competition) in the SBC/Ameritech Service Area by providing entrants additional and more economical options for accessing SBC/Ameritech's OSS on a non-discriminatory basis as compared to SBC/Ameritech's retail operations, and by encouraging constructive participation by local entrants in the development of SBC/Ameritech systems used by those local entrants.

26. Within 24 months after the Merger Closing Date (assuming the duration of Phase 2 described in Paragraph 28 below is no longer than 30 days), SBC/Ameritech shall develop and deploy in the SBC/Ameritech Service Area, except for the SBC/Ameritech Service Area within Connecticut, commercially ready, uniform application-to-application interfaces using standards and guidelines as defined, adopted, and periodically updated by the Alliance For

Telecommunications Industry Solutions (“ATIS”) for OSS, e.g., Electronic Data Interchange (“EDI”) and Electronic Bonding Interface (“EBI”) that support the pre-ordering, ordering, provisioning, maintenance/repair, and billing of resold local services, unbundled network elements (“UNEs”) that meet the requirements of 47 U.S.C. § 251(c)(3), and UNEs or UNE combinations that are required by this Appendix. SBC/Ameritech shall deploy these same interfaces in the SBC/Ameritech Service Area within Connecticut within 30 months of the Merger Closing Date (assuming the duration of Phase 2 described in Paragraph 28 below is no longer than 30 days). For purposes of these Conditions, “uniform interfaces” means interfaces that present telecommunications carriers that are users of the interfaces with the same version(s) of industry standards, data formatting specifications, and transport and security specifications. It is understood that telecommunications carriers will be able to use the same uniform interface(s) throughout the SBC/Ameritech Service Area only after SBC/Ameritech completes development and deployment of a software solution or uniform business rules consistent with Paragraph 31.

27. Within 24 months after the Merger Closing Date (assuming the duration of Phase 2 described in Paragraph 28 below is no longer than 30 days), SBC/Ameritech shall develop and deploy in the SBC/Ameritech Service Area, except for the SBC/Ameritech Service Area within Connecticut, uniform graphical user interfaces for OSS (e.g., like SBC’s toolbar interface) that support the pre-ordering, ordering, provisioning, maintenance/repair, and billing for resold local services, UNEs that meet the requirements of 47 U.S.C. § 251(c)(3), and UNEs or UNE combinations that are required by this Appendix. SBC/Ameritech shall deploy these same interfaces in the SBC/Ameritech Service Area within Connecticut within 30 months of the Merger Closing Date (assuming the duration of Phase 2 described in Paragraph 28 below is no longer than 30 days).

28. Milestones applicable to the development and deployment of uniform application-to-application interfaces and graphical user interfaces are as follows:

a. Phase 1 – SBC/Ameritech shall complete a publicly available Plan of Record, which shall consist of an overall assessment of SBC’s and Ameritech’s existing OSS interfaces, business processes and rules, hardware capabilities, data capabilities, and differences, and SBC/Ameritech’s plan for developing and deploying uniform application-to-application interfaces and graphical user interfaces for OSS. The target date for completion of Phase 1 is 150 days after the Merger Closing Date. No later than 3 business days after the target date, SBC/Ameritech shall file a notice regarding its satisfaction of this target with the Secretary of the Commission. SBC/Ameritech shall pay \$10,000 per business day per state in voluntary payments to the U.S. Treasury if the Chief of the Common Carrier Bureau determines in writing (after any appeals to the Commission, which may be taken) that SBC/Ameritech has failed to submit a Plan of Record that is in substantial compliance with the requirements of this Paragraph by the target date in any SBC/Ameritech State. Voluntary payments for all SBC/Ameritech States shall not exceed total of \$110,000 per business day for a failure to submit a Plan of Record that is in substantial compliance with the requirements of this Paragraph. The pendency of proceedings under this Subparagraph shall not delay the commencement of Phase 2 after the target date for Phase 1.

b. Phase 2 – SBC/Ameritech shall work collaboratively with CLECs, in a single series of workshop sessions (in multiple locations, if necessary), to obtain written agreement on OSS interfaces, enhancements, business requirements identified in the Plan of Record, and a change management process, including a 12 month forward-looking view of process changes and deployment schedule. The target date for completion of Phase 2 is 30 days after the target date for completion of Phase 1 if there is a written agreement, or 90 days after the target date for completion of Phase 1 if Phase 2 issues are sent to an arbitrator for resolution. Successful completion of Phase 2 is dependent upon the full cooperation of all participants in consummating a written agreement with SBC/Ameritech on the work to be done. The Chief of the Common Carrier Bureau shall try to assist and encourage the parties to reach a written agreement. If SBC/Ameritech and all of the CLECs participating in the workshop reach a written agreement within 30 days after the start of Phase 2, SBC/Ameritech shall file a copy of that agreement with the Chief of the Common Carrier Bureau and proceed with Phase 3. If SBC/Ameritech and all of the CLECs participating in the workshop cannot reach a written agreement within 30 days after the start of Phase 2, SBC/Ameritech shall, and participating CLECs may, notify the Chief of the Common Carrier Bureau and submit a list of the remaining unresolved issues in dispute. SBC/Ameritech shall at the same time submit a plan for development and deployment of uniform application-to-application and graphical user interfaces for OSS that incorporates what was agreed upon with the CLECs in the workshop sessions. The Chief of the Common Carrier Bureau shall (a) direct SBC/Ameritech to implement SBC/Ameritech's plan for development and deployment of uniform application-to-application and graphical user interfaces for OSS in its entirety, (b) authorize SBC/Ameritech and the CLEC(s) to submit the remaining unresolved issues in dispute to consolidated binding arbitration, or (c) extend the collaborative period to continue efforts to obtain a written agreement. If SBC/Ameritech and all of the CLECs participating in the workshop do not reach a written agreement in Phase 2, in no event shall work begin in Phase 3 until (a) SBC/Ameritech is directed by the Chief of the Common Carrier Bureau to implement the plan for development and deployment of uniform application-to-application and graphical user interfaces for OSS as proposed by SBC/Ameritech in its entirety, or (b) SBC/Ameritech is directed by the Chief of the Common Carrier Bureau to arbitrate the remaining unresolved issues in dispute and SBC/Ameritech receives the arbitrator's decision. Any such consolidated binding arbitration shall be conducted before an independent third-party arbitrator nominated by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, in consultation with subject matter experts selected by the arbitrator from a list of 3 firms supplied by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, which may include Telcordia Technologies, and shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The Chief of the Common Carrier Bureau shall direct the arbitrator that the arbitration will last no more than 60 days, unless the Chief extends that deadline. Each party to the arbitration shall pay its own costs. SBC/Ameritech shall pay 50 percent of the costs of the arbitrator and expert(s), and the CLECs that are parties to the disputed issues shall pay 50 percent of the arbitrator and expert costs.

c. Phase 3 – SBC/Ameritech shall develop and deploy, using a phased-in approach, system interfaces, enhancements, and business requirements consistent with the written agreement obtained in Phase 2 or the arbitrator's decision in Phase 2.

(1) To the extent that SBC/Ameritech has completed negotiation of a uniform change management process in accordance with Paragraph 32, SBC/Ameritech shall follow that uniform change management process in Phase 3. The target date for completion of Phase 3 is 18 months after completion of Phase 2, with the exception of the SBC/Ameritech Service Area within Connecticut where the target date shall be 24 months after completion of Phase 2. The target dates in Phase 3 shall begin to run on the date the plan for Phase 3 is finalized, which may be the date of execution of the written agreement in Phase 2, the date on which the Chief of the Common Carrier Bureau directs SBC/Ameritech in writing to implement SBC/Ameritech's plan in its entirety, or the effective date of a final decision by the arbitrator in Phase 2 resolving all outstanding issues, whichever date is applicable. Within 3 business days after the target date, SBC/Ameritech shall file a notice regarding its satisfaction of this target with the Secretary of the Commission.

(2) If a CLEC contends that SBC/Ameritech has not developed and deployed system interfaces, enhancements, and business requirements in substantial compliance with the written agreement obtained in Phase 2, or has not complied with the arbitrator's decision received in Phase 2, it may notify the Chief of the Common Carrier Bureau and request consolidated binding arbitration. Thereafter, the Chief of the Common Carrier Bureau may require SBC/Ameritech and the CLEC(s) to submit to consolidated binding arbitration, if the Chief of the Common Carrier Bureau determines in writing that arbitration is appropriate and in the public interest. Any such consolidated binding arbitration shall be conducted before an independent third-party arbitrator nominated by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, in consultation with subject matter experts selected by the arbitrator from a list of 3 firms supplied by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, which may include Telcordia Technologies, and shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The Chief of the Common Carrier Bureau shall direct the arbitrator that the arbitration will last no more than 60 days, unless the Chief extends that deadline. Each party to the arbitration shall pay its own costs. SBC/Ameritech shall pay 50 percent of the costs of the arbitrator and expert(s), and the CLECs that are parties to the disputed issues shall pay 50 percent of the arbitrator and expert costs. If the arbitrator determines that SBC/Ameritech has not developed and deployed system interfaces, enhancements, and business requirements in substantial compliance with the written agreement obtained in Phase 2, or has not complied with the arbitrator's decision received in Phase 2, SBC/Ameritech shall pay up to an amount of \$10,000 per business day per state in voluntary payments to the U.S. Treasury, as determined by the arbitrator. Voluntary payments shall not exceed a total of \$110,000 per business day for all SBC/Ameritech States.

(3) Voluntary payments of up to \$10,000 per business day per state shall be due only with respect to time periods during which SBC/Ameritech is in non-compliance and that are one or more of the following: (i) a period for which SBC/Ameritech acknowledges a failure to meet the relevant target date; (ii) within the first 3 business days after the relevant missed target date; or (iii) between the date on which the arbitrator has issued a final decision that SBC/Ameritech is in non-compliance and the date on which SBC/Ameritech files a notice with the Chief of the Common Carrier Bureau that it has corrected that non-compliance. In addition, if the

arbitrator finds in writing that SBC/Ameritech intentionally and willfully failed to comply with the relevant requirement(s), and the Chief of the Common Carrier Bureau concurs in writing with such a finding, SBC/Ameritech shall make an additional payment of up to \$110,000, as determined by the arbitrator, for each business day that SBC/Ameritech was not in compliance. SBC/Ameritech shall have the right to appeal any such finding to the Commission.

d. Notwithstanding anything else in these Conditions, the total of all voluntary payments relating to any or all milestones established under this Paragraph shall not exceed \$20 million.

29. For a period of 30 months after the Merger Closing Date, SBC/Ameritech shall offer to develop in the SBC/Ameritech Service Area, direct access to SBC's SORD system and to Ameritech's and SNET's equivalent service order processing system for resold local services, UNEs that meet the requirements of 47 U.S.C. § 251(c)(3), and UNEs or UNE combinations that are required by these conditions; provided, however, that a CLEC requesting such direct access enters into a written contract wherein SBC/Ameritech and the CLEC agree to (i) the precise nature of the SORD (or the Ameritech or SNET equivalent service order processing system) functions that shall be provided by SBC/Ameritech, (ii) a timetable for deployment of direct access to such functions, which shall not exceed 18 months from the date of execution of the contract; and (iii) a timetable for delivery of training on how to use such functions. If more than one CLEC requests direct access to the same SORD (or Ameritech or SNET equivalent service order processing system) function, each CLEC entering into a written contract to obtain such direct access will pay its proportionate share of the costs associated with developing direct access to such SORD (or the Ameritech or SNET equivalent service order processing system) function based upon the number of CLECs requesting direct access to the same function. If a CLEC requests direct access to a SORD (or the Ameritech or SNET equivalent service order processing system) function that has already been developed for other CLECs, SBC/Ameritech shall provide that direct access at no charge. SBC/Ameritech shall develop and pay for a training package, and the CLEC shall pay for the costs of delivery of the training.

30. SBC/Ameritech shall offer to develop and deploy in the SBC/Ameritech Service Area, in advance of industry standards, enhancements to the existing EBI interface for OSS that support maintenance/repair of resold local services, UNEs that meet the requirements of 47 U.S.C. § 251(c)(3), and UNEs or UNE combinations that are required by this Appendix; provided, however, that a telecommunications carrier requesting such enhancements enters into a written contract wherein (i) SBC/Ameritech and the requesting telecommunications carrier agree to the precise nature of the enhancement(s), and (ii) the requesting telecommunications carrier agrees to pay SBC/Ameritech for the costs of development. This offer shall be made available for a period of 30 months after the Merger Closing Date. SBC/Ameritech shall develop and deploy the enhancements contracted for within 12 months of an executed contract. In the case of the SBC/Ameritech Service Area within the Ameritech States and Connecticut, this interface shall be provided in conjunction with the introduction of the EBI interface described in Paragraph 26 above, or within 12 months of a completed contract, whichever is later. In the event an enhancement to the existing EBI interface contracted for by a telecommunications carrier becomes an industry standard, without any changes or modifications, within 12 months of

deployment by SBC/Ameritech, SBC/Ameritech shall provide the telecommunications carrier a refund of the money the telecommunications carrier has paid SBC/Ameritech for the development and deployment of the enhancement.

31. Within 30 months after the Merger Closing Date (assuming the duration of Phase 2 described below is no longer than 30 days) SBC/Ameritech shall develop jointly with CLECs, and deploy throughout the SBC/Ameritech Service Areas, either (i) a software solution that shall ensure that CLEC-submitted local service requests are consistent with SBC/Ameritech's business rules, or (ii) uniform business rules for completing CLEC local service requests, excluding those differences caused by state regulatory requirements and product definitions. Milestones applicable to the development and deployment of a software solution or uniform business rules are as follows:

a. Phase 1 – SBC/Ameritech shall complete a publicly available Plan of Record, which shall consist of an assessment of SBC/Ameritech business rules and SBC/Ameritech's plan for developing and deploying a software solution or uniform business rules. The target date for completion of Phase 1 is 150 days after completion of Phase 2 of the development of both uniform application-to-application and graphical user interfaces for OSS, as described in Paragraph 28. No later than 3 business days after the target date, SBC/Ameritech shall file a notice regarding its satisfaction of this target with the Secretary of the Commission. SBC/Ameritech shall pay \$10,000 per business day per state in voluntary payments to the U.S. Treasury if the Chief of the Common Carrier Bureau determines in writing (after any appeals to the Commission, which may be taken) that SBC/Ameritech has failed to submit a Plan of Record that is in substantial compliance with the requirements of this Paragraph by the target date in any SBC/Ameritech State. Voluntary payments for all SBC/Ameritech States shall not exceed total of \$110,000 per business day for a failure to submit a Plan of Record that is in substantial compliance with the requirements of this Paragraph by the target date. The pendency of proceedings under this Subparagraph shall not delay the commencement of Phase 2 after the target date for Phase 1.

b. Phase 2 – SBC/Ameritech shall work collaboratively with the CLECs operating in the SBC/Ameritech Service Area, in a single series of workshop sessions (in multiple locations, if necessary), to obtain a written agreement on a software solution or business rule changes identified in the Plan of Record, and a change management process, including a 12 month forward-looking view of deployment. The target date for completion of Phase 2 is 30 days after the target date for completion of Phase 1 if there is a written agreement, or 90 days after the target date for completion of Phase 1 if Phase 2 issues are sent to an arbitrator for resolution. Successful completion of Phase 2 is dependent upon the full cooperation of all participants in consummating a written agreement with SBC/Ameritech on the work to be done. The Chief of the Common Carrier Bureau shall try to assist and encourage the parties to reach a written agreement. If SBC/Ameritech and all of the CLECs participating in the workshop reach a written agreement, SBC/Ameritech shall file a copy of that agreement with the Chief of the Common Carrier Bureau and proceed with Phase 3. If SBC/Ameritech and all of the CLECs participating in the workshop cannot reach a written agreement within 30 days after the start of Phase 2, SBC/Ameritech shall, and participating CLECs may, notify the Chief of the Common Carrier

Bureau, and submit to the Chief of the Common Carrier Bureau a list of the remaining unresolved issues in dispute. SBC/Ameritech shall at the same time submit to the Chief of the Common Carrier Bureau a plan for development and deployment of either a software solution or business rule changes that incorporates what was agreed upon with the CLECs in the workshop sessions. The Chief of the Common Carrier Bureau shall (a) direct SBC/Ameritech to implement SBC/Ameritech's plan for development and deployment of either a software solution or uniform business rules in its entirety, (b) authorize SBC/Ameritech and one or more CLEC(s) to submit the remaining unresolved issues in dispute to consolidated binding arbitration, or (c) extend the collaborative period to continue efforts to obtain a written agreement. If SBC/Ameritech and all of the CLECs participating in the workshop do not reach a written agreement in Phase 2, in no event shall work begin in Phase 3 until SBC/Ameritech is directed by the Chief of the Common Carrier Bureau to implement the plan for development and deployment of either a software solution or uniform business rules as proposed by SBC/Ameritech in its entirety, or SBC/Ameritech is directed by the Chief of the Common Carrier Bureau to arbitrate the remaining unresolved issues in dispute and SBC/Ameritech receives the arbitrator's decision. Any such consolidated binding arbitration shall be conducted before an independent third-party arbitrator nominated by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, in consultation with subject matter experts selected by the arbitrator from a list of 3 firms supplied by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, which may include Telcordia Technologies, and shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The Chief of the Common Carrier Bureau shall direct the arbitrator that the arbitration will last no more than 60 days, unless the Chief extends that deadline. SBC/Ameritech shall pay 50 percent of the costs of the arbitrator and expert(s), and the CLECs that are parties to the disputed issues shall pay 50 percent of the arbitrator and expert costs.

c. Phase 3 – SBC/Ameritech shall develop and deploy, using a phased-in approach, the software solution or business rule changes agreed upon in Phase 2 or ordered by the arbitrator in Phase 2.

(1) To the extent that SBC/Ameritech has completed negotiation of a uniform change management process in accordance with Paragraph 32, SBC/Ameritech shall follow that uniform change management process in Phase 3. The target date for completion of Phase 3 is 18 months after completion of Phase 2. The target dates in Phase 3 shall begin to run on the date the plan for Phase 3 is finalized, which may be the date of execution of the written agreement in Phase 2, the date on which the Chief of the Common Carrier Bureau directs SBC/Ameritech in writing to implement SBC/Ameritech's plan in its entirety, or the effective date of a final decision by the arbitrator in Phase 2 resolving all outstanding issues, whichever date is applicable. Within 3 business days of the target date, SBC/Ameritech shall file a notice regarding its satisfaction of this target with the Secretary of the Commission.

(2) If a CLEC contends that SBC/Ameritech has not developed and deployed the software solution or business rule changes in substantial compliance with what was agreed upon in Phase 2 or ordered by the arbitrator in Phase 2, it may notify the Chief of the Common Carrier Bureau and request consolidated binding arbitration. Thereafter, the Chief of

the Common Carrier Bureau may require SBC/Ameritech and the CLEC(s) to submit to consolidated binding arbitration, if the Chief of the Common Carrier Bureau determines in writing that arbitration is appropriate and in the public interest. Any such consolidated binding arbitration shall be conducted before an independent third-party arbitrator nominated by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, in consultation with subject matter experts selected by the arbitrator from a list of 3 firms supplied by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, which may include Telcordia Technologies, and shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The Chief of the Common Carrier Bureau shall direct the arbitrator that the arbitration will last no more than 60 days, unless the Chief extends that deadline. Each party to the arbitration shall pay its own costs. SBC/Ameritech shall pay 50 percent of the costs of the arbitrator and expert(s), and the CLECs that are parties to the disputed issues shall pay 50 percent of the arbitrator and expert costs. If the arbitrator determines that SBC/Ameritech has not developed and deployed the software solution or business rule changes in substantial compliance with what was agreed upon in Phase 2 or ordered by the arbitrator in Phase 2, SBC/Ameritech shall pay up to \$10,000 per business day per state in voluntary payments to the U.S. Treasury, as determined by the Arbitrator. Voluntary payments shall not exceed a total of \$110,000 per business day for all SBC/Ameritech States.

(3) Voluntary payments of up to \$10,000 per business day per state shall be due only with respect to time periods during which SBC/Ameritech is in non-compliance and that are one or more of the following: (i) a period for which SBC/Ameritech acknowledges a failure to meet the relevant target date; (ii) within the first 3 business days after the relevant missed target date; or (iii) between the date on which the arbitrator has issued a final decision that SBC/Ameritech is in non-compliance and the date on which SBC/Ameritech files a notice with the Chief of the Common Carrier Bureau that it has corrected that non-compliance. In addition, if the arbitrator finds in writing that SBC/Ameritech intentionally and willfully failed to comply with the relevant requirement(s), and the Chief of the Common Carrier Bureau concurs in writing with such a finding, SBC/Ameritech shall make an additional payment of up to \$110,000, as determined by the arbitrator, for each business day that SBC/Ameritech was not in compliance. SBC/Ameritech shall have the right to appeal any such finding to the Commission.

d. Notwithstanding anything else in these Conditions, the total of all voluntary payments relating to any or all milestones established under this Paragraph shall not exceed \$20 million.

32. Within 30 days after the Merger Closing Date, SBC/Ameritech shall begin to negotiate with interested CLECs a uniform change management process for implementation in the SBC/Ameritech Service Area. Subject to arbitration, the resulting change management process shall be developed and offered to state commissions for their acceptance and approval, within 12 months after the commencement of negotiations. SBC/Ameritech shall implement those aspects of the uniform change management process that are consistent with state commission rulings, agreed-to with the CLEC participants, and feasible. For purposes of this Paragraph, “change management process” means the documented process that SBC/Ameritech and the CLECs follow to facilitate communication about OSS changes, new interfaces and retirement of old interfaces,

as well as the implementation timeframes; which includes such provisions as a 12-month developmental view, release announcements, comments and reply cycles, joint testing processes and regularly scheduled change management meetings. SBC/Ameritech shall offer to include in its interconnection agreements with CLECs a commitment to follow the uniform change management process agreed upon with interested CLECs. In the event that CLECs doing business with SBC/Ameritech in different states are unable to agree on certain components of a uniform change management process, SBC/Ameritech shall implement those components of the uniform change management process that are agreed-to with the CLEC participants where feasible, and SBC/Ameritech shall notify the Chief of the Common Carrier Bureau, and submit to the Chief of the Common Carrier Bureau SBC/Ameritech's plan for a uniform change management process in its entirety and a list of the components of the change management process that are in dispute. The Chief of the Common Carrier Bureau shall (a) direct SBC/Ameritech to implement SBC/Ameritech's proposed plan for a uniform change management process in its entirety, or (b) authorize SBC/Ameritech and one or more CLEC(s) to submit the remaining unresolved issues in dispute to consolidated binding arbitration, or (c) extend the collaborative period to continue efforts to obtain an agreement. CLEC(s) shall have the right to submit the remaining unresolved issues in dispute to consolidated binding arbitration if the Chief of the Common Carrier Bureau determines in writing that arbitration is appropriate and in the public interest. Any disputes between SBC/Ameritech and the CLECs arising out of or relating to the negotiation of a uniform change management control process shall be decided in a consolidated binding arbitration by an independent third-party arbitrator nominated by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, in consultation with subject matter experts selected from a list of 3 firms supplied by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, which may include Telcordia Technologies, and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The Chief of the Common Carrier Bureau shall direct the arbitrator that the arbitration will last no more than 60 days, unless the Chief extends that deadline. SBC/Ameritech shall pay 50 percent of the costs of the arbitrator and expert(s), and the CLECs that are parties to the disputed issues shall pay 50 percent of the arbitrator and expert costs.

33. Within the SBC/Ameritech Service Area, SBC/Ameritech shall provide unaffiliated telecommunications carriers with access to the OSS enhancements and additional interfaces required by Paragraphs 26, 27, 29, and 30 of these Conditions for not less than 36 months after they are deployed.

34. Payments made to the U.S. Treasury in connection with the above OSS enhancements and additional interfaces shall not be reflected in the revenue requirement of an SBC/Ameritech incumbent LEC.

## **IX. Restructuring OSS Charges**

35. SBC/Ameritech shall restructure its OSS charges by eliminating in the SBC/Ameritech Service Area, on a going-forward basis, flat-rate monthly charges for access to the Remote Access Facility and the Information Services Call Center. The intent of this Paragraph is to eliminate the flat-rate monthly charges (amounting to approximately \$3600 per month per CLEC per state) that SBC charged CLECs prior to the Merger Closing Date. For

orders of 30 lines or less where SBC/Ameritech does not make an electronic interface available to submit the order to SBC/Ameritech, SBC/Ameritech also shall eliminate in the SBC/Ameritech Service Area, on a going-forward basis, any manual processing charges associated with processing such a manual order that are in excess of the charges that apply for processing similar orders submitted electronically. SBC/Ameritech shall eliminate any such charges, in the SBC/Ameritech Service Area within all states where they are applied, starting with the first billing cycle that begins after the Merger Closing Date. This Paragraph does not limit SBC/Ameritech's right to charge telecommunications carriers for the cost of processing service orders received by electronic or non-electronic means, whether on an electronic or non-electronic basis; to charge telecommunications carriers for the cost of providing loop make-up information as described in Paragraph 20; or to recover the costs of developing and providing OSS to telecommunications carriers through the pricing of UNEs or resold services, in accordance with applicable federal and state pricing requirements.

## **X. OSS Assistance to Qualifying CLECs**

36. Within the SBC/Ameritech Service Area, SBC/Ameritech shall adopt measures for assisting Qualifying CLECs in using SBC/Ameritech's OSS, as follows:

a. The term "Qualifying CLEC" means any CLEC that, when combined with all of the CLEC's affiliates, including its parents and subsidiaries, and the CLEC's joint ventures that provide telecommunications services, has less than \$300 million in total annual telecommunications revenues, excluding revenues from wireless services, as reported to the Securities and Exchange Commission or in other documents mutually agreeable to such CLEC and SBC/Ameritech. The CLEC may certify its status as a Qualifying CLEC to SBC/Ameritech. Disputes relating to the status of an entity as a Qualifying CLEC may be resolved by the appropriate state commission(s).

b. Within 30 days following the Merger Closing Date, SBC/Ameritech shall designate and make available one or more teams of a sufficient number of OSS experts dedicated and empowered to assist Qualifying CLECs with OSS issues, provided that such Qualifying CLECs have contracted for OSS in their interconnection agreements with SBC/Ameritech and have attended any OSS training required by their interconnection agreements. Each team shall be available to provide further training and assistance, not including the provision of any telecommunications service, to such CLECs at no additional cost for a minimum of 36 months following the designation of the team. A Qualifying CLEC may request reasonable changes, expansion, and/or reduction in the composition of such a team. Within 60 days following the Merger Closing Date, SBC/Ameritech shall provide notice of the availability of these teams to all Qualifying CLECs certificated and operating in the SBC/Ameritech Service Area.

c. Within 90 days following the Merger Closing Date, SBC/Ameritech shall identify and discuss in one or more CLEC forums training and procedures that would be beneficial to Qualifying CLECs operating in the SBC/Ameritech Service Areas. Within 120 days following the Merger Closing Date, SBC/Ameritech shall provide notice of such training and procedures to all Qualifying CLECs certificated and operating in the SBC/Ameritech Service Area.

## **XI. Collocation Compliance**

37. In the SBC/Ameritech Service Area, SBC/Ameritech shall provide collocation consistent with the Commission's rules, including the First Report and Order in CC Docket No. 98-147, FCC No. 99-48 (rel. March 31, 1999) ("Collocation and Advanced Services Order").

38. Prior to the Merger Closing Date, SBC and Ameritech shall, in each of the SBC/Ameritech States, have filed a collocation tariff and/or offered amendments containing standard terms and conditions for collocation for inclusion in interconnection agreements under 47 U.S.C. § 252. Such tariffs and/or amendments shall contain all rates, terms, and conditions necessary to bring SBC/Ameritech's provision of collocation into compliance with the Commission's governing rules.

39. Prior to the Merger Closing Date, Ameritech and SBC shall retain one or more independent auditors acceptable to the Chief of the Common Carrier Bureau to perform an examination engagement and issue an attestation report resulting in a positive opinion (with exceptions noted) regarding whether the terms and conditions offered in tariffs and amendments to interconnection agreements, and the methods and procedures put in place by SBC and Ameritech to implement those terms and conditions, comply with the collocation requirements contained in the Collocation and Advanced Services Order. The engagement shall be supervised by persons licensed to provide accounting services and shall be conducted in accordance with the relevant standards of the American Institute of Certified Public Accountants ("AICPA"). The attestation report shall be in substantially the form provided as Attachment B and shall be filed with the Secretary of the Commission, for the public record, no later than 10 days after the Merger Closing Date. The Commission shall have access to working papers and supporting materials of the independent auditor, as provided below in Paragraph 40g.

40. Prior to the Merger Closing Date, Ameritech and SBC shall propose to the Chief of the Common Carrier Bureau an independent auditor to perform an examination engagement and issue an attestation report resulting in a positive opinion (with exceptions noted) regarding SBC/Ameritech's compliance with the Commission's collocation requirements, including but not limited to the Collocation and Advanced Services Order, for the first 240 days after the Merger Closing Date. The audit required by this Paragraph shall be in lieu of any other audit of SBC/Ameritech's compliance with the Commission's collocation requirements during the first 12 months after the Merger Closing Date that otherwise would be required under these Conditions. The independent auditor shall be acceptable to the Chief of the Common Carrier Bureau and shall not have been instrumental during the past 24 months in designing substantially all of the systems and processes under review in the audit, viewed as a whole. The engagement shall be supervised by persons licensed to provide accounting services and shall be conducted in accordance with the relevant standards of the AICPA. SBC/Ameritech shall engage the auditor within 15 days of the Bureau Chief's written acceptance of the proposed auditor. The independent auditor's report shall be prepared and submitted as follows:

a. Not later than 60 days after the Merger Closing Date, the independent auditor shall submit a preliminary audit program, including the proposed scope of the audit and the extent of compliance and substantive testing, to the Commission's Audit Staff ("Audit Staff").

The preliminary audit program shall be afforded confidential treatment in accordance with the Commission's normal processes and procedures. The independent auditor shall consult with the Audit Staff and SBC/Ameritech regarding changes to the preliminary audit program, but Commission approval of the requirements or changes thereto shall not be required.

b. During the course of the audit, the independent auditor shall inform the Audit Staff of any revisions to the audit program; notify the Audit Staff of any meetings with SBC/Ameritech in which audit findings are discussed; and consult with the Common Carrier Bureau regarding any accounting or rule interpretations necessary to complete the audit. The independent auditor shall notify SBC/Ameritech of any consultation with the Common Carrier Bureau regarding accounting or rule interpretations.

c. The independent auditor shall have access to books, records, and operations of SBC/Ameritech and its affiliates that are under the control of SBC/Ameritech and are necessary to fulfill the audit requirements of this Section. The independent auditor shall notify SBC/Ameritech's compliance officer of any inability to obtain such access. The auditor shall notify the Audit Staff if access is not timely provided after notification to the compliance officer.

d. The independent auditor may verify SBC/Ameritech's compliance with the collocation requirements through contacts with the Commission, state commissions, or SBC/Ameritech's wholesale customers, as deemed appropriate by the independent auditor.

e. Not later than 10 months after the Merger Closing Date, the independent auditor shall submit its final audit report to the Commission's Audit Staff. A copy of the report shall be publicly filed with the Secretary of the Commission.

f. The independent auditor's report shall include a discussion of the scope of the work conducted; a statement regarding SBC/Ameritech's compliance or non-compliance with the Commission's collocation rules; a statement regarding the sufficiency of SBC/Ameritech's methods, procedures, and internal controls for compliance with the Commission's collocation rules; and a description of any limitations imposed on the auditor in the course of its review by SBC/Ameritech or other circumstances that might affect the auditor's opinion.

g. For 24 months following submission of the final audit report, the Commission and state commissions in the SBC/Ameritech States shall have access to the working papers and supporting materials of the independent auditor at a location in Washington, D.C. that is selected by SBC/Ameritech and the independent auditor. Copying of the working papers and supporting materials by the Commission shall be allowed but shall be limited to copies required for the Commission to verify compliance with and enforce these Conditions. Any copies made by the Commission shall be returned to SBC/Ameritech by the Commission. The Commission's review of the working papers and supporting materials shall be kept confidential pursuant to the Commission's rules and procedures. Prior to obtaining access to the working papers and supporting materials for review, state commissions shall enter into a protective agreement with the Chief of the Common Carrier Bureau and SBC/Ameritech under which the state commission's review, including any notes, shall be kept confidential.

41. SBC/Ameritech will, for 36 months after the Merger Closing Date, waive, credit or refund to telecommunications carriers 100 percent of the total nonrecurring collocation costs for qualifying collocation projects if SBC/Ameritech misses the collocation due date by more than 60 calendar days.

a. The following business rules (based on Measurement Number 17 in Attachments A-2a and A-2b – Percent Missed Collocation Due Dates from the Performance Measurements) will be used for purposes of this Paragraph. The rules apply to all requests for physical, virtual, adjacent structure, and cageless collocation in a LATA where the requesting telecommunications carrier has submitted no more than 5 collocation requests to SBC/Ameritech in a LATA within a 30-day period that includes the date of the request. Requests in excess of 5 collocation arrangements per LATA will be included when the requesting telecommunications carrier meets with SBC/Ameritech in advance of its submission of the requests and negotiates a mutually agreeable deployment schedule. If no such agreement is reached, this condition shall apply to the first 5 requests received from the telecommunications carrier for the LATA during the 30-day period.

b. Unless otherwise mutually agreed, due dates for collocation requests will be established by SBC/Ameritech, in compliance with the standard collocation intervals included in the approved tariff or relevant interconnection agreement existing as of the Merger Closing Date, whichever governs the provision of collocation in the relevant state. Due dates may be extended when mutually agreed to by SBC/Ameritech and the telecommunications carrier, or by Acts of God or force majeure events or when such carrier fails to complete work items for which the carrier is responsible in the allotted time frame. The extended due date will be calculated by adding to the original due date the number of calendar days that SBC/Ameritech and the telecommunications carrier agree were attributable to Acts of God or force majeure events or that the telecommunications carrier was late in performing said work items. Work items include, but are not limited to, the telecommunications carrier return to SBC/Ameritech of corrected and complete floor plan drawings and placement of required components(s) by such carrier or its vendor. If SBC/Ameritech and the carrier cannot agree on the extended due date, this dispute will be submitted to the Chief of the Common Carrier Bureau for resolution.

c. A due date is considered met when SBC/Ameritech turns the space over to the telecommunications carrier (for physical collocation), completes installation of virtually collocated equipment (or provides notification that the space is ready for installation where the carrier provides the virtually collocated equipment), or, in the case of adjacent structure collocation and cageless collocation where the carrier provides its own bays, when SBC/Ameritech provides the requested interconnection and power cabling to the collocation space.

## **XII. Most-Favored-Nation Provisions for Out-of-Region and In-Region Arrangements**

42. Out-of-Region Agreements. SBC/Ameritech shall make available to telecommunications carriers in the SBC/Ameritech Service Area any service arrangements that an incumbent LEC (not an SBC/Ameritech incumbent LEC) develops for an SBC/Ameritech

affiliate, at the request of the SBC/Ameritech affiliate, where the SBC/Ameritech affiliate operates as a new local telecommunications carrier. Specifically, if the SBC/Ameritech out-of-territory entity described in Paragraph 59 makes a specific request for and obtains any interconnection arrangement or UNE from an incumbent LEC that had not previously been made available to any other telecommunications carrier by that incumbent LEC, then SBC/Ameritech's incumbent LECs shall make available to requesting telecommunications carriers in the SBC/Ameritech Service Area, through good-faith negotiation, the same interconnection arrangement or UNE on the same terms (exclusive of price). SBC/Ameritech shall not be obligated to provide pursuant to this condition any interconnection arrangement or UNE unless it is feasible to provide given the technical, network and OSS attributes and limitations in, and is consistent with the laws and regulatory requirements of, the state for which the request is made. Disputes regarding the availability of an interconnection arrangement or UNE shall be resolved pursuant to negotiation between the parties or by the relevant state commission under 47 U.S.C. § 252 to the extent applicable. The price(s) for such interconnection arrangement or UNE shall be negotiated on a state-specific basis and, if such negotiations do not result in agreement, SBC/Ameritech's incumbent LEC shall submit the pricing dispute(s), exclusive of the related terms and conditions required to be provided under this Paragraph, to the applicable state commission for resolution under 47 U.S.C. § 252 to the extent applicable. To assist telecommunications carriers in exercising the options made available by this Paragraph, SBC/Ameritech or the out-of-region entit(ies) described in Paragraph 59 shall post on its Internet website all interconnection agreements between the SBC/Ameritech out-of-territory entity and an unaffiliated incumbent LEC.

43. In-Region Agreements. Subject to the conditions specified in this Paragraph, SBC/Ameritech shall make available to any requesting telecommunications carrier in the SBC/Ameritech Service Area within any SBC/Ameritech State any interconnection arrangement or UNE in the SBC/Ameritech Service Area within any other SBC/Ameritech State that (1) was negotiated with a telecommunications carrier, pursuant to 47 U.S.C. § 252(a)(1), by an SBC/Ameritech incumbent LEC that at all times during the interconnection agreement negotiations was an affiliate of SBC and (2) has been made available under an agreement to which SBC/Ameritech is a party. Terms, conditions, and prices contained in tariffs cited in SBC/Ameritech's interconnection agreements shall not be considered negotiated provisions. Exclusive of price and subject to the conditions specified in this Paragraph, qualifying interconnection arrangements or UNEs shall be made available to the same extent and under the same rules that would apply to a request under 47 U.S.C. § 252(i), provided that the interconnection arrangements or UNEs shall not be available beyond the last date that they are available in the underlying agreement and that the requesting telecommunications carrier accepts all reasonably related terms and conditions as determined in part by the nature of the corresponding compromises between the parties to the underlying interconnection agreement. The price(s) for such interconnection arrangement or UNE shall be established on a state-specific basis pursuant to 47 U.S.C. § 252 to the extent applicable. Provided, however, that pending the resolution of any negotiations, arbitrations, or cost proceedings regarding state-specific pricing, SBC/Ameritech shall offer to enter into an agreement with the requesting telecommunications carrier whereby the requesting telecommunications carrier will pay, on an interim basis and subject to true-up, the same prices established for the interconnection arrangement or UNE in the

negotiated agreement. This Paragraph shall not impose any obligation on SBC/Ameritech to make available to a requesting telecommunications carrier any terms for interconnection arrangements or UNEs that incorporate a determination reached in an arbitration conducted in the relevant state under 47 U.S.C. § 252, or the results of negotiations with a state commission or telecommunications carrier outside of the negotiation procedures of 47 U.S.C. § 252(a)(1). For example, terms made available in Texas through SWBT's Proposed Interconnection Agreement ("PIA") (filed with the Texas PUC on May 13, 1999) would not be available under this Paragraph. SBC/Ameritech shall not be obligated to provide pursuant to this Paragraph any interconnection arrangement or UNE unless it is feasible to provide given the technical, network and OSS attributes and limitations in, and is consistent with the laws and regulatory requirements of, the state for which the request is made. Disputes regarding the availability of an interconnection arrangement or UNE shall be resolved pursuant to negotiation between the parties or by the relevant state commission under 47 U.S.C. § 252 to the extent applicable.

### **XIII. Multi-State Interconnection and Resale Agreements**

44. Upon the request of a telecommunications carrier, SBC/Ameritech shall negotiate in good faith an interconnection and/or resale agreement covering the provision of interconnection arrangements, services, and/or UNEs in the SBC/Ameritech Service Area in two or more SBC/Ameritech States. Such a multi-state generic agreement may include a separate contract with each SBC/Ameritech incumbent LEC. No later than 60 days after the Merger Closing Date, SBC/Ameritech shall make available to any requesting telecommunications carrier generic interconnection and resale terms and conditions covering the SBC/Ameritech Service Area in all SBC/Ameritech States. Pricing under a multi-state generic agreement shall be established on a state-by-state basis and SBC/Ameritech shall not be under any obligation to enter into any arrangement for a state that is not technically feasible and lawful in that state. Any agreement negotiated under this Section shall be subject to the state-specific mediation, arbitration, and approval procedures of Section 252 of the Communications Act. Approval of the agreement in one state shall not be a precondition for implementation of the agreement in another state where approval has been obtained.

### **XIV. Carrier-to-Carrier Promotions: Unbundled Loop Discount**

45. SBC/Ameritech shall offer the unbundled loop carrier-to-carrier promotion described below in the SBC/Ameritech Service Area. SBC/Ameritech shall implement this promotion by providing each telecommunications carrier with which SBC/Ameritech has an interconnection agreement in an SBC/Ameritech State, no later than 10 days after the Merger Closing Date, a written offer to amend each telecommunications carrier's interconnection agreement in that state to incorporate the promotion. For purposes of this Section, an offer published on SBC/Ameritech's Internet website that can be accessed by telecommunications carriers shall be considered a written offer. SBC/Ameritech shall establish necessary internal processes and procedures to ensure that SBC/Ameritech's wholesale business units are responsive to telecommunications carriers' requests for the promotion. SBC/Ameritech shall make its written offer in each state at the same time to all telecommunications carriers with which it has existing interconnection and/or resale agreements in that state. The agreement amendments for all

carriers in a state that accept SBC/Ameritech's written offer within 10 business days after the initial offer shall be filed at the same time for review and approval by the relevant state commission.

46. For an Offering Window period in the SBC/Ameritech Service Area, SBC/Ameritech shall offer, to those telecommunications carriers that have signed an effective interconnection agreement amendment, promotional discounted prices on monthly recurring charges for unbundled local loops used in the provision of local service to residential end user customers that are ordered after the Merger Closing Date. SBC/Ameritech may provide promotional discounts through credits, true-ups, or other billing mechanisms, provided, however, that such credits, true-ups or other mechanisms are applied within 60 days of the initial billing for the service.

a. The Offering Window period for the unbundled loop promotion for each SBC and Ameritech State shall begin 30 days after the Merger Closing Date and end at the latest of the following: (i) 24 months after commencement of the Offering Window period; (ii) the first date on which SBC/Ameritech is authorized to provide in-region, interLATA services in the relevant state; or (iii) the first date on which SBC/Ameritech provides facilities-based telephone exchange service to at least one customer in each of 15 out-of-territory markets pursuant to Paragraph 59 of these Conditions. The Offering Window period may end earlier in a state than provided in the preceding sentence if and when the maximum number of unbundled loops has been reached in that state pursuant to Subparagraph g of this Paragraph. During the Offering Window, SBC/Ameritech shall respond to all telecommunications carrier inquiries regarding the promotional discounted prices within 10 business days.

b. SBC/Ameritech shall be under no obligation to provide an unbundled local loop at a promotional discounted price unless the loop is ordered during the Offering Window with a requested installation date of no later than 30 days after the close of the Offering Window. Unbundled loops ordered or in service prior to the start of the Offering Window, or ordered after the end of the Offering Window, shall not be eligible for a promotional discounted price.

c. SBC/Ameritech shall be under no obligation to provide an unbundled local loop at a promotional discounted price ordered before the Merger Closing Date or outside the Promotional Period. The discounted prices shown in Attachment C shall be the prices applicable throughout the duration of the unbundled loop carrier-to-carrier promotion. For the purposes of this Section, the Promotional Period shall be a period of 36 months from the date a qualifying unbundled local loop is installed and operational, or the period during which the loop remains in service at the same location and for the same telecommunications carrier, whichever is shorter.

d. The promotional discounted prices for unbundled analog local loops used in the provision of residential telephone exchange service and the promotional discount levels are shown in Attachment C. These promotional discounted prices were calculated to be, on average for each state except Ohio, 25 percent below the lowest applicable monthly recurring price established for the same loop by the relevant state commission pursuant to 47 U.S.C. § 252 as of August 27, 1999, assuming that the number of unbundled loops to be provided in each geographic area will be proportionate to the number of residential access lines in that geographic area. For

Ohio, the promotional discounted prices were established at the same levels as approved by the Public Utilities Commission of Ohio in its order approving the merger.

e. Telecommunications carriers requesting unbundled local loops at a promotional discounted price shall agree to abide by the following conditions: (i) the loop shall be used to provide residential telephone exchange service and any associated exchange access service and shall not be used to provide any Advanced Services as defined in Section I; (ii) the loop shall not be purchased or used as part of a UNE Platform or in any other combination with SBC/Ameritech's local switching or the functions and features associated with that switching; and (iii) the loop shall be used in accordance with any other binding conditions imposed under applicable agreements, judicial or administrative decisions, or governing law. Telecommunications carriers that obtain unbundled local loops at the promotional discounted prices shall, on a quarterly basis, certify to SBC/Ameritech and the appropriate state commission that they are using all unbundled local loops provided at a promotional discounted price in accordance with these Conditions. SBC/Ameritech shall have the right to hire, at its own expense, an independent third-party auditor to perform all necessary audits and inspections needed to assure that unbundled local loops provided at a promotional discounted price are used in accordance with conditions (i) and (ii), above.<sup>48</sup> Telecommunications carriers that obtain unbundled local loops at a promotional discounted price shall agree to cooperate in the performance of such audits and inspections. Audit information will be restricted to SBC/Ameritech regulatory, legal, and/or wholesale personnel, and SBC/Ameritech will prohibit those personnel from disclosing audit-related, customer-specific or company-specific proprietary information to SBC/Ameritech retail personnel.

f. Any telecommunications carrier found by the appropriate state commission to have violated the use conditions of Subparagraph e or that fails to cooperate in an audit may be denied the promotional discounted price on any unbundled local loop for which the use conditions or the audit provisions are violated. In addition, any such telecommunications carrier that intentionally and repeatedly violates the use conditions of Subparagraph e may be denied the promotional discounted price on unbundled local loops ordered or installed after the date of such a finding by a state commission.

g. The maximum number of unbundled local loops that SBC/Ameritech shall be required to provide at a promotional discounted price in each state shall be: Illinois – 181,000; Indiana – 63,000; Michigan – 152,000; Ohio – 120,000; Wisconsin – 64,000; California – 479,000; Nevada – 10,000; Connecticut – 68,000; Arkansas – 30,000; Kansas – 41,000; Missouri – 76,000; Oklahoma – 51,000; Texas – 275,000. In order to provide CLECs with advance planning information, SBC/Ameritech shall provide written or Internet notice to CLECs operating in the relevant state when 50 percent and 80 percent of these maximum numbers are reached in each SBC/Ameritech State. Unbundled local loops installed and made operational at the promotional discounted price after the Merger Closing Date shall be counted toward the maximum number, whether or not they remain in service. The relevant state commission may allocate the maximum number of unbundled local loops eligible for a promotional discounted

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<sup>48</sup> The scope of any such audit or inspection is limited to determining whether the promotional discount is being provided in accordance with this condition.

price in that state between two or more geographic areas within the state.

## **XV. Carrier-to-Carrier Promotions: Resale Discount**

47. SBC/Ameritech shall offer the resale carrier-to-carrier promotion described below in the SBC/Ameritech Service Area. SBC/Ameritech shall implement this promotion by providing each telecommunications carrier with which SBC/Ameritech has an interconnection agreement in an SBC/Ameritech State, no later than 10 days after the Merger Closing Date, a written offer to amend each telecommunications carrier's interconnection agreement in that state to incorporate the resale promotion. For purposes of this Section, an offer published on SBC/Ameritech's Internet website that can be accessed by telecommunications carriers shall be considered a written offer. SBC/Ameritech shall establish necessary internal processes and procedures to ensure that SBC/Ameritech's wholesale business units are responsive to telecommunications carriers' requests for the resale promotion. SBC/Ameritech shall make its written offer in each state at the same time to all telecommunications carriers with which it has existing interconnection and/or resale agreements in that state. The agreement amendments for all carriers in a state that accept SBC/Ameritech's written offer within 10 business days after the initial offer shall be filed at the same time for review and approval by the relevant state commission.

48. For the Offering Window period defined in Paragraph 49, SBC/Ameritech shall offer in the SBC/Ameritech Service Area to those telecommunications carriers that have signed an effective interconnection agreement amendment, promotional resale discounts on telecommunications services that SBC/Ameritech provides at retail to subscribers who are not telecommunications carriers, where such services are resold to residential end user customers. The Offering Window period may end earlier in a state than provided in the preceding sentence if and when the maximum number of promotional resold lines plus promotional end-to-end UNE combinations has been reached in that state pursuant to Paragraph 49. For purposes of this Paragraph, the term "telecommunications service" shall have the same meaning as in 47 U.S.C § 251(c)(4). SBC/Ameritech may provide promotional discounts through credits, true-ups, or other billing mechanisms, provided, however, that such credits, true-ups or other mechanisms are applied within 60 days of the initial billing for the service.

a. SBC/Ameritech shall be under no obligation to provide a service for resale at a promotional resale discount unless the underlying resold line is ordered after the Merger Closing Date and during the Offering Window with a requested installation date of no later than 30 days after the close of the Offering Window for the particular state. Resold services (such as Call Waiting) provided over a resold customer line that was ordered or in service prior to the Offering Window, or placed in service more than 30 days after the end of the Offering Window, shall not be eligible for a promotional resale discount. Resold services (such as Call Waiting) added to a resold line that qualifies for the promotional resale discounts shall be eligible for the promotional resale discounts for the duration of the Promotional Period regardless of whether such resold services were added after the end of the Offering Window.

b. SBC/Ameritech shall be under no obligation to provide a service for resale at a promotional resale discount outside the Promotional Period. For the purposes of this Subparagraph, the Promotional Period shall be a period of 36 months from the date a qualifying

resold service is installed and operational, or the period during which the resold service remains in service at the same location and for the same telecommunications carrier, whichever is shorter.

c. The promotional resale discount rate for services resold to residential customers shall be 32 percent from the retail rate until the latest of: (i) 24 months after commencement of the Offering Window period; (ii) the first date on which SBC/Ameritech is authorized to provide in-region, interLATA services in the relevant state; or (iii) the first date on which SBC/Ameritech provides facilities-based telephone exchange service to at least 3 customers in each of 15 out-of-territory markets pursuant to Paragraph 59c(2) of these Conditions. Thereafter, for the remaining duration of any Promotional Period, the promotional resale discount rate for service resold to residential customers shall be 1.1 times the standard wholesale discount rate established for the service by the relevant state commission pursuant to 47 U.S.C. § 252(d)(3) and then in effect (e.g., if the standard wholesale discount rate in a state is 20 percent, then the promotional resale discount rate would be 22 percent). Upon the termination of the initial 32 percent promotional resale discount rate, this discount rate shall apply automatically to all services eligible for a promotional resale discount, including those services that initially were provided under the 32 percent promotional resale discount. The promotional resale discounts shall apply to all resold services provided over a qualifying resold line; i.e., on a single resold line telecommunications carriers may not “pick and choose” between the promotional resale discounts and the standard resale discounts that apply in a state.

49. The Offering Window for the Promotional Resale Discounts in each state shall begin 30 days after the Merger Closing Date and end for that state at the earlier of the following: (i) 36 months after commencement of the Offering Window period; or (ii) the month following the date when the sum of resold lines in service in a state at the Promotional Resale Discounts plus the quantity of Promotional End-to-End UNE Combinations in service in the state reaches the maximum allowable quantity by state set forth below for each state: Illinois – 302,000; Indiana – 104,000; Michigan – 252,000; Ohio – 200,000; Wisconsin – 102,000; California – 799,000; Nevada – 17,000; Connecticut – 114,000; Arkansas – 49,000; Kansas – 68,000; Missouri – 127,000; Oklahoma – 84,000; and Texas – 458,000. In order to provide CLECs with advance planning information, SBC/Ameritech shall provide written or electronic notice to CLECs operating in the relevant state when 50 percent and 80 percent of these termination numbers are reached in each SBC/Ameritech State. If the Offering Window in a state ends for the Resale promotions in that state because the maximum allowable quantity listed in this Paragraph has been exceeded in that state, SBC/Ameritech shall file notice with the Secretary of the Commission, the relevant state commission and the CLECs operating in that state, within 3 business days after terminating the Offering Window for the availability of promotional resale discounts in the state.

## **XVI. Carrier-to-Carrier Promotions: UNE Platform**

50. SBC/Ameritech shall offer the UNE platform promotion described below in the SBC/Ameritech Service Area. SBC/Ameritech shall implement the UNE platform promotion by providing each telecommunications carrier with which SBC/Ameritech has an interconnection agreement in an SBC/Ameritech State, no later than 10 days after the Merger Closing Date, a written offer to amend each telecommunications carrier’s interconnection agreement in that state to incorporate the promotion. For purposes of this Section, an offer published on

SBC/Ameritech's Internet website that can be accessed by telecommunications carriers shall be considered a written offer. SBC/Ameritech shall establish necessary internal processes and procedures to ensure that SBC/Ameritech's wholesale business units are responsive to telecommunications carriers' requests for the UNE platform promotion. SBC/Ameritech shall make its written offer in each state at the same time to all telecommunications carriers with which it has existing interconnection and/or resale agreements in that state. The agreement amendments for all carriers in a state that accept SBC/Ameritech's written offer within 10 business days after the initial offer shall be filed at the same time for review and approval by the relevant state commission.

51. For the Offering Window period defined in Paragraph 52, SBC/Ameritech shall offer in the SBC/Ameritech Service Area to those telecommunications carriers that have signed an effective interconnection agreement amendment, promotional, end-to-end combinations of UNEs (the "promotional UNE platform") to enable the telecommunications carriers to provide residential POTS service and residential Basic Rate Interface ISDN service. The promotional UNE platform may be used to provide exchange access services in combination with these services. For purposes of this Paragraph, the promotional UNE platform is a combination of all network elements used to provide residential POTS service and residential Basic Rate Interface ISDN service and available under 47 C.F.R. § 51.319, as in effect on January 24, 1999.

a. SBC/Ameritech shall be under no obligation under this condition to provide the promotional UNE platform unless the promotional UNE platform is ordered after the Merger Closing Date and during the Offering Window with a requested installation date of no later than 30 days after the close of the Offering Window. SBC/Ameritech shall not be obligated under the terms of those conditions to provide UNE platforms that are ordered before or after the Offering Window.

b. SBC/Ameritech shall be under no obligation under this condition to provide the promotional UNE platform outside the Promotional Period. For the purposes of this Subparagraph, the Promotional Period shall be a period of 36 months from the date a promotional UNE platform is installed and operational, or the period during which the promotional UNE platform remains in service at the same location and for the same telecommunications carrier, whichever is shorter.

c. The price for the promotional UNE platform shall be negotiated or established by the appropriate state commission in accordance with the pricing rules that apply to UNEs pursuant to 47 U.S.C. § 252(d)(1). The promotional UNE platform shall not be available in combination with unbundled loops obtained under any other promotion, including the Promotional Discounts on unbundled local loops described in Section XIV.

d. Telecommunications carriers requesting the promotional UNE platform shall agree to abide by the following conditions: (i) the network elements shall be used to provide residential local telephone exchange service and any associated exchange access service; and (ii) the network elements shall be used in accordance with any other binding conditions imposed under applicable agreements, judicial or administrative decisions, or governing law.

Telecommunications carriers that obtain the promotional UNE platform shall, on a quarterly basis, certify to SBC/Ameritech and the appropriate state commission that they are using these network elements in accordance with the above conditions. SBC/Ameritech shall have the right to hire, at its own expense, an independent third-party auditor to perform all necessary audits and inspections needed to assure that network elements provided as part of the promotional UNE platform are used to provide residential telephone exchange service.<sup>49</sup> Telecommunications carriers that obtain the promotional UNE platform shall agree to cooperate in the performance of such audits and inspections. Audit information will be restricted to SBC/Ameritech regulatory, legal, and/or wholesale personnel, and SBC/Ameritech will prohibit those personnel from disclosing audit-related, customer-specific or company-specific proprietary information to SBC/Ameritech retail personnel.

e. Any telecommunications carrier found by the appropriate state commission to have violated the use conditions of Subparagraph d or that fails to cooperate in an audit may be denied a promotional UNE platform as to which the use conditions or the audit provisions are violated. In addition, any such telecommunications carrier that intentionally and repeatedly violates the use conditions of Subparagraph d may be denied the promotional UNE platform for UNE platforms installed after the date of such a finding by a state commission.

52. The Offering Window for Promotional End-to-End UNE Combinations in each state shall begin 30 days after the Merger Closing Date and end for that state at the earlier of the following: (i) 36 months after commencement of the Offering Window period; or (ii) the month following the date when the sum of resold lines in service in a state at the Promotional Resale Discounts plus the quantity of Promotional End-to-End UNE Combinations in service in the state reaches the maximum allowable quantity by state set forth below for each state: Illinois – 302,000; Indiana – 104,000; Michigan – 252,000; Ohio – 200,000; Wisconsin – 102,000; California – 799,000; Nevada – 17,000; Connecticut – 114,000; Arkansas – 49,000; Kansas – 68,000; Missouri – 127,000; Oklahoma – 84,000; and Texas – 458,000. In order to provide telecommunications carriers with advance planning information, SBC/Ameritech shall provide written or Internet notice to telecommunications carriers operating in the relevant state when 50 percent and 80 percent of these termination numbers are reached in each of the SBC/Ameritech States. If the Offering Window in a state ends for the UNE Combinations promotions in that state because the maximum allowable quantity listed in this Paragraph has been exceeded in that state, SBC/Ameritech shall file notice with the Secretary of the Commission, the relevant state commission and the telecommunications carriers operating in that state, within 3 business days after terminating the Offering Window for the availability of promotional end-to-end UNE combinations in the state.

## **XVII. Offering of UNEs**

53. SBC/Ameritech shall continue to make available to telecommunications carriers, in the SBC/Ameritech Service Area within each of the SBC/Ameritech States, such UNEs or combinations of UNEs that were made available in the state under SBC's or Ameritech's local interconnection agreements as in effect on January 24, 1999, under the same terms and conditions

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<sup>49</sup> *Id.*

that such UNEs or combinations of UNEs were made available on January 24, 1999, until the earlier of (i) the date the Commission issues a final order in its UNE remand proceeding in CC Docket No. 96-98 finding that the UNE or combination of UNEs is not required to be provided by SBC/Ameritech in the relevant geographic area, or (ii) the date of a final, non-appealable judicial decision providing that the UNE or combination of UNEs is not required to be provided by SBC/Ameritech in the relevant geographic area.<sup>50</sup> This Paragraph shall become null and void and impose no further obligation on SBC/Ameritech after the effective date of a final and non-appealable Commission order in the UNE remand proceeding.

### **XVIII. Alternative Dispute Resolution through Mediation**

54. In the SBC/Ameritech Service Area within each SBC/Ameritech State, SBC/Ameritech shall implement, subject to the appropriate state commission's approval and participation, an alternative dispute resolution ("ADR") mediation process to resolve carrier-to-carrier disputes regarding the provision of local services, including disputes related to existing and effective interconnection agreements, as described in Attachment D. Participation in the ADR mediation process established by this Section is voluntary for both telecommunications carriers and state commissions. The process is not intended and shall not be used as a substitute for resolving disputes regarding the negotiation of interconnection agreements under Sections 251 and 252 of the Communications Act, or for resolving any disputes under Section 332 of the Communications Act. The ADR mediation process shall be utilized to resolve local interconnection agreement disputes between SBC/Ameritech and unaffiliated telecommunications carriers at the unaffiliated telecommunications carrier's request.

### **XIX. Shared Transport in Ameritech States**

55. No later than the Merger Closing Date, SBC/Ameritech shall in the SBC/Ameritech Service Area within the Ameritech States, file tariffs and/or offer amendments containing standard terms and conditions for inclusion in interconnection agreements under 47 U.S.C. § 252, to make available to customers of SBC/Ameritech's unbundled local switching, subject to state approval, the function of shared transport (as defined in the Third Order on Reconsideration and Further Notice of Proposed Rulemaking, Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, 12 FCC Rcd 12460 (1997)), on an interim basis as follows. Interim shared transport shall be available in the SBC/Ameritech Service Area within the Ameritech States until the earlier of (i) implementation of the shared transport arrangements described in Paragraph 56 in the relevant geographic area, or (ii) such time, if any, that the Commission enters a final order finding that either local switching or transport is not a UNE nationally or in the relevant geographic area, and such order is no longer subject to appeal.

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<sup>50</sup> This paragraph would only have practical effect in the event that the Commission's rules adopted in the UNE Remand proceeding, (*Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, Second Further Notice of Proposed Rulemaking, CC Docket No. 96-98, FCC 99-70 (rel. Apr. 16, 1999), are stayed or vacated.

a. SBC/Ameritech shall not require use of dedicated transport or customized routing to complete all calls using local switching and shared transport. SBC/Ameritech shall make available a modified version of transiting that does not require a dedicated end office integration (“EOF”) transit trunk. No later than the Merger Closing Date, SBC/Ameritech shall withdraw Ameritech’s proposal for the Commission to establish a separate transit service rate to be charged in conjunction with shared transport (as described in Ameritech’s March 25, 1999, ex parte filing in CC Docket No. 96-98).

b. Where an end user customer served by a telecommunications carrier using SBC/Ameritech’s shared transport facilities makes or receives an intraLATA or interLATA call carried by an interexchange carrier, SBC/Ameritech shall collect its relevant access charges from the interexchange carrier. Based upon originating and terminating usage factors, SBC/Ameritech shall then make payment to (or receive payment from) the telecommunications carrier based on the difference between the access charges and the applicable charges for the UNEs used by the telecommunications carrier to provide the access service.

c. SBC/Ameritech may charge a telecommunications carrier using SBC/Ameritech’s local switching and shared transport facilities to originate traffic for the telecommunications carrier’s usage of local switching and a usage-sensitive shared transport rate. The shared transport rate shall be based upon a blend of direct and tandem-routed traffic and either local switch usage at the terminating SBC/Ameritech end office or transiting and applicable termination charges for traffic to a non-SBC/Ameritech end office. SBC/Ameritech shall not charge a telecommunications carrier using SBC/Ameritech’s local switching for usage at the terminating switch to which the telecommunications carrier’s traffic is delivered by shared transport facilities. SBC/Ameritech shall not be required to create message records for terminating usage under these Conditions.

d. SBC/Ameritech shall offer to include in its approved interconnection agreements for the Ameritech States a retroactive true-up provision that would become effective upon a state commission’s final and unappealable decision modifying either SBC/Ameritech’s proposed access charge settlement methodology or SBC/Ameritech’s proposed shared transport rate. SBC/Ameritech shall not be required under this Subparagraph to provide a retroactive true-up for any period prior to the effective date of the tariffs or amendments filed or offered under this Paragraph.

56. Within 12 months of the Merger Closing Date (but subject to state commission approval and the terms of any future Commission orders regarding the obligation to provide unbundled local switching and shared transport), SBC/Ameritech shall offer shared transport in the SBC/Ameritech Service Area within the Ameritech States under terms and conditions, other than rate structure and price, that are substantially similar to (or more favorable than) the most favorable terms SBC/Ameritech offers to telecommunications carriers in Texas as of August 27, 1999. Subject to state commission approval and the terms of any future Commission orders regarding the obligation to provide unbundled local switching and shared transport, SBC/Ameritech shall continue to make this offer, at a minimum, until the earlier of (i) the date the Commission issues a final order in its UNE remand proceeding in CC Docket No. 96-98 finding that shared transport is not required to be provided by SBC/Ameritech in the relevant geographic

area, or (ii) the date of a final, non-appealable judicial decision providing that shared transport is not required to be provided by SBC/Ameritech in the relevant geographic area.

## **XX. Access to Cabling in Multi-Unit Properties**

57. SBC/Ameritech shall, subject to any required state approvals, offer to conduct a trial with one or more interested, unaffiliated CLECs in each of five large cities within the SBC/Ameritech Service Area to identify the procedures and associated costs required to provide CLECs with access to cabling within Multi-Dwelling Unit premises (“MDUs”) and multi-tenant premises housing small businesses (“MTUs”), where SBC/Ameritech controls the cables. The trials shall be conducted in accordance with the following terms:

a. In each city, the trial shall include buildings that contain, in the aggregate, at least 1,000 residential dwelling units.

b. In at least one city, the trial shall include at least one “campus” of garden apartment dwelling units.

c. In at least one city, the trial shall include at least one MTU.

d. The trials shall provide the CLECs with access at a single point of interconnection to the cabling that SBC/Ameritech controls. Recabling and reconfiguration required by this Section shall be priced at actual cost. Administrative costs associated with recabling and reconfiguration shall be priced at cost in accordance with the pricing rules applicable to UNEs under 47 U.S.C. § 251(d)(2). Disputes regarding the costs incurred and the allocation of such costs among participants in the trials shall be resolved by the Chief of the Common Carrier Bureau.

e. If requested by a CLEC, the first trial shall begin no later than 180 days after the Merger Closing Date. The trials shall be fully deployed within 12 months after the Merger Closing Date. Each trial shall be conducted for a period not greater than 12 months.

f. SBC/Ameritech shall select trial locations and develop a trial plan with input from its CLEC customers. SBC/Ameritech shall negotiate, upon a CLEC’s request, regarding access to those buildings used in a trial after the conclusion of that trial. Disputes regarding selection of trial locations shall be resolved by the Chief of the Common Carrier Bureau.

g. Taking into account the results of the trials, SBC/Ameritech will negotiate in good faith with CLECs to develop, as an additional alternative to the Minimum Point of Entry in Paragraph 58 where the property owner(s) or some other party(ies) accepts full responsibility for installing and maintaining all cabling on the customer side of the Minimum Point of Entry, tariffs and/or interconnection agreement amendments that will facilitate single points of interconnection to cabling controlled by SBC/Ameritech in MDUs/MTUs on a going-forward basis.

58. In the SBC/Ameritech Service Area SBC/Ameritech shall, subject to any required state approvals and consistent with any relevant state laws or regulations, install new cables in a manner that will provide telecommunications carriers a single point of interconnection, as provided in this Paragraph. SBC/Ameritech shall only be required pursuant to this Paragraph to provide a single point of interconnection where the property owner(s) or some other party(ies) accepts full responsibility for installing and maintaining all cabling on the customer side of the single point of interconnection. Nothing in this Paragraph shall restrict property owners' rights to control access to their buildings or property. Access from the public right-of-way to the single point of interconnection is the responsibility of each telecommunications carrier. The provisions of this Paragraph apply only to cable installations for which engineering work is begun after the Merger Closing Date.

a. When SBC/Ameritech is hired to install new cables in a newly constructed or retrofitted single-building MDU or campus of garden apartment dwelling units or a newly constructed or retrofitted multi-tenant business premises that the property owner(s) or some other party(ies) will own and maintain, SBC/Ameritech shall provide the property owner written notice that SBC/Ameritech will, unless the property owner objects,<sup>51</sup> install and provide the new cables in a manner that will permit telecommunications carriers a single point of interconnection at a Minimum Point of Entry if the property owner(s) or some other party(ies) accepts full responsibility for installing and maintaining all cabling on the customer side of the single point of interconnection. Provided, however, that there may be multiple points of entry where the landlord requests diversity.

b. Where SBC/Ameritech (1) would, absent the terms of this Subparagraph, own the new cables in a newly constructed or retrofitted single-building MDU or campus of garden apartment dwelling units or a newly constructed or retrofitted multi-tenant business premises, and (2) has the right to do so without the consent of any other party, SBC/Ameritech shall install and provide cables to such multi-unit properties in a manner that will permit telecommunications carriers a single point of interconnection at a Minimum Point of Entry if the property owner(s) or some other party(ies) accepts full responsibility for installing and maintaining all cabling on the customer side of the Minimum Point of Entry. Provided, however, that there may be multiple points of entry where the property owner or other party requests diversity.

c. Where SBC/Ameritech (1) would, absent the terms of this Subparagraph, own the new cables in a newly constructed or retrofitted single-building MDU or campus of garden apartment dwelling units or a newly constructed or retrofitted multi-tenant business premises, but (2) needs the consent of the property owner or another party to install and provide cables to such multi-unit properties in a manner that will permit telecommunications carriers a single point of interconnection at a minimum point of entry, SBC/Ameritech shall provide written notice to the property owner or other party that SBC/Ameritech will, unless the other party objects,<sup>52</sup> install and provide new cables to such multi-unit properties in a manner that will permit

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<sup>51</sup> It would be inconsistent with the good faith implementation of this Condition for SBC/Ameritech to encourage or solicit the property owner's objection.

<sup>52</sup> *Id.*

telecommunications carriers a single point of interconnection at a Minimum Point of Entry if the property owner(s) or some other party(ies) accepts full responsibility for installing and maintaining all cabling on the customer side of the Minimum Point of Entry. Provided, however, that there may be multiple points of entry where the property owner or other party requests diversity.

## **FOSTERING OUT-OF-REGION COMPETITION**

### **XXI. Out-of-Territory Competitive Entry (National-Local Strategy)**

59. SBC/Ameritech entities (including SBC/Ameritech and one or more entities in which SBC/Ameritech owns an equity interest, or the equivalent thereof, of more than 50 percent) shall offer local services in out-of-territory markets as described in this Paragraph. The SBC/Ameritech entities offering local service in out-of-territory markets shall be referred to as the “SBC/Ameritech Out-of-Territory Entities”.

a. The SBC/Ameritech Out-of-Territory Entities shall provide local service, as described in Subparagraph c of this Section, in 30 markets in which SBC/Ameritech currently does not operate as an incumbent LEC (the “out-of-territory markets”), which may include markets in states currently served by SBC/Ameritech’s incumbent LECs. One or more SBC/Ameritech Out-of-Territory Entity(ies) may be used to satisfy the requirements contained in this Section for each of the 30 markets. Each of the 30 markets shall be chosen from the 50 out-of-territory markets listed in Attachment E and shall consist of the area defined by the Office of Management and Budget, as of June 30, 1998, as the Primary Metropolitan Statistical Area of the market (the “PMSA”).

b. The initial deployment deadlines for the 30 markets shall be as follows:

(1) In the Boston, Miami, and Seattle markets, 12 months after the Merger Closing Date.

(2) For 12 additional out-of-territory markets (chosen by SBC/Ameritech at its sole discretion from the markets listed in Attachment E), 18 months after the Merger Closing Date.

(3) For the remaining 15 out-of-territory markets (chosen by SBC/Ameritech at its sole discretion from the markets listed in Attachment E), the later of: (i) 30 months after the Merger Closing Date, or (ii) 60 days after the date upon which SBC/Ameritech first holds valid authorization to provide originating voice and data interLATA services to at least 60 percent of all access lines (as reported under the Commission’s Part 43 rules) served by SBC/Ameritech’s incumbent LECs (including SNET).

c. SBC/Ameritech shall have fulfilled all requirements of this Section if, for each of the 30 out-of-territory markets, an SBC/Ameritech Out-of-Territory Entity meets each of

the following service requirements for each of the 30 markets:

(1) No later than the initial deployment deadline for the market, an SBC/Ameritech Out-of-Territory Entity shall install a local telephone exchange switch or otherwise obtain local telephone exchange switching capability from a party other than the incumbent LEC in that market. A switch used by an affiliate (as defined in 47 U.S.C. § 153(1)) of SBC/Ameritech to provide cellular or PCS service in an out-of-territory market shall not satisfy this requirement.

(2) No later than the initial deployment deadline for the market, an SBC/Ameritech Out-of-Territory Entity shall provide facilities-based local exchange service to each of 3 unaffiliated customers in that market, who may be business and/or non-employee residential customers. For purposes of this Section, “facilities-based service” shall mean service provided by an SBC/Ameritech Out-of-Territory Entity utilizing its own switch or utilizing switching capability from a party other than the incumbent LEC or SBC/Ameritech’s cellular or PCS affiliate in that market. For purposes of enforcing this provision under Subparagraph d of this Paragraph and the Communications Act, service to each of the 3 required customers shall be a separate requirement and separate act or failure to act.

(3) No later than 12 months after the initial deployment deadline for the market, an SBC/Ameritech Out-of-Territory Entity shall have collocated facilities (using physical, virtual, or other types of collocation) in at least 10 wire centers in that market that can be used to provide facilities-based service to customers served by those wire centers. For purposes of enforcing this provision under Subparagraph d of this Paragraph and the Communications Act, collocation in each of the 10 wire centers in the 30 markets shall be a separate requirement and separate act or failure to act.

(4) No later than 12 months after the initial deployment deadline for the market, an SBC/Ameritech Out-of-Territory Entity shall offer facilities-based local exchange service to all business and residential customers served by the 10 wire centers in that market where SBC/Ameritech is required to be collocated. For purposes of enforcing this provision under Subparagraph d of this Paragraph and the Communications Act, service in each of the 10 required wire centers shall be a separate requirement and separate act or failure to act.

(5) No later than 12 months after the initial deployment deadline for the market, an SBC/Ameritech Out-of-Territory Entity shall offer local exchange service to all business customers and all residential customers throughout the areas in that market that are, as of 12 months after the initial deployment deadline for the market, within (i) the local service area of the incumbent RBOC (other than SBC/Ameritech) located within the PMSA of the market, or (ii) the incumbent service area of a Tier 1 incumbent LEC (other than SBC/Ameritech) serving at least 10 percent of the access lines in the PMSA. The SBC/Ameritech Out-of-Territory Entities may provide service under this Paragraph using any means chosen by an SBC/Ameritech Out-of-Territory Entity at its sole discretion, except that an SBC/Ameritech Out-of-Territory Entity shall offer facilities-based local exchange service to all business and residential customers serviced by the 10 wire centers in the market where SBC/Ameritech has collocated under the requirements of

Subparagraph c(4) above. For purposes of enforcing the provisions of this Subparagraph c(5) under Subparagraph d of this Paragraph and the Communications Act, an SBC/Ameritech Out-of-Territory Entity shall offer service to all business customers and to all residential customers in each sixth of the wire centers in the required service area that are not already required to be served under Subparagraph c(4), using any means chosen by SBC/Ameritech at its sole discretion. For example, if a required market area includes 34 wire centers, and an SBC/Ameritech Out-of-Territory Entity has collocated in 10 of those wire centers and offered facilities-based service to customers served by those 10 wire centers in accordance with Subparagraph c(4), SBC/Ameritech's failure to offer service to all business customers in up to 4 of any of the remaining 24 wire centers (i.e., up to one-sixth) would constitute a single violation of this Subparagraph. If an SBC/Ameritech Out-of-Territory Entity failed to offer either business or residential service in at least 5 but no more than 8 wire centers in this market, there would be 4 separate violations of the requirements of this Subparagraph (i.e., two-sixths for both business and residential customers).

d. Not later than 3 business days after a deadline set forth in Subparagraph c, SBC/Ameritech shall file a notice regarding its satisfaction of the relevant requirements with the Secretary of the Commission. If an SBC/Ameritech Out-of-Territory Entity fails to satisfy any of the 36 separate requirements for each out-of-territory market on or before the deadline set forth in Subparagraph c, SBC/Ameritech shall make a one-time contribution of \$1.1 million for each missed requirement (up to a total contribution of \$39.6 million per market and \$1.188 billion if SBC/Ameritech Out-of-Territory Entities fail to satisfy all 36 requirements in all 30 markets) to a fund to provide telecommunications services to underserved areas, groups, or persons. Any such fund shall be established and managed by the state (including the District of Columbia) public utilities commission(s) having jurisdiction over the relevant market(s), if said state commission(s) accept such role. Where required by state law, payment shall be made to another fund or entity required by state law. Where a market includes territory in more than one state, any contribution shall be apportioned to each affected state in proportion to the percentage of all access lines within the PMSA that are within that state. Payments made under this Subparagraph for a failure to satisfy any of the 36 entry requirements shall constitute full satisfaction of the relevant entry requirement.<sup>53</sup> SBC/Ameritech's payments under this Subparagraph shall not be reflected in the revenue requirement of an SBC/Ameritech incumbent LEC. Disputes regarding SBC/Ameritech's satisfaction of the deadlines set forth in Subparagraph c shall be resolved by the Chief of the Common Carrier Bureau, whose decision shall be appealable to the Commission.

e. At the request of an SBC/Ameritech Out-of-Territory Entity, a deadline established by this Section for an entry requirement may be extended by the Chief of the Common Carrier Bureau for a particular out-of-territory market for a period equal to any period during which satisfaction of the relevant requirement in the relevant market was rendered impossible or infeasible by a force majeure event or Act of God. In the event that an SBC/Ameritech Out-of-Territory Entity seeks an extension of time under this Subparagraph, SBC/Ameritech shall file with the Bureau Chief, on or before the relevant deadline, a verified statement of the specific

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<sup>53</sup> SBC/Ameritech's failure to make any payments required by this Condition would be considered a violation of this Order and could subject SBC/Ameritech to penalties, fines, or forfeitures, pursuant to general Commission authority.

grounds on which the extension is requested and SBC/Ameritech's proposed extension schedule. SBC/Ameritech's filing shall constitute compliance with the relevant deadline pending the Bureau Chief's resolution of SBC/Ameritech's request. Decisions made by the Bureau Chief under this Paragraph are appealable to the Commission.

## **IMPROVING RESIDENTIAL PHONE SERVICE**

### **XXII. InterLATA Services Pricing**

60. SBC/Ameritech shall not institute mandatory, minimum monthly or flat-rate charges on interLATA calls. Specifically, subject to any applicable state regulatory requirements, SBC/Ameritech and its affiliates shall not charge wireline residential consumers a minimum monthly or minimum flat rate charge on interLATA long distance service similar to the charge that is currently assessed by some interexchange carriers.

a. SBC/Ameritech and its affiliates shall not charge a minimum monthly or minimum flat rate charge (as described in this Paragraph) on interLATA services provided to any in-region or out-of-region wireline residential customer within the United States.

b. This Section shall become effective on the first day after the Merger Closing Date on which SBC/Ameritech either provides interLATA services originating in any SBC/Ameritech Service Area pursuant to 47 U.S.C. § 271(d)(3), or provides telephone exchange service to residential customers in an out-of-territory market pursuant to the local service commitments set forth in Paragraph 59 of these Conditions. This Section shall terminate on the later of (i) 36 months after its effective date, or (ii) 36 months after the first date on which SBC/Ameritech provides telephone exchange service to residential customers in at least 15 out-of-territory markets pursuant to the local service commitments set forth in Paragraph 59 of these Conditions.

c. This Section shall not prohibit SBC/Ameritech or any of its affiliates from passing through to its customers any fees, charges, or taxes (including taxes on SBC/Ameritech's own charges) imposed or authorized by a federal, state, or other governmental entity and imposed on SBC/Ameritech or any of its affiliates as a result of its provision of interLATA services to its customer. Nor shall this Section prohibit SBC/Ameritech from offering customers an optional, voluntary interLATA services pricing plan that includes a minimum monthly or minimum flat-rate charge, or a pre-paid calling card.

### **XXIII. Enhanced Lifeline Plans**

61. Not later than 30 days after the Merger Closing Date, SBC/Ameritech shall offer by letter to the appropriate state commission in the SBC and Ameritech States (except Ohio) to file a tariff for an enhanced Lifeline plan in the SBC/Ameritech Service Area within that state. SBC/Ameritech may fulfill this requirement in a state by either (i) proposing a new, stand-alone Lifeline plan that meets the requirements of this Paragraph, or (ii) proposing to provide additional

discounts and/or other enhancements to an existing Lifeline plan in a state which, when combined with the Lifeline benefits provided by the existing plan, meet the requirements of this Paragraph. No state shall be required to accept the enhanced Lifeline plan that will be offered by SBC/Ameritech. Copies of SBC/Ameritech's written offers shall be filed with the Secretary of the Commission. Consistent with applicable state law, the terms and conditions offered by SBC/Ameritech shall be comparable to the terms and conditions of the Ohio Universal Service Assistance ("USA") Lifeline plan set forth in Ameritech Ohio's Alternative Regulation Plan, as in effect on the Merger Closing Date, in the areas of subscriber eligibility, discounts, and eligible services. See Opinion and Order, Application of the Ohio Bell Tel. Co. for Approval of an Alternative Form of Regulation, Case No. 93-487-TP-ALT, 1994 Ohio PUC LEXIS 956 [Nov. 23, 1994], as modified to be consistent with the 1996 Telecommunications Reform Act and other modifications and interpretations by the Public Utilities Commission of Ohio, as in effect on the Merger Closing Date, in the areas of subscriber eligibility, discounts, and eligible services. Specifically, with respect to discounts, SBC/Ameritech will provide a discount equal to the price of basic residential measured rate service (i.e., access to the network not including any local usage) in each state; provided, however, that the maximum discount to be provided (including all applicable Federal, state and Company contributions) shall not exceed \$10.20 per month. For example, if the current Lifeline discount in a state is \$8.00 per month, SBC/Ameritech will increase that discount by a maximum of \$2.20 per month for those Lifeline customers that meet all of the qualifications in this Paragraph. This Paragraph is not intended to supersede or eliminate state or federal funding for existing Lifeline programs. Where, for a particular state, SBC/Ameritech does not offer a basic measured rate service that does not include any local usage, to determine the amount of the discount, SBC/Ameritech will determine an estimated price for such a service as a percentage (based on underlying costs) of the most basic service that is offered. If the state commission indicates its acceptance of SBC/Ameritech's offer within 12 months of SBC/Ameritech's written offer, SBC/Ameritech shall file a tariff to implement its offer within 60 days of such acceptance. Subject to the requirements of state and federal law, SBC/Ameritech shall maintain its enhanced Lifeline plan in effect in a state for no less than 36 months following the effective date of the initial tariff required by this Section. In Ohio, SBC/Ameritech shall offer, at the state commission's option, to extend Ameritech Ohio's USA Lifeline plan until January 6, 2003. SBC/Ameritech shall offer to provide such enhanced Lifeline plans with the following operational characteristics:

a. Past-Due Bills. Enhanced Lifeline plan customers with past-due bills for local service charges will be offered payment arrangements for such local service charges with an initial payment not to exceed \$25.00 before service is installed and with the balance to be paid in 6 equal monthly payments. Enhanced Lifeline plan customers with past-due bills for toll service charges will be required to have toll restriction service until such past-due toll service charges have been paid.

b. Deposits. New enhanced Lifeline plan customers will not be required to pay a deposit to obtain local service. SBC/Ameritech may request a deposit for toll service unless the customer elects toll restriction service.

c. Verification of Eligibility. SBC/Ameritech will provide prospective enhanced Lifeline plan customers with a written form<sup>54</sup> that will permit the customer to self-verify eligibility through participation in one or more of the qualifying programs. SBC/Ameritech will have the right to audit any such self-verifications and to refuse enhanced Lifeline service to any customer that is not a current participant in one of the eligible programs. SBC/Ameritech will provide quantities of such written forms to state agencies administering qualifying programs so that these agencies, if they choose, can make these forms available to their clients.

d. On-Line Verification of Eligibility. SBC/Ameritech will negotiate in good faith with appropriate state agencies administering qualifying programs to acquire on-line access to the agencies' electronic databases for the purpose of accessing the information necessary to verify a customer's participation in an eligible program. Where such on-line access can be negotiated on reasonable terms and conditions that permit SBC/Ameritech to access such information efficiently, SBC/Ameritech will provide on-line verification of eligibility for a customer claiming (during a discussion with an SBC/Ameritech service representative) to be a current participant in one of the eligible programs.

e. Publicity. SBC/Ameritech will agree to spend no less than an annual promotional budget to make potential customers aware of the enhanced Lifeline plan or other programs that benefit low income consumers. The annual promotional budget for each state is calculated to be proportionate (based on the relative number of residence access lines that SBC/Ameritech has in service in each state) to the \$122,000 annual promotional budget established as part of the USA Lifeline Plan in Ohio. The annual promotional budget, by state, will be: Arkansas – \$30,000; California – \$488,000; Connecticut – \$68,000; Illinois – \$184,000; Indiana – \$64,000; Kansas – \$39,000; Michigan – \$154,000; Missouri – \$78,000; Nevada – \$12,000; Oklahoma – \$50,000; Texas – \$270,000; Wisconsin – \$62,000.

f. Toll-Free Number for Lifeline Inquiries. SBC/Ameritech will provide a toll-free telephone number (e.g., an 800 number) for current and potential enhanced Lifeline plan customers to call for subscribing to, or otherwise requesting information or assistance about, the enhanced Lifeline plan.<sup>55</sup>

g. Toll-Free Fax Line for Receiving Lifeline Documentation. SBC/Ameritech will provide a toll-free fax line for current and potential enhanced Lifeline plan customers to submit documentation associated with the enhanced Lifeline plan.

h. Lifeline Message on Voice Response Units (“VRUs”). Where SBC/Ameritech utilizes a VRU to answer customer calls into a service center, SBC/Ameritech will, where it is technically possible to do so, include information about the enhanced Lifeline plan on the VRU menu after the customer indicates an interest in obtaining new service.

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<sup>54</sup> These forms will be provided in English and such other languages as are prevalent in the applicable area served by SBC/Ameritech.

<sup>55</sup> SBC/Ameritech will endeavor to respond to inquiries made in non-English languages which are prevalent among residents in the areas served by SBC/Ameritech.

i. Upgrading Current Lifeline Customers. Where a state that already has a Lifeline plan determines to offer the enhanced Lifeline plan described in this Paragraph, and where the enhanced Lifeline plan offers a larger discount and in all other respects no worse terms and conditions to an existing Lifeline customer, SBC/Ameritech shall switch qualifying customers (i.e., customers who have provided SBC/Ameritech with sufficient verification that they participate in a qualifying program) to the enhanced Lifeline plan within 180 days of implementing the enhanced Lifeline plan.

#### **XXIV. Additional Service Quality Reporting**

62. Beginning no later than 90 days after the Merger Closing Date for the SBC/Ameritech Service Area in all SBC/Ameritech States except California and Nevada, and beginning no later than 180 days after the Merger Closing Date for the SBC/Ameritech Service Area in California and Nevada, SBC/Ameritech shall file with the Reporting Management Staff of the Commission for the public record, on a quarterly (i.e., January-March, April-June, etc.) basis, state-by-state service quality reports in accordance with the retail service quality reporting recommendations of the NARUC Technology Policy Subgroup “Service Quality White Paper” adopted November 11, 1998. Answer time performance may be reported on a multi-state basis in accordance with the consolidated handling of some calls by SBC/Ameritech call centers. Each such quarterly report shall be filed no later than 50 days after the end of the quarter covered by the report. The first report filed for each state shall cover the most recent quarter that ended at least 50 days prior to the date the report is due. Categories of reporting for retail services include installation and maintenance, switch outages, transmission facility outages, service quality-related complaints, and answer time performance. Reports shall be filed for a period of 36 months following the date of SBC/Ameritech’s first report for that state. A copy of each report for a state shall be included on an SBC/Ameritech Internet website or provided to the relevant state commission.

63. SBC/Ameritech shall report on a quarterly basis ARMIS local service quality data required by the Commission separately for each of its operating companies. SBC/Ameritech shall provide service quality data in accordance with Table 1 of ARMIS Report No. 43-05 on a quarterly basis. The service quality data required by this Paragraph shall be included on an SBC/Ameritech Internet website or made available to state commissions in the SBC/Ameritech States.

#### **XXV. NRIC Participation**

64. SBC/Ameritech shall continue to participate in the Network Reliability and Interoperability Council (“NRIC”), or a successor organization, if any.

### **ENSURING COMPLIANCE WITH AND ENFORCEMENT OF THESE CONDITIONS**

#### **XXVI. Compliance Program**

65. SBC/Ameritech shall establish a Compliance Program as follows:

a. SBC/Ameritech shall appoint a senior corporate officer to oversee SBC/Ameritech's implementation of, and compliance with, these Conditions; to monitor SBC/Ameritech's compliance program and progress toward meeting the deadlines specified herein; to provide periodic reports regarding SBC/Ameritech's compliance as required by these Conditions; to ensure that payments due under these Conditions are timely made; and to consult with the Chief of the Common Carrier Bureau and other appropriate individuals as the Chief deems necessary on an ongoing basis regarding SBC/Ameritech's compliance with these Conditions. The corporate compliance officer shall provide copies of all notices SBC/Ameritech provides to the Commission or a state commission to the independent auditor required under Paragraph 66 and shall consult with the independent auditor regarding SBC/Ameritech's progress in meeting the deadlines and milestones specified in these Conditions. The audit committee of SBC/Ameritech's Board of Directors shall oversee the corporate compliance officer's fulfillment of these responsibilities. The requirements of this Subparagraph shall remain in effect until all other Conditions of this Appendix have expired.

b. Not later than 60 days after the Merger Closing Date, SBC/Ameritech shall submit to the Common Carrier Bureau's Audit Staff ("Audit Staff") for review and comment a plan for compliance with these Conditions. The compliance plan shall be afforded confidential treatment in accordance with the Commission's normal processes and procedures. A letter providing notice of the filing shall be filed the same day with the Secretary of the Commission for the public record.

c. Following the Merger Closing Date, SBC/Ameritech shall submit to the Audit Staff and file for the public record (except for materials for which confidential treatment is requested) an annual compliance report detailing SBC/Ameritech's compliance with these Conditions during the preceding calendar year. This annual compliance report shall be submitted no later than March 15 (or the first business day thereafter) of the calendar year following the year covered by the report. A report shall be filed for each calendar year in which SBC/Ameritech is subject to obligations under other Sections of these Conditions. The annual compliance report shall address SBC/Ameritech's compliance with these Conditions and the sufficiency of SBC/Ameritech's internal controls for complying, shall include a discussion of the efficiencies realized as a result of the merger, and shall be prepared in a format substantially similar, in relevant respects, to the format of the independent auditor's section of the audit report described in Subparagraph 66f, below.

## **XXVII. Independent Auditor**

66. SBC/Ameritech shall, at its own expense, annually engage an independent auditor to conduct an examination engagement resulting in a positive opinion (with exceptions noted) regarding SBC/Ameritech's compliance with all these Conditions and the sufficiency of SBC/Ameritech's internal controls designed to ensure compliance with such Conditions, except as noted in Paragraph 67, below. SBC and Ameritech shall jointly engage an independent auditor for this purpose prior to the Merger Closing Date. The engagement shall be supervised by

persons licensed to provide public accounting services and shall be conducted in accordance with the relevant standards of the AICPA. The independent auditor shall be acceptable to the Chief of the Common Carrier Bureau and shall not have been instrumental during the past 24 months in designing all or substantially all of the systems and processes under review in the audit, viewed as a whole. An independent auditor's report shall be filed for each calendar year in which SBC/Ameritech is subject to obligations under other Sections of this Appendix, provided that no report shall be due if that report would cover a portion of a calendar year that is less than 60 days. In that event, the period of less than 60 days shall be audited in the report covering the subsequent calendar year, if any. The independent auditor's report (which may consist of multiple reports) shall be prepared and submitted as follows.

a. Not later than 45 days after the Merger Closing Date, the independent auditor shall submit a preliminary audit program, including the proposed scope of the audit and the extent of compliance and substantive testing, to the Audit Staff. The preliminary audit program shall be afforded confidential treatment in accordance with the Commission's normal processes and procedures. The independent auditor shall consult with the Common Carrier Bureau's Audit Staff and SBC/Ameritech regarding changes to the preliminary audit program, but approval by the Audit Staff shall not be required.

b. During the course of the audit, the independent auditor shall inform the Audit Staff of any revisions to the audit program; notify the Audit Staff of any meetings with SBC/Ameritech in which audit findings are discussed; and consult with the Common Carrier Bureau regarding any accounting or rule interpretations necessary to complete the audit. The independent auditor shall notify SBC/Ameritech of any consultation with the Common Carrier Bureau regarding accounting or rule interpretations.

c. The independent auditor shall have access to books, records, and operations of SBC/Ameritech and its affiliates that are under the control of SBC/Ameritech and are necessary to fulfill the audit requirements of this Section. The independent auditor shall notify SBC/Ameritech's compliance officer of any inability to obtain such access. The auditor may notify the Audit Staff if access is not timely provided after notification to the compliance officer.

d. The independent auditor may verify SBC/Ameritech's compliance with these Conditions through contacts with the Commission, state commissions, or SBC/Ameritech's wholesale customers, as appropriate.<sup>56</sup>

e. The independent auditor may consult with SBC/Ameritech's corporate compliance officer concerning matters that arise during the course of the year regarding these Conditions. If necessary after such consultation, the independent auditor may notify the Audit Staff of these matters. No later than September 1 (or the first business day thereafter) of the year following the calendar year covered by the audit, the independent auditor shall submit its final

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<sup>56</sup> The term "wholesale customers" includes, but is not limited to, telecommunications carriers that purchase interconnection, services or unbundled elements under tariffs, interconnection agreements or any other means for use in the telecommunications services offered by such telecommunications carriers.

audit report for the preceding year to the Audit Staff. The independent auditor's report shall be made publicly available.

f. The independent auditor's report(s) shall include a discussion of the scope of the work conducted; a statement regarding SBC/Ameritech's compliance or non-compliance with these Conditions; a statement regarding the sufficiency of SBC/Ameritech's internal controls for complying with these Conditions; a statement regarding the accuracy of SBC/Ameritech's annual compliance report for the year covered by the audit; a statement regarding the timeliness and accuracy of the notices provided to the Commission or its staff pursuant to specific notification requirements of these Conditions; a statement regarding the accuracy and completeness of the performance data provided to telecommunications carriers and regulators under these Conditions; and a description of any limitations imposed on the auditor in the course of its review by SBC/Ameritech or other circumstances that might affect the auditor's opinion.

g. For 24 months following submission of the final audit report, the Commission and state commissions in the SBC/Ameritech States shall have access to the working papers and supporting materials of the independent auditor at a location in Washington, D.C. that is selected by SBC/Ameritech and the independent auditor. Copying of the working papers and supporting materials by the Common Carrier Bureau shall be allowed but shall be limited to copies required to verify compliance with and enforce these Conditions. Any copies made by the Common Carrier Bureau shall be returned to SBC/Ameritech by the Common Carrier Bureau. The Common Carrier Bureau's review of the working papers and supporting materials shall be kept confidential pursuant to the Commission's rules and procedures. Prior to obtaining access to the working papers and supporting materials, state commissions shall enter into a protective agreement with the Chief of the Common Carrier Bureau and SBC/Ameritech under which the state commission's review, including any notes, shall be kept confidential.

h. Not later than 60 days following submission of the final audit report, SBC/Ameritech and the Audit Staff shall meet and confer regarding changes to the detailed audit program for the subsequent year's audit.

67. SBC/Ameritech shall, at its own expense and under the same retention timetable set out in Paragraph 66, annually engage an independent auditor to perform an agreed-upon procedures engagement regarding compliance with the separate Advanced Services affiliate requirements of Section I of these Conditions. The independent auditor shall be acceptable to the Chief of the Common Carrier Bureau and shall not have been instrumental during the preceding 24 months in designing all or substantially all of the systems and processes under review in the audit, viewed as a whole. The independent audit shall be supervised by persons licensed to provide accounting services and shall be conducted in accordance with the relevant standards of the AICPA. For purposes of the engagement required by this Subparagraph, the Commission and SBC/Ameritech shall be the only specified users; the Chief of the Common Carrier Bureau and SBC/Ameritech must both consent to the audit methods and procedures to be used; and the independent auditor must accept those methods and procedures. In the event such mutual consent cannot be obtained, an independent third-party panel of auditors will be selected by SBC/Ameritech and the Chief of the Common Carrier Bureau and paid for by SBC/Ameritech to

arbitrate any dispute. An independent auditor's report shall be filed for each calendar year in which SBC/Ameritech is subject to separate affiliate obligations under Section I, provided that no report shall be due if that report would cover a portion of a calendar year that is less than 60 days. In that event, the period of less than 60 days shall be audited in the report covering the subsequent calendar year, if any. In the event that the Merger Closing Date is later than November 1, 1999, the implementation schedule for the agreed-upon procedures engagement required by this Paragraph shall be revised as follows: (i) the independent auditor shall perform an agreed-upon procedures engagement in accordance with the requirements of this Paragraph for the first six months after the Merger Closing Date, and shall submit a report for this audit no later than September 1, 2000, and (ii) the subsequent regularly scheduled agreed-upon procedures engagement shall not cover the first six months after the Merger Closing Date. The independent auditor's report shall be prepared and submitted as described in Subparagraphs 66b-h, above, provided that SBC/Ameritech and the Chief of the Common Carrier Bureau, working with the independent auditor selected by SBC/Ameritech, shall make good-faith efforts to determine the procedures to be used in the engagement no later than 90 days after the Merger Closing Date. In determining the procedures to be used, SBC/Ameritech and the Chief of the Common Carrier Bureau shall give due consideration to the procedures established for biennial audits under 47 U.S.C. § 272(d).

## **XXVIII. Enforcement**

68. The specific enforcement mechanisms established by these Conditions do not abrogate, supersede, limit, or otherwise replace the Commission's powers under the Communications Act. Performance or non-performance of these Conditions by SBC/Ameritech does not in itself constitute compliance or non-compliance with any federal, state, or local law or regulation, except SBC/Ameritech's obligation to perform these Conditions. The payments for non-performance specifically required by these Conditions, to which SBC/Ameritech has voluntarily agreed, are payments in the public interest and are not penalties, forfeitures or fines.

69. If the Chief of the Common Carrier Bureau makes a determination that SBC/Ameritech has during the effective period of a Condition failed to comply with that Condition, the Bureau Chief may, at his or her discretion, extend the effective period of that Condition for a period that does not exceed the period during which SBC/Ameritech failed to comply with the Condition. If the failure to comply that causes the Bureau Chief to extend a Condition also has had the effect of denying a person or entity access to a facility or service or the intended benefit required to be provided under another of these Conditions, the Bureau Chief may, in his or her discretion, extend the period during which SBC/Ameritech is required to comply with the other Condition for a period that does not exceed the period during which access to the facility or service or intended benefit was unavailable. SBC/Ameritech may appeal the Bureau Chief's decisions made pursuant to this paragraph to the Commission.

70. SBC/Ameritech shall be strictly obligated to make the payments for non-performance specifically required by these Conditions, and no showing of a willful violation shall be necessary in order to enforce such payments. SBC/Ameritech shall not be liable for any

payments, however, if the Chief of the Common Carrier Bureau grants a waiver request filed by SBC/Ameritech in which SBC/Ameritech will have the burden of proof to demonstrate that the failure to meet a condition was caused by a force majeure event or an Act of God. If the Chief of the Common Carrier Bureau refuses to grant a waiver, SBC/Ameritech may appeal that decision to the Commission.

71. Except as otherwise provided in these Conditions, SBC/Ameritech shall make payments due under these Conditions within 10 business days of a determination by SBC/Ameritech's compliance officer, the Chief of the Common Carrier Bureau, the Commission, or an arbitrator, that payment is due. If the Commission or a state commission has not taken an action to designate or administer a fund that is required in order for SBC/Ameritech to make a payment required under these Conditions, SBC/Ameritech shall make its payment into an interest bearing escrow account pending such action. If SBC/Ameritech's obligation to make a payment is disputed by SBC/Ameritech, SBC/Ameritech shall make the disputed payment into an interest bearing escrow account within 10 business days of the date the payment was due. Within 10 business days of making a payment of a disputed amount into escrow, SBC/Ameritech shall file with the Commission a verified statement of the grounds on which payment is not required. Subject to rights of rehearing and appeal, the escrowed payments (including any accrued interest) shall be returned to SBC/Ameritech or paid to the appropriate fund in accordance with the final and non-appealable Commission or judicial order resolving the dispute. A decision by the Chief of the Common Carrier Bureau under this Paragraph is appealable to the Commission.

72. The Chief of the Common Carrier Bureau may in his or her discretion, upon a request and showing of good cause by SBC/Ameritech, grant extensions of deadlines established by these Conditions.

73. SBC/Ameritech shall not be excused from its obligations under these federal Conditions on the basis that a state commission lacks jurisdiction under state law to perform an act specified or required by these Conditions (e.g., review and approve interconnection agreement amendments, or determine if telecommunications providers violate requirements associated with the promotional discounts).

## **XXIX. Sunset**

74. Except where other termination dates are specifically established herein, all Conditions set out in this Appendix, except for the Conditions requiring SBC/Ameritech to provide Advanced Services through one or more separate affiliates, as set out in Section I, shall cease to be effective and shall no longer bind SBC/Ameritech in any respect 36 months after the Merger Closing Date, unless the Commission orders that a Condition or Conditions be extended for noncompliance reasons in accordance with Paragraph 69 above. Unless specifically stated otherwise, it is intended that each of the Conditions will generate 36 months of benefit. Since some of the Conditions will not become effective or operational until sometime after the Merger Closing Date, such conditions will remain in effect (as specified) longer than 36 months after the Merger Closing Date.

## **XXX. Effect of Conditions**

75. The various offerings and initiatives contained in these Conditions, including but not limited to the carrier-to-carrier promotions, OSS requirements, and performance monitoring conditions, may substantially duplicate requirements imposed in connection with the merger under state law. These Conditions shall supplement, but shall not be cumulative of, substantially related conditions imposed under state law. Where both these Conditions and conditions imposed in connection with the merger under state law grant parties similar rights against SBC/Ameritech, affected parties shall not have a right to invoke the relevant terms of these Conditions in a given state if they have invoked a substantially related condition imposed on the merger under state law. For example, telecommunications carriers requesting unbundled local loops for residential service under promotional terms offered pursuant to state approval of the merger would not also be able to invoke the promotional discounts on unbundled loops required by these Conditions. Furthermore, any unbundled local loops provided by SBC/Ameritech for residential service under a substantially similar merger-related state commission imposed promotion in a given state would be deducted from the number of unbundled local loops required to be provided in that state under Section XIV of these Conditions. This Section shall not limit the Commission's powers to enforce these Conditions or the reporting requirements of SBC/Ameritech under these Conditions.

76. When considering a request by SBC/Ameritech for in-region, interLATA authority under 47 U.S.C. § 271, the Commission – in view of the public interest benefits inherent in compliance with the requirements of 47 U.S.C. § 271(d)(3) – shall not consider the possible expiration of any of the above Conditions per the terms of this Appendix to be a factor that would render the requested authorization inconsistent with the public interest, convenience, and necessity.

## ATTACHMENT A

### CARRIER-TO-CARRIER PERFORMANCE PLAN

1. SBC/Ameritech shall provide the Commission with performance measurement results,<sup>57</sup> on a monthly basis in an Excel spreadsheet format, demonstrating SBC/Ameritech's monthly performance provided to the aggregate of all CLECs in the SBC/Ameritech Service Area within each of the 13 SBC/Ameritech States, as compared to SBC/Ameritech's retail performance (where applicable) or as compared to a benchmark. SBC/Ameritech shall also provide the Commission, state commissions in the SBC/Ameritech States, and CLECs with access to SBC/Ameritech's Internet website, where these parties can obtain performance measurement results demonstrating SBC/Ameritech's monthly performance provided to the aggregate of all CLECs, as compared to SBC/Ameritech's retail performance (where applicable). SBC/Ameritech shall also provide the CLECs with access to SBC/Ameritech's Internet website where a CLEC can obtain performance measurement results demonstrating SBC/Ameritech's monthly performance provided to that same CLEC on an individual basis. All such CLEC-specific data shall be made available, subject to protective agreements, to the Commission on SBC/Ameritech's Internet website, and will be made available for review, subject to protective agreements, by state commissions in the SBC/Ameritech States.

2. SBC/Ameritech's implementation of the Plan does not limit either the Commission's or the states' authority regarding performance monitoring, in the context of applications for in-region, interLATA relief under 47 U.S.C. § 271 or otherwise.<sup>58</sup>

3. The performance measurements, benchmarks, and statistical methods utilized in the Plan were based upon those developed in the Texas and California collaborative processes involving SBC/Ameritech's applications for in-region interLATA relief. The performance measurement business rules in Attachment A-2a differ from those approved by the Texas state commission in the following respects:<sup>59</sup>

- a. The Plan requires payments to be made to the U.S. Treasury on Measurements #4d, 7, and 13b at the Low level, while in the Texas plan no payments to the Texas State Treasury are made on these measurements;

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<sup>57</sup> The Commission understands that these "performance measurement results" shall consist of data collected according to the 20 performance measurements discussed in this Attachment, and listed in Attachments A-1a and A-1b.

<sup>58</sup> The Commission notes that SBC/Ameritech's Plan constitutes the Applicants' voluntary proposal for monitoring and remedying the specific potential public interest harms identified in the merger. In contrast, performance programs being developed by state commissions, particularly in the context of section 271 proceedings, serve a different purpose and may be designed to cover more aspects of local competition in order to prevent backsliding on requirements enumerated in section 271. See Order, Section VII.B. (Adopted Conditions).

<sup>59</sup> The fact that these modifications were made should not be interpreted as reflecting the Commission's preference for these modifications over the business rules approved by the Public Utility Commission of Texas.

- b. The benchmark for Measurement #1 in the Plan does not require the average of the remainder to be within 20% of the benchmark;
- c. Measurement #16 in the Plan includes additional disaggregation for LNP and LNP with loop;
- d. The benchmark for Measurement #19 is 99% in the Plan, and 99.5% in the Texas plan; and
- e. A benchmark is included for Measurement #2 in the Plan, but is yet to be determined in the Texas plan.

The performance measurement business rules in Attachment A-2b are those approved by the California state commission.

4. SBC/Ameritech and the Chief of the Common Carrier Bureau shall jointly review the 20 measurements on a semi-annual basis, to determine whether measurements should be added, deleted, or modified. SBC/Ameritech shall provide the Chief of the Common Carrier Bureau with notice of any changes to the design or calculation of these measurements adopted by the Texas or California state commissions. SBC/Ameritech shall incorporate such changes into the Plan in Texas and California, unless directed not to do so by the Chief of the Common Carrier Bureau within 5 days of receiving notice of such changes. The Chief of the Common Carrier Bureau shall, at the next semi-annual review, determine whether and when SBC/Ameritech shall implement such changes adopted by the Texas state commission in the remaining SBC/Ameritech States except for California and Nevada, and whether and when SBC/Ameritech shall implement such changes adopted by the California state commission in Nevada.

### **Performance Measurements**

5. In each SBC/Ameritech State, the Plan shall consist of 20 measurements of performance that may have a direct and immediate impact upon a CLEC's end user customer.<sup>60</sup> The 20 performance measurements are designed to demonstrate whether SBC/Ameritech is providing parity or benchmark performance in its Service Areas to each CLEC. Attachments A-1a and A-1b provide a list of the 20 performance measurements, and Attachments A-2a and A-2b provide a description of the definitions, exclusions, business rules, levels of disaggregation, calculation, and reporting structure for each of the 20 performance measurements.

6. Where SBC/Ameritech provides a CLEC with a service that has a retail analog, the performance SBC/Ameritech provides to its own retail operations within a state shall be compared with the performance SBC/Ameritech provides to the CLEC within the same state to determine if parity exists. Where SBC/Ameritech provides a CLEC a service for which there is no

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<sup>60</sup> The Commission reiterates that SBC/Ameritech's selection of these 20 measurements for the purposes of this merger-related Plan has no necessary bearing on the appropriate scope of a performance assurance plan designed in the section 271 context.

retail analog, the performance SBC/Ameritech provides to the CLEC within a state shall be compared with a benchmark.

7. Generally accepted statistical analyses – i.e., modified Z-tests and a critical Z-value – shall be utilized to determine whether SBC/Ameritech is in parity or has met the benchmark. Attachment A-3 provides a description of how these statistical analyses shall be used.

### **Voluntary Payments**

8. The Plan shall also consist of voluntary payments to the U.S. Treasury, with monthly and annual caps for the SBC/Ameritech Service Area (allocated on a per state basis). The 20 performance measurements are categorized as being in either the High, Medium, or Low payment level. Attachments A-5a and A-5b provide a list of the 20 performance measurements and the payment level that applies each year. Attachment A-4 provides a table of the voluntary payments, setting forth the per occurrence and per measurement payments at the High, Medium, and Low levels, and the caps for those measurements where voluntary payments are made on a per occurrence basis with a cap. Attachment A-6 provides the per state monthly and annual caps that apply each year. The obligation to make these voluntary payments in all SBC/Ameritech States except Connecticut attaches 270 days after the Merger Closing Date. The obligation to make these voluntary payments in Connecticut attaches 15 months after the Merger Closing Date.

9. SBC/Ameritech shall make voluntary payments to the U.S. Treasury if SBC/Ameritech fails to provide parity or benchmark performance to the aggregate of all CLECs operating in the SBC/Ameritech Service Area in an SBC/Ameritech State on any measurement<sup>61</sup> for either (1) 3 consecutive months, or (2) 6 months or more in a calendar year, as determined by use of the modified Z-tests and a critical Z-value. Voluntary payments for each SBC/Ameritech State shall be made on a per occurrence or per occurrence with a cap basis for measurements listed in Schedule A and on a per measurement basis for measurements in Schedule B of Attachments A-1a and A-1b, applying the statistical analyses and the calculations described in Attachment A-3, the payment level for the measurements in Attachments A-5a and A-5b, and the per-occurrence and per-measurement voluntary payment amounts set forth in Attachment A-4. The voluntary payments shall be calculated on the rolling average of occurrences or measurements, as appropriate, where SBC/Ameritech has failed to provide parity or benchmark performance for 3 consecutive months.<sup>62</sup> If SBC/Ameritech fails to provide parity or benchmark performance in an

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<sup>61</sup> The Commission understands that the word “measurement” in this context does not refer to the 20 measurements listed in Attachment A-1a and A-1b, but instead refers to each disaggregated sub-measurement into which the 20 performance measurements are divided. Accordingly, the Commission understands that this Plan will not merely aggregate the various sub-measurements and levels of disaggregation into one score for each of the 20 performance measurements, and then assess whether a voluntary payment is due. Instead, the Commission understands that SBC/Ameritech shall make a voluntary payment as required for any disaggregated sub-measurement. For example, the Commission understands that the number of repeat trouble reports for residential POTS service within a state would represent a distinct disaggregated sub-measurement, and that payment would be due if SBC/Ameritech’s performance under this disaggregated sub-measurement is below par for three consecutive months.

<sup>62</sup> The Commission understands that SBC/Ameritech would make a voluntary payment in the event it fails to provide parity of benchmark performance for three consecutive months, and another payment if the failure

SBC/Ameritech State for 6 or more months in a calendar year, the voluntary payments shall be calculated as if all such months were missed consecutively.<sup>63</sup>

10. In order to ensure that CLECs which order low volumes of certain resold local services and UNEs and that CLECs operating in emerging markets receive parity and benchmark performance, SBC/Ameritech shall increase the voluntary payments calculated in accordance with Paragraph 9 above for measurements 4a-c and 5-13 (“qualifying measurements”) and for sub-measurements involving UNE combinations, resold ISDN, ISDN UNE loop and port, BRI loop with test access (i.e., ISDN), and DSL loops within the qualifying measurements where applicable (“qualifying sub-measurements”).<sup>64</sup> For these 25 qualifying measurements and 36 qualifying sub-measurements, the voluntary payments calculated using the 3 month rolling average described in Paragraph 9 above shall be multiplied by a factor of 3 under the following circumstances and pursuant to the following methodology. The provisions of this Paragraph 10 only apply in the event that a voluntary payment is owed for a qualifying measurement or qualifying sub-measurement per the provisions of Paragraph 9 (i.e., this Paragraph only applies in the event that SBC/Ameritech has failed to provide parity or benchmark performance on a qualifying measurement or qualifying sub-measurement for 3 consecutive months or in 6 or more months in a calendar year.)

a. Qualifying Measurements. If, for the 3 months that are utilized to calculate the rolling average, there were 100 or more observations on average for the qualifying measurement, then no increase in voluntary payments is owed pursuant to the provisions of this Subparagraph, but the provisions of Subparagraph (b) may apply. If, for the 3 months that are utilized to calculate the rolling average, there were more than 10 but less than 100 observations on average for the qualifying measurement, then (1) SBC/Ameritech shall calculate the voluntary payments to the U.S. Treasury for that qualifying measurement in accordance with Paragraph 9 and shall treble the amount of such voluntary payments for that qualifying measurement, and (2) the provisions of Subparagraph (b) shall not apply with respect to any qualifying sub-measurements within the qualifying measurement.

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continues for a fourth consecutive month, and so on. In each case, the payment would be calculated according to the rolling average of occurrences for the last three consecutive out-of-parity months. For example, if SBC/Ameritech is out-of-parity on a measurement for January, February and March, it would make a payment based on the January-February-March average; if it is also out-of-parity for the same measurement in April, it would make another payment, based on the February-March-April average.

<sup>63</sup> By assessing the payments “as if all such months were missed consecutively,” the Commission understands that four payments would be made in a year where a measure is out-of-parity for six months (and five payments in a year where a measure is out-of-parity for seven months, and so on).

<sup>64</sup> The Commission recognizes that the use of the terms “qualifying measurement” and “qualifying sub-measurement” may generate some confusion (in particular, because the terms “measurement” and “sub-measurement” are not used consistently, *see supra* note 61). The Commission interprets the term “qualifying measurement” as applying to the following 25 measurements and sub-measurements: 4a, 4b, 4c, 5a, 5b, 5c, 6a, 6b, 6c, 7a, 7b, 7c, 8, 9, 10a, 10b, 11a, 11b, 11c, 12a, 12b, 12c, 13a, 13b and 13c. The Commission interprets the term “qualifying sub-measurements” as applying to the 36 disaggregated sub-levels of these “qualifying measurements” that correspond to the following resale services and UNEs: UNE combinations (applicable to 4a, 5a, 6a, 7a, 10a, 11a, 12a, and 13a); resold ISDN, and ISDN UNE loop and port (applicable to 4b, 5b, 6b, 7b, 11b, 12b, and 13b); and BRI loop with test access, and DSL loops (applicable to 4c, 5c, 6c, 7c, 11c, 12c, and 13c).

b. Qualifying Sub-Measurements. If, for the 3 months that are utilized to calculate the rolling average, there were 100 or more observations on average for the qualifying sub-measurement, then no increase in voluntary payments is owed pursuant to the provisions of this Subparagraph. If, for the 3 months that are utilized to calculate the rolling average, there were more than 10 but less than 100 observations on average for the qualifying sub-measurement, then SBC/Ameritech shall calculate the voluntary payments to the U.S. Treasury for that qualifying sub-measurement in accordance with Paragraph 9 and shall treble the amount of such voluntary payments for that qualifying sub-measurement. Per the provisions of Subparagraph (a), the provisions of this Subparagraph do not apply to any qualifying sub-measurements within a qualifying measurement for which treble voluntary payments are owed.

c. When SBC/Ameritech and the Chief of the Common Carrier Bureau jointly review the 20 measurements on a semi-annual basis in accordance with Paragraph 4, the Chief of the Common Carrier Bureau may substitute, on a one-for-one basis, the sub-measurements associated with any other existing service or UNE within measurements 4a, 4b, or 4c for the initial set of qualifying sub-measurements.<sup>65</sup> During this semi-annual review, the Chief of the Common Carrier Bureau may also increase the number of qualifying sub-measurements by including, from the list of qualifying measurements, the sub-measurements associated with new services and/or UNEs as qualifying sub-measurements. The Chief of the Common Carrier Bureau may add a maximum of 3 such new services and/or UNEs over the duration of the Plan.<sup>66</sup>

11. The monthly and annual caps on the total amount of voluntary payments for which SBC/Ameritech shall be liable, as provided for in Attachment A-6, may be reduced by an amount up to \$125 million in the third year of the Plan if SBC/Ameritech completes the OSS enhancement commitments provided for in Paragraph 15(c), Paragraphs 26-28, and/or Paragraph 31 by a date that is sooner than the target dates for the OSS commitments specified in such Paragraphs, as follows:

a. The monthly and annual caps on the total amount of voluntary payments for which SBC/Ameritech shall be liable may be reduced by an amount up to \$45 million during the third 12 month period if SBC/Ameritech completes the OSS enhancement commitments provided for in Paragraph 15(c) early. If SBC/Ameritech completes Phase 3 of Paragraph 15(c) within the SBC/Ameritech Service Area in all SBC/Ameritech States except Connecticut earlier than 14 months after the Merger Closing Date, excluding any time that is spent in completing Phase 2 beyond the 30 days allotted for reaching a written agreement with the CLECs, the annual caps

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<sup>65</sup> The Commission understands that the Chief of the Common Carrier Bureau may elect to substitute, for example, all “qualifying sub-measurements” relating to resold ISDN (*i.e.*, 4b, 5b, 6b, 7b, 11b, 12b, and 13b) with the corresponding sub-measurements relating to another resold service or UNE (such as resold DS1 service, or a new resold service which SBC/Ameritech may offer in the future).

<sup>66</sup> The Commission understands that, by selecting 8 dB loop, DS1 Loop and Dark Fiber as such “new services and/or UNEs,” the Chief of the Common Carrier Bureau would effectively add to the “multiplier” provision of the Plan a total of 21 new qualifying sub-measurements (*i.e.*, the disaggregated sub-measurements corresponding to these UNEs under 4c, 5c, 6c, 7c, 11c, 12c, and 13c). Under this example, the Chief of the Common Carrier Bureau would be unable to add more new services and/or UNEs to the “multiplier” provision (as the limit of three would be spent), but could still substitute services and/or UNEs, as set forth in Paragraph 10c and note 65.

shall be reduced by \$10 million if 30 days early, \$15 million if 60 days early, \$20 million if 90 days early, \$25 million if 120 days early, \$35 million if 150 days early, and \$45 million if 180 days early.

b. The monthly and annual caps on the total amount of voluntary payments for which SBC/Ameritech shall be liable may be reduced by an amount up to \$40 million during the third 12 month period if SBC/Ameritech completes the OSS enhancement commitments provided for in Paragraphs 26-28 early. If SBC/Ameritech completes Phase 3 of Paragraph 28 within the SBC/Ameritech Service Area in all SBC/Ameritech States except Connecticut within less than 24 months after the Merger Closing Date, excluding any time that is spent in completing Phase 2 beyond the 30 days allotted for reaching a written agreement with the CLECs, the annual caps shall be reduced by \$5 million if 30 days early, \$10 million if 60 days early, \$15 million if 90 days early, \$20 million if 120 days early, \$30 million if 150 days early, and \$40 million if 180 days early.

c. The monthly and annual caps on the total amount of voluntary payments for which SBC/Ameritech shall be liable may be reduced by an amount up to \$45 million during the third 12 month period if SBC/Ameritech completes the OSS enhancement commitments provided for in Paragraph 31 early. If SBC/Ameritech completes Phase 3 of Paragraph 31 within the SBC/Ameritech Service Area in all SBC/Ameritech States within less than 30 months after the Merger Closing Date, excluding any time that is spent in completing Phase 2 beyond the 30 days allotted for reaching a written agreement with the CLECs, the annual caps shall be reduced by \$5 million if 30 days early, \$10 million if 60 days early, \$15 million if 90 days early, \$20 million if 120 days early, \$30 million if 150 days early, and \$40 million if 180 days early.

d. Any required reductions in the annual cap during the third 12-month period pursuant to Subparagraphs (a)-(c) above shall be prorated across all 13 SBC/Ameritech States and apportioned to monthly caps utilizing the same ratios used to develop the tables in Attachment A-6.

12. The amount of payments otherwise due each month under this Plan in a state shall be offset by the sum of (1) the amount of any payments made by SBC/Ameritech to private or public parties (including, but not limited to, CLECs, state commissions, state governments, public interest funds or groups, or other entities) each month under any state-approved local interconnection performance monitoring or performance measurement plan in that state, and (2) the amount of payments made by SBC/Ameritech related to performance measurements paid to CLECs each month in that state under the terms of an approved local interconnection agreement with SBC/Ameritech. Provided, however, that the amount of any payments made to affiliates of SBC/Ameritech shall not be used in calculating the offset.

13. Performance measurement results for each month shall be available to the Commission, state commissions and CLECs by the 20th day of the following month. If SBC/Ameritech becomes liable for voluntary payments to the U.S. Treasury, such payments shall be made 30 days after the performance measurement results become available. If such payments

are made, SBC/Ameritech shall provide notice to the Commission within 5 business days after the payment is made.

14. SBC/Ameritech shall not be liable for voluntary payments to the U.S. Treasury if SBC/Ameritech's failure to provide parity or benchmark performance is caused by an Act of God, or a *force majeure* event. If SBC/Ameritech determines through "root cause analysis" that it failed to provide parity or benchmark performance for any reason listed above, SBC/Ameritech may seek a waiver from the Chief of the Common Carrier Bureau relieving SBC/Ameritech from voluntary payments to the U.S. Treasury. SBC/Ameritech shall have the burden of proof to make the required showing, and shall have a right of appeal to the Commission. If SBC/Ameritech seeks such a waiver, SBC/Ameritech shall place the voluntary payments at issue into an interest bearing escrow account. If SBC/Ameritech fails to carry its burden of proof, the amount of voluntary payments paid into the escrow account, including any accrued interest, shall be remitted to the U.S. Treasury. If SBC/Ameritech carries its burden of proof, the amount of voluntary payments paid into the escrow account, including any accrued interest, shall be returned to SBC/Ameritech.

15. Voluntary payments made by SBC/Ameritech under the Plan shall not be reflected in the revenue requirement of an SBC/Ameritech incumbent LEC.

16. The measurements and benchmarks under the Plan bear no necessary relationship to the standard of performance that satisfies SBC/Ameritech's legal obligations in a particular state, and payments under the Plan shall not constitute an admission by SBC/Ameritech of any violation of law or noncompliance with statutory or regulatory requirements with respect to the provision of local facilities or services to SBC/Ameritech's wholesale or retail customers.

## Attachment A-1a

### SBC/AMERITECH PERFORMANCE MEASUREMENTS (EXCEPT CALIFORNIA AND NEVADA)

#### **Schedule A – Performance Measurements Subject to Per Occurrence or Per Occurrence With Cap Voluntary Payments:**

##### OSS

1. % FOC Received Within “X” Hours (per occurrence with cap)
2. Average Response Time For OSS Pre-Order Interfaces (per occurrence with cap)
3. Order Process Percent Flow Through (per occurrence with cap)

##### Provisioning

4. SBC Caused Missed Due Dates
5. Installation Trouble Reports Within “X” Days
6. Mean Installation Intervals
7. Average Delay Days For SWBT Caused Missed Due Dates
8. Average Installation Interval – DSL
9. Average Response Time For Loop Qualification Information

##### Maintenance

10. % Missed Repair Commitments
11. % Repeat Reports
12. Mean Time To Restore
13. Trouble Report Rate

##### Interconnection

14. Average Trunk Restoration Interval For Service Affecting Trunk Groups
15. % Trunk Blockage (per occurrence with cap)

##### Local Number Portability

16. % Pre-Mature Disconnects (Coordinated Cutovers)

##### Collocation

17. % Missed Collocation Due Dates

##### Billing

18. Billing Timeliness (per occurrence with cap)

**Schedule B – Performance Measurements Subject to Per Measurement Voluntary Payments:**

OSS

19. OSS Interface Availability

Interconnection

20. Common Transport Trunk Blockage

## Attachment A-1b

### SBC/AMERITECH PERFORMANCE MEASUREMENTS (CALIFORNIA AND NEVADA)

#### **Schedule A - Performance Measurements Subject to Per Occurrence or Per Occurrence With Cap Voluntary Payments:**

##### OSS

1. Average FOC/LSC Notice Interval (per occurrence with cap)
2. Average Response Time (To Pre-Order Queries) (per occurrence with cap)
3. Percentage Of Flow-Through Orders (per occurrence with cap)

##### Provisioning

4. (a-c) Percent Of Due Dates Missed  
(d) Average Completion Notice Interval
5. Percentage Troubles In 30 Days For New Orders
6. (a-b) Average Completed Interval  
(c) Percent Completed Within Standard Interval
7. Delay Order Interval To Completion Date (For Lack of Facilities)
8. Average Completed Interval - (DSL)
9. Average Response Time For Loop Make-Up Information – (New)

##### Maintenance

10. Percentage Of Customer Trouble Not Resolved Within Estimated Time
11. Frequency Of Repeat Troubles In 30 Day Period
12. Average Time To Restore
13. Customer Trouble Report Rate

##### Interconnection

14. Average Trunk Restoration Interval For Service Affecting Trunk Groups – (New)
15. % Trunk Blockage-(New) (per occurrence with cap)

##### Coordinated Conversions

16. Coordinated Customer Conversion As A Percentage On Time

##### Collocation

17. % Missed Collocation Due Dates – (New)

##### Billing

18. Billing Timeliness (per occurrence with cap)

**Schedule B - Performance Measurements Subject to Per Measurement Voluntary Payments:**

OSS

19. Percentage Of Time Interface Is Available

Interconnection

20. Percent Blocking On Common Trunks

Attachment A-2a

**SBC/AMERITECH PERFORMANCE MEASUREMENT BUSINESS RULES  
(EXCEPT CALIFORNIA AND NEVADA)**

OSS

<b>1. Measurement</b>
<b>Percent Firm Order Confirmations (FOCs) Returned Within “X” Hours</b>
<b>Definition:</b>
Percent of FOCs returned within a specified time frame from receipt of a complete and accurate service request to return of confirmation to CLEC
<b>Exclusions:</b>
<ul style="list-style-type: none"><li>• Rejected (manual and electronic) orders</li><li>• SWBT only Disconnect orders</li><li>• Orders involving major projects mutually agreed to by CLECs and SWBT.</li></ul>
<b>Business Rules:</b>
FOC business rules are established to reflect the Local Service Center (LSC) normal hours of operation, which include M-F, 8:00 AM to 5:30 PM, excluding, holiday and weekends. If the start/time is outside of normal business hours then the start date/time is set to 8:00 AM on the next business day. Example: If the request is received Monday through Friday between 8:00 AM to 5:00 PM; the valid start time will be Monday through Friday between 8:00 AM to 5:00 PM. If the actual request is received Monday through Thursday after 5:00 PM and before 8:00 AM next day; the valid start time will be the next business day at 8:00 AM. If the actual request is received Friday after 5:00 PM and before 8:00 AM Monday; the valid start time will be at 8:00 AM Monday. If the request is received on a Holiday (anytime); the valid start time will be the next business day at 8:00 AM. The returned confirmation to the CLEC will establish the actual end date/time Provisions are established within the DSS reporting systems to accommodate situations when the LSC works holidays, weekends and when requests are received outside normal working hours. For UNE Loop and Port combinations, orders requiring N, C, and D orders, the FOC is sent back at the time the C order is distributed.

## **LEX/EDI**

For LEX and EDI originated LSRs, the start date and time is the receive date and time that is automatically populated by the interface (EDI or LEX) with the system date / time on the SM-FID once all ordering edits are satisfied and the service order has a distribution date and time in SORD. The end date and time is recorded by both LEX and EDI and reflect the actual date and time the FOC is returned to the CLEC. This data is extracted daily from LEX and EDI and passed to the DSS (Decision Support System) where the end date and time are populated and are used to calculate the FOC measurements. For LSRs where FOC times are negotiated with the CLEC the ITRAK entry on the SORD service order is used in the calculation. The request type from the LSR and the Class of Service tables are used to report the LSRs in the various levels of disaggregation. The Class of Service tables are based on the Universal Service Order practice.

## **VERBAL or MANUAL REQUESTS**

Manual service order requests are those initiated by the CLEC either by telephone or FAX. The receive date and times are recorded and input on the SM-FID on each service order in SORD for each FOC opportunity. The end times are the actual dates and times the paper Faxes are sent back to the CLEC. FAX end times are recorded and input into the DSS systems via an internal WEB application. Each FOC opportunity is dynamically established on the WEB application via our interface to SORD and the LSC must provide an end date and time for each entry, which depicts the date and time the FOC was actually faxed back to the CLEC. If a CLEC elects to accept an on-line FOC and does not require a paper FAX the FOC information is provided over the phone. In these instances the order distribution time is used in the FOC calculation on the related SORD service order to the appropriate SM-FID entry. These scenarios are identified by data populated on the ITRAK-FID of the service order. The ITRAK-FID is also used when FOC times are negotiated with the CLEC. The LSC will populate the ITRAK-FID with certain pre-established data entries that are used in the FOC calculation.

**Levels of Disaggregation:**

**Manually submitted:**

- Simple Res. And Bus. < 24 Hours
- Complex Business (1-200 Lines) < 24 Hours
- Complex Business (>200 Lines) < 48 Hours
- UNE Loop (1-49 Loops) < 24 Hours
- UNE Loop (> 50 Loops) < 48 Hours
- Switch Ports < 24 Hours

**Electronically submitted via LEX or EDI:**

- Simple Res. And Bus. < 5 Hours
- Complex Business (1-200 Lines) < 24 Hours
- Complex Business (>200 Lines) < 48 Hours
- UNE Loop (1-49 Loops) < 5 Hours
- UNE Loop (> 50 Loops) < 48 Hours
- Switch Ports < 5 Hours

**LNP**

**Manually submitted:**

- LNP Only (1-19) < 24 Clock Hours
- LNP with Loop (1-19) < 24 Clock Hours
- LNP Only (20+ Loops) < 48 Clock Hours
- LNP with Loop (20+ Loops) < 48 Clock Hours
- LNP Complex Business (1-19 Lines) < 24 Clock Hours
- LNP Complex Business (20-50 Lines) < 48 Clock Hours
- LNP Complex Business (50+ Lines) < Negotiated with Notification of Timeframe within 24 Clock Hours

**Electronically submitted via LEX or EDI:**

- Simple Residence and Business LNP Only (1-19) < 5 Business Hours
- Simple Residence and Business LNP with Loop (1-19) < 5 Business Hours
- LNP Only (20+ Loops) < 48 Clock Hours
- LNP with Loop (20+ Loops) < 48 Clock Hours
- LNP Complex Business (1-19 Lines) < 24 Clock Hours
- LNP Complex Business (20-50 Lines) < 48 Clock Hours
- LNP Complex Business (50+ Lines) < Negotiated with Notification of Timeframe within 24 Clock Hours

Calculation:	Report Structure:
$\frac{(\# \text{ FOCs returned within "x" hours}}{\text{total FOCs sent)}} * 100$	Reported for CLEC and all CLECs. This includes mechanized from EDI and LEX and manual (FAX or phone orders)

**Benchmark:**

All Res and Bus 95% / Complex Bus 94% / UNE Loop (1-49) 95% / UNE Loop (>50) 94% / Switch Ports 95%.

<b>2. Measurement</b>		
<b>Average Response Time For OSS Pre-Order Interfaces</b>		
<b>Definition:</b>		
The average response time in seconds from the SWBT side of the Remote Access Facility (RAF) and return for pre-order interfaces (Verigate, DataGate and EDI where the pre-order functionality is integrated) by function.		
<b>Exclusions:</b>		
None.		
<b>Business Rules:</b>		
The clock starts on the date/time when the request is received by SWBT and the clock stops on the date/time when the SWBT has completed the transmission of the response to the CLEC. The measurement is at the SWBT side of the LRAF. Response time is accumulated for each major query type, consistent with the specified reporting dimension, and then divided by the associated total number of queries received by SWBT during the reporting period. The response time is measured only within the published hours of interface availability. Published hours of interface availability are documented on the CLEC web site. (SWBT will not schedule system maintenance during normal business hours (8 AM to 5:30 PM Monday through Friday).		
<b>Levels of Disaggregation:</b>		
<ul style="list-style-type: none"> <li>• Address Verification</li> <li>• Request For Telephone Number</li> <li>• Request For Customer Service Record (CSR)</li> <li>• Service Availability</li> <li>• Service Appointment Scheduling (Due Date)</li> <li>• Dispatch Required</li> <li>• PIC</li> </ul>		
<b>Calculation:</b>		<b>Report Structure:</b>
$\frac{\sum[(\text{Query Response Date \& Time}) - (\text{Query Submission Date \& Time})]}{\div (\text{Number of Queries Submitted in Reporting Period})}$		Reported on a CLEC and all CLECs basis by interface for DATAGATE and VERIGATE
<b>Benchmark:</b>		
	<b>DataGate:</b>	<b>Verigate:</b>
Address Validation	4.5 sec.	4.5 sec.
TN Selection	4.5 sec.	4.5 sec.
CSR Summary 1-30 Lines	10 sec.	10 sec.
CSR 31 Lines or more	24 hrs.	24 hrs.
Service Availability	5.5 sec.	8.0 sec.
Due Date	2.0 sec.	2.0 sec.
Dispatch	11 sec.	11 sec.

<b>3. Measurement</b>	
<b>Order Process Percent Flow Through</b>	
<b>Definition:</b>	
Percent of orders or LSRs from entry to distribution that progress through SWBT ordering systems.	
<b>Exclusions:</b>	
LEX/EDI excludes rejected orders (manual or electronic). (Excluded from Denominator).	
<b>Business Rules:</b>	
The number of MOG Eligible orders, that flow through SWBT's ordering systems and are distributed in SORD without manual intervention, divided by the total number of MOG Eligible orders within the reporting period. Exclude only mechanically generated and rejected orders in the pass through calculation. Manually rejected orders that are electronically generated shall be included as failed pass-through until such time a measurement is established to capture manually rejected orders that are generated mechanically.	
<b>Levels of Disaggregation:</b>	
For CLEC typed orders by UNE loops, Resale, UNE Combos, and other.	
<b>Calculation:</b>	<b>Report Structure:</b>
(# of orders that flow through ÷ total orders) * 100	Reported by individual CLEC, CLECs and SWBT.
<b>Benchmark:</b>	
Parity	

**A. Provisioning**

<b>4a. Measurement</b>	
<b>Percent SWBT Caused Missed Due Dates - POTS</b>	
<b>Definition:</b>	
Percent of N, T, C orders where installation was not completed by the due date as a result of a SWBT Caused Missed Due Date.	
<b>Exclusions:</b>	
Excludes orders that are not N, T, or C	
<b>Business Rules:</b>	
The Due Date is the negotiated date by the customer and the SWBT representative for service activation. For CLEC orders, the due date is the due date reflected on the FOC. The Completion Date is the day that SWBT personnel complete the service order activity. UNE COMBOs, are reported at order level.	
<b>Levels of Disaggregation:</b>	
<b>POTS</b> <ul style="list-style-type: none"> <li>• Field Work (FW)</li> <li>• No Field Work (NFW)</li> <li>• Business class of service</li> <li>• Residence class of service</li> </ul> <b>UNE Combo</b> <ul style="list-style-type: none"> <li>• Field Work (FW)</li> <li>• No Field Work (NFW)</li> </ul>	
<b>Calculation:</b>	<b>Report Structure:</b>
(Count of N, T, C orders not completed by the due date as a result of a SWBT caused missed due date ÷ total number of orders) * 100	Reported for CLEC, all CLECs and SWBT
<b>Benchmark:</b>	
Resale POTS parity between Field Work compared to SWBT Field Work (N, T, C order types) and No Field Work compared to SWBT Retail No Field Work (N, T, C order types). UNE Combo Parity between Field Work compared to SWBT Field Work (N, T, C order types) and No Field Work compared to SWBT Retail No Field Work. (N, T, C order types)	

<b>4b. Measurement</b>	
<b>Percent SWBT Caused Missed Due Dates – Design</b>	
<b>Definition:</b>	
Percent of N, T, C orders where installations were not completed by the due date.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• UNE and Interconnection Trunks</li> <li>• Excludes orders that are not N, T, or C</li> </ul>	
<b>Business Rules:</b>	
The Due Date is the negotiated date that is returned on the FOC by SWBT for service activation. The Completion Date is the day that SWBT personnel complete the service order activity. The source is WFA (Work Force Administration) and is at an item or circuit level. Specials are selected based on a specific service code off of the circuit ID	
<b>Levels of Disaggregation:</b>	
<ul style="list-style-type: none"> <li>• Resold Specials - DDS, DS1, DS3, Voice Grade Private Line (VGPL), ISDN, and any other services available for resale.</li> <li>• UNE Loop and Port - ISDN and other combinations.</li> </ul>	
<b>Calculation:</b>	<b>Report Structure:</b>
(Count of circuits with missed due dates excluding customer caused misses ÷ total number of circuits) * 100	Reported for CLEC, all CLECs and SWBT
<b>Benchmark:</b>	
Parity with SWBT Retail	

<b>4c. Measurement</b>	
<b>Percent SWBT Caused Missed Due Dates - UNE</b>	
<b>Definition:</b>	
Percent of UNEs (8db loops are measured at an order level) where installations are not completed by the negotiated due date.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• Specials and Interconnection Trunks</li> <li>• Excludes UNE Combos captured in the POTS or Specials measurements</li> <li>• Exclude orders that are not N, T, or C</li> <li>• Excludes customer caused misses</li> </ul>	
<b>Business Rules:</b>	
The Due Date starts the clock. The Completion Date is the day that SWBT personnel complete the service order activity, which stops the clock. If the completion date is after the Due Date, the order is flagged as a miss. This measurement is reported at a circuit level for all UNEs with the exception of 8db loops, which are reported at an order level to facilitate comparison with POTS retail.	
<b>Levels of Disaggregation:</b>	
UNEs contained in the UNE price schedule, and / or agreed to by the parties.	
<b>Calculation:</b>	<b>Report Structure:</b>
Count of UNEs (8dB loops are measured at an order level)with missed due dates excluding customer caused misses ÷ total number of UNEs (total orders for 8db loops) *100	Reported for CLEC and all CLECs
<b>Benchmark:</b>	
<b>Parity:</b>	<b>Retail Comparison</b>
1. 8.0 dB Loop with Test Access and 8.0 dB Loop without Test Access	POTS (Res/Bus and FW)
2. 5.0 dB Loop with Test Access and 5.0 dB Loop without Test Access	VGPL
3. BRI Loop with Test Access	ISDN
4. ISDN BRI Port	ISDN
5. DS1 Loop with Test Access	DS1
6. DS1 Dedicated Transport	DS1
7. Subtending Channel (23B)	DDS
8. Subtending Channel (1D)	DDS
9. Analog Trunk Port	VGPL
10. Subtending Digital Direct Combination Trunks	VGPL
11. DS3 Dedicated Transport	DS3
12. Dark Fiber	DS3
13. DSL Loops	DS1

<b>4d. Measurement</b>	
<b>Percent Mechanized Completions Returned Within one Day Of Work Completion</b>	
<b>Definition:</b>	
<b>Percent Mechanized Completions Returned Within one Day</b>	
<b>Exclusions:</b>	
<b>None</b>	
<b>Business Rules:</b>	
<b>Days are calculated by subtracting the date the SOC was returned to the CLEC minus the order completion date.</b>	
<b>Levels of Disaggregation:</b>	
<b>None</b>	
<b>Calculation:</b>	<b>Report Structure:</b>
<b>(# mechanized completions returned to the CLEC within 1 day of work completion ÷ total mechanized completions) * 100</b>	<b>Reported for CLEC and all CLECs for the electronic interfaces (EDI and LEX).</b>
<b>Benchmark:</b>	
<b>97%</b>	

<b>5a. Measurement</b>	
<b>Percent Trouble Report Within 10 Days (I-10) of Installation - POTS</b>	
<b>Definition:</b>	
Percent of N, T, C orders that receive a network customer trouble report within 10 calendar days of service order completion.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• Excludes subsequent reports. A subsequent report is a repair report that is received while an existing repair report is open on the same number.</li> <li>• Excludes disposition code “13” reports (excludable reports) with the exception of code 1316 unless the report is taken prior to the completion of the service order.</li> <li>• Excludes reports caused by customer provided equipment (CPE) or wiring</li> <li>• Excludes trouble report received on the due date before service order completion</li> </ul>	
<b>Business Rules:</b>	
Includes reports received the day after SWBT personnel complete the service order through 10 calendar days after completion.	
<b>Levels of Disaggregation:</b>	
<p>N, T and C Orders</p> <p>POTS</p> <ul style="list-style-type: none"> <li>• Field Work (FW)</li> <li>• No Field Work (NFW)</li> <li>• Business class of service</li> <li>• Residence class of service</li> </ul> <p>UNE Combo</p> <ul style="list-style-type: none"> <li>• Field Work (FW)</li> <li>• No Field Work (NFW)</li> </ul>	
<b>Calculation:</b>	<b>Report Structure:</b>
(Count of orders that receive a network customer trouble report within 10 calendar days of service order completion ÷ total # of orders) * 100	Reported for POTS Resale by CLEC, total CLECs and SWBT
<b>Benchmark:</b>	
Resale POTS parity between Field Work compared to SWBT Field Work (N, T, C order types) and No Field Work compared to SWBT Retail No Field Work (N, T, C order types). UNE Combo Parity between Field Work compared to SWBT Field Work (N, T, C order types) and No Field Work compared to SWBT Retail No Field Work (N, T, C order types).	

<b>5b. Measurement</b>	
<b>Percent Installation Reports (Trouble Reports) Within 30 Days (I-30) of Installation - Design</b>	
<b>Definition:</b>	
Percent of N, T, C orders by item that receive a network customer trouble report within 30 calendar days of service order completion	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• UNE and Interconnection Trunks</li> <li>• Excludes orders that are not N, T, or C</li> <li>• Excludes trouble report received on the due date before service order completion</li> </ul>	
<b>Business Rules:</b>	
A trouble report is counted if it flagged on WFA (Work Force Administration) as a trouble report that had a service order completion within 30 days. It cannot be a repeat report and must be a measured report. The order flagged against must be an add in order for the trouble report to be counted. Specials are selected based on a specific service code off of the circuit ID.	
<b>Levels of Disaggregation:</b>	
See Measurement 4b.	
<b>Calculation:</b>	<b>Report Structure:</b>
(Count of circuits that receive a network customer trouble report within 30 calendar days of service order completion ÷ total circuits (excludes trouble reports received on the due date)) * 100	Reported for CLEC, all CLECs and SWBT
<b>Benchmark:</b>	
Parity with SWBT Retail	

<b>5c. Measurement</b>	
<b>Percent Installation Reports (Trouble Reports) Within 30 Days (I-30) of Installation - UNE</b>	
<b>Definition:</b>	
Percent UNEs (8db loops are measured at an order level) that receive a network customer trouble report within 30 calendar days of service order completion.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• Specials and Interconnection Trunks</li> <li>• Excludes Non-measured reports (CPE, Interexchange, and Information reports)</li> <li>• Excludes UNE Combos captured in the POTS or Specials measurements</li> <li>• Excludes trouble report received on the due date before service order completion</li> <li>• Excludes orders that are not N, T, or C</li> </ul>	
<b>Business Rules:</b>	
A trouble report is counted if it is received within 30 days of a service order completion. The service order which generated the report must be an add in order for the trouble report to be counted. UNEs are selected based on a specific service code off of the circuit ID. This measurement is reported at a circuit level for all UNEs with the exception of 8db loops, which are reported at an order level to facilitate comparison with POTS retail.	
<b>Levels of Disaggregation:</b>	
UNEs contained in the UNE price schedule, and / or agreed to by the parties	
<b>Calculation:</b>	<b>Report Structure:</b>
(Count of UNEs (8db loops are measured at an order level) that receive a network customer trouble report within 30 calendar days of service order completion ÷ total UNEs (total orders for 8db loops) ) * 100	Reported for CLEC and all CLECs
<b>Benchmark:</b>	
See Measurement 4c.	

<b>6a. Measurement</b>	
<b>Mean Installation Interval – POTS</b>	
<b>Definition:</b>	
Average business days from application date to completion date.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• Excludes customer caused misses</li> <li>• Field Work orders – excludes customer requested due dates greater than 5 business days</li> <li>• No Field Work orders – excluded if order applied for before 3:00 PM; and the due date requested is not same day; and if order applied for after 3:00 PM; and the due date requested is beyond the next business day</li> <li>• Excludes all orders except N, T, and C orders</li> <li>• Excludes Weekends and Holidays</li> </ul>	
<b>Business Rules:</b>	
<p>The clock starts on the Application Date, which is the day that SWBT receives a correct Service Order. The clock stops on the Completion Date that is the day that SWBT personnel complete the service order activity. Orders are included in the month they are completed. There are 2 types of orders in the measurement. Same Day Due orders (defined as distribution time EQUAL or BEFORE 3:00 PM and Application Date = Distribution Date = Due Date. Next Day Due orders (defined as distribution time AFTER 3:00 PM and Application Date = Distribution Date and Due Date is 1 business day after Application Date. If the order is Same Day Due, then (Completion – Application Date), if the order is Next Day Due, then ((Completion – Next Business Day) + 1). UNE COMBOs, are reported at order level.</p>	
<b>Levels of Disaggregation:</b>	
<p><b>POTS</b></p> <ul style="list-style-type: none"> <li>• Field Work (FW)</li> <li>• No Field Work (NFW)</li> <li>• Business class of service</li> <li>• Residence class of service</li> </ul> <p><b>UNE Combo</b></p> <ul style="list-style-type: none"> <li>• Field Work (FW)</li> <li>• No Field Work (NFW)</li> </ul>	
<b>Calculation:</b>	<b>Report Structure:</b>
$\frac{[\sum(\text{completion date} - \text{application date})]}{(\text{Total number of orders completed})}$	Reported for CLEC, all CLECs and SWBT

**Benchmark:**

**Resale POTS parity between Field Work compared to SWBT Field Work (N, T, C order types) and No Field Work compared to SWBT Retail Field Work (N, T, C order types). UNE Combo Parity between Field Work compared to SWBT Field Work (N, T, C order types) and No Field Work compared to SWBT Retail Field Work. (N, T, C order types)**

<b>6b. Measurement</b>	
<b>Average Installation Interval - Design</b>	
<b>Definition:</b>	
Average business days from application date to completion date for N, T, C orders by item or circuit.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• UNE and Interconnection Trunks</li> <li>• Excludes orders that are not N, T, or C</li> <li>• Excludes circuits that have a customer requested Due Date greater than 20 business days</li> <li>• Excludes Weekends and Holidays</li> </ul>	
<b>Business Rules:</b>	
The Application Date is the day that the customer initiated the service request. The Completion Date is the day that SWBT personnel complete the service order activity by circuit. The base of items is out of WFA (Work Force Administration) and it is reported at an item or circuit level.	
<b>Levels of Disaggregation:</b>	
See Measurement 4b.	
<b>Calculation:</b>	<b>Report Structure:</b>
$[\sum(\text{completion date} - \text{application date})] \div (\text{Total number of circuits completed})$	Reported for CLEC, all CLECs and SWBT
<b>Benchmark:</b>	
Parity with SWBT Retail	

<b>6c. Measurement</b>	
<b>Percent Installations Completed Within “X” Days - UNE</b>	
<b>Definition:</b>	
Percent installations completed within “x” business days excluding customer caused misses and customer requested due date greater than “x” business days.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• Specials and Interconnection Trunks</li> <li>• Excludes UNE Combos captured in the POTS or Specials measurements</li> <li>• Exclude orders that are not N, T, or C</li> <li>• Excludes customer requested due dates greater than “x” business days as set out below.</li> <li>• Excludes customer caused misses</li> </ul>	
<b>Business Rules:</b>	
The Application Date is the day that the customer initiated the service request. The Completion Date is the day that SWBT personnel complete the service order activity. The base of items is out of WFA (Work Force Administration) and it is reported at an order level to account for different measurement standards based on the number of circuits per order.	
<b>Levels of Disaggregation:</b>	
UNEs contained in the UNE price schedule, and / or agreed to by the parties.	
<b>Calculation:</b>	<b>Report Structure:</b>
Count of N, T, C orders installed within business “x” business days ÷ total N, T, C orders) * 100	Reported for CLEC and all CLECs
<b>Benchmark:</b>	
<p>95% within “X” days</p> <ul style="list-style-type: none"> <li>• 2 Wire Analog and Digital and INP (1-10) – 3 Days</li> <li>• 2 Wire Analog and Digital and INP (11-20) – 7 Days</li> <li>• 2 Wire Analog and Digital and INP (20+) – 10 Days</li> <li>• DS1 loop(includes PRI) – 3 Days</li> <li>• Switch Ports – Analog Port – 2 Days</li> <li>• Switch Ports – BRI Port (1-50) – 3 Days</li> <li>• Switch Ports – BRI Port (50+) - 5 Days</li> <li>• Switch Ports – PRI Port (1-20) – 5 Days</li> <li>• Switch Ports – PRI Port (20+) – 10 Days</li> <li>• DS1 Trunk Port (1 to 10) – 3 days</li> <li>• DS1 Trunk Port (11 to 20) – 5 Days</li> <li>• DS1 Trunk Port (20+) – ICB</li> <li>• Dedicated Transport (DS0, DS1, and DS3) (1 to 10) – 3 days</li> <li>• Dedicated Transport (DS0, DS1, and DS3) (11 to 20) – 5 Days</li> <li>• Dedicated Transport (DS0, DS1, and DS3) (20+) and all other types – ICB</li> </ul>	

<b>7a. Measurement</b>	
<b>Average Delay Days For SWBT Caused Missed Due Dates - POTS</b>	
<b>Definition:</b>	
Average calendar days from due date to completion date on company missed orders.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• Excludes orders that are not N, T, or C.</li> <li>• Excludes company delayed orders as a result of lack of facilities.</li> </ul>	
<b>Business Rules:</b>	
<p>The Due Date is the negotiated date by the customer and the SWBT representative for service activation. CLEC orders, the due date is the due date reflected on the FOC. The Completion Date is the day that SWBT personnel complete the service order activity.</p> <p>Combos are reported at the order level.</p>	
<b>Levels of Disaggregation:</b>	
<b>POTS</b> <ul style="list-style-type: none"> <li>• Business class of service</li> <li>• Residence class of service</li> </ul> <b>UNE Combo – None</b>	
<b>Calculation:</b>	<b>Report Structure:</b>
$\Sigma(\text{Completion date} - \text{due date}) \div$ (total # of completed orders with a SWBT caused missed due date)	Reported for CLEC, all CLECs and SWBT.
<b>Benchmark:</b>	
Resale POTS parity between Field Work compared to SWBT Field Work (N, T, and C order types) and No Field Work compared to SWBT Retail No Field Work (N, T, and C order types). UNE Combo Parity between Field Work compared to SWBT Field Work (N, T, and C order types) and No Field Work compared to SWBT Retail No Field Work (N, T, and C order types).	

<b>7b. Measurement</b>	
<b>Average Delay Days For SWBT Caused Missed Due Dates - Design</b>	
<b>Definition:</b>	
Average calendar days from due date to completion date on company missed circuit orders.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• UNE and Interconnection Trunks.</li> <li>• Excludes orders that are not N, T, or C.</li> </ul>	
<b>Business Rules:</b>	
The calculation is the difference in calendar days between the completion date and the due date. The source is WFA (Work Force Administration) and is at an item or circuit level. Specials are selected based on a specific service code off of the circuit ID.	
<b>Levels of Disaggregation:</b>	
See Measurement 4b.	
<b>Calculation:</b>	<b>Report Structure:</b>
$\Sigma(\text{Completion date} - \text{committed circuit due date}) \div (\# \text{ of posted} - \text{circuits with a SWBT caused missed due date})$	Reported for CLEC, all CLECs and SWBT Retail Specials.
<b>Benchmark:</b>	
Parity with SWBT Retail.	

<b>7c. Measurement</b>	
<b>Average Delay Days For SWBT Caused Missed Due Dates - UNE</b>	
<b>Definition:</b>	
Average calendar days from due date to completion date on company missed UNEs (8db loops are measured at an order level).	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• Specials and Interconnection Trunks.</li> <li>• Excludes UNE Combos captured in the POTS or Specials measurements.</li> <li>• Excludes orders that are not N, T, or C.</li> </ul>	
<b>Business Rules:</b>	
The calculation is the difference in calendar days between the completion date and the due date. The source is WFA (Work Force Administration) and is at an item or circuit level. UNEs are selected based on a specific service code off of the circuit ID. This measurement is reported at a circuit level for all UNEs with the exception of 8db loops, which are reported at an order level to facilitate comparison with POTS retail.	
<b>Levels of Disaggregation:</b>	
UNEs contained in the UNE price schedule, and/or agreed to by parties.	
<b>Calculation:</b>	<b>Report Structure:</b>
$\Sigma(\text{Completion date} - \text{committed UNE (8db loops are measured at the order level) due date}) \div (\# \text{ of posted UNEs (total completed orders for 8db loops) with SWBT caused missed due dates})$	Reported for CLEC and all CLECs.
<b>Benchmark:</b>	
See Measurement 4c.	

<b>8. Measurement</b>	
<b>Average Installation Interval - DSL</b>	
<b>Definition:</b>	
Average calendar days from application date to completion date for N, T, and C orders excluding customer caused misses and customer requested due date greater than the offered interval.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• Exclude orders that are not N, T, or C.</li> <li>• Excludes customer requested due dates greater than the offered interval</li> <li>• Excludes customer caused misses.</li> <li>• Excludes Weekends and Holidays.</li> </ul>	
<b>Business Rules:</b>	
<p>The Application Date is the day that the customer authorizes SWBT to provision the DSL based on the loop qualification. If the loop qualification determines that no conditioning is required, SWBT will initiate the service order when the loop qualification is returned from SWBT engineering and this date will be the application date. If conditioning is required, SWBT will reject the LSR back to the CLEC and wait for a supplement from the CLEC notifying SWBT of the appropriate action to take. If the CLEC supplements the LSR to order the DSL, SWBT will issue the order and the application date will be the date that SWBT receives the supplement. The Completion Date is the day that SWBT personnel complete the service order activity. The base of items is out of WFA (Work Force Administration) and it is reported at a circuit level.</p>	
<b>Levels of Disaggregation:</b>	
Loops requiring conditioning and loops requiring no conditioning.	
<b>Calculation:</b>	<b>Report Structure:</b>
$[\sum(\text{completion date} - \text{application date})] \div (\text{Total number of orders completed})$	Reported for CLEC and all CLECs.
<b>Benchmark:</b>	
Parity with SWBT or its Advanced Services Affiliate(s)	

<b>9. Measurement</b>	
<b>Average Response Time for Loop Make-Up Information</b>	
<b>Definition:</b>	
The average time required to provide loop qualification for ADSL.	
<b>Exclusions:</b>	
None	
<b>Business Rules:</b>	
The time starts when a request is received by the CLEC and ends when the information on the loop qualification has been made available to the CLEC.	
<b>Levels of Disaggregation:</b>	
ADSL or other DSL as determined by the Public Utility Commission of Texas.	
<b>Calculation:</b>	<b>Report Structure:</b>
$\frac{\sum(\text{Date and Time the Loop Qualification is made available to CLEC} - \text{Date and Time the CLEC request is received})}{\text{Total number of loop qualifications}}$	CLEC, All CLECs and SWBT.
<b>Benchmark:</b>	
Parity	

**Maintenance**

<b>10a. Measurement</b>	
<b>Percent Missed Repair Commitments - POTS</b>	
<b>Definition:</b>	
Percent of trouble reports not cleared by the commitment time.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>Excludes all disposition code “13” reports (excludable reports) with the exception of code 1316 unless the report is taken prior to the completion of the service order.</li> </ul>	
<b>Business Rules:</b>	
The negotiated commitment date and time is established when the repair report is received. The cleared time is the date and time that SWBT personnel clear the repair activity and complete the trouble report. If this is after the Commitment time, the report is flagged as a ‘Missed Commitment’.	
<b>Levels of Disaggregation:</b>	
<b>POTS</b> <ul style="list-style-type: none"> <li>Business class of service</li> <li>Residence class of service</li> <li>Dispatch</li> <li>No Dispatch</li> </ul> <b>UNE Combo</b> <ul style="list-style-type: none"> <li>Dispatch</li> <li>No Dispatch</li> </ul>	
<b>Calculation:</b>	<b>Report Structure:</b>
(Count of trouble reports not cleared by the commitment time ÷ total trouble reports) * 100	Reported for CLEC, all CLECs and SWBT
<b>Benchmark:</b>	
<b>POTS – Parity with SWBT Retail.</b> <b>UNE Combo – Parity with SWBT Business and Residence combined.</b>	

<b>10b. Measurement</b>	
<b>Percent Missed Repair Commitments - UNE</b>	
<b>Definition:</b>	
Percent of trouble reports not cleared by the commitment time for SWBT reasons.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• Specials and Interconnection Trunks</li> <li>• Excludes all UNE Combos other than 8db loops with test access.</li> </ul>	
<b>Business Rules:</b>	
The commitment time is defined as 24 hours. If the cleared date and time minus the receive date and time > 24 hours, it counts as a trouble report that missed the repair commitment. UNEs are selected based on a specific service code off of the circuit ID.	
<b>Levels of Disaggregation:</b>	
"POTS type" loops (2-Wire Analog 8dB Loop) with test access	
<b>Calculation:</b>	<b>Report Structure:</b>
(Count of trouble reports not cleared by the commitment time for company reasons ÷ total trouble reports) * 100	Reported for each CLEC, all CLECs and SWBT
<b>Benchmark:</b>	
Parity with SWBT POTS Business and Residence combined	

<b>11a. Measurement</b>	
<b>Percent Repeat Reports - POTS</b>	
<b>Definition:</b>	
Percent of customer trouble reports received within 10 calendar days of a previous customer report.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• Excludes subsequent reports. A subsequent report is one that is received while an existing repair report is open</li> <li>• Excludes disposition code “13” reports (excludable reports) with the exception of code 1316 unless the report is taken prior to the completion of the service order.</li> <li>• Excludes reports caused by customer provided equipment (CPE) or wiring</li> </ul>	
<b>Business Rules:</b>	
Includes customer trouble reports received within 10 calendar days of an original customer report. When the second report is received in 10 days, the original report is marked as an Original of a Repeat, and the second report is marked as a Repeat. If a third report is received within 10 days, the second report is marked as an Original of a Repeat as well as being a Repeat, and the third report is marked as a Repeat. In this case there would be two repeat reports.	
<b>Levels of Disaggregation:</b>	
<b>POTS</b> <ul style="list-style-type: none"> <li>• Business class of service</li> <li>• Residence class of service</li> </ul> <b>UNE Combo - None</b>	
<b>Calculation:</b>	<b>Report Structure:</b>
Count of customer trouble reports, not caused by CPE or wiring and excluding subsequent reports, received within 10 calendar days of a previous customer report ÷ total customer trouble reports not caused by CPE or wiring and excluding subsequent reports) * 100	Reported by CLEC, all CLECs and SWBT
<b>Benchmark:</b>	
<b>POTS – Parity with SWBT Retail.</b> <b>UNE Combo – Parity with SWBT Business and Residence combined.</b>	

<b>11b. Measurement</b>	
<b>Percent Repeat Reports - Design</b>	
<b>Definition:</b>	
Percent of network customer trouble reports received within 30 calendar days of a previous customer report.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• UNE and Interconnection Trunk</li> </ul>	
<b>Business Rules:</b>	
Includes customer trouble reports received within 30 calendar days of an original customer report. When the second report is received in 30 days, the original report is marked as an Original of a Repeat, and the second report is marked as a Repeat. If a third report is received within 30 days, The second report is marked as an Original of a Repeat as well as being a Repeat, and the third report is marked as a Repeat. In this case there would be two repeat reports.	
<b>Levels of Disaggregation:</b>	
See Measurement 4b.	
<b>Calculation:</b>	<b>Report Structure:</b>
Count of network customer trouble reports received within 30 calendar days of a previous customer report ÷ total network customer trouble reports) * 100	Reported for CLEC, all CLECs and SWBT
<b>Benchmark:</b>	
Parity with SWBT Retail	

<b>11c. Measurement</b>	
<b>Percent Repeat Reports - UNE</b>	
<b>Definition:</b>	
Percent of network customer trouble reports received within 30 calendar days of a previous customer report.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• Specials and Interconnection Trunks</li> <li>• Excludes all UNE Combos other than 8db loops with test access.</li> </ul>	
<b>Business Rules:</b>	
Includes customer trouble reports received within 30 calendar days of an original customer report. When the second report is received in 30 days, the original report is marked as an Original of a Repeat, and the second report is marked as a Repeat. If a third report is received within 10 days, the second report is marked as an Original of a Repeat as well as being a Repeat, and the third report is marked as a Repeat. In this case there would be two repeat reports. If either the original or the second report within 30 days is a measured report, then the second report counts as a Repeat report.	
<b>Levels of Disaggregation:</b>	
UNEs contained in the UNE price schedule, and / or agreed to by the parties.	
<b>Calculation:</b>	<b>Report Structure:</b>
Count of network customer trouble reports received within 30 calendar days of a previous customer report ÷ total network customer trouble reports) * 100	Reported for CLEC, all CLECs and SWBT
<b>Benchmark:</b>	
See Measurement 4c.	

<b>12a. Measurement</b>	
<b>Receipt To Clear Duration - POTS</b>	
<b>Definition:</b>	
Average duration of customer trouble reports from the receipt of the customer trouble report to the time the trouble report is cleared.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• Excludes subsequent reports. A subsequent report is one that is received while an existing repair report is open.</li> <li>• Excludes disposition code “13” reports (excludable reports) with the exception of code 1316 unless the report is taken prior to the completion of the service order.</li> </ul>	
<b>Business Rules:</b>	
The clock starts on the date and time SWBT receives a trouble report. The clock stops on the date and time that SWBT personnel clear the repair activity and complete the trouble report in WFA.	
<b>Levels of Disaggregation:</b>	
<b>POTS</b> <ul style="list-style-type: none"> <li>• Business class of service</li> <li>• Residence class of service</li> <li>• Dispatch</li> <li>• No Dispatch</li> <li>• Affecting Service</li> <li>• Out of Service</li> </ul> <b>UNE Combo</b> <ul style="list-style-type: none"> <li>• Dispatch</li> <li>• No Dispatch</li> <li>• Affecting Service</li> <li>• Out of Service</li> </ul>	
<b>Calculation:</b>	<b>Report Structure:</b>
$\Sigma[(\text{Date and time SWBT clears ticket with the CLEC}) - (\text{Date and time ticket received})] \div \text{Total customer trouble reports}$	Reported for POTS Resale trouble reports by CLEC, all CLECs and SWBT
<b>Benchmark:</b>	
<b>POTS – Parity with SWBT Retail.</b> <b>UNE Combo – Parity with SWBT Business and Residence combined.</b>	

<b>12b. Measurement</b>	
<b>Mean Time To Restore - Design</b>	
<b>Definition:</b>	
Average duration of network customer trouble reports from the receipt of the customer trouble report to the time that the trouble report is cleared.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• UNE and Interconnection Trunk</li> <li>• No Access time</li> <li>• Delayed Maintenance time</li> </ul>	
<b>Business Rules:</b>	
The start time is when the customer report is received and the stop time is when the report is closed in WFA. Specials are selected based on a specific service code off of the circuit ID.	
<b>Levels of Disaggregation:</b>	
<ul style="list-style-type: none"> <li>• Resold Specials - DDS, DS1, DS3, Voice Grade Private Line (VGPL), ISDN and any other services available for resale</li> <li>• UNE Loop and Port - ISDN and other combinations</li> </ul>	
<b>Calculation:</b>	<b>Report Structure:</b>
$\Sigma[(\text{Date and time trouble report is cleared with the customer}) - (\text{date and time trouble report is received})] \div \text{total network customer trouble reports}$	Reported for CLEC, all CLECs and SWBT
<b>Benchmark:</b>	
Parity with SWBT Retail	

<b>12c. Measurement</b>	
<b>Mean Time To Restore - UNE</b>	
<b>Definition:</b>	
Average duration of network customer trouble reports from the receipt of the customer trouble report to the time the trouble report is cleared excluding no access and delayed maintenance.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• Specials and Interconnection Trunks</li> <li>• Excludes all UNE Combos other than 8db loops with test access.</li> </ul>	
<b>Business Rules:</b>	
The start time is when the report is received. The stop time is the stop time is when the report is cleared in WFA.	
<b>Levels of Disaggregation:</b>	
UNEs contained in the UNE price schedule, and / or agreed to by the parties.	
<b>Calculation:</b>	<b>Report Structure:</b>
$\Sigma[(\text{Date and time trouble report is cleared with the customer}) - (\text{date and time trouble report is received})] \div \text{total network customer trouble reports}$	Reported for CLEC, all CLECs and SWBT
<b>Benchmark:</b>	
See Measurement 4c.	

<b>13a. Measurement</b>	
<b>Trouble Report Rate - POTS</b>	
<b>Definition:</b>	
The number of customer trouble reports per 100 lines.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• Excludes reports caused by customer provided equipment (CPE) or wiring</li> <li>• Excludes all disposition “13” reports (excludable reports) with the exception of code 1316 unless the report is taken prior to the completion of the service order.</li> </ul>	
<b>Business Rules:</b>	
CLEC and SWBT repair reports are entered into and tracked via WFA. They are downloaded nightly into LMOS. Reports are counted in the month they post to LMOS.	
<b>Levels of Disaggregation:</b>	
<b>POTS</b> <ul style="list-style-type: none"> <li>• Business class of service</li> <li>• Residence class of service</li> </ul> <b>UNE Combo - None</b>	
<b>Calculation:</b>	<b>Report Structure:</b>
[Total number of customer trouble reports ÷ (total lines ÷100)]	Reported for POTS Resale trouble reports by CLEC, all CLECs and SWBT
<b>Benchmark:</b>	
<b>POTS – Parity with SWBT Retail.</b> <b>UNE Combo – Parity with SWBT Business and Residence combined.</b>	

<b>13b. Measurement</b>	
<b>Failure Frequency - Design</b>	
<b>Definition:</b>	
The number of network customer trouble reports within a calendar month per 100 circuits.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• UNE and Interconnection Trunks</li> </ul>	
<b>Business Rules:</b>	
CLEC and SWBT repair reports are entered into and tracked via WFA. Reports are counted in the month they post.	
<b>Levels of Disaggregation:</b>	
See Measurement 4b.	
<b>Calculation:</b>	<b>Report Structure:</b>
[Count of network trouble reports ÷ (Total Resold circuits ÷ 100)]	Reported for CLEC, all CLECs and SWBT
<b>Benchmark:</b>	
Parity with SWBT Retail	

<b>13c. Measurement</b>	
<b>Trouble Report Rate - UNE</b>	
<b>Definition:</b>	
The number of network customer trouble reports within a calendar month per 100 UNEs.	
<b>Exclusions:</b>	
<ul style="list-style-type: none"> <li>• Specials and Interconnection Trunks</li> <li>• Excludes Non-measured reports (CPE, Interexchange, and Information reports)</li> <li>• Excludes UNE Combos captured in the POTS or Specials measurements</li> </ul>	
<b>Business Rules:</b>	
Repair reports are entered into and tracked via WFA. Reports are counted in the month they post.	
<b>Levels of Disaggregation:</b>	
UNEs contained in the UNE price schedule, and / or agreed to by the parties.	
<b>Calculation:</b>	<b>Report Structure:</b>
[Count of network trouble reports ÷ (Total UNEs ÷ 100)]	Reported for CLEC, all CLECs and SWBT
<b>Benchmark:</b>	
See Measurement 4c.	

## Interconnection

<b>14. Measurement</b>	
<b>Average Trunk Restoration Interval for Service Affecting Trunk Groups</b>	
<b>Definition:</b>	
The average time to restore service affecting trunk groups.	
<b>Exclusions:</b>	
None	
<b>Business Rules:</b>	
Service affecting is defined as 20% of a trunk group out-of-service that causes trunk group blockage. The clock starts on receipt of a trouble ticket from the CLEC that identifies a service affecting condition. The clock stops after completion of work by SWBT.	
<b>Levels of Disaggregation:</b>	
<ul style="list-style-type: none"> <li>• Tandem trunk groups.</li> <li>• Non-Tandem trunk groups.</li> <li>• By Market Region.</li> </ul>	
<b>Calculation:</b>	<b>Report Structure:</b>
Total trunk group outage time / total trunk group trouble reports	Reported for CLEC, all CLECs and SWBT.
<b>Benchmark:</b>	
Tandem trunk groups – 1 hour / Non-Tandem – 2 hours.	

<b>15. Measurement</b>	
<b>Percent Trunk Blockage</b>	
<b>Definition:</b>	
Percent of calls blocked on outgoing traffic from SWBT end office to CLEC end office and from SWBT tandem to CLEC end office	
<b>Exclusions:</b>	
None.	
<b>Business Rules:</b>	
<p>Blocked calls and total calls are gathered during the official study week each month. This week is chosen from a pre-determined schedule.</p> <p>No penalties or liquidated damages apply:</p> <ul style="list-style-type: none"> <li>• If CLECs have trunks busied-out for maintenance at their end, or if they have other network problems which are under their control.</li> <li>• SWBT is ready for turn-up on Due Date and CLEC is not ready or not available for turn-up of trunks.</li> <li>• If CLEC does not take action upon receipt of Trunk Group Service Request (TGSR) or ASR within 3 days when a Call Blocking situation is identified by SWBT or in the timeframe specified in the ICA.</li> <li>• If CLEC fails to provide a forecast.</li> <li>• If CLECs actual trunk usage, as shown by SWBT from traffic usage studies, is more than 25% above CLEC's most recent forecast, which must have been provided within the last six-months unless a different timeframe is specified in an interconnection agreement</li> </ul> <p>The exclusions do not apply if SWBT fails to timely provide CLEC with traffic utilization data reasonably required for CLEC to develop its forecast or if SWBT refuses to accept CLEC trunk orders (ASRs or TGSRs) that are within the CLEC's reasonable forecast regardless of what the current usage data is.</p>	
<b>Levels of Disaggregation:</b>	
<ul style="list-style-type: none"> <li>• The SWBT end office to CLEC end office and SWBT tandem to CLEC end office trunk blockage will be reported separately</li> <li>• By Market Region</li> </ul>	
<b>Calculation:</b>	<b>Report Structure:</b>
(Count of blocked calls ÷ total calls offered) * 100	Reported for CLEC, all CLECs and SWBT
<b>Benchmark:</b>	
Dedicated Trunk Groups not to exceed blocking standard of B.01.	

## Local Number Portability

<b>16. Measurement</b>	
<b>Percentage of Premature Disconnects (Coordinated Cutovers)</b>	
<b>Definition:</b>	
Percentage of coordinated cutovers where SWBT prematurely disconnects the customer prior to the scheduled conversion.	
<b>Exclusions:</b>	
None	
<b>Business Rules:</b>	
A premature disconnect occurs any time SWBT disconnects the CLEC customer prior to the CLEC being on line.	
<b>Levels of Disaggregation:</b>	
None	
<b>Calculation:</b>	<b>Report Structure:</b>
(Count of prematurely disconnected customers ÷ total coordinated conversion customers) * 100	Reported by CLEC and all CLECs disaggregated by INP and INP with UNE loop.
<b>Benchmark:</b>	
2% or less premature disconnects starting 10 minutes before scheduled time.	

## Collocation

<b>17. Measurement</b>	
<b>Percent Missed Collocation Due Dates</b>	
<b>Definition:</b>	
The percent of SWBT caused missed due dates for Collocation projects.	
<b>Exclusions:</b>	
None	
<b>Business Rules:</b>	
<p>The clock starts when SWBT receives, in compliance with the approved tariff, payment and return of proposed layout for space as specified in the application form from the CLEC and the clock stops when the collocation arrangement is complete and ready for CLEC occupancy. Due Date Extensions will be extended when mutually agreed to by SWBT and the CLEC, or when a CLEC fails to complete work items for which they are responsible in the allotted time frame. The extended due date will be calculated by adding to the original due date the number of calendar days that the CLEC was late in performing said work items. Work items include but are not limited to:</p> <ul style="list-style-type: none"> <li>• CLEC return to SWBT corrected and complete floor plan drawings</li> <li>• CLEC placement of required component(s)</li> <li>• If the business rules and tariff are inconsistent, the terms of the tariff will apply.</li> </ul>	
<b>Levels of Disaggregation:</b>	
Physical, virtual, cageless and additions	
<b>Calculation:</b>	<b>Report Structure:</b>
(count of number of SWBT caused missed due dates for physical collocation facilities ÷ total number of physical collocation projects) * 100	Reported for individual CLEC and all CLECs
<b>Benchmark:</b>	
95% within the due date. Damages and Assessments will be calculated based on the number of days late.	

## Billing

<b>18. Measurement</b>	
<b>Billing Timeliness (Wholesale Bill)</b>	
<b>Definition:</b>	
Billing Timeliness measures the length of time from the billing date to the time it is sent or transmitted (made available) to the CLECs.	
<b>Exclusions:</b>	
Excludes Weekends and Holidays	
<b>Business Rules:</b>	
The transmission date is used to gather the data for the reporting period. The measurement counts the number of workdays between the bill day and transmission date for each bill.	
<b>Levels of Disaggregation:</b>	
None	
<b>Calculation:</b>	<b>Report Structure:</b>
(Count of bills transmitted on time ÷ total number of bills released) * 100	Reported for CLEC and all CLECs
<b>Benchmark:</b>	
95% within 6 <sup>th</sup> workday	

OSS

<b>19. Measurement</b>	
<b>OSS Interface Availability</b>	
<b>Definition:</b>	
Percent of time OSS interface is available compared to scheduled availability.	
<b>Exclusions:</b>	
None	
<b>Business Rules:</b>	
<p>The total “number of hours functionality to be available” is the cumulative number of hours (by date and time on a 24 hour clock) over which SWBT plans to offer and support CLEC access to SWBT’s operational support systems (OSS) functionality during the reporting period. “Hours Functionality is Available” is the actual number of hours, during scheduled available time, that the SWBT interface is capable of accepting or receiving CLEC transactions or data files for processing through the interface and supporting operational support systems (OSS). The actual time available is divided by the scheduled time available and then multiplied by 100 to produce the “percent system availability” measure. SWBT will not schedule normal maintenance during business hours (8 am. to 5:30 PM. Monday through Friday).</p>	
<b>Levels of Disaggregation:</b>	
<ul style="list-style-type: none"> <li>• None</li> </ul>	
<b>Calculation:</b>	<b>Report Structure:</b>
<p>((Hours functionality is available during the scheduled available hours ) ÷ Scheduled system available hours) * 100</p>	<p>Reported on an aggregate CLEC basis by interface e.g. EASE, DATAGATE, VERIGATE, LEX, EDI and TOOLBAR. The RAF will be reported on an individual CLECs basis</p>
<b>Benchmark:</b>	
99%	

**Interconnection**

<b>20. Measurement</b>	
<b>Common Transport Trunk Blockage</b>	
<b>Definition:</b>	
Percentage of local common transport trunk groups exceeding 2% blockage.	
<b>Exclusions:</b>	
No data is collected on weekends	
<b>Business Rules:</b>	
Blocked calls and total calls are gathered during the official study week each month. This week is chosen from a pre-determined schedule.	
<b>Levels of Disaggregation:</b>	
<ul style="list-style-type: none"> <li>• Common trunk groups where CLECs share ILEC trunks, and Common trunk groups for CLECs not shared by ILEC.</li> <li>• By Market Region.</li> </ul>	
<b>Calculation:</b>	<b>Report Structure:</b>
(Number of common transport trunk groups exceeding 2% blocking ÷ total common transport trunk groups) * 100.	Reported on local common transport trunk groups.
<b>Benchmark:</b>	
3% Blockage	

Attachment A-2b

**SBC/AMERITECH PERFORMANCE MEASUREMENT BUSINESS RULES  
(CALIFORNIA AND NEVADA)**

**OSS**

<b>1. Measurement</b>
<b>Average FOC/LSC Notice Interval</b>
<b>Definition:</b> Average time from receipt of a service request to returning a Firm Order Confirmation (FOC)/Local Service Confirmation (LSC).
<b>Exclusions</b> <ul style="list-style-type: none"><li><input type="checkbox"/> Excludes non-business days.</li><li><input type="checkbox"/> Exclude PIC and LPIC orders.</li></ul>
<b>Business Rules:</b> <ul style="list-style-type: none"><li><input type="checkbox"/> The start time of requests received after the end of the business day will be the beginning of the next business day. Business day is defined as published hours of operation or the ILEC ordering center.<ul style="list-style-type: none"><li>• Business days (M-F, excluding PB/NB official holidays)</li><li>• Business hours:<ul style="list-style-type: none"><li>Resale/Retail 8 a.m. to 5 p.m.</li><li>Facility based 8 a.m. to 5 p.m.</li></ul></li></ul></li><li><input type="checkbox"/> Excludes non-business days.</li><li><input type="checkbox"/> Elapsed time calculated in hours.</li><li><input type="checkbox"/> Exclude PIC and LPIC orders.</li><li><input type="checkbox"/> If UNE and PNP occur on the same service order, UNE used for reporting the measure.</li><li><input type="checkbox"/> Report period is calendar month.</li></ul>
<b>Disaggregation:</b> <ul style="list-style-type: none"><li>• Electronically received/electronically handled</li><li>• Electronically received/manually handled</li><li>• Manually received/manually handled</li><li>• Service Group Type</li><li>• Interconnection trunks by New and Augment</li></ul>

Calculation:	Report Structure:
<p><b>Mechanized:</b>  Sum ((Date and Time of FOC/LSC) – (Business Date and Time of Receipt of Valid Service Request)) / (Number of FOCs/LSCs Sent in Reporting Period)</p>	<p>□ Needs to be reported by:</p> <ul style="list-style-type: none"> <li>• CLEC</li> <li>• CLECs in the aggregate</li> <li>• ILEC Affiliates</li> </ul>
<p><b>Manual:</b>  Sum ((Fax Date and Time Returned) – (Business Date and Time receipt of valid fax service request)) / (Number of Faxes Submitted in Reporting period)</p>	
<p><b>Held and Denied Interconnection Trunk Requests:</b>  Sum (Date Request is Released) – (Date Request is Originally Received) / (Number of Requests Held and Released)</p>	
Benchmark:	
<p><b>Fully electronic flow through: Average 20 minutes</b>  <b>Electronically received/manually handled: Average 6 hours</b>  <b>Manually received/manually handled: Average 12 hours</b>  <b>Interconnection Trunks Standard –</b></p> <ul style="list-style-type: none"> <li>• Average 7 days (New)</li> <li>• Average 4 days (Augment)</li> <li>• Held and denied requests – average interval (diagnostic only)</li> </ul>	

## **2. Measurement**

### **Average Response Time (to Pre-Order Queries)**

#### **Definition:**

The response interval for each pre-ordering query is determined by computing the elapsed time from the ILEC receipt of the query from the CLEC, whether or not syntactically correct, to the time the ILEC returns the requested data to the CLEC.

#### **Exclusions**

None

#### **Business Rules:**

- ❑ The start time of requests received after the end of the business day will be the beginning of the next business day. Business day is defined as published hours of operation or the ILEC ordering center.
  - Business days (M-F, excluding PB/NB official holidays)
  - Business hours:
    - Resale/Retail 8 a.m. to 5 p.m.
    - Facility based 8 a.m. to 5 p.m.
- ❑ System hours as published currently available 20 hours per day, 7 days per week.
- ❑ Elapsed time calculated in seconds.
- ❑ By the following requests:
  - Address verification/Dispatch required
  - Facility availability
  - Request for telephone number
  - Request for customer service record
  - Service availability
  - Service appointment scheduling (due date)
  - Rejected/Failed inquiries

#### **Disaggregation:**

- ❑ By interface type including fax.
- ❑ By query type.
- ❑ By the following request types:
  - Address verification/Dispatch required
  - Facility availability
  - Request for telephone number
  - Request for customer service record
  - Service availability
  - Service appointment scheduling (due date)
  - Rejected/Failed inquiries

Calculation:	Report Structure:
<p><b><u>OSS Interface Transaction Time</u></b>  Sum ((Query Submission Date and Time to Legacy System Access) – (Query Submission Date and Time to OSS Interface) + (Query Response Date and Time to CLEC) – (Query Response Date and Time from Legacy System Access)) / (Number of Queries Submitted in Reporting Period)</p> <p><b>Legacy System Transaction Time</b>  Sum ((Query Response Date and Time from Legacy System) – (Query Submission Date and Time to Legacy System)) / (Number of Queries Submitted in Reporting Period)</p> <p><b>Manual: (CSRs only)</b>  (# of CSR’s Returned within 4 Business Hours) / (# of CSRs Returned) x 100</p>	<p>□ Needs to be reported by:</p> <ul style="list-style-type: none"> <li>• CLEC</li> <li>• CLECs in the aggregate</li> <li>• ILEC</li> <li>• ILEC Affiliates</li> </ul>
<b>Benchmark:</b>	
<p>□ Mechanized:</p> <ul style="list-style-type: none"> <li>• Interface transaction time: Benchmark to be determined October 1999.</li> </ul> <p>□ Legacy System time: Parity</p> <p>□ Manual:</p> <ul style="list-style-type: none"> <li>• CSRs Standard – 95% in 4 hours</li> <li>• Facilities Availability Inquiries (K1023)</li> </ul>	

### 3. Measurement

#### Percentage of Flow-Through Orders

##### Definition:

Measures the percentage of mechanized service requests processed on a flow through basis.

##### Exclusions

- Exclude PIC and LPIC orders.

##### Business Rules:

- Report period is a calendar month.
- From receipt to FOC is considered flow-through for this measure.
- SGT (Service Group Type)/SOT (Service Order Type) aggregate data includes all service group/service order combinations received electronically.

##### Disaggregation:

All orders received electronically:

- Reported for all electronically received orders by:  
Percent of orders that flow through  
Aggregate Service Group Type (SGT)/Service Order Type (SOT)
- Reported for all orders programmed to flow through by:  
Percent of programmed orders that flow through  
Service Group Type (SGT)/Service Order Type(SOT)

##### Calculation:

$$\frac{\text{((Number of valid mechanized orders that flow-through without manual intervention) / (Total valid mechanized service orders) x 100}}{100}$$

##### Report Structure:

- Needs to be reported by:
  - CLEC
  - CLECs in the aggregate
  - ILEC Affiliates

##### Benchmark:

Diagnostic only; benchmark to be determined by CPUC.

## Provisioning

### 4a. Measurement

#### Percent of Due Dates Missed - POTS

##### Definition:

Percent of new, move, and change orders where installation was not completed by the due date.

##### Exclusions

Excludes non-business days

Excludes CLEC caused misses.

Excludes customer caused misses

- If the original due date on an order is missed due to customer reasons, the order should be excluded from this measure, regardless if there are future misses on the order (company or customer).
- If the original due date on an order is missed due to company reasons, the order should be included in this measure, regardless if there are future misses on the order (company or customer).

##### Business Rules:

- Report period is a calendar month
- The start time of requests received after the end of the business day will be the beginning of the next business day. Business day is defined as published hours of operation or the ILEC ordering center.
  - Business days (M-F, excluding PB/NB official holidays)
  - Business hours:
    - Resale/Retail 8 a.m. to 5 p.m.
    - Facility based 8 a.m. to 5 p.m.
- Excludes non-business days.
- Excludes CLEC caused misses.
- Excludes end customer caused misses.
- Due date is defined as original due date or final due date if the original due date was missed due to customer reasons.
- Data is to be reported by Field Work/No Field Work
- Results reported by Missed Appointment (MAC) reason codes as diagnostic data.
- "T" orders are considered "New" orders for purposes of the report.

##### Disaggregation:

Comparison for Resale is analogous Retail product. Products included are:

POTS Residence/Business

Field Work/No Field Work as appropriate

<b>Calculation:</b>	<b>Report Structure:</b>
<b>(Total Number of Missed Due Dates Due to ILEC Reasons for New, Move and Change Orders / Total Number of New, Move and Change Orders) x 100</b>	<input type="checkbox"/> <b>Needs to be reported by:</b> <ul style="list-style-type: none"> <li>• CLEC</li> <li>• CLECs in the aggregate</li> <li>• ILEC</li> <li>• ILEC Affiliates</li> </ul>
<b>Benchmark:</b>	
Parity	

#### **4b. Measurement**

##### **Percent of Due Dates Missed - Design**

###### **Definition:**

**Percent of new, move, and change orders where installation was not completed by the due date.**

###### **Exclusions**

**Excludes non-business days.**

**Excludes CLEC caused misses.**

**Excludes customer caused misses**

- **If the original due date on an order is missed due to customer reasons, the order should be excluded from this measure, regardless if there are future misses on the order (company or customer).**
- **If the original due date on an order is missed due to company reasons, the order should be included in this measure, regardless if there are future misses on the order (company or customer).**

###### **Business Rules:**

- Report period is a calendar month**
- The start time of requests received after the end of the business day will be the beginning of the next business day. Business day is defined as published hours of operation or the ILEC ordering center.**
  - **Business days (M-F, excluding PB/NB official holidays)**
  - **Business hours:**
    - Resale/Retail 8 a.m. to 5 p.m.**
    - Facility based 8 a.m. to 5 p.m**
- Excludes non-business days.**
- Excludes CLEC caused misses.**
- Excludes end customer caused misses.**
- Due date is defined as original due date or final due date if the original due date was missed due to customer reasons.**
- Results need to be reported by Missed Appointment (MAC) reason codes as diagnostic data.**
- “T” orders are considered “New” orders for purposes of the report.**

**Disaggregation:**

**Comparison for Resale is analogous Retail product. Products included are:**

**ISDN BRI  
CENTREX  
PBX  
DDS  
DS1/ISDN PRI  
DS3  
VGPL/DS0**

**Field Work/No Field Work as appropriate**

**Calculation:**

**(Total Number of Missed Due Dates Due to ILEC Reasons for New, Move and Change Orders / Total Number of New, Move and Change Orders) x 100**

**Report Structure:**

- Needs to be reported by:**
  - **CLEC**
  - **CLECs in the aggregate**
  - **ILEC**
  - **ILEC Affiliates**

**Benchmark:**

**Parity**

#### **4c. Measurement**

##### **Percent of Due Dates Missed - UNE**

###### **Definition:**

**Percent of new, move, and change orders where installation was not completed by the due date.**

###### **Exclusions**

**Excludes non-business days.**

**Excludes CLEC caused misses.**

**Excludes end customer caused misses**

- **If the original due date on an order is missed due to customer reasons, the order should be excluded from this measure, regardless if there are future misses on the order (company or customer).**
- **If the original due date on an order is missed due to company reasons, the order should be included in this measure, regardless if there are future misses on the order (company or customer).**

###### **Business Rules:**

- Report period is a calendar month.**
- The start time of requests received after the end of the business day will be the beginning of the next business day. Business day is defined as published hours of operation or the ILEC ordering center.**
  - **Business days (M-F, excluding PB/NB official holidays)**
  - **Business hours:**
    - Resale/Retail 8 a.m. to 5 p.m.**
    - Facility based 8 a.m. to 5 p.m.**
- Excludes non-business days.**
- Excludes CLEC caused misses.**
- Excludes end customer caused misses.**
- Due date is defined as original due date or final due date if the original due date was missed due to customer reasons.**
- XDSL loops will be identified by class of service + NC/NCI code and/or class of service + DSL reference in the S&E section of service order.**
- Data is to be reported by Field Work/No Field Work**
- Results need to be reported by Missed Appointment (MAC) reason codes as diagnostic data.**
- Subsequent MAC codes need to be retained but not reported.**
- “T” orders are considered “New” orders for purposes of the report.**

<b>Disaggregation:</b>	
<b>Parity for UNE measured for the following UNEs:</b>	<b>Pacific Bell/Nevada Bell Retail</b>
<b>2/4w (8db) analog loop (incl. Coin/analog, PBX)</b>	<b>POTS - Business (fielded)</b>
<b>2/4w (5.5 db) assured analog loop</b>	<b>POTS Business Assured (PBX)</b>
<b>2w digital loop(ISDN capable)</b>	<b>ISDN(BRI)</b>
<b>2w digital loop(xDSL capable)</b>	<b>ADSL</b>
<b>4w digital loop (1.544Mbps capable)</b>	<b>DS1</b>
<b>UNE Port–Basic Analog/Coin</b>	<b>POTS - Business (fielded)</b>
<b>UNE Port–CENTREX</b>	<b>CENTREX</b>
<b>UNE Port–ISDN (BRI)</b>	<b>CENTREX</b>
<b>UNE Port–DS1/ISDN-PRI (incl. DS1 line port)</b>	<b>DS1/ISDN(PRI)</b>
<b>UNE Port–PBX DID</b>	<b>PBX DID</b>
<b>UNE Dedicated Transport (incl.DS1 and DS3)</b>	<b>HICAP (DS1 &amp; DS3)</b>
<b>UNE Platform</b>	<b>Analogous Retail Service</b>
<b>Interconnection Trunks</b>	<b>ILEC Dedicated Trunks</b>
<b>Calculation:</b>	<b>Report Structure:</b>
(Total Number of Missed Due Dates Due to ILEC Reasons for New, Move and Change Orders / Total Number of New, Move and Change Orders) x 100	<input type="checkbox"/> <b>Needs to be reported by:</b> <ul style="list-style-type: none"> <li>• <b>CLEC</b></li> <li>• <b>CLECs in the aggregate</b></li> <li>• <b>ILEC</b></li> <li>• <b>ILEC Affiliates</b></li> </ul>
<b>Benchmark:</b>	
<b>Parity</b>	

#### **4d. Measurement**

##### **Average Completion Notice Interval**

###### **Definition:**

**Measures the average time per order to issue notification to CLEC of a completed order.**

###### **Exclusions**

- Excludes weekends and ILEC published holidays.
- Exclude PIC and LPIC orders.

###### **Business Rules:**

- Report period is a calendar month.
- 24 hour clock is used to measure interval for all interfaces other than LEX, EDI.
- Excludes weekends and ILEC published holidays.
- Exclude PIC and LPIC orders.

###### **Disaggregation:**

**Fully electronic orders that flow through (LEX, EDI)**

**All interface types**

###### **Calculation:**

**Fully Electronic:**  
**Sum ((Date and Time of Completion Notification to CLEC) – (Date and Time of Work Completion)) / (Number of Service Orders Completed)**

###### **Report Structure:**

- Needs to be reported by:
  - CLEC
  - CLECs in the aggregate
  - ILEC Affiliates
- By all interface types.

###### **Benchmark:**

**Fully electronic (orders that flow through) (LEX, EDI) -**

**Benchmark Standard:**

**Average 20 minutes**

**All other interfaces**

**Benchmark Standard:**

**90% within 24 hours (1 business day)**

## **5a. Measurement**

### **Percentage Troubles in 30 Days for New Orders - POTS**

#### **Definition:**

Measures the percent of network customer trouble reports received within 30 calendar days of service order completion.

#### **Exclusions**

- Excludes CPE and IEC/CLEC caused troubles.
- Excludes Subsequent reports.
- Excludes Message Reports (circuit reports for which ILEC has no records).
- Excludes Message Covers.
- Excludes troubles associated with inside wire.
- Excludes ILEC employee generated reports.
- Excludes informational type of requests and other requests (refer to M&P).
- Excludes Trouble Reports received on the due date (which are reported in the "Provisioning Troubles" measure).
- Excludes trouble reports for Retail New Connect Service occurring prior to due date (no trouble report taken on a service that does not exist yet).
- Exclude PIC and LPIC orders.

#### **Business Rules:**

- Excludes CPE and IEC/CLEC caused troubles.
- Excludes Subsequent reports.
- Excludes Message Reports (circuit reports for which ILEC has no records).
- Excludes Message Covers.
- Excludes troubles associated with inside wire.
- Excludes ILEC employee generated reports.
- Excludes informational type of requests and other requests (refer to M&P).
- Excludes Trouble Reports received on the due date (which are reported in the "Provisioning Troubles" measure).
- Excludes trouble reports for Retail New Connect Service occurring prior to due date (no trouble report taken on a service that does not exist yet).
- Exclude PIC and LPIC orders.

#### **Disaggregation:**

Comparison for Resale is analogous Retail product. Products included are:

POTS Residence

POTS Business

<b>Calculation:</b>	<b>Report Structure:</b>
<p><b>(Total Number of Customer Trouble reports received within 30 calendar days of service order completion / Total Number of new, move, and change completed orders) x 100</b></p>	<p>□ <b>Needs to be reported by:</b></p> <ul style="list-style-type: none"> <li>• <b>CLEC</b></li> <li>• <b>CLECs in the aggregate</b></li> <li>• <b>ILEC</b></li> <li>• <b>ILEC Affiliates</b></li> </ul>
<b>Benchmark:</b>	
Parity	

## **5b. Measurement**

### **Percentage Troubles in 30 Days for New Orders - Design**

#### **Definition:**

**Measures the percent of network customer trouble reports received within 30 calendar days of service order completion.**

#### **Exclusions**

- Excludes CPE and IEC/CLEC caused troubles.**
- Excludes Subsequent reports.**
- Excludes Message Reports (circuit reports for which ILEC has no records)**
- Excludes Message Covers.**
- Excludes troubles associated with inside wire.**
- Excludes ILEC employee generated reports.**
- Excludes informational type of requests and other requests (refer to M&P).**
- Excludes Trouble Reports received on the due date (which are reported in the "Provisioning Troubles" measure).**
- Excludes trouble reports for Retail New Connect Service occurring prior to due date (no trouble report taken on a service that does not exist yet).**
- Exclude PIC and LPIC orders.**

#### **Business Rules:**

- Excludes CPE and IEC/CLEC caused troubles.**
- Excludes Subsequent reports**
- Excludes Message Reports (circuit reports for which ILEC has no records).**
- Excludes Message Covers.**
- Excludes troubles associated with inside wire.**
- Excludes ILEC employee generated reports.**
- Excludes informational type of requests and other requests (refer to M&P).**
- Excludes Trouble Reports received on the due date (which are reported in the "Provisioning Troubles" measure).**
- Excludes trouble reports for Retail New Connect Service occurring prior to due date (no trouble report taken on a service that does not exist yet).**
- Exclude PIC and LPIC orders.**

**Disaggregation:**

Comparison for Resale is analogous Retail product. Products included are:

ISDN BRI  
CENTREX  
PBX  
DDS  
DS1/ISDN PRI  
DS3  
VGPL/DS0

**Calculation:**

(Total Number of Customer Trouble reports received within 30 calendar days of service order completion / Total Number of new, move, and change completed orders) x 100

**Report Structure:**

- Needs to be reported by:
  - CLEC
  - CLECs in the aggregate
  - ILEC
  - ILEC Affiliates

**Benchmark:**

Parity

## **5c. Measurement**

### **Percentage Troubles in 30 Days for New Orders - UNE**

#### **Definition:**

**Measures the percent of network customer trouble reports received within 30 calendar days of service order completion.**

#### **Exclusions**

- Excludes CPE and IEC/CLEC caused troubles.**
- Excludes Subsequent reports.**
- Excludes Message Reports (circuit reports for which ILEC has no records).**
- Excludes Message Covers.**
- Excludes troubles associated with inside wire.**
- Excludes ILEC employee generated reports.**
- Excludes informational type of requests and other requests (refer to M&P).**
- Excludes Trouble Reports received on the due date (which are reported in the "Provisioning Troubles" measure).**
- Excludes trouble reports for Retail New Connect Service occurring prior to due date (no trouble report taken on a service that does not exist yet).**
- Exclude PIC and LPIC orders.**

#### **Business Rules:**

- Excludes CPE and IEC/CLEC caused troubles.**
- Excludes Subsequent reports.**
- Excludes Message Reports (circuit reports for which ILEC has no records).**
- Excludes Message Covers.**
- Excludes troubles associated with inside wire.**
- Excludes ILEC employee generated reports.**
- Excludes informational type of requests and other requests (refer to M&P).**
- Excludes Trouble Reports received on the due date (which are reported in the "Provisioning Troubles" measure).**
- Excludes trouble reports for Retail New Connect Service occurring prior to due date (no trouble report taken on a service that does not exist yet).**
- Exclude PIC and LPIC orders.**
- If UNE and PNP occur on the same service order, UNE used for reporting the measure.**
- XDSL loops will be identified by class of service + NC/NCI code and/or class of service + DSL reference in the S&E section of service order.**

<b>Disaggregation:</b>	
<b>Parity for UNE measured for the following UNEs:</b>	<b>Pacific Bell/Nevada Bell Retail</b>
<b>2/4w (8db) analog loop (incl. Coin/analog PBX)</b>	<b>POTS - Business</b>
<b>2/4w (5.5 db) assured analog loop</b>	<b>POTS Business Assured (PBX)</b>
<b>2w digital loop(ISDN capable)</b>	<b>ISDN(BRI)</b>
<b>2w digital loop(xDSL capable)</b>	<b>ADSL</b>
<b>4w digital loop (1.544Mbps capable)</b>	<b>DS1</b>
<b>UNE Port–Basic Analog/Coin</b>	<b>POTS - Business</b>
<b>UNE Port–CENTREX</b>	<b>CENTREX</b>
<b>UNE Port–ISDN (BRI)</b>	<b>CENTREX</b>
<b>UNE Port–DS1/ISDN-PRI (incl. DS1 line port)</b>	<b>DS1/ISDN(PRI)</b>
<b>UNE Port–PBX DID</b>	<b>PBX DID</b>
<b>UNE Dedicated Transport (incl. DS1 and DS3)</b>	<b>HICAP (DS1 &amp; DS3)</b>
<b>UNE Platform</b>	<b>Analogous Retail Service</b>
<b>Interconnection Trunks</b>	<b>ILEC Dedicated Trunks</b>
<b>PNP (Port out)</b>	<b>(Issue still to be resolved)</b>
<b>Calculation:</b>	<b>Report Structure:</b>
<b>(Total Number of Customer Trouble reports received within 30 calendar days of service order completion / Total Number of new, move, and change completed orders) x 100</b>	<input type="checkbox"/> <b>Needs to be reported by:</b> <ul style="list-style-type: none"> <li>• CLEC</li> <li>• CLECs in the aggregate</li> <li>• ILEC</li> <li>• ILEC Affiliates</li> </ul>
<b>Benchmark:</b>	
<b>Parity</b>	

## **6a. Measurement**

### **Average Completed Interval - POTS**

#### **Definition:**

**Average business days from receipt of valid, error-free service request to completion date in service order system for new, move, and change orders.**

#### **Exclusions**

- Excludes non-business days.**
- Excludes customer requested due dates other than interval offered and orders delayed for customer reasons.**
  - If the original due date on an order is missed due to customer reasons, the order should be excluded from this measure, regardless if there are future misses on the order (company or customer).**
  - If the original due date on an order is missed due to company reasons, the order should be included in this measure, regardless if there are future misses on the order (company or customer).**
- Exclude PIC and LPIC orders.**

#### **Business Rules:**

- Report period is a calendar month.**
- The start time of requests received after the end of the business day will be the beginning of the next business day. Business day is defined as published hours of operation or the ILEC ordering center.**
  - Business days (M-F, excluding PB/NB official holidays)**
  - Business hours:**
    - Resale/Retail 8 a.m. to 5 p.m.**
    - Facility based 8 a.m. to 5 p.m.**
    - Excludes non-business days.**
- Excludes customer requested due dates other than interval offered and orders delayed for customer reasons.**
  - If the original due date on an order is missed due to customer reasons, the order should be excluded from this measure, regardless if there are future misses on the order (company or customer).**
  - If the original due date on an order is missed due to company reasons, the order should be included in this measure, regardless if there are future misses on the order (company or customer). Exclude PIC and LPIC orders.**
- By field work/no field work.**

**Disaggregation:**

Comparison for Resale is analogous Retail product. Products included are:

POTS Residence

POTS Business

Field work/no field work as appropriate

**Calculation:**

Total business days from receipt of valid error-free service request to completion date in service order system for new, move and change orders / total new, move and change orders.

**Report Structure:**

- Needs to be reported by:
  - CLEC
  - CLECs in the aggregate
  - ILEC
  - ILEC Affiliates

**Benchmark:**

Parity

## **6b. Average Completed Interval**

### **Average Completed Interval - Design**

#### **Definition:**

**Average business days from receipt of valid, error-free service request to completion date in service order system for new, move, and change orders.**

#### **Exclusions**

- Excludes non-business days.**
- Excludes customer requested due dates other than interval offered and orders delayed for customer reasons.**
  - **If the original due date on an order is missed due to customer reasons, the order should be excluded from this measure, regardless if there are future misses on the order (company or customer).**
  - **If the original due date on an order is missed due to company reasons, the order should be included in this measure, regardless if there are future misses on the order (company or customer).**
- Exclude PIC and LPIC order**

#### **Business Rules:**

- Report period is a calendar month**
- The start time of requests received after the end of the business day will be the beginning of the next business day. Business day is defined as published hours of operation or the ILEC ordering center.**
  - **Business days (M-F, excluding PB/NB official holidays)**
  - **Business hours:**
    - Resale/Retail 8 a.m. to 5 p.m.**
    - Facility based 8 a.m. to 5 p.m.**
    - Excludes non-business days.**
- Excludes customer requested due dates other than interval offered and orders delayed for customer reasons.**
  - **If the original due date on an order is missed due to customer reasons, the order should be excluded from this measure, regardless if there are future misses on the order (company or customer).**
  - **If the original due date on an order is missed due to company reasons, the order should be included in this measure, regardless if there are future misses on the order (company or customer).**
- Exclude PIC and LPIC orders.**

**Disaggregation:**

Comparison for Resale is analogous Retail product. Products included are:

ISDN BRI  
CENTREX  
PBX  
DDS  
DS1/ISDN PRI  
DS3  
VGPL/DS0

**Calculation:**

Total business days from receipt of valid error-free service request to completion date in service order system for new, move and change orders / total new, move and change orders.

**Report Structure:**

- Needs to be reported by:
  - CLEC
  - CLECs in the aggregate
  - ILEC
  - ILEC Affiliates

**Benchmark:**

Parity

## **6c. Measurement**

### **Percent Completed Within Standard Interval - UNE**

#### **Definition:**

Measures percent of orders completed within the standard interval of receipt of valid, error-free service request.

#### **Exclusions**

- Excludes non-business days.
- Excludes customer requested due dates other than interval offered and orders delayed for customer reasons.
  - If the original due date on an order is missed due to customer reasons, the order should be excluded from this measure, regardless if there are future misses on the order (company or customer).
  - If the original due date on an order is missed due to company reasons, the order should be included in this measure, regardless if there are future misses on the order (company or customer).
- Exclude PIC and LPIC orders.

#### **Business Rules:**

- Report period is a calendar month.
- The start time of requests received after the end of the business day will be the beginning of the next business day. Business day is defined as published hours of operation or the ILEC ordering center.
  - Business days (M-F, excluding PB/NB official holidays)
  - Business hours:
    - Resale/Retail 8 a.m. to 5 p.m.
    - Facility based 8 a.m. to 5 p.m.
    - Excludes non-business days.
- Excludes customer requested due dates other than interval offered and orders delayed for customer reasons.
  - If the original due date on an order is missed due to customer reasons, the order should be excluded from this measure, regardless if there are future misses on the order (company or customer).
  - If the original due date on an order is missed due to company reasons, the order should be included in this measure, regardless if there are future misses on the order (company or customer).
- Exclude PIC and LPIC orders.
- XDSL loops will be identified by class of service + NC/NCI code and/or class of service + DSL reference in the S&E section of service order.

**Disaggregation:**

Parity for UNE measured  
for the following UNEs:

Pacific Bell/Nevada Bell Retail

2/w wire 8db analog  
(incl Coin/analog PBX)  
2/4w (5.5 db) assured analog loop  
2w digital loop(ISDN capable)  
2w digital loop(xDSL capable)  
4w digital loop (1.544Mbps capable)  
UNE Port–Basic Analog/Coin  
UNE Port–CENTREX  
UNE Port–ISDN (BRI)  
UNE Port–DS1/ISDN-PRI  
(incl. DS1 line port)  
UNE Port–PBX DID  
UNE Dedicated Transport  
(incl.DS1 and DS3)  
UNE Platform  
Interconnection Trunks

POTS Business (fielded)  
POTS Business Assured (PBX)  
ISDN(BRI)  
ADSL  
DS1  
POTS - Business (fielded)  
CENTREX  
CENTREX  
DS1/ISDN(PRI)  
PBX DID  
HICAP (DS1 & DS3)  
Analogous Retail Service  
ILEC Dedicated Trunks

**Calculation:**

(Total New, Move and Change Orders  
Completed Within the Standard Interval of  
Receipt of Valid Error-free Service Request)  
/ (Total New, Move and Change Orders) x  
100

**Report Structure:**

- Needs to be reported by:
- CLEC
  - CLECs in the aggregate
  - ILEC
  - ILEC Affiliates

**Benchmark:**

Parity

## **7a. Measurement**

### **Delay Order Interval to Completion Date (For Lack of Facilities) - POTS**

#### **Definition:**

Measures the average calendar days from due date to completion date on company missed orders due to lack of ILEC facilities.

#### **Exclusions**

- Excludes non-business days.
- Excludes CLEC caused misses.
- Excludes customer caused misses.

#### **Business Rules:**

- Report period is a calendar month.
- The start time of requests received after the end of the business day will be the beginning of the next business day. Business day is defined as published hours of operation or the ILEC ordering center.
  - Business days (M-F, excluding PB/NB official holidays)
  - Business hours:
    - Resale/Retail 8 a.m. to 5 p.m.
    - Facility based 8 a.m. to 5 p.m.
- Excludes non-business days.
- Excludes CLEC caused misses.
- Excludes customer caused misses.
  - If the original due date on an order is missed due to customer reasons, the order should be excluded from this measure, regardless if there are future misses on the order (company or customer).
  - If the original due date on an order is missed due to company reasons, the order should be included in this measure, regardless if there are future misses on the order (company or customer).
- Data is to be reported by Service Group Type.
- POTS field work/no field work.
- Disaggregated by 1 – 30 days, 31 – 90 days and +90 days.
- Use calendar days for this measurement.
- Results need to be reported by Missed Appointment (MAC) reason codes.

#### **Disaggregation:**

Comparison for Resale is analogous Retail product. Products included are:

POTS Residence  
POTS Business

<b>Calculation:</b>	<b>Report Structure:</b>
<b>Sum (Completion Date – Committed Order Due Date (for orders missed due to lack of ILEC facilities )) / (Number of Orders Missed Due to Lack of ILEC Facilities in the Reporting Period)</b>	<input type="checkbox"/> <b>Needs to be reported by:</b> <ul style="list-style-type: none"> <li>• CLEC</li> <li>• CLECs in the aggregate</li> <li>• ILEC</li> <li>• ILEC Affiliates</li> </ul>
<b>Benchmark:</b>	
Parity	

## **7b. Measurement**

### **Delay Order Interval to Completion Date (For Lack of Facilities) - Design**

#### **Definition:**

Measures the average calendar days from due date to completion date on company missed orders due to lack of ILEC facilities.

#### **Exclusions**

- Excludes non-business days.
- Excludes CLEC caused misses.
- Excludes customer caused misses.

#### **Business Rules:**

- Report period is a calendar month.
- The start time of requests received after the end of the business day will be the beginning of the next business day. Business day is defined as published hours of operation or the ILEC ordering center.
  - Business days (M-F, excluding PB/NB official holidays)
  - Business hours:
    - Resale/Retail 8 a.m. to 5 p.m.
    - Facility based 8 a.m. to 5 p.m.
- Excludes non-business days.
- Excludes CLEC caused misses.
- Excludes customer caused misses.
  - If the original due date on an order is missed due to customer reasons, the order should be excluded from this measure, regardless if there are future misses on the order (company or customer).
  - If the original due date on an order is missed due to company reasons, the order should be included in this measure, regardless if there are future misses on the order (company or customer).
- Data is to be reported by Service Group Type.
- Disaggregated by 1 – 30 days, 31 – 90 days and +90 days.
- Use calendar days for this measurement.
- Results need to be reported by Missed Appointment (MAC) reason codes.

**Disaggregation:**

Comparison for Resale is analogous Retail product. Products included are:

ISDN  
CENTREX  
PBX  
DDS  
DS1  
DS3  
VGPL/DS0

**Calculation:**

Sum (Completion Date – Committed Order Due Date (for orders missed due to lack of ILEC facilities )) / (Number of Orders Missed Due to Lack of ILEC Facilities in the Reporting Period)

**Report Structure:**

- Needs to be reported by:
  - CLEC
  - CLECs in the aggregate
  - ILEC
  - ILEC Affiliates

**Benchmark:**

Parity

### **7c. Measurement**

#### **Delay Order Interval to Completion Date (For Lack of Facilities) - UNE**

##### **Definition:**

Measures the average calendar days from due date to completion date on company missed orders due to lack of ILEC facilities.

##### **Exclusions**

- Excludes non-business days.
- Excludes CLEC caused misses.
- Excludes customer caused misses.

##### **Business Rules:**

- Report period is a calendar month.
- The start time of requests received after the end of the business day will be the beginning of the next business day. Business day is defined as published hours of operation or the ILEC ordering center.
  - Business days (M-F, excluding PB/NB official holidays)
  - Business hours:
    - Resale/Retail 8 a.m. to 5 p.m.
    - Facility based 8 a.m. to 5 p.m.
- Excludes non-business days.
- Excludes CLEC caused misses.
- Excludes customer caused misses.
  - If the original due date on an order is missed due to customer reasons, the order should be excluded from this measure, regardless if there are future misses on the order (company or customer).
  - If the original due date on an order is missed due to company reasons, the order should be included in this measure, regardless if there are future misses on the order (company or customer).
- Data is to be reported by Service Group Type.
- POTS field work/no field work .
- Disaggregated by 1 – 30 days, 31 – 90 days and +90 days.
- Use calendar days for this measurement.
- Results need to be reported by Missed Appointment (MAC) reason codes.
- XDSL loops will be identified by class of service + NC/NCI code and/or class of service + DSL reference in the S&E section of service order.

<b>Disaggregation:</b>	
<b>Parity for UNE measured for the following UNEs:</b>	<b>Pacific Bell/Nevada Bell Retail</b>
<b>2/w wire 8db analog (incl Coin/analog PBX)</b>	<b>POTS Business (fielded)</b>
<b>2/4w (5.5 db) assured analog loop</b>	<b>POTS Business Assured (PBX)</b>
<b>2w digital loop(ISDN capable)</b>	<b>ISDN(BRI)</b>
<b>2w digital loop(xDSL capable)</b>	<b>ADSL</b>
<b>4w digital loop (1.544Mbps capable)</b>	<b>DS1</b>
<b>UNE Port–Basic Analog/Coin</b>	<b>POTS - Business (fielded)</b>
<b>UNE Port–CENTREX</b>	<b>CENTREX</b>
<b>UNE Port–ISDN (BRI)</b>	<b>CENTREX</b>
<b>UNE Port–DS1/ISDN-PRI (incl. DS1 line port)</b>	<b>DS1/ISDN(PRI)</b>
<b>UNE Port–PBX DID</b>	<b>PBX DID</b>
<b>UNE Dedicated Transport (incl.DS1 and DS3)</b>	<b>HICAP (DS1 &amp; DS3)</b>
<b>UNE Platform</b>	<b>Analogous Retail Service</b>
<b>Interconnection Trunks</b>	<b>ILEC Dedicated Trunks</b>
<b>Calculation:</b>	<b>Report Structure:</b>
<b>Sum (Completion Date – Committed Order Due Date (for orders missed due to lack of ILEC facilities )) / (Number of Orders Missed Due to Lack of ILEC Facilities in the Reporting Period)</b>	<input type="checkbox"/> <b>Needs to be reported by:</b> <ul style="list-style-type: none"> <li>• CLEC</li> <li>• CLECs in the aggregate</li> <li>• ILEC</li> <li>• ILEC Affiliates</li> </ul>
<b>Benchmark:</b>	
<b>Parity</b>	

## 8. Measurement

### Average Completed Interval – (DSL)

#### Definition:

Average business days from receipt of valid, error-free service request to completion date in service order system for new, move, and change orders.

#### Exclusions

- Excludes non-business days.
- Excludes customer requested due dates other than interval offered and orders delayed for customer reasons.
- Exclude PIC and LPIC orders.

#### Business Rules:

- Report period is a calendar month.
- The start time of requests received after the end of the business day will be the beginning of the next business day. Business day is defined as published hours of operation or the ILEC ordering center.
  - Business days (M-F, excluding PB/NB official holidays)
  - Business hours:
    - Resale/Retail 8 a.m. to 5 p.m.
    - Facility based 8 a.m. to 5 p.m.
- Excludes non-business days.
- Excludes customer requested due dates other than interval offered and orders delayed for customer reasons.
  - If the original due date on an order is missed due to customer reasons, the order should be excluded from this measure, regardless if there are future misses on the order (company or customer).
  - If the original due date on an order is missed due to company reasons, the order should be included in this measure, regardless if there are future misses on the order (company or customer).
- Exclude PIC and LPIC orders.
- XDSL loops will be identified by class of service + NC/NCI code and/or class of service + DSL reference in the S&E section of service order.

#### Disaggregation:

Parity for UNE measured  
for the following UNEs:

Pacific Bell/Nevada Bell Retail

2w digital loop(xDSL capable)

ADSL

<b>Calculation:</b>	<b>Report Structure:</b>
<p><b>Total business days from receipt of valid error-free service request to completion date in service order system for new, move and change orders / total new, move and change orders.</b></p>	<p>□ <b>Needs to be reported by:</b></p> <ul style="list-style-type: none"> <li>• <b>CLEC</b></li> <li>• <b>CLECs in the aggregate</b></li> <li>• <b>ILEC</b></li> <li>• <b>ILEC Affiliates</b></li> </ul>
<p><b>Benchmark:</b></p>	
<p><b>Parity</b></p>	

<b>9. Measurement</b>	
<b>Average Response Time for Loop Make-Up Information –(New)</b>	
<b>Definition:</b>	
The average time required to provide loop qualification for ADSL	
<b>Exclusions</b>	
None	
<b>Business Rules:</b>	
The time starts when a request is received by the CLEC and ends when the information on the loop qualification has been made available to the CLEC.	
<b>Disaggregation:</b>	
ADSL or other DSL as determined by the Public Utility Commission.	
<b>Calculation:</b>	<b>Report Structure:</b>
Sum (Data and Time the Loop Qualification is made available to CLEC – Date and Time the CLEC request is received)/Total number of loop qualification	CLEC, All CLECs and Pacific Bell/Nevada Bell.
<b>Benchmark:</b>	
Parity	

**Maintenance**

<b>10a. Measurement</b>	
<b>Percentage of Customer Trouble not Resolved within Estimated Time - POTS</b>	
<b>Definition:</b>	
Measures the percent of trouble reports not cleared by the commitment time.	
<b>Exclusions</b>	
<ul style="list-style-type: none"> <li><input type="checkbox"/> Excludes CPE and IEC/CLEC caused troubles</li> <li><input type="checkbox"/> Excludes Subsequent reports.</li> <li><input type="checkbox"/> Excludes Message Reports (circuit reports for which ILEC has no records).</li> <li><input type="checkbox"/> Excludes Message Covers.</li> <li><input type="checkbox"/> Excludes inside wire.</li> <li><input type="checkbox"/> Excludes ILEC employee generated reports.</li> <li><input type="checkbox"/> Excludes trouble reports for Retail services for New Connect Service occurring prior to due date.</li> </ul>	
<b>Business Rules:</b>	
<ul style="list-style-type: none"> <li><input type="checkbox"/> Business days/hours for maintenance troubles availability are 7days/week 24 hours/day.</li> <li><input type="checkbox"/> Report by dispatch/no dispatch.</li> <li><input type="checkbox"/> Excludes CPE and IEC/CLEC caused troubles.</li> <li><input type="checkbox"/> Excludes Subsequent reports</li> <li><input type="checkbox"/> Excludes Message Reports (circuit reports for which ILEC has no records).</li> <li><input type="checkbox"/> Excludes Message Covers.</li> <li><input type="checkbox"/> Excludes inside wire.</li> <li><input type="checkbox"/> Excludes ILEC employee generated reports.</li> <li><input type="checkbox"/> Excludes trouble reports for Retail services for New Connect Service occurring prior to due date.</li> </ul>	
<b>Disaggregation:</b>	
Comparison for Resale is analogous Retail product. Products included are:	
POTS Residence	
POTS Business	
<b>Calculation:</b>	<b>Report Structure:</b>
(Total network trouble reports not cleared by the commitment time for ILEC reasons / Total network trouble reports completed) x 100	<ul style="list-style-type: none"> <li><input type="checkbox"/> Needs to be reported by: <ul style="list-style-type: none"> <li>• CLEC</li> <li>• CLECs in the aggregate</li> <li>• ILEC</li> <li>• ILEC Affiliates</li> </ul> </li> </ul>
<b>Benchmark:</b>	
Parity	

## **10b. Measurement**

### **Percentage of Customer Trouble not Resolved within Estimated Time - UNE**

#### **Definition:**

**Measures the percent of trouble reports not cleared by the commitment time.**

#### **Exclusions**

- Excludes CPE and IEC/CLEC caused troubles.**
- Excludes Subsequent reports.**
- Excludes Message Reports (circuit reports for which ILEC has no records).**
- Excludes Message Covers.**
- Excludes inside wire.**
- Excludes ILEC employee generated reports.**
- Excludes trouble reports for Retail services for New Connect Service occurring prior to due date.**

#### **Business Rules:**

- Business days/hours for maintenance troubles availability are 7days/week 24 hours/day.**
- Report by dispatch/no dispatch.**
- Excludes CPE and IEC/CLEC caused troubles.**
- Excludes Subsequent reports**
- Excludes Message Reports (circuit reports for which ILEC has no records).**
- Excludes Message Covers.**
- Excludes inside wire.**
- Excludes ILEC employee generated reports.**
- Excludes trouble reports for Retail services for New Connect Service occurring prior to due date.**
- XDSL loops will be identified by class of service + NC/NCI code and/or class of service + DSL reference in the S&E section of service order.**

<b>Disaggregation:</b>	
<b>Parity for UNE measured for the following UNEs:</b>	<b>Pacific Bell/Nevada Bell Retail</b>
<b>2/w wire 8db analog (incl Coin/analog PBX)</b>	<b>POTS Business (fielded)</b>
<b>2/4w (5.5 db) assured analog loop</b>	<b>POTS Business Assured (PBX)</b>
<b>2w digital loop(ISDN capable)</b>	<b>ISDN(BRI)</b>
<b>2w digital loop(xDSL capable)</b>	<b>ADSL</b>
<b>4w digital loop (1.544Mbps capable)</b>	<b>DS1</b>
<b>UNE Port–Basic Analog/Coin</b>	<b>POTS - Business (fielded)</b>
<b>UNE Port–CENTREX</b>	<b>CENTREX</b>
<b>UNE Port–ISDN (BRI)</b>	<b>CENTREX</b>
<b>UNE Port–DS1/ISDN-PRI (incl. DS1 line port)</b>	<b>DS1/ISDN(PRI)</b>
<b>UNE Port–PBX DID</b>	<b>PBX DID</b>
<b>UNE Dedicated Transport (incl.DS1 and DS3)</b>	<b>HICAP (DS1 &amp; DS3)</b>
<b>UNE Platform</b>	<b>Analogous Retail Service</b>
<b>Interconnection Trunks</b>	<b>ILEC Dedicated Trunks</b>
<b>Calculation:</b>	<b>Report Structure:</b>
<b>(Total network trouble reports not cleared by the commitment time for ILEC reasons / Total network trouble reports completed) x 100</b>	<input type="checkbox"/> <b>Needs to be reported by:</b> <ul style="list-style-type: none"> <li>• CLEC</li> <li>• CLECs in the aggregate</li> <li>• ILEC</li> <li>• ILEC Affiliates</li> </ul>
<b>Benchmark:</b>	
<b>Parity</b>	

**11a. Measurement**

**Frequency of Repeat Troubles in 30 Day Period - POTS**

**Definition:**

Measures the percent of customer network trouble reports received within 30 calendar days of a previous report.

**Exclusions**

- Excludes troubles associated with inside wiring.
- Excludes Subsequent reports .
- Excludes Message Reports (circuit reports for which ILEC has no records).
- Excludes Message Covers.
- Excludes ILEC employee generated reports.
- Excludes trouble reports for Retail services for New Connect Service occurring prior to due date.

**Business Rules:**

- Business days/hours for maintenance troubles availability are 7days/week 24 hours/day.
- Needs to be reported by:
  - service group type, SGT
  - NXX Code Opening Troubles
- Excludes CPE and IEC/CLEC caused troubles.
- Excludes troubles associated with inside wiring.
- Excludes Subsequent reports
- Excludes Message Reports (circuit reports for which ILEC has no records).
- Excludes Message Covers.
- Excludes ILEC employee generated reports.
- Excludes trouble reports for Retail services for New Connect Service occurring prior to due date.

**Disaggregation:**

Comparison for Resale is analogous Retail product. Products included are:

POTS Residence

POTS Business

**Calculation:**

(Total Customer network trouble reports received within 30 calendar days of a previous customer report / Total customer network trouble reports) x 100

**Report Structure:**

- Needs to be reported by:
  - CLEC
  - CLECs in the aggregate
  - ILEC
  - ILEC Affiliates

**Benchmark:**

Parity

## **11b. Measurement**

### **Frequency of Repeat Troubles in 30 Day Period - Design**

#### **Definition:**

Measures the percent of customer network trouble reports received within 30 calendar days of a previous report.

#### **Exclusions**

- Excludes troubles associated with inside wiring.
- Excludes Subsequent reports.
- Excludes Message Reports (circuit reports for which ILEC has no records).
- Excludes Message Covers.
- Excludes ILEC employee generated reports.
- Excludes trouble reports for Retail services for New Connect Service occurring prior to due date.

#### **Business Rules:**

- Business days/hours for maintenance troubles availability are 7days/week 24 hours/day.
- Needs to be reported by:
  - service group type, SGT
  - NXX Code Opening Troubles
- Excludes CPE and IEC/CLEC caused troubles.
- Excludes troubles associated with inside wiring.
- Excludes Subsequent reports.
- Excludes Message Reports (circuit reports for which ILEC has no records).
- Excludes Message Covers.
- Excludes ILEC employee generated reports.
- Excludes trouble reports for Retail services for New Connect Service occurring prior to due date.

#### **Disaggregation:**

Comparison for Resale is analogous Retail product. Products included are:

**ISDN**

**CENTREX**

**PBX**

**DDS**

**DS1**

**DS3**

**VGPL/DS0**

<b>Calculation:</b>	<b>Report Structure:</b>
<p><b>(Total Customer network trouble reports received within 30 calendar days of a previous customer report / Total customer network trouble reports) x 100</b></p>	<p>□ <b>Needs to be reported by:</b></p> <ul style="list-style-type: none"> <li>• <b>CLEC</b></li> <li>• <b>CLECs in the aggregate</b></li> <li>• <b>ILEC</b></li> <li>• <b>ILEC Affiliates</b></li> </ul>
<p><b>Benchmark:</b></p>	
<p><b>Parity</b></p>	

**11c. Measurement**

**Frequency of Repeat Troubles in 30 Day Period - UNE**

**Definition:**

Measures the percent of customer network trouble reports received within 30 calendar days of a previous report.

**Exclusions**

- Excludes troubles associated with inside wiring.
- Excludes Subsequent reports.
- Excludes Message Reports (circuit reports for which ILEC has no records).
- Excludes Message Covers.
- Excludes ILEC employee generated reports.
- Excludes trouble reports for Retail services for New Connect Service occurring prior to due date.

**Business Rules:**

- Business days/hours for maintenance troubles availability are 7days/week 24 hours/day.
- Needs to be reported by:
  - service group type, SGT (including PNP)
  - NXX Code Opening Troubles
- Excludes CPE and IEC/CLEC caused troubles.
- Excludes troubles associated with inside wiring.
- Excludes Subsequent reports.
- Excludes Message Reports (circuit reports for which ILEC has no records).
- Excludes Message Covers.
- Excludes ILEC employee generated reports.
- Excludes trouble reports for Retail services for New Connect Service occurring prior to due date.

**Disaggregation:**

Parity for UNE measured for the following UNEs:

Pacific Bell/Nevada Bell Retail

2/4w (8db) analog loop

POTS-Business (Fielded)

2/4w (5.5 db) assured analog loop

POTS Business Assured (PBX)

2w digital loop (ISDN)

ISDN(BRI)

2w digital loop (xDSL)

ADSL

4w digital loop (ISDN PRI)

DS1

UNE Port – Basic Analog

POTS-Business (no-dispatch)

UNE Port – CENTREX

CENTREX

UNE Port – PBX DID

PBX DID

UNE Port – ISDN (BRI)

CENTREX

UNE Port – DS1/ISDN (PRI)

DS1/ISDN(PRI)

UNE Dedicated Transport

HICAP (DS1 & DS3)

UNE Platform

Analogous Retail Service

Interconnection Trunks (no-dispatch)

ILEC Dedicated Trunks

PNP - Port Out

(Issue still to be resolved)

Calculation:	Report Structure:
<p><b>(Total Customer network trouble reports received within 30 calendar days of a previous customer report / Total customer network trouble reports) x 100</b></p>	<p>□ Needs to be reported by:</p> <ul style="list-style-type: none"> <li>• CLEC</li> <li>• CLECs in the aggregate</li> <li>• ILEC</li> <li>• ILEC Affiliates</li> </ul>
Benchmark:	
<p><b>Parity</b></p>	

## **12a. Measurement**

### **Average Time to Restore - POTS**

#### **Definition:**

**Measures the average duration of customer trouble reports from the receipt of the customer trouble report to the time the trouble is cleared.**

#### **Exclusions**

- Excludes CPE and IEC/CLEC caused troubles.**
- Excludes Subsequent reports.**
- Excludes Message Reports (circuit reports for which ILEC has no records).**
- Excludes Message Covers.**
- Excludes inside wire.**
- Excludes tickets with a duration of 720/+ hours.**
- Excludes ILEC employee generated reports.**
- Excludes trouble reports for Retail services for New Connect Service occurring prior to due date.**
- Excludes informational type of requests and other requests.**

#### **Business Rules:**

- Business days/hours for maintenance troubles availability are 7days/week 24 hours/day.**
- Needs to be reported by:**
  - **service group type**
  - **NXX Code Opening Troubles**
- By dispatch and no dispatch.**
- Excludes CPE and IEC/CLEC caused troubles.**
- Excludes Subsequent reports.**
- Excludes Message Reports (circuit reports for which ILEC has no records).**
- Excludes Message Covers.**
- Excludes inside wire.**
- Excludes tickets with a duration of 720/+ hours.**
- Excludes ILEC employee generated reports.**
- Excludes trouble reports for Retail services for New Connect Service occurring prior to due date.**
- Excludes informational type of requests and other requests.**

#### **Disaggregation:**

**Comparison for Resale is analogous Retail product. Products included are:**

**POTS Residence**

**POTS Business**

<b>Calculation:</b>	<b>Report Structure:</b>
<p><b>(Total duration of customer network trouble reports) / (Total customer network trouble reports)</b></p>	<p>□ <b>Needs to be reported by:</b></p> <ul style="list-style-type: none"> <li>• <b>CLEC</b></li> <li>• <b>CLECs in the aggregate</b></li> <li>• <b>ILEC</b></li> <li>• <b>ILEC Affiliates</b></li> </ul>
<b>Benchmark:</b>	
<p><b>Parity</b></p>	

## **12b. Measurement**

### **Average Time to Restore - Design**

#### **Definition:**

**Measures the average duration of customer trouble reports from the receipt of the customer trouble report to the time the trouble is cleared.**

#### **Exclusions**

- Excludes CPE and IEC/CLEC caused troubles.**
- Excludes Subsequent reports.**
- Excludes Message Reports (circuit reports for which ILEC has no records).**
- Excludes Message Covers.**
- Excludes inside wire.**
- Excludes tickets with a duration of 720/+ hours.**
- Excludes ILEC employee generated reports.**
- Excludes trouble reports for Retail services for New Connect Service occurring prior to due date.**
- Excludes informational type of requests and other requests.**

#### **Business Rules:**

- Business days/hours for maintenance troubles availability are 7days/week 24 hours/day.**
- Needs to be reported by:**
  - service group type**
  - NXX Code Opening Troubles**
- By dispatch and no dispatch.**
- Excludes CPE and IEC/CLEC caused troubles.**
- Excludes Subsequent reports.**
- Excludes Message Reports (circuit reports for which ILEC has no records).**
- Excludes Message Covers.**
- Excludes inside wire.**
- Excludes tickets with a duration of 720/+ hours.**
- Excludes ILEC employee generated reports.**
- Excludes trouble reports for Retail services for New Connect Service occurring prior to due date.**
- Excludes informational type of requests and other requests.**

**Disaggregation:**

Comparison for Resale is analogous Retail product. Products included are:

ISDN  
CENTREX  
PBX  
DDS  
DS1  
DS3  
VGPL/DS0

**Calculation:**

(Total duration of customer network trouble reports) / (Total customer network trouble reports)

**Report Structure:**

- Needs to be reported by:
  - CLEC
  - CLECs in the aggregate
  - ILEC
  - ILEC Affiliates

**Benchmark:**

Parity

## **12c. Measurement**

### **Average Time to Restore - UNE**

#### **Definition:**

**Measures the average duration of customer trouble reports from the receipt of the customer trouble report to the time the trouble is cleared.**

#### **Exclusions**

- Excludes CPE and IEC/CLEC caused troubles.**
- Excludes Subsequent reports.**
- Excludes Message Reports (circuit reports for which ILEC has no records).**
- Excludes Message Covers.**
- Excludes inside wire.**
- Excludes tickets with a duration of 720/+ hours.**
- Excludes ILEC employee generated reports.**
- Excludes trouble reports for Retail services for New Connect Service occurring prior to due date.**
- Excludes informational type of requests and other requests.**

#### **Business Rules:**

- Business days/hours for maintenance troubles availability are 7days/week 24 hours/day.**
- Needs to be reported by:**
  - **service group type (including PNP)**
  - **NXX Code Opening Troubles**
- By dispatch and no dispatch.**
- Excludes CPE and IEC/CLEC caused troubles.**
- Excludes Subsequent reports.**
- Excludes Message Reports (circuit reports for which ILEC has no records).**
- Excludes Message Covers.**
- Excludes inside wire.**
- Excludes tickets with a duration of 720/+ hours.**
- Excludes ILEC employee generated reports.**
- Excludes trouble reports for Retail services for New Connect Service occurring prior to due date.**
- Excludes informational type of requests and other requests.**

**Disaggregation:**

Parity for UNE measured for the following UNEs: Pacific Bell/Nevada Bell Retail

2/4w (8db) analog loop	POTS-Business (Fielded)
2/4w (5.5 db) assured analog loop	POTS Business Assured (PBX)
2w digital loop (ISDN)	ISDN(BRI)
2w digital loop (xDSL)	ADSL
4w digital loop (ISDN PRI)	DS1
UNE Port – Basic Analog	POTS-Business (no-dispatch)
UNE Port – CENTREX	CENTREX
UNE Port – PBX DID	PBX DID
UNE Port – ISDN (BRI)	CENTREX
UNE Port – DS1/ISDN (PRI)	DS1/ISDN(PRI)
UNE Dedicated Transport	HICAP (DS1 & DS3)
UNE Platform	Analogous Retail Service
Interconnection Trunks (no-dispatch)	ILEC Dedicated Trunks

PNP - Port Out (Issue still to be resolved)

**Calculation:**

$(\text{Total duration of customer network trouble reports}) / (\text{Total customer network trouble reports})$

**Report Structure:**

- Needs to be reported by:
  - CLEC
  - CLECs in the aggregate
  - ILEC
  - ILEC Affiliates

**Benchmark:**

Parity

**13a. Measurement**

**Customer Trouble Report Rate - POTS**

**Definition:**

Measures the total number of network customer trouble reports received within a calendar month per 100 access lines.

**Exclusions**

- Excludes CPE and IEC/CLEC caused troubles.
- Excludes Subsequent reports.
- Excludes Message Reports (circuit reports for which ILEC has no records).
- Excludes Message Covers.
- Excludes inside wire.
- Excludes ILEC employee generated reports.

**Business Rules:**

- Needs to be reported by:
  - SGT, service group type
  - NXX code opening troubles
- Access line/circuit count taken from the previous month.
- Excludes CPE and IEC/CLEC caused troubles.
- Excludes Subsequent reports.
- Excludes Message Reports (circuit reports for which ILEC has no records).
- Excludes Message Covers.
- Excludes inside wire.
- Excludes ILEC employee generated reports.

**Disaggregation:**

Comparison for Resale is analogous Retail product. Products included are:

POTS Residence  
POTS Business

**Calculation:**

(Total Number of Customer initial and repeat network trouble reports / Number of access lines/circuits/UNEs in service at the end of the prior reporting period) x 100

**Report Structure:**

- Needs to be reported by:
  - CLEC
  - CLECs in the aggregate
  - ILEC
  - ILEC Affiliates

**Benchmark:**

Parity

### **13b. Measurement**

#### **Customer Trouble Report Rate - Design**

##### **Definition:**

Measures the total number of network customer trouble reports received within a calendar month per 100 circuits.

##### **Exclusions**

- Excludes CPE and IEC/CLEC caused troubles.
- Excludes Subsequent reports.
- Excludes Message Reports (circuit reports for which ILEC has no records).
- Excludes Message Covers.
- Excludes inside wire.
- Excludes ILEC employee generated reports.

##### **Business Rules:**

- Needs to be reported by:
  - SGT, service group type
  - NXX code opening troubles
- Access line/circuit count taken from the previous month.
- Excludes CPE and IEC/CLEC caused troubles.
- Excludes Subsequent reports.
- Excludes Message Reports (circuit reports for which ILEC has no records).
- Excludes Message Covers.
- Excludes inside wire.
- Excludes ILEC employee generated reports.
- Interconnection trunks are non-dispatch e.g. dispatch-in.

##### **Disaggregation:**

Comparison for Resale is analogous Retail product. Products included are:

**ISDN**

**CENTREX**

**PBX**

**DDS**

**DS1**

**DS3**

**VGPL/DS0**

Calculation:	Report Structure:
<p>(Total Number of Customer initial and repeat network trouble reports / Number of access lines/circuits/UNEs in service at the end of the prior reporting period) x 100</p>	<ul style="list-style-type: none"> <li>□ Needs to be reported by:               <ul style="list-style-type: none"> <li>• CLEC</li> <li>• CLECs in the aggregate</li> <li>• ILEC</li> <li>• ILEC Affiliates</li> </ul> </li> </ul>
Benchmark:	
Parity	

### **13c. Measurement**

#### **Customer Trouble Report Rate -UNE**

##### **Definition:**

Measures the total number of network customer trouble reports received within a calendar month per 100 UNEs.

##### **Exclusions**

- Excludes CPE and IEC/CLEC caused troubles.
- Excludes Subsequent reports.
- Excludes Message Reports (circuit reports for which ILEC has no records).
- Excludes Message Covers.
- Excludes inside wire.
- Excludes ILEC employee generated reports.

##### **Business Rules:**

- Needs to be reported by:
  - SGT, service group type (including PNP)
  - NXX code opening troubles
- Access line/circuit count taken from the previous month.
- Excludes CPE and IEC/CLEC caused troubles.
- Excludes Subsequent reports.
- Excludes Message Reports (circuit reports for which ILEC has no records).
- Excludes Message Covers.
- Excludes inside wire.
- Excludes ILEC employee generated reports
- Interconnection trunks are non-dispatch e.g. dispatch-in.

<b>Disaggregation:</b>	
<b>Parity for UNE measured for the following UNEs:</b>	<b>Pacific Bell/Nevada Bell Retail</b>
2/4w (8db) analog loop	POTS - Business (Dispatch)
2/4w (5.5 db) assured analog loop	POTS Business Assured (PBX)
2w digital loop (ISDN)	ISDN(BRI)
2w digital loop (xDSL)	ADSL
4w digital loop (ISDN PRI)	DS1
UNE Port – Basic Analog	POTS - Business (Dispatch)
UNE Port – CENTREX	CENTREX
UNE Port – PBX DID	PBX DID
UNE Port – ISDN (BRI)	CENTREX
UNE Port – DS1/ISDN (PRI)	DS1/ISDN(PRI)
UNE Dedicated Transport	HICAP (DS1 & DS3)
UNE Platform	Analogous Retail Service
Interconnection Trunks (no-dispatch)	ILEC Dedicated Trunks
<b>PNP - Port Out</b>	<b>(Issue still to be resolved)</b>
<b>Calculation:</b>	<b>Report Structure:</b>
(Total Number of Customer initial and repeat network trouble reports / Number of access lines/circuits/UNEs in service at the end of the prior reporting period) x 100	<input type="checkbox"/> Needs to be reported by: <ul style="list-style-type: none"> <li>• CLEC</li> <li>• CLECs in the aggregate</li> <li>• ILEC</li> <li>• ILEC Affiliates</li> </ul>
<b>Benchmark:</b>	
<b>Parity</b>	

## Interconnection

<b>14. Measurement</b>	
<b>Average Trunk Restoration Interval for Service Affecting Trunk Groups – (New)</b>	
<b>Definition:</b>	
The average time to restore service affecting trunk groups.	
<b>Exclusions</b>	
<ul style="list-style-type: none"><li>• Items beyond Pacific Bell/Nevada Bell Control</li><li>• CLEC Switch and Facility failures</li><li>• Cable cuts/Fiber cuts</li></ul>	
<b>Business Rules:</b>	
Service affecting is defined as 20% of a trunk group out-of-service that causes trunk group blockage. The clock starts on receipt of a trouble ticket from the CLEC that identifies a service affecting condition. The clock stops after completion of work by Pacific Bell/Nevada Bell.	
<b>Disaggregation:</b>	
<ul style="list-style-type: none"><li>• Tandem trunk groups</li><li>• Non-Tandem trunk groups</li><li>• By Market Region</li></ul>	
<b>Calculation:</b>	<b>Report Structure:</b>
Total trunk group outage time / total trunk group trouble reports	Reported for CLEC, all CLECs and Pacific Bell/Nevada Bell.
<b>Benchmark:</b>	
Tandem trunk groups – 1 hour / Non-Tandem – 2 hours.	

**15. Measurement**

**% Trunk Blockage – (New)**

**Definition:**

**Percent of calls blocked on outgoing traffic from Pacific Bell/Nevada Bell end office to CLEC end office and from Pacific Bell/Nevada Bell tandem to CLEC end office**

**Exclusions**

**None**

**Business Rules:**

**Blocked calls and total calls are gathered during the official study week each month. This week is chosen from a pre-determined schedule.**

**No penalties or liquidated damages apply:**

- **If CLECs have trunks busied-out for maintenance at their end, or if they have other network problems which are under their control.**
- **Pacific Bell/Nevada Bell is ready for turn-up on Due Date and CLEC is not ready or not available for turn-up of trunks.**
- **If CLEC does not take action upon receipt of Trunk Group Service Request (TGSR) or ASR within 3 days when a Call Blocking situation is identified by Pacific Bell/Nevada Bell or in the timeframe specified in the ICA.**
- **If CLEC fails to provide a forecast.**
- **If CLEC’s actual trunk usage, as shown by Pacific Bell/Nevada Bell from traffic usage studies, is more than 25% above CLEC’s most recent forecast, which must have been provided within the last six-months unless a different timeframe is specified in an interconnection agreement.**

**The exclusions do not apply if Pacific Bell/Nevada Bell fails to timely provide CLEC with traffic utilization data reasonably required for CLEC to develop its forecast or if Pacific Bell/Nevada Bell refuses to accept CLEC trunk orders (ASRs or TGSRs) that are within the CLEC’s reasonable forecast regardless of what the current usage data is.**

**Disaggregation:**

- **The Pacific Bell/Nevada Bell end office to CLEC end office and Pacific Bell/Nevada Bell tandem to CLEC end office trunk blockage will be reported separately**
- **By Market Region**

**Calculation:**

**(Count of blocked calls / total calls offered) x 100**

**Report Structure:**

**Reported for CLEC, all CLECs and Pacific Bell/Nevada Bell.**

**Benchmark:**

**Dedicated Trunk Groups not to exceed blocking standard of B.01.**

## Coordinated Conversions

### 16. Measurement

#### Coordinated Customer Conversion as a Percentage on Time

##### Definition:

Measures the percentage of coordinated orders (TBCC) completed on time for all orders where CLEC has requested coordination (including PNP).

##### Exclusions

- Excludes CLEC caused misses.
  - If the original due date on an order is missed due to customer reasons, the order should be excluded from this measure, regardless if there are future misses on the order (company or customer).
  - If the original due date on an order is missed due to company reasons, the order should be included in this measure, regardless if there are future misses on the order (company or customer).
- Exclude PIC and LPIC orders.

##### Business Rules:

- Orders (TBCC) completed on time (within one hour of committed order due time) for all orders where CLEC has requested coordination refers to the “Due” time of the TBCC designation.
- Requires an end time for a TBCC order.
- Estimated time to complete an order + 1 hour to be compared to completion time for retail parity.
- Most recent TBCC is the coordinated cut to be used in this measurement.
- Report period is a calendar month.
- The start time of requests received after the end of the business day will be the beginning of the next business day. Business day is defined as published hours of operation or the ILEC ordering center.
  - Business days (M-F, excluding PB/NB official holidays)
  - Business hours:
    - Resale/Retail 8 a.m. to 5 p.m.
    - Facility based 8 a.m. to 5 p.m.
- Excludes CLEC caused misses.
  - If the original due date on an order is missed due to customer reasons, the order should be excluded from this measure, regardless if there are future misses on the order (company or customer).
  - If the original due date on an order is missed due to company reasons, the order should be included in this measure, regardless if there are future misses on the order (company or customer).
- Exclude PIC and LPIC orders.
- Applies to CLEC requested coordinated orders only (including Number Portability orders where coordination is requested by the CLEC).

**Disaggregation:**

**Completed coordinated service orders**

- **Coor. Conversions (Res.)**                      **Coor. Conv. (Res)**
- **Coor. Conversions (Bus.)**                      **Coor. Conv. (Bus)**
- **Coor. Conversions (PNP-Port Out)** **Coor. Conv. (PNP-Port In/Back)**

**Calculation:**

**((Number of coordinated orders completed by due date and time) / (Count of coordinated orders completed in reporting period)) x 100**

**Report Structure:**

- **Needs to be reported by:**
  - **CLEC**
  - **CLECs in the aggregate**
  - **ILEC**
  - **ILEC Affiliates**

**Benchmark:**

**Parity**

## Collocation

<b>17. Measurement</b>	
<b>% Missed collocation due dates – (New)</b>	
<b>Definition:</b>	
The percent of Pacific Bell/Nevada Bell caused missed due dates for Collocation projects.	
<b>Exclusions</b>	
None	
<b>Business Rules:</b>	
<p>The clock starts when Pacific Bell/Nevada Bell receives, in compliance with the approved tariff, payment and return of proposed layout for space as specified in the application form from the CLEC and the clock stops when the collocation arrangement is complete and ready for CLEC occupancy. Due Date Extensions will be extended when mutually agreed to by Pacific Bell/Nevada Bell and the CLEC, or when a CLEC fails to complete work items for which they are responsible in the allotted time frame. The extended due date will be calculated by adding to the original due date the number of calendar days that the CLEC was late in performing said work items. Work items include but are not limited to:</p> <ul style="list-style-type: none"><li>• CLEC return to Pacific Bell/Nevada Bell corrected and complete floor plan drawings</li><li>• CLEC placement of required component(s)</li></ul> <p>If the business rules and tariff are inconsistent, the terms of the tariff will apply.</p>	
<b>Disaggregation:</b>	
Physical, virtual, and additions	
<b>Calculation:</b>	<b>Report Structure:</b>
(Count of number of Pacific Bell/Nevada Bell caused missed due dates for physical collocation facilities / total number of physical collocation projects) x 100	Reported for individual CLEC and all CLECs
<b>Benchmark:</b>	
95% within the due date. Damages and Assessments will be calculated based on the number of days late.	

## Billing

<b>18. Measurement</b>	
<b>Billing Timeliness</b>	
<b>Definition:</b>	
This measurement captures the elapsed number of days between the scheduled close of a Bill Cycle and the ILEC's successful transmission of the associated invoice to the CLEC.	
<b>Exclusions</b>	
<input type="checkbox"/> Excludes:	
<ul style="list-style-type: none"><li>• paper bill</li><li>• magnetic bill</li><li>• CD ROM bill</li><li>• Custom Bill diskette bill</li></ul>	
<b>Business Rules:</b>	
Measures the time the bill is made available to CLEC	
<b>Disaggregation:</b>	
<input type="checkbox"/> Needs to be reported by:	
<ul style="list-style-type: none"><li>• Resale</li><li>• UNE (IntraLATA and InterLATA, etc.)</li><li>• Facilities/Interconnection</li></ul>	
<b>Calculation:</b>	<b>Report Structure:</b>
Sum ((Invoice Transmission Availability Date) – (Date of Scheduled Bill Cycle Close)) / (Count of Invoices Transmitted in Reporting Period)	<input type="checkbox"/> Needs to be reported by: <ul style="list-style-type: none"><li>• CLEC</li><li>• CLECs in the aggregate</li><li>• ILEC Affiliates</li></ul>
<b>Benchmark:</b>	
Standard – 99% within 10 days	

## OSS

<b>19. Measurement</b>	
<b>Percentage of Time Interface is Available</b>	
<b>Definition:</b>	
Measures percent of time OSS interface is available compared to scheduled availability.	
<b>Exclusions</b>	
None	
<b>Business Rules:</b>	
<ul style="list-style-type: none"><li><input type="checkbox"/> Report period is a calendar month.</li><li><input type="checkbox"/> By interface type for all interfaces accessed by CLECs<ul style="list-style-type: none"><li>• pre-ordering</li><li>• ordering</li><li>• maintenance</li></ul></li><li><input type="checkbox"/> Outage hours are obtained from outage reports.</li><li><input type="checkbox"/> Any change requests for extended availability during the reporting period are added to the scheduled hours.</li></ul>	
<b>Disaggregation:</b>	
<ul style="list-style-type: none"><li><input type="checkbox"/> By interface type for all interfaces accessed by CLECs:<ul style="list-style-type: none"><li>• pre-ordering</li><li>• ordering</li><li>• maintenance</li></ul></li></ul>	
<b>Calculation:</b>	<b>Report Structure:</b>
((Number of Scheduled System Available hours)-(Number of Unscheduled System Unavailable Hours) / Scheduled System Available Hours) x 100	<input type="checkbox"/> Needs to be reported by: <ul style="list-style-type: none"><li>• CLEC in the aggregate</li><li>• ILEC</li></ul>
<b>Benchmark:</b>	
Parity for Pacific Bell/Nevada Bell for systems used by both ILEC and CLEC.	
Benchmark 99.25% for OSS interfaces used exclusively by CLECs.	

## Interconnection

<b>20. Measurement</b>	
<b>Percent Blocking on Common Trunks</b>	
<b>Definition:</b>	
Measures the percent of common and shared transport trunk groups exceeding 2% blockage.	
<b>Exclusions</b>	
None	
<b>Business Rules:</b>	
<input type="checkbox"/> Report month is the calendar month.	
<input type="checkbox"/> Threshold exception trunk detail.	
<input type="checkbox"/> Needs to be reported by: Common/shared transport trunk group type	
<input type="checkbox"/> Exception reporting only.	
<input type="checkbox"/> Includes histogram distribution chart.	
<b>Disaggregation:</b>	
Needs to be reported by trunk type.	
<b>Calculation:</b>	<b>Report Structure:</b>
(Number of common and shared transport trunk groups exceeding 2% blockage / Total number of common and shared transport trunk groups) x 100	<input type="checkbox"/> Needs to be reported by: Common/shared transport trunk group
<b>Benchmark:</b>	
2% of trunk groups blocking at no more than 2% blocking	

## Attachment A-3

### CALCULATION OF PARITY AND BENCHMARK PERFORMANCE AND VOLUNTARY PAYMENTS

#### I. Z-Tests

- Modified Z-tests, as outlined below, will be used to determine parity when comparing an SBC/Ameritech incumbent LEC's and the CLEC's results for the difference between two means or two percentages, or the difference in two proportions.
- The modified Z-tests are applicable if the number of data points is greater than 30 for averages or means. For measurements with less than 30 data points SWBT may use the permutations test or Alternative-1 described under "Qualifications to use Z-Test heading below.
- Parity exists when the measured results in a single month (whether in the form of means, percents, or proportions) for the same measurement, at equivalent disaggregation, for both SWBT and the CLEC are used to calculate a Z-test statistic and the resulting value is no greater than the critical Z-value as discussed below.
- For parity measurement results that are expressed as averages or means:

$$Z = (\text{DIFF}) / \delta_{\text{DIFF}}$$

Where;

$$\text{DIFF} = M_{\text{ILEC}} - M_{\text{CLEC}}$$

$$M_{\text{ILEC}} = \text{ILEC Average}$$

$$M_{\text{CLEC}} = \text{CLEC Average}$$

$$\delta_{\text{DIFF}} = \text{SQRT} [\delta_{\text{ILEC}}^2 (1/n_{\text{CLEC}} + 1/n_{\text{ILEC}})]$$

$$\delta_{\text{ILEC}}^2 = \text{Calculated variance for ILEC.}$$

$$n_{\text{ILEC}} = \text{number of observations or samples used in ILEC measurement}$$

$$n_{\text{CLEC}} = \text{number of observations or samples used in CLEC measurement}$$

- For benchmark measurement results that are expressed as averages or means:

$$z = (\text{DIFF}) / 1$$

Where;

$$\text{DIFF} = \text{Benchmark} - M_{\text{CLEC}}$$

$$M_{\text{CLEC}} = \text{CLEC Average}$$

For parity measurement results that are expressed as percentages or proportions:

Step 1:

$$\rho = \frac{(n_{ILEC}P_{ILEC} + n_{CLEC}P_{CLEC})}{n_{ILEC} + n_{CLEC}}$$

Step 2:

$$\sigma_{P_{ILEC}-P_{CLEC}} = \sqrt{[\rho(1-\rho)]/n_{ILEC} + [\rho(1-\rho)]/n_{CLEC}}$$

Step 3:

$$Z = (P_{ILEC} - P_{CLEC})/\sigma_{P_{ILEC}-P_{CLEC}}$$

Where: n = Number of Observations  
P = Percentage or Proportion

- For benchmark measurement results that are expressed as percentages or proportions:

$$Z = (\text{benchmark} - P_{CLEC})/1$$

Where: n = Number of Observations  
P<sub>clec</sub> = Percentage or Proportion for CLEC

- For measurement results that are expressed as rates or a ratio:

$$Z = (\text{DIFF}) / \delta_{\text{DIFF}}$$

Where;

$$\text{DIFF} = R_{ILEC} - R_{CLEC}$$

$$R_{ILEC} = \text{num}_{ILEC} / \text{denom}_{ILEC}$$

$$R_{CLEC} = \text{num}_{CLEC} / \text{denom}_{CLEC}$$

$$\delta_{\text{DIFF}} = \text{SQRT} [R_{ILEC} (1/\text{denom}_{CLEC} + 1/\text{denom}_{ILEC})]$$

## **II. Qualifications To Use Z-Test:**

- The proposed Z-tests are applicable to reported measurements that contain 30 or more data points.
- For measurements where the performance delivered to CLEC is compared to SWBT performance and for which the number of data points are 29 or less, The following Alternative may be used:

Alternative 1:

1. For measurements that are expressed as averages, performance delivered to a CLEC for each observation shall not exceed the ILEC averages plus the applicable critical Z-value. If the CLEC's performance is outside the ILEC average plus the critical Z-value and it is the second consecutive month, SWBT can utilize the Z-test as applicable for sample sizes 30 or greater or the permutation test to provide evidence of parity. If SWBT uses the Z-test for samples under 30, the CLEC can independently perform the permutation test to validate SWBT's results.
2. For measurements that are expressed as percentages, the percentage for CLEC shall not exceed ILEC percentage plus the applicable critical Z-value. If the CLEC's performance is outside the ILEC percentage plus the critical Z-value and it is the second consecutive month, SWBT can utilize the Z-test as applicable for sample sizes 30 or greater or the permutation test to provide evidence of parity. If SWBT uses the Z-test for samples under 30, the CLEC can independently perform the permutation test to validate SWBT's results.

Alternative 2:

Permutation analysis will be applied to calculate the z-statistic using the following logic:

1. Choose a sufficiently large number T.
2. Pool and mix the CLEC and ILEC data sets
3. Randomly subdivide the pooled data sets into two pools, one the same size as the original CLEC data set ( $n_{CLEC}$ ) and one reflecting the remaining data points, (which is equal to the size of the original ILEC data set or  $n_{ILEC}$ ).
4. Compute and store the Z-test score ( $Z_S$ ) for this sample.
5. Repeat steps 3 and 4 for the remaining T-1 sample pairs to be analyzed. (If the number of possibilities is less than 1 million, include a programmatic check to prevent drawing the same pair of samples more than once).
6. Order the  $Z_S$  results computed and stored in step 4 from lowest to highest.
7. Compute the Z-test score for the original two data sets and find its rank in the ordering determined in step 6.
8. Repeat the steps 2-7 ten times and combine the results to determine  $P = (\text{Summation of ranks in each of the 10 runs divided by } 10T)$
9. Using a cumulative standard normal distribution table, find the value  $Z_A$  such that the probability (or cumulative area under the standard normal curve) is equal to P calculated in step 8.
10. Compare  $Z_A$  with the desired critical value as determined from the critical Z table. If  $Z_A >$  the designated critical Z-value in the table, then the performance is non-compliant.

### **III. Critical Z-Test Value**

The following table will be used for determining the Critical Z-value for each measurement. The table can be extended to include CLECs with fewer performance measurements.

**Critical Z - Statistic Table**

<b>Number of Performance Measurements</b>	<b>Critical Z-value</b>
10-19	1.79
20-29	1.73
30-39	1.68
40-49	1.81
50-59	1.75
60-69	1.7
70 -79	1.68
80 - 89	1.74
90 - 99	1.71
100 - 109	1.68
110 -119	1.7
120 - 139	1.72
140 - 159	1.68
160 - 179	1.69
180 - 199	1.7
200 - 249	1.7
250 - 299	1.7
300 - 399	1.7
400 - 499	1.7
500 - 599	1.72
600 - 699	1.72
700 - 799	1.73
800 - 899	1.75
900 - 999	1.77
1000 and above	Calculated for Type-1 Error Probability of 5%

#### **IV. Methods Of Calculating Per Occurrence Voluntary Payments**

##### **Measurements For Which The Reporting Dimensions Are Averages Or Means.**

- Step 1: Calculate the average or the mean for the measurement for the CLEC that would yield the Critical Z-value for the third consecutive month. Use the same denominator as the one used in calculating the Z-statistic for the measurement. (For benchmark measurements, substitute the benchmark value for the value calculated in the preceding sentences).
- Step 2: Calculate the percentage difference between the actual average and the calculated average for the third consecutive month.
- Step 3: Multiply the total number of data points by the percentage calculated in the previous step. Calculate the average for three months and multiply the result by \$1500, \$900, and \$600 for Measurements that are designated as High, Medium, and Low respectively; to determine the applicable assessment payable to the U.S. Treasury for that measure.

##### **Measurements For Which The Reporting Dimensions Are Percentages.**

- Step 1: Calculate the percentage for the measurement for the CLEC that would yield the Critical Z-value for the third consecutive month. Use the same denominator as the one used in calculating the Z-statistic for the measure. (For benchmark measurements, substitute the benchmark value for the value calculated in the preceding sentences).
- Step 2: Calculate the difference between the actual percentage for the CLEC and the calculated percentage for each of the three non-compliant months.
- Step 3: Multiply the total number of data points by the percentage calculated in the previous step. Calculate the average for three months and multiply the result by \$1500, \$900, and \$600 for measurements that are designated High, Medium, and Low respectively; to determine the applicable assessment payable to the U.S. Treasury.

##### **Measurements For Which The Reporting Dimensions Are Ratios Or Proportions.**

- Step 1: Calculate the ratio for the measurement for the CLEC that would yield the Critical Z-value for the third consecutive month. Use the same denominator as the one used in calculating the Z-statistic for the measure. (For benchmark measurements, substitute the benchmark value for the value calculated in the preceding sentences).
- Step 2: Calculate the percentage difference between the actual ratio for the CLEC and the calculated ratio for each month of the non-compliant three-month period.

Step 3: Multiply the total number of service orders by the percentage calculated in the previous step for each month. Calculate the average for three months and multiply the result by \$1500, \$900, and \$600 for measurements that are designated as High, Medium, and Low respectively; to determine the applicable assessment for that measure.

### **Measurements for Which Payment Is Per Occurrence With A Cap**

Voluntary payments are calculated on a per occurrence basis in accordance with the methodologies described above and are payable up to the caps identified in Attachment A-4.

### **V. Methods Of Calculating Per Measurement Voluntary Payments**

Per measurement voluntary payments are payable as detailed in the Voluntary Payments Table below if the actual Z-value exceeds the critical Z-value.

**ATTACHMENT A-4**

**VOLUNTARY PAYMENTS TABLE FOR MEASUREMENTS**

**Per Occurrence**

Measurement Group	
High	\$1500
Medium	\$900
Low	\$600

**Per Measurement/Per Occurrence Caps**

Measurement Group	
High	\$225,000
Medium	\$90,000
Low	\$60,000

**ATTACHMENT A-5a**

**SBC/AMERITECH MEASUREMENT LIST  
(EXCEPT CALIFORNIA AND NEVADA)**

MEASUREMENT LIST (EXCEPT CALIFORNIA AND NEVADA)							
	FPP	Benchmark /Parity	Measurement Name				Pay
				Y1	Y2	Y3	
<b>OSS</b>	1	B	% FOC received in 'X' hours	M	M	M	occur/cap
	2	B	Average Response Time for OSS preorder interfaces	M	M	M	occur/cap
	3	P	Order Process Percent Flow Through	H	H	H	occur/cap
<b>Provisioning</b>	4a	P	% SBC caused missed due dates - POTS	H	H	H	occur
	4b	P	% SWBT caused missed due dates - Design	H	H	H	occur
	4c	P	% SWBT caused missed due dates	H	H	H	occur
	4d	B	% Mechanized Completions Returned Within one Day Of Work Completion	L	L	L	occur
	5a	P	Percent Trouble Report Within 10 Days (I-10) of Installation – POTS	H	H	H	occur
	5b	P	Percent Installation Reports (Trouble Reports) Within 30 Days (I-30) of Installation - Design	H	H	H	occur
	5c	P	Percent Installation Reports (Trouble Reports) Within 30 Days (I-30) of Installation - UNE	H	H	H	occur
	6a	P	Mean Installation Interval - POTS	H	H	H	occur
	6b	P	Average Installation Interval - POTS	H	H	H	occur
	6c	B	% Installation completed in 'X' days - UNE	M	H	H	occur
	7a	P	Average Delay Days For SWBT Caused Missed Due Dates – POTS	L	L	L	occur
	7b	P	Average Delay Days For SWBT Caused Missed Due Dates – Design	L	L	L	occur
	7c	P	Average Delay Days For SWBT Caused Missed Due Dates – UNE	L	L	L	occur
	8	P	Average installation interval - DSL	H	H	H	occur
	9	P	Average response time for loop qualification information	M	M	M	occur
<b>Maintenance</b>	10a	P	Percent Missed Repair Commitments - POTS	H	H	H	occur
	10b	P	Percent Missed Repair Commitments - UNE	H	H	H	occur
	11a	P	Percent Repeat Reports - POTS	H	H	H	occur
	11b	P	Percent Repeat Reports - Design	H	H	H	occur
	11c	P	Percent Repeat Reports - UNE	H	H	H	occur
	12a	P	Receipt To Clear Duration - POTS	H	H	H	occur
	12b	P	Mean Time To Restore - Design	H	H	H	occur
	12c	P	Mean Time To Restore - UNE	H	H	H	occur
	13a	P	Trouble Report Rate - POTS	H	H	H	occur
	13b	P	Failure Frequency – Design	L	L	L	occur
	13c	P	Trouble Report Rate - UNE	H	H	H	occur
<b>Interconnection</b>	14	B	Average Trunk Restoration Interval for Service Affecting Trunk Groups	M	M	H	occur
	15	B	Percent Trunk Blockage	M	H	H	occur/cap
<b>Local Number Portability</b>	16	B	% Pre-mature Disconnects (Coordinated Cutovers)	M	M	H	occur
<b>Collocation</b>	17	B	% missed collocation due date	M	M	H	occur
<b>Billing</b>	18	B	Billing Timeliness	M	M	H	occur/cap
<b>OSS</b>	19	B	OSS Interface Availability	M	M	H	meas

Interconnection	20	B	Common Transport Trunk Blockage	M	M	H	meas
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**ATTACHMENT A-5b**  
**SBC/AMERITECH MEASUREMENT LIST**  
**(CALIFORNIA AND NEVADA)**

MEASUREMENT LIST (CALIFORNIA AND NEVADA)							
	FPP	Benchmark / Parity	Measurement Name				Pay
				Y1	Y2	Y3	
<b>OSS</b>	1	B	Average FOC Notice Interval	M	M	M	occur/cap
	2	B/P	Average Response Time (to preorder queries)	M	M	M	occur/cap
	3	B	Percent of Flow Through Orders	H	H	H	occur/cap
<b>Provisioning</b>	4a	P	% of Due Dates Missed- POTS	H	H	H	occur
	4b	P	% of Due Dates Missed – Design	H	H	H	occur
	4c	P	% of Due Dates missed – UNE	H	H	H	occur
	4d	B	Average Completion Notice Interval	L	L	L	occur
	5a	P	Percent Troubles Within 30 Days for New Orders - POTS	H	H	H	occur
	5b	P	Percent Troubles Within 30 Days for New Orders - Design	H	H	H	occur
	5c	P	Percent Troubles Within 30 Days for New Orders - UNE	H	H	H	occur
	6a	P	Average Completed Interval - POTS	H	H	H	occur
	6b	P	Average Completed Interval - Design	H	H	H	occur
	6c	P	Percent Installation completed within Standard Interval – UNE	M	H	H	occur
	7a	P	Delay Order Interval to Completion Date - POTS	L	L	L	occur
	7b	P	Delay Order Interval to Completion Date - Design	L	L	L	occur
	7c	P	Delay Order Interval to Completion Date - UNE	L	L	L	occur
	8	P	Average Completed Interval - DSL	H	H	H	occur
	9	P	Average response time for loop makeup information	M	M	M	occur
<b>Maintenance</b>	10a	P	Percent of Cust. Trouble not Resolved in Est. Time - POTS	H	H	H	occur
	10b	P	Percent of Cust. Trouble not Resolved in Est. Time - UNE	H	H	H	occur
	11a	P	Frequency of Repeat Troubles in 30 day period-POTS	H	H	H	occur
	11b	P	Frequency of Repeat Troubles in 30 day period-Design	H	H	H	occur
	11c	P	Frequency of Repeat Troubles in 30 day period - UNE	H	H	H	occur
	12a	P	Average Time to Restore – POTS	H	H	H	occur
	12b	P	Average Time To Restore – Design	H	H	H	occur
	12c	P	Average Time To Restore – UNE	H	H	H	occur
	13a	P	Customer Trouble Report Rate - POTS	H	H	H	occur
	13b	P	Customer Trouble Report Rate - Design	L	L	L	occur
	13c	P	Customer Trouble Report Rate - UNE	H	H	H	occur
<b>Interconnection</b>	14	B	Avg. Trunk Restoration Interval for Service Affecting Trunk Groups	M	M	H	occur
	15	P	Percent Blocking on Interconnection Trunks	M	H	H	occur/cap
<b>Coordinated Conversions</b>	16	P	Coordinated Customer Conversions	M	M	H	occur
<b>Collocation</b>	17	B	Percent Missed Collocation Due Dates	M	M	H	occur
<b>Billing</b>	18	B	Wholesale Bill Timeliness	M	M	H	occur/cap
<b>OSS</b>	19	B	Percent of Time Interface is Available	M	M	H	meas
<b>Interconnection</b>	20	B	Percent Blocking on Common Trunks	M	M	H	meas

ATTACHMENT A-6

YEAR 1

CAPS (\$M)

<u>State</u>	<u>Annual</u>	<u>Monthly</u>
Arkansas	\$ 4.16	\$ 0.35
California	\$ 79.01	\$ 6.58
Connecticut	\$ 9.56	\$ 0.80
Illinois	\$ 30.41	\$ 2.53
Indiana	\$ 9.71	\$ 0.81
Kansas	\$ 5.89	\$ 0.49
Michigan	\$ 23.55	\$ 1.96
Missouri	\$ 10.87	\$ 0.91
Nevada	\$ 1.54	\$ 0.13
Ohio	\$ 17.81	\$ 1.48
Oklahoma	\$ 7.05	\$ 0.59
Texas	\$ 40.99	\$ 3.41
Wisconsin	<u>\$ 9.45</u>	<u>\$ 0.79</u>
	\$250.00	\$ 20.83

ATTACHMENT A-6 (cont'd)

YEAR 2

CAPS (\$M)

<u>State</u>	<u>Annual</u>	<u>Monthly</u>
Arkansas	\$ 6.24	\$ 0.52
California	\$ 118.51	\$ 9.88
Connecticut	\$ 14.34	\$ 1.20
Illinois	\$ 45.62	\$ 3.80
Indiana	\$ 14.57	\$ 1.21
Kansas	\$ 8.83	\$ 0.74
Michigan	\$ 35.32	\$ 2.94
Missouri	\$ 16.31	\$ 1.36
Nevada	\$ 2.31	\$ 0.19
Ohio	\$ 26.72	\$ 2.23
Oklahoma	\$ 10.57	\$ 0.88
Texas	\$ 61.48	\$ 5.12
Wisconsin	<u>\$ 14.18</u>	<u>\$ 1.18</u>
	\$ 375.00	\$ 31.25

ATTACHMENT A-6 (cont'd)

**YEAR 3**

CAPS (\$M)

<u>State</u>	<u>Annual</u>	<u>Monthly</u>
Arkansas	\$ 8.32	\$ 0.69
California	\$ 158.02	\$ 13.17
Connecticut	\$ 19.12	\$ 1.59
Illinois	\$ 60.82	\$ 5.07
Indiana	\$ 19.42	\$ 1.62
Kansas	\$ 11.78	\$ 0.98
Michigan	\$ 47.10	\$ 3.93
Missouri	\$ 21.75	\$ 1.81
Nevada	\$ 3.08	\$ 0.26
Ohio	\$ 35.62	\$ 2.97
Oklahoma	\$ 14.10	\$ 1.18
Texas	\$ 81.97	\$ 6.83
Wisconsin	<u>\$ 18.90</u>	<u>\$ 1.57</u>
	\$ 500.00	\$ 41.67

**ATTACHMENT B**

**MODEL COLLOCATION ATTESTATION REPORT**

**DRAFT**

Independent Accountant's Report

SBC Communications Inc. Board of Directors  
and  
Federal Communications Commission

We have examined SBC Communications Inc.'s (the Company) assertion that the Company has policies and procedures (as described in the attachment) in place as of Month xx, 1999 regarding compliance with the Federal Communications Commission's (FCC) collocation requirements. The FCC's collocation requirements are contained in the FCC's March 31, 1999 First Report and Order and Further Notice of Proposed Rulemaking on Deployment of Wireline Services Offering Advanced Telecommunications Capability (CC Docket No. 98-147). The Company is responsible for the design, distribution and monitoring of such policies and procedures in place upon which the Company's assertion to the FCC is based.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and included both a determination of the existence and distribution of such policies and procedures upon which the Company's assertion is based, as well as such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, management's assertion that policies and procedures as described above are in place as of Month xx, 1999 is fairly stated in all material respects.

This report is intended solely for the information and use of the Board of Directors and management of the Company and the FCC and should not be used for any other purpose. Since this report will be filed in documents that are a part of the public record, its distribution is not limited.

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Signature of Independent Auditor

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Date

**ATTACHMENT C**

**PROMOTIONAL DISCOUNTS FOR RESIDENTIAL UNBUNDLED LOCAL LOOPS**

**ANALOG 2-WIRE LOOPS**

<b>Promotional Loop Discounts</b>			
<b>Zone</b>	<b>Current Price</b>	<b>New Price</b>	<b>Discount (%)</b>
<b>Arkansas</b>			
Zone 1	\$56.25	\$23.50	58.22
Zone 2	\$19.00	\$14.80	22.11
Zone 3	\$14.00	\$11.60	17.14
			<b>Average: 25.01</b>
<b>California</b>			
Zone 1 (Statewide)	\$12.92	\$9.69	25.00
			<b>Average: 25.00</b>
<b>Connecticut</b>			
Zone A	\$9.34	\$7.25	22.38
Zone B	\$14.77	\$12.75	13.68
Zone C	\$17.08	\$12.75	25.35
Zone D	\$19.71	\$12.75	35.31
			<b>Average: 25.03</b>
<b>Illinois</b>			
Zone A	\$2.59	\$2.59	0.00
Zone B	\$7.07	\$5.63	20.37
Zone C	\$11.40	\$8.17	28.33
			<b>Average: 25.03</b>
<b>Indiana</b>			
Zone 1	\$8.03	\$6.23	22.42
Zone 2	\$8.15	\$6.23	23.56
Zone 3	\$8.99	\$6.23	30.70
			<b>Average: 25.06</b>

<b>Kansas</b>			
Zone 1	\$70.30	\$21.40	69.56
Zone 2	\$26.55	\$17.50	34.09
Zone 3	\$19.65	\$17.50	10.94
			<b>Average: 25.00</b>
<b>Michigan</b>			
Zone A	\$9.43	\$8.12	13.89
Zone B	\$12.02	\$8.85	26.37
Zone C	\$14.86	\$10.40	30.01
			<b>Average: 25.02</b>
<b>Missouri</b>			
Zone 1	\$12.71	\$11.00	13.45
Zone 2	\$20.71	\$15.00	27.57
Zone 3	\$33.29	\$13.25	60.20
Zone 4	\$18.23	\$9.20	49.53
			<b>Average: 25.40</b>
<b>Nevada</b>			
Zone 1	\$11.33	\$9.75	13.95
Zone 2	\$18.25	\$11.85	35.07
Zone 3	\$34.75	\$12.75	63.31
			<b>Average: 25.00</b>
<b>Ohio</b>			
Zone B	\$5.93	\$5.34	9.95
Zone C	\$7.97	\$5.34	33.00
Zone D	\$9.52	\$5.34	43.91
			<b>Average: 35.94</b>
<b>Oklahoma</b>			
Zone A	\$35.00	\$16.20	53.71
Zone B	\$18.00	\$13.00	27.78
Zone C	\$13.00	\$11.50	11.54
			<b>Average: 25.01</b>
<b>Texas</b>			

Zone 1	\$18.98	\$10.60	44.15
Zone 2	\$13.65	\$10.60	22.34
Zone 3	\$12.14	\$10.55	13.10
			<b>Average: 25.01</b>
<b>Wisconsin</b>			
Zone 1	\$10.90	\$8.17	25.05
Zone 2	\$10.90	\$8.17	25.05
Zone 3	\$10.90	\$8.17	25.05
			<b>Average: 25.05</b>

## **ATTACHMENT D**

### **ALTERNATIVE DISPUTE MEDIATION**

SBC/Ameritech shall implement in the SBC and Ameritech States a voluntary alternative dispute mediation process to resolve local service carrier-to-carrier disputes, including disputes related to interconnection agreements, as follows:

If resolution is not attained upon completion of the dispute resolution process contained in a state commission-approved interconnection agreement, or if the dispute is not subject to resolution under an interconnection agreement, SBC/Ameritech shall, at the option of the other party or parties to the dispute, participate in a mediation process as follows:

a. If a party voluntarily chooses to invoke these mediation procedures, it shall submit a written request for mediation to the appropriate state commission, with a copy to SBC/Ameritech and any other party or parties involved in the dispute. State commissions shall not be required to implement this process or to mediate disputes under the mediation provisions of this Attachment.

b. The written request shall include a statement as to whether the dispute affects service or is otherwise exceptionally time-sensitive. If the dispute affects service or is otherwise exceptionally time-sensitive, the written request shall set forth time requirements for resolution, and the time frames stated herein shall be shortened by agreement of the parties to accommodate the requested time requirements, which may not be less than 3 business days.

c. SBC/Ameritech shall attempt to resolve issues affecting multiple CLECs in the same State through consolidated mediations.

d. The parties to the dispute shall each have a person or persons of authority at the dispute resolution table such that a reasonable resolution could be agreed to at the table. In the event the representative(s) of a party come without the authority to agree to a particular item, that party shall commit to provide a response within no more than 2 business days.

e. Any information shared with another party or parties prior to a mediation session shall be faxed to the other party or parties to the dispute at least 24 hours prior to the next mediation session. A copy shall also be provided to the staff of the appropriate state commission.

f. SBC/Ameritech shall have one contact person for all contacts related to a given dispute.

g. SBC/Ameritech shall attend a face-to-face meeting with the disputing party or parties and the staff of the appropriate state commission within one week of the request for mediation. In the event it is not possible to resolve the issue in one session, the parties

to the dispute shall agree to a meeting schedule and have all relevant decision makers meet with the other party or parties during the scheduled times.

h. SBC/Ameritech agrees that service to end-user customers shall not be disrupted or otherwise affected by the pendency of a mediation proceeding.

i. SBC/Ameritech shall prohibit their regulatory, legal, and/or wholesale personnel from disclosing to their retail staff information regarding customers identified during the mediation process concerning the dispute being mediated. If necessary, SBC/Ameritech regulatory, legal, and/or wholesale personnel may contact the customer regarding service or billing-related issues after they have first notified the opposing party or parties in mediation to discuss the need for such contact and to give such party or parties the opportunity to participate in such contact.

j. SBC/Ameritech shall reduce each resolved issue to writing within 5 business days of the resolution. One of the other parties may also agree to reduce the agreement to writing. All subsequent responses/replies shall be due within 3 business days. If the parties have not reduced the resolved issue to an agreed-upon writing within 14 calendar days of the issue's resolution, they shall notify the staff of the appropriate state commission within 5 business days, and any party may request to resume the mediation. Written resolutions of the issues, once agreed upon by the parties, shall be binding upon the parties; a copy of each agreement shall be submitted to the staff of the appropriate state commission upon execution. If an agreement reached requires an amendment or addendum to a previously approved interconnection agreement, SBC/Ameritech shall file the amendment or addendum for approval by the appropriate state commission within 14 calendar days of reaching the written agreement.

k. Communications during the mediation process shall be confidential. SBC/Ameritech shall facilitate the confidentiality of the mediation process, including execution of a reasonable mediation agreement (provided that the other mediating party also agrees to do so as a condition to participating in the mediation process).

Once issues are resolved by the parties, should another telecommunications carrier in the same State request resolution of the same issue(s), with substantially similar factual circumstances and terms, and with conditions and other contract provisions that are not materially different, SBC/Ameritech shall make the arrangements arrived at through a prior mediation process available to that telecommunications carrier.

Should the appropriate state commission choose not to participate in the mediation process, the parties may mutually agree that a party (not a party to the dispute) may fill the role of the state commission and its staff in the mediation process.

**ATTACHMENT E**

**POTENTIAL OUT-OF-TERRITORY MARKETS**

Albany, NY
Albuquerque, NM
Atlanta, GA
Baltimore, MD
Baton Rouge, LA
Birmingham, AL
Boston, MA
Boulder, CO
Buffalo, NY
Cedar Rapids, IA
Charlotte, NC
Cincinnati, OH
Colorado Springs, CO
Denver, CO
Des Moines, IA
Fort Lauderdale, FL
Greensboro, NC
Greenville, SC
Harrisburg, PA
Honolulu, HI
Jacksonville, FL
Las Vegas, NV
Louisville, KY
Memphis, TN
Miami, FL
Middlesex, NJ
Minneapolis-St. Paul, MN
Nashville, TN
Nassau, NY
New Orleans, LA
New York, NY
Newark, NJ
Norfolk, VA
Orlando, FL
Passaic, NJ
Philadelphia, PA
Phoenix, AZ
Pittsburgh, PA
Portland, OR

Raleigh, NC
Richmond, VA
Rochester, NY
Salt Lake City, UT
Seattle, WA
Syracuse, NY
Tampa, FL
Tucson, AZ
Washington, DC
West Palm Beach, FL
Wilmington, DE

