

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's )  
 own motion, to consider AMERITECH )  
 MICHIGAN'S compliance with the ) Case No. U-12320  
 competitive checklist in Section 271 )  
 of the federal Telecommunications )  
 Act of 1996. )  
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Proceedings had in the above-entitled  
 matter at the Michigan Public Service Commission,  
 6545 Mercantile Way, Lansing, Michigan.

SESSION OF FRIDAY, OCTOBER 18, 2002

VOLUME 43

- - -

BEFORE: JOHN KERN, Facilitator

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- - -

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Lansing, Michigan  
Friday, October 18, 2002  
8:40 A.M.

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(The proceedings were resumed pursuant to the adjournment.)

MR. KERN: Let's go ahead and begin our final day.

We're going to be doing the billing domain, which includes TVV 8 and 9, PPR 10 through 13. WorldCom -- I'm sorry -- AG's going to go first -- they have a few questions -- followed by WorldCom and then AT&T.

Orji, whenever you're ready.

MR. ERINGIS: John, if I may start, I have reviewed the questions and I think I'd like to make a general comment about the AG's questions and then Orji can follow up, of course.

With respect to the first question, the question is about in general how billing records, billing status and billing disputes within the CLECs are part of the scope of the test.

In conducting the test we generated our own billing usage activity, set up accounts for the purpose of performing a billing test, and in doing so

1 generated bills and reviewed those bills for accuracy and  
2 other attributes.

3 We can answer this question, Question No.  
4 1 from the AG, in writing, as we have with the other  
5 questions that were submitted by the AG. But in general  
6 we want to give an overview at this time that we did  
7 generate our own data independently to do the billing  
8 evaluations.

9 We did discuss and incorporate CLEC  
10 information in our overall billing evaluation work, and we  
11 also did look at where billing issues are captured at SBC  
12 sites and how the claims process at SBC works. So we can  
13 put that in writing and expand on that point with respect  
14 to Question 1.

15 With respect to Question 2, it's a more  
16 detailed question around the billing dispute process and  
17 the status about outstanding billing disputes.

18 As I stated before, we had reviewed the  
19 overall claims process in the billing work center  
20 activities as part of this test. We did not specifically  
21 evaluate specific billing disputes during this test to see  
22 whether those individual billing disputes were in fact  
23 resolved accurately. That was not within the scope of the  
24 test that we performed.

25 And we did not conduct that particular

1 activity, but we did look at the business functions that  
2 SBC has in place to deal with billing disputes in general,  
3 and looked at data within that organization, and conducted  
4 interviews, site visits, and reviewed their documentation.

5 MR. ISIOGU: That's satisfactory. That's  
6 all I need. Thank you.

7 MR. ERINGIS: Thank you.

8 MR. KERN: Anything else, Orji?

9 MR. ISIOGU: Are you forwarding their  
10 written response to the questions also?

11 MR. ERINGIS: We'll provide -- that's  
12 correct.

13 MR. ISIOGU: O.K.

14 That's all, John. Thanks.

15 MR. KERN: Thanks, Orji.

16 Sherry, I believe you're next.

17 MS. LICHTENBERG: Thank you.

18 John or Van or Terry, could we start out  
19 by discussing exactly what you do in terms of generating  
20 the DUF records, the volume of calls that you make, and  
21 how you receive the daily usage feed?

22 MR. HOWARD: Yes, Sherry. That will be  
23 fine.

24 MR. ERINGIS: I'm sorry, let me interrupt.

25 John, I have not made an introduction of

1 our team, so I want to do that now.

2 We have with us today Terry Trudgian and  
3 Van Howard, who worked on our billing evaluation, and I  
4 also have with me Eugene Gorfin, who is one of the state  
5 project managers that we have for the Ameritech tests, and  
6 he also has worked in the past, as well as on this test,  
7 on the billing evaluations. So they can answer -- help me  
8 answer questions today.

9 I'm sorry, Van. Go ahead.

10 MR. HOWARD: That's all right.

11 Sherry, when we execute a DUF test we  
12 start off with a set of provisioned CABS working lines.  
13 These working lines are a variety of originating states.  
14 They can start off in a retail status, they can start off  
15 in resale status, they can start off in UNE-P status,  
16 generally just run to a backboard in the central office  
17 for us to plug into test calls.

18 Once the accounts are established, we go  
19 out to the field and we verify that the lines are up and  
20 working on a site validation through the normal process of  
21 enacting the lines.

22 We then review the CSRs for those lines to  
23 make sure that what we asked for in test bed is indeed  
24 what we got. We set up a suite of test calls,  
25 approximately 40-ish different types of calls that are to

1 be placed on these lines.

2                   During the course of the test we also  
3 execute service order activity against a number of these  
4 lines to change the status. We do migrations from retail  
5 to both resale and UNE-P. We have several lines usually  
6 with no activity on them. We have disconnects, suspends.  
7 We do CLEC-to-CLEC resale to UNE-P typically, feature  
8 changes, various types of order activity.

9                   All of this order activity is scheduled to  
10 take place during the time that we're actually placing the  
11 test calls, typically mid period.

12                   The test calls themselves are placed in a  
13 variety of methods: some through automated calling  
14 equipment, some are placed by folks in the fields. The  
15 operator-handled typically is done manually. The direct  
16 dial stuff is typically done in an automated fashion.

17                   Once we conclude the test calling, we  
18 start to receive our DUF records. We receive our DUF  
19 records -- for this test they were placed on a server by  
20 Ameritech and we pulled them over, is my understanding,  
21 using an IT address and FTP-ing them down to our own  
22 equipment.

23                   We then do some processing on those  
24 records to get them in readable format, and once we take a  
25 look at the timeliness standard, which is six business

1 days for Ameritech, at that point we pull all the DUF  
2 records in and we start evaluating them back against the  
3 call logs that we have in our possession from when the  
4 test calls were placed. We also evaluate those records  
5 from a timeliness perspective. We evaluate those records  
6 against EMI guidelines and we present our findings.

7 Those records are also used to validate  
8 usage billing, and in the case of the Michigan test, which  
9 was executed twice due to metrics data retention issues,  
10 not test problem issues, we were able to validate resale  
11 billing in the RBS system. We were able to validate on  
12 the first test UNE-P billing in RBS. On the second test  
13 we validated UNE-P usage billing. The majority of it now  
14 bills in CABS, some of it does still bill in RBS as kind  
15 of a section of the TVV 9 test as well.

16 That's pretty much what we do.

17 MS. LICHTENBERG: That's helpful, so let  
18 me ask you a couple of questions about it.

19 The timeliness standard for the daily  
20 usage fee, DUF, does that have exclusions in it or are all  
21 call records to be received within that six-day window?

22 MR. ERINGIS: Sherry, are you asking about  
23 what is the Ameritech standard or what we do?

24 MS. LICHTENBERG: Yes. I'd like to ask  
25 you about both, if you did something different than the

1 Ameritech standard.

2 MR. ERINGIS: Certainly.

3 MR. HOWARD: The testing standard is 95  
4 percent received within six business days. And I believe  
5 that is also -- that Ameritech's general guidelines are  
6 also six business days maximum from the receipt of the DUF  
7 records.

8 MS. LICHTENBERG: And others that fall in  
9 the dreaded 3E status do not fall into this category or  
10 they're exempted from the six-day window?

11 MR. HOWARD: What we do in our testing,  
12 Sherry, is we have a set of orders that we intend to have  
13 happen. If some of the orders don't perform as expected,  
14 we adjust our expected results accordingly.

15 MS. LICHTENBERG: So --

16 MR. HOWARD: We don't modify our DUF  
17 delivery standard based on an error order.

18 (Mr. Eringis conferred with his team.)

19 MS. LICHTENBERG: I really get nervous  
20 when you have a conference and don't tell me anything  
21 afterwards.

22 MR. ERINGIS: He was explaining something  
23 to me. Thank you.

24 MS. LICHTENBERG: Let me try again and  
25 perhaps you will explain it to me.

1                   An order that falls into 3E does not  
2                   generate daily usage until or if that order is corrected  
3                   and closes to bill; is that correct?

4                   (Mr. Eringis conferred with his team.)

5                   MR. HOWARD: Yes. Depends on the original  
6                   status of lines, Sherry. Some of our lines are set up in  
7                   the status originally where they would be generating DUF  
8                   from the outset.

9                   An order that doesn't complete in billing  
10                  we would, like I said before, we would adjust our expected  
11                  results.

12                  MS. LICHTENBERG: So you would remove  
13                  those orders from your evaluation?

14                  MR. HOWARD: Right, because we make test  
15                  calls over a finite period. We start and then we stop.

16                  So if during the period of test calling the order did not  
17                  complete, we would know -- we would have to adjust our  
18                  expectations for the test.

19                  MS. LICHTENBERG: So unlike a CLEC, if you  
20                  were to send down a hundred orders and 50 of them got  
21                  stuck in 3E status and generated no daily usage fee, you  
22                  would just take those out of the mix and say the number  
23                  was 50 and they all came on time?

24                  MR. HOWARD: If the 50 percent of my  
25                  orders had failed, we would have redone the test.

1 MS. LICHTENBERG: O.K. Did you have any  
2 3E errors?

3 MR. HOWARD: I had one or two orders that  
4 didn't complete, I believe. I don't know what the actual  
5 status was.

6 MR. ERINGIS: Sherry, you're right. If  
7 the point that you're trying to make is that our test  
8 adjusts for this status of the account, that's true.

9 In order for us to do our test, we  
10 controlled for that in a way that would have eliminated  
11 counting something as a negative in the situation that  
12 you're describing.

13 MS. LICHTENBERG: That was exactly my  
14 question, so thank you.

15 You receive these DUF records, they are  
16 put up on a server and you FTP them over. And is that a  
17 methodology that CLECs use as well?

18 MR. HOWARD: It's an available option.

19 MS. LICHTENBERG: My Question 73 is about  
20 DUF formatting. You said you looked at the EDI records to  
21 make sure that they were formatted correctly?

22 MR. HOWARD: Yes.

23 MS. LICHTENBERG: Did you, by chance, look  
24 at the records for return call, \*69, and repeat call, \*66?

25 MR. HOWARD: Yes, we did.

1 MS. LICHTENBERG: Did you see the proper  
2 records for each of those?

3 MR. HOWARD: Yes, we did.

4 MS. LICHTENBERG: So if you saw the proper  
5 records, and I am seeing them swapped, what would that  
6 indicate to you? That is, I am receiving the EMI records  
7 for \*69 on a \*66 call and vice versa.

8 MR. HOWARD: Our experience was that we  
9 received the correct record.

10 MS. LICHTENBERG: And how is the EMI  
11 format constructed? Is it on a switch-by-switch basis, or  
12 when the switch outputs a record and uses an AMA format,  
13 right?

14 MR. HOWARD: That's correct. The EMI was  
15 developed through software mitigation somewhere downstream  
16 from switched polling and collection.

17 MS. LICHTENBERG: And when you say  
18 software mitigation, you mean the AMA records are accepted  
19 and reformatted?

20 MR. HOWARD: That's correct.

21 MS. LICHTENBERG: And does that happen in  
22 some central location somewhere downstream? Is it state-  
23 related, do you know?

24 MR. HOWARD: Ameritech has a system called  
25 CAMPS that outputs the DUF files. That's C-A-M-P-S, all

1 caps. That is a common process for all five states, is my  
2 understanding.

3 MS. LICHTENBERG: In a single process  
4 or --

5 MR. HOWARD: I don't know how many threads  
6 of the job they actually run, but my understanding is the  
7 base software is the same for all five states.

8 MS. LICHTENBERG: O.K. I'm going to try  
9 to be logical for a change.

10 My Question 74, you said you evaluated  
11 RBS, which is a resale system, and AEBS and CABS; is that  
12 correct, for your wholesale records?

13 MR. HOWARD: RBS and CABS, C-A-B-S, with  
14 the billing system AEBS, is actually the file format  
15 electronic equivalent of RBS.

16 MS. LICHTENBERG: So you did do a CABS  
17 evaluation?

18 MR. HOWARD: Yes, ma'am.

19 MS. LICHTENBERG: For what volume of  
20 records?

21 MR. HOWARD: The CABS' usage evaluation  
22 was on approximately 1800 DUF records from the second  
23 Michigan test.

24 MS. LICHTENBERG: And what about  
25 nonrecurring charges, monthly recurring charges, what one

1 would normally see on a CABS wholesale bill?

2 MR. HOWARD: I have to defer to my  
3 colleagues on that.

4 (Mr. Eringis conferred with his team.)

5 MR. GORFIN: For resale nonrecurring  
6 charges we valued at 945; for UNE loop nonrecurring  
7 charges, we valued at 140; for UNE-P nonrecurring charges,  
8 we valued at 499.

9 MR. ERINGIS: Eugene, could you cite those  
10 test preferences, please?

11 MR. GORFIN: The test criteria reference  
12 here are TVV 9-7, TVV 9-8, and TVV 9-9.

13 MS. LICHTENBERG: Is there a reason that  
14 the numbers for UNE-P were so much smaller than the resale  
15 numbers? Or was that just a statistical decision?

16 (Mr. Eringis conferred with his team.)

17 MR. ERINGIS: Sherry, the makeup is  
18 reflective of the base test bed that was set up for the  
19 test.

20 MS. LICHTENBERG: How did you receive the  
21 CABS bills?

22 MR. TRUDGIAN: We received the CABS bills  
23 in two formats, paper and BOS-BDT cartridge tape.

24 MS. LICHTENBERG: Did you evaluate the  
25 bills once for paper, to make sure that all the sessions

1 were there, and then once in the BOS-BDT? Or what way did  
2 you compare the two formats?

3 MR. TRUDGIAN: There were two evaluations  
4 that were conducted. The main evaluation on the paper  
5 bill, all paper bills that were received were examined for  
6 format. And then as part of the BOS-BDT evaluation the  
7 bills received were -- they were validated against the  
8 BOS-BDT guidelines for format.

9 MS. LICHTENBERG: Did you -- you might  
10 want to let him keep the mike.

11 Did you validate the paper bills for the  
12 same accounts against the BOS-BDT bill?

13 MR. TRUDGIAN: Yes. The BOS-BDT  
14 evaluation was against a subset of the paper bills, CABS  
15 paper bills.

16 MS. LICHTENBERG: So you checked and they  
17 matched?

18 MR. TRUDGIAN: That's correct.

19 MR. ERINGIS: And, Sherry, we address that  
20 in TVV 9-26.

21 MS. LICHTENBERG: I'll get there. In  
22 TVV 9-5, actually starting with 9-4, you talk about the  
23 fact that the recurring rates match the tariffs and  
24 contract rates, yet later on in your report you said that  
25 there didn't seem to be a process to make those rates

1 effective with the date that the tariff was effective or  
2 the contract was effective.

3 Can you put those two things together for  
4 me? They seem to be a bit out of sync.

5 (Mr. Eringis conferred with his team.)

6 MR. GORFIN: During the review of the  
7 bills conducted for the early criteria that you mention,  
8 the rates matched the tariff as there were no changes to  
9 our tariff rates during that time frame.

10 The later criteria that you are referring  
11 to are tied to changes in the rates that occurred during  
12 some process or some time frame that you would then  
13 evaluate and see if those rates were uploaded correctly  
14 and in time for verification, and that's tied to a process  
15 review.

16 MS. LICHTENBERG: And did you do that?

17 MR. GORFIN: The process review?

18 MS. LICHTENBERG: Yes.

19 MR. GORFIN: Yes.

20 MS. LICHTENBERG: And were they updated  
21 timely?

22 MR. GORFIN: We have an open exception for  
23 this issue.

24 MS. LICHTENBERG: And so had I done this  
25 test, the TVV 9 test, the day after the rates should have

1       been in the system, the ones reviewed in the process test,  
2       would these criteria have been satisfied, given that open  
3       exception?

4                       MR. ERINGIS: We don't know without having  
5       run it, but it's possible that if enough of the rates  
6       weren't updated and we had enough instances where the  
7       problem that you're describing would have caused the  
8       criteria not to be met, then yeah, that's correct. But it  
9       would all depend on how the test played out.

10                      MS. LICHTENBERG: So we don't know, based  
11       on this criteria alone, that the rates we are being  
12       billed, once changes are made either to the tariffs or to  
13       our own contracts, are properly applied because in the  
14       process test we couldn't find a process and here we did it  
15       before the testing -- before the changing. Correct?

16                      MR. ERINGIS: Well, I think in general  
17       that's a fair concern to have, based on the data that's  
18       available. I think that the criterion that we're talking  
19       about here really speaks to if the rates are updated, they  
20       appear to show correctly on the bills, and the concern  
21       from the process perspective is that although the tariffs  
22       may be updated on a timely basis, there wasn't a way to  
23       ensure from our perspective, given the process design,  
24       that that occurred sufficiently timely. So it's a matter  
25       of degree, Sherry.

1 MS. LICHTENBERG: The Attorney General  
2 asked you the question that I'm still a little confused  
3 about, my Question 113, which is your "indeterminate" or  
4 "not applicable" criterion 9-24 on the debit and credit  
5 adjustments. You didn't have any of these and therefore  
6 you just couldn't evaluate it; is that how I should read  
7 this?

8 MR. ERINGIS: Just a moment, Sherry.

9 (Mr. Eringis conferred with his team.)

10 MR. TRUDGIAN: I'm sorry, Sherry, can you  
11 repeat the question, please?

12 MS. LICHTENBERG: I'd like you to help me  
13 understand why TVV 9-24 is not applicable.

14 MR. TRUDGIAN: TVV 9-24 is not applicable  
15 because during the course of the execution of the TVV 9  
16 test, KPMG -- BearingPoint did not submit any claims that  
17 would have generated credits or adjustments.

18 MS. LICHTENBERG: So that the Commission,  
19 if they want to understand how this process works, will  
20 need to ask CLECs or someone else who has submitted this  
21 kind of adjustment; is that correct?

22 MR. ERINGIS: Well, the report, I think  
23 what we would characterize is that we do not have  
24 transaction-level data from a controlled experiment that  
25 we ran within this report. So from that perspective the

1 Commission does not have that kind of information. The  
2 information that they do have is in the procedural review.

3 MS. LICHTENBERG: Let's go on to PPR 10,  
4 the billing work center and the help desk.

5 Generally speaking, how much evaluation or  
6 what types of evaluation did BearingPoint conduct of the  
7 CABS billing process and the ability of Ameritech folks to  
8 respond to CABS questions from CLECs?

9 MR. TRUDGIAN: The PPR 10 evaluation was  
10 an operational analysis of the process to provide general  
11 billing support to the CLEC community. As part of this  
12 evaluation, BearingPoint did not evaluate the process but  
13 did not specifically evaluate SBC Ameritech's ability to  
14 answer questions that would have been specifically related  
15 to CABS or CABS-related issues.

16 MS. LICHTENBERG: And that's the reason  
17 for the "indeterminate" on 10-2? Or throughout. I guess  
18 that's the only "indeterminate" one.

19 MR. TRUDGIAN: Sherry, 10-2 was  
20 indeterminate at the time of the draft report because  
21 there was an open observation, Observation 479, and as of  
22 today Observation 479 remains open.

23 MS. LICHTENBERG: So just to make sure I  
24 understand 479, there was probably little activity at the  
25 CABS help desk because the wrong phone number is published

1 for it?

2 MR. ERINGIS: I don't know that we know  
3 the answer to that.

4 MS. LICHTENBERG: But the phone number  
5 remains wrong today?

6 MR. TRUDGIAN: Based on BearingPoint's  
7 review of the test CLEC bills for September, the help desk  
8 number on the test CLEC bills has been corrected.

9 MS. LICHTENBERG: So the observation is  
10 now open just because you haven't had a chance to close  
11 it?

12 MR. TRUDGIAN: The Observation 479 is  
13 still open because there is an outstanding data request  
14 because they're on a review of the Web sites. Incorrect  
15 help desk numbers were identified.

16 MS. LICHTENBERG: So I still can't find  
17 the help desk.

18 Where is this help desk physically  
19 located?

20 MR. TRUDGIAN: Milwaukee.

21 MS. LICHTENBERG: Good to know.  
22 Our Question 91. What is the bill of  
23 record in the Ameritech region for UNE-P?

24 MR. TRUDGIAN: The bill of record in  
25 Michigan for UNE-P is the paper bill.

1 MS. LICHTENBERG: And I haven't had  
2 anybody scream at me yet but I better ask this question  
3 before they start doing it: Are CLECs able to suppress  
4 the paper bill and just receive the BOS-BDT?

5 MR. TRUDGIAN: I don't know the answer to  
6 that question, Sherry.

7 MS. LICHTENBERG: Neither do I, but there  
8 might be a lot of boxes of paper out there.

9 MR. ERINGIS: No one screamed.

10 MS. LICHTENBERG: Right. No, I meant my  
11 own folks.

12 MR. ERINGIS: Oh, I see.

13 MS. LICHTENBERG: We'll move on to PPR 13.  
14 Could we look at 13-4, which is or was at the time of  
15 publication a "not satisfied" finding. Looking at the  
16 CABS bill production process, can you tell us why this was  
17 not satisfied? It's on page 674 of the report.

18 MR. ERINGIS: In the fifth paragraph of  
19 the comments we discuss that. Exception 119 details an  
20 issue that we believe we identified regarding the lack of  
21 a systematic process for verifying the accuracy and  
22 ensuring proper formatting of bills produced by CABS, and  
23 the specific details of that are listed in Exception 119,  
24 which was issued on June 10, 2002.

25 MS. LICHTENBERG: And that's still open?

1 MR. ERINGIS: Yes.

2 MS. LICHTENBERG: And let me make sure I  
3 understand this. The validation of the bill to make sure  
4 the bill is correct and has the right information in it is  
5 performed after the bill has already been sent to the  
6 CLEC; is that correct?

7 MR. ERINGIS: Yes.

8 MS. LICHTENBERG: Thank you.

9 MR. ERINGIS: Sherry, we'd like to clarify  
10 our answer.

11 MR. GORFIN: The format of the bill is  
12 checked prior to sending it to CLECs. The data contained  
13 within the bill looks at the previous month's data.

14 MS. LICHTENBERG: So I would receive a  
15 bill in June, it would have been formatted correctly  
16 because there is an electronic process, mechanical  
17 process, to make sure that the layout is correct, but the  
18 validity of the rates and charges are checked the month  
19 after I receive the bill. Is that what you just said?

20 MR. GORFIN: That's correct.

21 MS. LICHTENBERG: Thank you.

22 Why is PPR 13-5 indeterminate?

23 MR. TRUDGIAN: PPR 13-5 was indeterminate  
24 at the time of the draft report because there was an  
25 outstanding -- I believe it was an outstanding data

1 request or interview summary to confirm information that  
2 had been provided to BearingPoint during an interview.

3 Since that time that information has been received.

4 MS. LICHTENBERG: And this is now a  
5 "satisfied" criterion?

6 MR. TRUDGIAN: If the report were to be  
7 published today, this criteria would be satisfied.

8 MS. LICHTENBERG: Moving on to 13-6, could  
9 we discuss on page 677 the 3E error correction process?  
10 The last sentence of your summary here says that there is  
11 a commitment to 35 days to resolve these errors. Do you  
12 have any information on whether that commitment is being  
13 met?

14 MR. ERINGIS: We don't have statistics  
15 about what percentage of the time over a given period that  
16 commitment is met.

17 MS. LICHTENBERG: And are there statistics  
18 gathered -- in your review of the processes do you see  
19 Ameritech collecting statistics on this? Is there a  
20 process that says "We will collect and go back and see how  
21 we can fix it"?

22 MR. ERINGIS: Generally speaking, that's  
23 the type of thing that happens during our process reviews.  
24 We would have to go back and check specifically whether we  
25 collected artifacts demonstrating that, and I'd have to go

1 back to our documents to go see exactly what we collected  
2 with respect to that issue.

3 So I'd like for BearingPoint to respond to  
4 this one in writing.

5 MS. LICHTENBERG: I would like that.

6 Do you know whether these issues are  
7 worked -- I assume there are 3E errors on the retail side  
8 of the house as well. Is that correct?

9 MR. ERINGIS: We don't know that.

10 MS. LICHTENBERG: And then I assume also  
11 you don't know if there's a group that does wholesale  
12 corrections and another group that does retail corrections  
13 or whether they are intermingled.

14 MR. ERINGIS: None of us here have that  
15 kind of information today.

16 MS. LICHTENBERG: Thank you.

17 If I look at page 683 of your report where  
18 we now talk about no documented process for updating rates  
19 when a tariff has changed or the interconnection agreement  
20 between the ILEC and the CLEC has changed, can you tell me  
21 whether there is a process -- well, first, is there a  
22 process for that with dates?

23 MR. ERINGIS: You're saying is there a  
24 process to update the rates?

25 MS. LICHTENBERG: Yes.

1 MR. ERINGIS: We think that they update  
2 rates, yes.

3 MS. LICHTENBERG: And then the issue is  
4 they update rates whenever they can or -- it says, "There  
5 is no documented interval." Can you help me understand  
6 what that means?

7 MR. ERINGIS: Yeah, I can. And part of my  
8 hesitation here is that this is something that we're in  
9 the process of retesting and trying to recall all the  
10 facts as they are today.

11 In this particular issue in general there  
12 was a process for updates but we had noted that there were  
13 issues with rigor, if you will. So we thought that there  
14 were areas where, based on the way that the process is  
15 designed and based on the way that Ameritech employees had  
16 conveyed to us this process was performed, we didn't  
17 understand how it would be done consistently, and that's  
18 why the finding was issued, and right now we're currently  
19 working through getting a better understanding of that  
20 process. But this issue still remains open because the  
21 concern is still there.

22 MS. LICHTENBERG: And we asked one final  
23 question on this, which is when the rates do get updated  
24 in whatever interval that is, is there a process step that  
25 goes back to the dates on which the changes took effect

1 and credits back to the CLECs any overcharges or  
2 alternately charges them things that weren't charged?

3 MR. ERINGIS: We believe there is.

4 MS. LICHTENBERG: And when you say, "We  
5 believe there is," is that because you saw it in writing  
6 or are you just hoping?

7 MR. ERINGIS: We have that based on not  
8 only representations by the company, but also we reviewed  
9 data to back up that assertion. That was part of our  
10 investigation with respect to this issue. So we did see  
11 that happening.

12 MS. LICHTENBERG: Thank you.

13 I don't have any more billing questions.

14 MR. KERN: O.K., Sherry. Thank you.

15 Let's take a quick five-minute break while  
16 we change parties.

17 (A recess was taken.)

18 - - -

19 MR. KERN: Folks, let's begin. One final  
20 housekeeping item, LDMI had two billing questions but they  
21 are not here today, so they have respectfully requested  
22 that you respond in writing under the same frame as we  
23 discussed yesterday.

24 MR. ERINGIS: And we will do so, John.

25 MR. KERN: Thank you.

1                   AT&T, you are last up. And please be  
2                   advised that you are the only thing between us and going  
3                   home.

4                   (Laughter)

5                   MR. CONNOLLY: So how badly do you want to  
6                   be out of here?

7                   AT&T Question 504, please, PPR 10. In  
8                   test reference PPR 10-1 your evaluation criteria is the  
9                   scope of responsibilities for providing billing support  
10                  covering CLEC requirements. Our question is:

11                  What are the nature of those CLEC  
12                  requirements and how did you accumulate what those are?

13                  MR. ERINGIS: Tim, when we used the term  
14                  CLEC requirements in this context, we were trying to  
15                  describe in general those aspects of things that we're  
16                  aware are important features of process, and we derived  
17                  that understanding based on our experience in conducting  
18                  these tests, as well as discussion with representatives  
19                  from various CLECs, what kinds of things that they  
20                  typically expect and what their typical interactions are  
21                  with that work process, and where they, in some of our  
22                  information gathering exercises, when they discuss the  
23                  relevant areas where they had issues that helped identify  
24                  for us a list of requirements.

25                  So that's just in general a way that we

1 described the list of specific things that we went  
2 through.

3 MR. CONNOLLY: So in certain of the  
4 interviews that were conducted with CLECs, some of those  
5 involved the billing help desk and what CLECs experience,  
6 what they would like to experience if they weren't  
7 experiencing support for a particular function. And those  
8 sorts of findings from those interviews were mixed in with  
9 your own experiences in prior tests as well as you analyze  
10 what support should mean to a CLEC in terms of billing  
11 activities?

12 MR. ERINGIS: Yes. In general I would  
13 agree with that statement, yes.

14 MR. CONNOLLY: In our Questions 506 and  
15 507 and 508, and perhaps there's another view in this  
16 module, which I'll try to identify as we go, what we're  
17 looking for here is the method that you used or the  
18 techniques that you used to determine that particular  
19 practices and procedures or processes and procedures were  
20 actually carried out in the routine.

21 I wonder if you could give us a short  
22 explanation of that approach so that we understand the  
23 methodology.

24 MR. ERINGIS: Tim, in general our answer  
25 to this question is similar to answers to questions about

1       how we do our process tests. We typically conduct  
2       documentation reviews, internal company procedural and  
3       policy documents are gathered. We also interview the  
4       relevant personnel at the company and look at all the  
5       other pertinent documentation that we can find, that's  
6       publicly available, to form an understanding of what the  
7       process is. And that's the basis for fact-finding  
8       activities.

9                       When we go through validation and  
10       verification steps, what we do is we identify aspects of  
11       the business process that either corresponds to the CLEC's  
12       requirements we previously discussed and/or correspond to  
13       things that we believe we need to understand more fully or  
14       be able to validate or verify in order to satisfy the  
15       criterion in the test. And we attempt to get the relevant  
16       artifacts, if you will, from the process.

17                      The way that we do that is to either go  
18       and look at, for example, outputs of various systems that  
19       people use in conducting their work and/or we look at what  
20       people actually do in practice.

21                      So when we're conducting our site  
22       observations we have people sitting with reps, for  
23       example, and watching. And that's the nature of this test  
24       was like that.

25                      So in that respect the answer here is it's

1 very similar to the order management work center  
2 evaluations and how we evaluate the CLEC training program,  
3 those sorts of tests.

4 MR. CONNOLLY: Right. Here I'd like to  
5 draw perhaps a bit of a distinction in the methodology  
6 where, for example, in the order management support center  
7 activities, your process analysis is also -- in some  
8 regards intersects with the experience of the test CLEC as  
9 they work through that center for support activities, so  
10 you're able to gather information or you're able to  
11 evaluate the processes and procedures, and you're also  
12 able to gather test CLEC data from its experiences.

13 And I'll also give you the point that when  
14 you are observing the interactions of the Ameritech  
15 support center with other CLECs you're able to make those  
16 observations.

17 But here in the billing activities,  
18 particularly in inquiries and claims areas, we don't have  
19 the element of the test CLEC experience, as I read the  
20 report. I didn't find that there was a test CLEC issue of  
21 claims or inquiries about the bills. Maybe I missed that  
22 aspect of it, but it seems to me that that makes these  
23 evaluations somewhat different from those in order and  
24 management, as an example.

25 MR. ERINGIS: I think that your

1 description of one of the differences between this test  
2 and the other test is an accurate one.

3                   The nature of this test and the type of  
4 things that are done in the relevant work centers, we  
5 don't generate a lot of actual transaction activity, if  
6 any, during the course of a test that this particular work  
7 center handles.

8                   So as opposed to going into the LSC, where  
9 we can see our work being done, if we're there at the time  
10 when we have our work being submitted, we can watch that  
11 -- we don't, by the nature of our test, have a lot of  
12 claims to submit.

13                   Even when we do, during a test, have  
14 claims to submit, the way that we would submit and deal  
15 with those is quite different than the way that a CLEC  
16 would manage those particular transactions. That doesn't  
17 mean that we couldn't call and interact with these people  
18 in a simulated fashion.

19                   But I think that it doesn't bear quite the  
20 same resemblance that it does when we're working with the  
21 folks that help support technically the business rule  
22 interpretations for preorder and order, they interface  
23 help desks that help out if there's a problem with  
24 conductivity.

25                   We just don't have that basis of

1 transactional or simulation experience that corresponds to  
2 the work here.

3 MR. CONNOLLY: Thank you. In our Question  
4 510, can you confirm that there were no claims made by the  
5 test CLEC --

6 MR. ERINGIS: We did not submit claims for  
7 the purpose of this test. So when you read the report and  
8 you're looking for actual specific claims activity and  
9 what percentage were handled appropriately or any sort of  
10 measure like that, you won't find it because we didn't  
11 conduct that.

12 MR. CONNOLLY: But there were billing  
13 inquiries made?

14 MR. ERINGIS: There were billing inquiries  
15 made.

16 MR. CONNOLLY: Because you made no billing  
17 claims, you wouldn't have issued any requests for the  
18 status of those billing claims?

19 MR. ERINGIS: That's correct.

20 MR. CONNOLLY: So we get to our Question  
21 512. This is a document called the Goals and Achievement  
22 Guide. It seemed to crop up only in this work center  
23 evaluation.

24 Do you have a copy of that or is that an  
25 SBC Ameritech reference available for us?

1                   MR. ERINGIS: This is a proprietary SBC  
2 Ameritech internal document. And we have the document,  
3 yes.

4                   MR. CONNOLLY: Can you describe what that  
5 document -- what processes or activities it guides?

6                   (Mr. Eringis conferred with his team.)

7                   MR. ERINGIS: Tim, Terry and I are  
8 speculating on the detailed contents of that document. I  
9 think I'd rather just respond in writing as to the general  
10 contents of that document after we have a chance to look  
11 at it.

12                   MR. CONNOLLY: O.K. When you take a look  
13 at that again, if you could consider the extent to which  
14 that document is a part of the account management process,  
15 and if so does it not have application in the other work  
16 centers that you have evaluated for process and procedure;  
17 and also the extent to which it comports with A-AA, Item  
18 Y, which is the account management verification activity  
19 -- or the account management changes that were to be  
20 implemented by SBC Ameritech.

21                   So consider those other aspects of that  
22 guide and how it's used.

23                   MR. ERINGIS: So to make sure that I  
24 understand what you're requesting -- and I think I have a  
25 pretty clear picture of it -- if we're mentioning in the

1 Goals and Achievement Guide (a) is this pertinent to  
2 account management -- and I believe it is -- (b) if it is  
3 pertinent to account management, please confirm whether or  
4 not it's relevant to the account management evaluation  
5 that we performed and (c) if it's pertinent to account  
6 management, is it relevant to our evaluation of the  
7 applicable A-AA commitment with respect to the account  
8 manager handbook?

9 MR. CONNOLLY: Yes. Yes, that's a good  
10 characterization of my request.

11 The second element of it, though, deals  
12 with the other work centers and how their goals and  
13 achievements or goals and objectives are set. That I  
14 believe is a part of the overall account management plan,  
15 but it's not -- what you advise here in this PPR 10-12  
16 test reference, this Goal and Achievement Guide helps to  
17 frame the operation of that work center, so does it have  
18 any relevance in the other work centers?

19 MR. ERINGIS: So part (d), to restate,  
20 would be is it pertinent to other work center evaluations  
21 that we did, and by extension, the other work centers at  
22 SBC Ameritech.

23 MR. CONNOLLY: Call it (d). Thank you.

24 AT&T's question 513, which deals with test  
25 reference PPR 10-13. Did you actually look, get a chance

1 to look at these claims processed within 30 business days  
2 reports, the numbers of outstanding claims reports, number  
3 of issues resolved successfully reports?

4 MR. ERINGIS: When we considered your  
5 question, we thought at first the question was in our view  
6 more applicable to the evaluation in PPR 10-12.

7 We have seen these reports being  
8 generated, but we have not evaluated the specific data or  
9 the accuracy of the data in the reports.

10 MR. CONNOLLY: I will acknowledge your  
11 correction of my test reference. It should have been  
12 10-12.

13 We'll next go to PPR 12, which is the  
14 daily usage production and distribution process  
15 evaluation.

16 Van, I heard you respond to Ms.  
17 Lichtenberg that the test calls comprised some 40-ish call  
18 types?

19 MR. HOWARD: That's correct.

20 MR. CONNOLLY: Could you characterize  
21 those call types into the call type records that are in  
22 the EMI?

23 MR. HOWARD: Yes.

24 MR. CONNOLLY: Standard call types, if you  
25 could do that.

1 MR. HOWARD: Tim, we have a long list.  
2 It's a list that I can submit to you in writing, or I --

3 MR. CONNOLLY: I'd like to have the  
4 written response, but let me ask you this: If we're  
5 talking about -- is it call type 10?

6 MR. HOWARD: Yes. Yes, we generate --  
7 I'll do this slowly for the benefit of the  
8 transcriptionist. We generate about 13 different types of  
9 EMI records with variations within the types, direct dial  
10 versus operator-handled, in the course of the test. Yes.

11 At the category level, Tim, we did receive  
12 some Category 001 records that were rated in collect-type  
13 things, not very many. The bulk of our usage was Category  
14 10, unrated usage; Category 11, access usage; and then  
15 there were variations in those categories.

16 MR. CONNOLLY: O.K. But you did work with  
17 all three of those categories?

18 MR. HOWARD: Yes.

19 MR. CONNOLLY: None of the other  
20 categories?

21 MR. HOWARD: No, sir.

22 MR. CONNOLLY: Our Question 517, when you  
23 looked at the timeliness aspect of DUF provision, did you  
24 observe any ways in which certain call types will take  
25 longer to be provisioned on the DUF than other call types?

1 For example, the Type 10 calls always to within N days and  
2 Type 11 in N+X days? Do you see patterns along the lines  
3 of that?

4 MR. HOWARD: We didn't notice any  
5 patterns, timeliness patterns, based on the record  
6 category, no. No, we did not. I did not group timeliness  
7 by record category, but since it's a record-by-record  
8 comparison, in marching through them looking for things,  
9 we didn't notice a pattern.

10 MR. CONNOLLY: But it also was not part of  
11 your test specification to examine the records with that  
12 sort of concept in mind of a difference in delivery?

13 MR. ERINGIS: Right. That's why I asked  
14 for the clarification. In general we didn't notice  
15 anything. So as a general observation, we didn't see that  
16 type of pattern. But I can't represent that we did a  
17 precise -- kind of precise analysis that would get at that  
18 question.

19 MR. CONNOLLY: Ms. Lichtenberg also talked  
20 a little bit about Type 3E errors or 3E errors -- the  
21 dreaded 3E errors, sorry -- and it's our general  
22 understanding that these 3E errors serve to suspend the  
23 animation of updating of records in the Ameritech systems  
24 --

25 MR. HOWARD: O.K.

1                   MR. CONNOLLY: -- that establish service  
2 records in the CSR database and establish toll guides in  
3 the toll guide file, and a number of different activities  
4 are suspended while the 3E error is being resolved, and  
5 once the 3E error is resolved, the updates are made to  
6 those other databases and everything gets sorted out  
7 ultimately. But during this period of 3E error  
8 resolution, updates to databases are suspended. So if you  
9 could consider that as the hypothetical here.

10                   If you think about end users making calls  
11 on the network -- and let's take a UNE-P user -- while  
12 that 3E error is going on, that's not going to stop them  
13 from making calls. They'll continue to make them and  
14 they'll be recorded on the AMA equipment, they'll be  
15 processed through the CAMPS system and be presented into  
16 the Ameritech system where, for this particular service  
17 that's in 3E error status, record updates have been  
18 suspended. But the call records have to have someplace to  
19 go. They need to get associated with a telephone number  
20 in the billing system.

21                   Do you know what happens with that -- do  
22 the call record associations, do they also get suspended  
23 in this 3E state of animation?

24                   MR. HOWARD: Call record associations,  
25 clarify that for me, please.

1                   MR. CONNOLLY: The billing record in the  
2                   EMI record, the AMA record is being transformed, and the  
3                   toll guide that serves to associate that telephone number  
4                   with a billing record.

5                   MR. HOWARD: I can tell you our  
6                   experience.

7                   In running this test, we had very few  
8                   orders of the specific set of orders that were placed to  
9                   time out with the DUF test that did not complete. On  
10                  those very few orders that did not complete, the usage  
11                  behavior was relevant to the prior state of the account.

12                  MR. CONNOLLY: And that's our  
13                  understanding also, is that the system will gear itself  
14                  towards the unchanged state rather than the state to be  
15                  achieved after those orders are processed.

16                  So if we take a situation in an order  
17                  activity where the request is to migrate from retail to  
18                  UNE P and the call records come in during this period of  
19                  the order not being quite set into the UNE-P status yet,  
20                  the call records are going to be associated with the  
21                  retail service. That's similar to your understanding and  
22                  experience?

23                  MR. HOWARD: Yes, that's what our  
24                  experience would seem to dictate.

25                  MR. CONNOLLY: So if the period of time

1 comes where those call records have already been  
2 associated to the retail service and the 3E error process  
3 gets resolved and the update occurs, and on this  
4 subsequent day the service is established as UNE-P  
5 effective back to, you know, several days prior to that,  
6 the call records that are made between the effective date  
7 of the change and the day that the records are actually  
8 updated, how do the call records get brought back to be  
9 associated with the UNE-P service?

10 MR. HOWARD: I don't know the answer to  
11 that question, Tim. We didn't experience that in our  
12 transaction testing.

13 MR. CONNOLLY: Well, when the orders that  
14 you had that didn't complete -- you had call records going  
15 on during those days where the order didn't complete.

16 Where did those call records go?

17 MR. HOWARD: We didn't receive them.

18 MR. CONNOLLY: So they should have gone to  
19 the test CLEC, is what you're saying?

20 MR. HOWARD: Based on the way that we  
21 intended to place the order, yes.

22 MR. CONNOLLY: Now, the next subsequent  
23 bill provided to the test CLEC, were those calls billed to  
24 this test CLEC?

25 MR. HOWARD: We were not billed for any

1 calls that we did not receive the corresponding DUF  
2 records for even in subsequent months.

3 MR. CONNOLLY: So should have received the  
4 DUF and should have been billed.

5 MR. HOWARD: Based on the way we intended  
6 to place the order, yes.

7 MR. CONNOLLY: So because of that failure  
8 in the system to process that order sufficiently to get  
9 the updates made, we lose the DUF and we lose the billing  
10 records.

11 MR. HOWARD: That's what our testing  
12 experience would seem to indicate.

13 MR. CONNOLLY: O.K. Now, the non-provided  
14 DUF records don't get counted as late-provided DUF  
15 records, do they?

16 MR. HOWARD: Not if we never received  
17 them.

18 MR. CONNOLLY: So they have to be produced  
19 out of the Ameritech system onto a DUF file in order to go  
20 through the calculation of the performance measure of  
21 number of days to produce DUF or percentage of DUF records  
22 provisioned within the six days.

23 MR. HOWARD: Yes. We have to actually  
24 have the records to --

25 MR. ERINGIS: Well, and Tim, what you

1 described is consistent with our understanding of what the  
2 business rule is defined to be.

3 MR. CONNOLLY: And how Ameritech would  
4 calculate it would be based on the DUF records that are on  
5 the file, and if the DUF records are not on the file, it's  
6 not in the denominator for number of calls, and the amount  
7 of time that's represented by the date the call was  
8 actually recorded and the date the call was provisioned,  
9 those number of days would not be in the numerator either?

10 MR. ERINGIS: I think what you had  
11 described is the way the business rule reads so ... or  
12 what would happen, yes.

13 MR. CONNOLLY: Or actually what would not  
14 happen. O.K.

15 In AT&T's Question 518 -- and here we're  
16 referring to PPR 12-5 -- I couldn't understand how the  
17 observation that you've made that "SBC Ameritech timely  
18 and accurately provisions DUF records," how does that  
19 relate to the balancing procedures, the balancing and  
20 reconciliation procedures? I don't see the connection.  
21 It's not obvious to me.

22 MR. HOWARD: Well, for DUF production and  
23 distribution, Tim, the balancing is systemic. The DUF  
24 processes utilize software between the processes that  
25 measure records in, records out and various things, and if

1 that goes out of balance, the system stops running. So  
2 there's no manual balancing process with DUF production  
3 and distribution.

4 MR. CONNOLLY: So the balancing  
5 procedures, you have verified that they work and they're  
6 applied consistently.

7 MR. HOWARD: Yes.

8 MR. CONNOLLY: The timely and accurate  
9 provision of DUF records doesn't have anything to do with  
10 that, though. I mean it's an independent evaluation that  
11 you made.

12 MR. HOWARD: Let me refer to the test  
13 criteria.

14 MR. CONNOLLY: Well, you say here, "The  
15 DUF balancing and reconciliation procedures are complete."

16 That's the evaluation criteria. This is on page 663.

17 MR. HOWARD: Yes.

18 MR. CONNOLLY: And then the third  
19 paragraph of your comments, second sentence says: "KPMG  
20 Consulting's experience as a test CLEC during the billing  
21 functional usage evaluation (TVV 8) in March 2002 revealed  
22 that all DUF records received were accurate and all DUF  
23 records were received in a timely manner. These results  
24 indicated that SBC Ameritech followed its DUF balancing  
25 and reconciliation procedures during the test period."

1                   MR. ERINGIS: Would it be more clear,  
2                   based on your interpretation, for that sentence to read:

3                   "These results supported that for these records the  
4                   balancing and reconciliation procedures seem to be  
5                   working"?

6                   MR. CONNOLLY: Well, I still can't connect  
7                   the timeliness and accuracy with the balancing procedure  
8                   when what I believe Van indicated was you tested and  
9                   evaluated the balancing procedure, and were it to break,  
10                  the whole system shuts down, irrespective of the  
11                  evaluation of timely and accurate DUF records.

12                  MR. HOWARD: The process evaluation, PPR  
13                  12, was reviews of documentation, interviews, and so  
14                  forth, where this process was described to us as largely  
15                  systemic, step-to-step-to-step balancing.

16                  I think the intent of the inclusion of the  
17                  transactional experience was to solidify that, in our  
18                  view, this process is working, because had it not been  
19                  working, the system would have crashed, there would have  
20                  been delays in delivery of DUF records, and so forth.

21                  MR. CONNOLLY: But the DUF records on a  
22                  balanced and reconciled DUF file can be untimely.

23                  MR. HOWARD: Yes, they could be.

24                  MR. CONNOLLY: And they could also be  
25                  inaccurate and the file still be in balance.

1                   MR. HOWARD: I can't answer that question  
2                   because I don't know the exact, down to the elemental  
3                   level, what the system is picking up and doing the  
4                   balancing on.

5                   MR. ERINGIS: Tim, I still have to  
6                   reiterate, I guess, my prior question, and that is I'm  
7                   trying to detect whether what the concern is in this  
8                   respect as to whether -- do you believe that the paragraph  
9                   is misleading because it's too expansive or it's not  
10                  specific enough or there's some terminology or it's just  
11                  not relevant?

12                  I mean what we attempted to do is simply  
13                  say not only did we look at this procedurally, but we had  
14                  our own experience that gave us an additional data point  
15                  to say based on our experience, not only from a procedural  
16                  evaluation perspective does this seem to be operating, but  
17                  we didn't see anything in our own data that would make us  
18                  doubt that. And as I read this and listen to your  
19                  comments, I'm not sure that I'd write this paragraph this  
20                  way because I don't think the language is as precise in  
21                  consideration of the comment.

22                  So that was the intent of putting it in  
23                  here.

24                  MR. CONNOLLY: Well, let me say that what  
25                  I don't understand is the connection between timeliness

1 and accuracy of the DUF records and the fact that there is  
2 a complete and functioning balancing and reconciliation  
3 procedure. I don't see how the two things are connected.

4 What is balanced in the balancing  
5 procedure?

6 MR. HOWARD: Records in versus records  
7 out. Also the DUF files themselves are packed between  
8 headers and trailers, and the trailer record of a pack  
9 indicates how many records are in the pack, and that has  
10 to be consistent.

11 MR. CONNOLLY: Right. So it's a record  
12 count, and then is it a generation data set or some  
13 incremental number that says, you know, today is one more  
14 than yesterday and it allows you to do that sort of  
15 control count?

16 MR. HOWARD: Something like that.

17 MR. CONNOLLY: But if there's an equal  
18 number of DUF records on the file such that it squares  
19 with the total that's in the trailer, that is a balanced  
20 file.

21 MR. HOWARD: Correct.

22 MR. CONNOLLY: So if there's a DUF record  
23 on there and it's 15 days old, that's an untimely DUF  
24 record, according to the standard.

25 MR. HOWARD: Sure.

1 MR. CONNOLLY: But it's on a balanced  
2 file.

3 MR. HOWARD: That's true.

4 MR. CONNOLLY: Now, if the DUF record on  
5 that file coming to AT&T actually belongs to a WorldCom  
6 end user, we would say that that is an inaccurate  
7 provision of a DUF record, but since it was counted in the  
8 trailer and it's on the DUF file, that's a balanced file  
9 but it's not accurate.

10 MR. HOWARD: I can agree with your example  
11 in theory. In practice the records are packed by  
12 operating company, so the likelihood of a WorldCom record  
13 being on that would be --

14 MR. CONNOLLY: Well, except, you know,  
15 we've got these order processing things going on --

16 MR. HOWARD: I see what you're saying.

17 MR. KERN: Folks, one at a time, please.

18 MR. CONNOLLY: We have these order  
19 processing things going on and, you know, where records go  
20 on what day helps to determine which CLEC is supposed to  
21 have them, things like 3Es and other activities.

22 So I get back to this conundrum in my  
23 mind: How do I look at timeliness and accuracy of the DUF  
24 records and have that be an indication that the balancing  
25 procedures work, and that's where I just don't see the

1 connection.

2 MR. HOWARD: Let us take that back and  
3 look at that.

4 MR. CONNOLLY: O.K. Is there anything in  
5 the balancing procedures that sums up, even for unrated  
6 records, sums up the number of minutes of use on a DUF  
7 file and puts that -- cross puts that with a summary  
8 record that says you've got this many minutes of use  
9 coming to you?

10 MR. HOWARD: I'm not aware that there is a  
11 summary record containing an aggregate minutes of use.

12 MR. CONNOLLY: O.K. AT&T Question 519,  
13 please. This is in reference to test reference PPR 12-10,  
14 and I wanted to be sure in my mind that the change  
15 management procedures that you verified are the same as  
16 those that were verified in the relationship management  
17 testing that was in the earlier PPR reports.

18 MR. ERINGIS: Yes.

19 MR. CONNOLLY: Are requests for changes  
20 from CLECs for billing or DUF functions, are they  
21 addressed in the 13-state SBC change management procedure,  
22 to your knowledge?

23 MR. ERINGIS: My SBC change management  
24 expert is not here today, but I don't think that they're  
25 in scope in the current process. But that's just my

1 recollection. I'd have to look that up to confirm it.

2 We mention in 12-10 that the aspects of  
3 the change management process, as we refer to it, that  
4 includes accessible letters is a method by which SBC  
5 Ameritech notifies CLECs of changes in the DUF interface.  
6 So it's from that perspective that we're discussing change  
7 management.

8 MR. CONNOLLY: What I'd like to have you  
9 take a look at in terms of your following report -- and  
10 I'm not asking you to get back to us on this -- but it's  
11 our understanding that the change management process does  
12 not require SBC Ameritech to comport with the interval  
13 notices on release requirements and final release  
14 requirements for billing activities, and if I were to read  
15 your comments in 12-10, I might be lulled into thinking  
16 that they do. And so on your review if you find that  
17 they're not in there, you might consider restating some of  
18 those.

19 MR. ERINGIS: We'll consider those points.

20 MR. CONNOLLY: Now, when you looked at the  
21 change management process, did you look at the  
22 implementation of CADS relative to an orderly change  
23 management process, i.e., prior notification, intervals of  
24 whatever dimension, documentation that went out in  
25 advance, that sort of thing?

1                   MR. HOWARD: PPR 12 was focused on DUF  
2                   production and distribution, so we didn't look at specific  
3                   issues in the purview of this test regarding the CABS  
4                   implementation.

5                   MR. CONNOLLY: So if I asked the question  
6                   on the bill functional evaluation, it would be a better  
7                   time to ask the question?

8                   MR. HOWARD: From where I'm sitting, yes.

9                   (Laughter)

10                  MR. CONNOLLY: O.K., I'll ask it again  
11                  later.

12                  MR. GORFIN: Tim, we can answer that  
13                  question now.

14                  The answer is no, we did not within the  
15                  purview of PPR 13 review the CABS implementation, whether  
16                  or not it was in accordance with the change management  
17                  processes that you were describing.

18                  MR. CONNOLLY: And when was the CABS for  
19                  UNE-P billing implemented, do you recall?

20                  MR. GORFIN: The implementation took place  
21                  between August 2001 and December 2001.

22                  MR. CONNOLLY: Moving to PPR 13, please,  
23                  which is the bill production and distribution process  
24                  evaluation, our Question 520 deals with CLEC requirements,  
25                  and we talked about that earlier as being a way in which

1 BearingPoint captured a set of functional expectations in  
2 a similar method of gathering that sort of information and  
3 criteria.

4 MR. ERINGIS: We would give the same  
5 explanation.

6 MR. CONNOLLY: O.K., great. Thanks.

7 In 521, AT&T Question 521, I just wonder  
8 if you could walk us through how you observed the bill  
9 balancing and resolution of out-of-balance conditions.

10 MR. TRUDGIAN: Tim, the bill balancing  
11 procedures for the most part are systemic, and the method  
12 of our evaluation is outlined in 13-2 and 13-3, that it  
13 was mainly through interviews and seeing artifacts of the  
14 process if there was an out-of-balance condition  
15 uncovered.

16 MR. CONNOLLY: What raised this question  
17 for me, Terry, was when I looked at similar test  
18 evaluations in other work that Bearing Point has done, in  
19 certain cases you've advised us that these are programmed  
20 modules within systems and that you didn't observe that  
21 program code but you looked at documentation, you talked  
22 to the people who operate those, and they've been able to  
23 explain to you how these work and how they're supported by  
24 documentation sufficient to satisfy you that these are  
25 programmed procedures and that they do work, and if an

1 out-of-balance condition would happen, the remedial steps  
2 would in fact be taken. But we don't see that level of  
3 commentary here. Is it perhaps stylistic in this case,  
4 the difference?

5 MR. ERINGIS: Yes. Tim, because many of  
6 the same people that have done the evaluations to which  
7 you refer are the same folks that we brought to work at  
8 various points during this test, so their approach is very  
9 consistent in the way that we looked at this, particularly  
10 since this is a mechanized process.

11 Our answer would be the same, though.  
12 Just because there are different authors writing the final  
13 report, they may not have explained it in the same way  
14 that they would have in other reports.

15 MR. CONNOLLY: O.K.

16 In our Question 522 and 13 referencing  
17 test reference PPR 13-5, if BearingPoint is unable to  
18 determine whether SBC Ameritech's bill production process  
19 includes the procedures to properly capture and apply  
20 payments for CABS, C-A-B-S, accounts, why is the test  
21 result indeterminate?

22 MR. ERINGIS: We had marked this one  
23 indeterminate at the time because there was information  
24 that we were still waiting for from SBC. As of October  
25 2nd we received information back from SBC which would now

1 lead us to, if issued today, state in the report that this  
2 criterion was satisfied.

3 MR. CONNOLLY: Satisfied. So it was  
4 indeterminate as to that point in time.

5 MR. ERINGIS: Right, for the reasons that  
6 we've cited before: that if we had a piece of information  
7 that was outstanding or we had an observation or exception  
8 that was at a certain point in time proximate to the date  
9 of the issuance of the test, we felt we should mark those  
10 as "indeterminate" and explain why.

11 MR. CONNOLLY: That's it for my  
12 PPR 10-13s. I've got some TVVs.

13 Mr. Reidy has some other PPR billing  
14 things.

15 MR. REIDY: Very few, but I chose not to  
16 intersperse them with Tim's because mine had far less  
17 foundation.

18 But I wanted -- there are a couple of  
19 concepts that, to somebody not normally dealing with this  
20 type of subject matter, might need to be explained.

21 In PPR 10 we're talking about billing work  
22 center help desk support evaluation. But, you know, as  
23 you read through the report you understand that there  
24 isn't any particular help desk center or location; that  
25 this is actually a management structure that is made up of

1 account representatives, access to LSC, access to places  
2 like the ABMS that form a help desk. Or is there a  
3 specific help desk that is in operation?

4 (Mr. Eringis conferred with his team.)

5 MR. TRUDGIAN: In general, if a CLEC is  
6 looking for support to a billing-related issue, there are  
7 -- during our evaluation we have found that there are  
8 three places that they can go for that assistance based on  
9 what the issue is; that being the ABMS help desk, the LSC  
10 within which there are dedicated reps that handle billing  
11 issues, and then also the account manager can also provide  
12 billing assistance.

13 MR. REIDY: And I understand that. I  
14 guess what I'm saying is the title and kind of initial  
15 explanation in the report, this may well be -- I'm not  
16 saying that it's incorrect. I'm simply saying it could  
17 lead one to believe, at least initially, that there is a  
18 specific work center called the billing work center help  
19 desk. That's not the case?

20 MR. TRUDGIAN: That's correct.

21 MR. ERINGIS: Jay, that's an artifact, I  
22 think, of the fact that when we frame these things in the  
23 master test plan they're written this way, and then when  
24 you go and actually perform the test they maybe look  
25 different than what's envisioned in this hypothetical test

1           construct, so --

2                           MR. REIDY: Now, in the way you describe  
3           it in the PPR 10 section, you have it laid out so that it  
4           appears as though there may be a process that a CLEC would  
5           follow. In other words, a CLEC would first go to, for  
6           example on a particular issue, the account manager who  
7           then might refer, if that problem cannot be satisfied,  
8           refer this CLEC to the LSC billing center person or help  
9           billing personnel. Is that correct or is there -- is the  
10          CLEC supposed to know which part of the help desk  
11          structure to call?

12                           (Mr. Eringis conferred with his team.)

13                           MR. TRUDGIAN: One of the things that we  
14          were looking -- I'm sorry, can you repeat your question?

15                           MR. REIDY: When we look at this -- and  
16          again it's going to be an uninitiated reader -- one can  
17          view this as stating that there is a process that the  
18          normal CLEC, the usual CLEC, will follow, that for a  
19          particular billing issue they would either first go to the  
20          account manager, and then may be referred beyond the  
21          account manager if they cannot help them to another area,  
22          for example the LSC billing folks.

23                           Is that the correct way to interpret this?

24                           Or is it that the CLEC knows "I've got a problem with this  
25          portion of my billing functionality, I better call the

1 LSC."

2 MR. TRUDGIAN: In the public documentation  
3 there is -- a CLEC is directed -- we believe a CLEC is  
4 directed for specific questions to go to specific centers;  
5 i.e., that ABMS help desk, if they need a resale bill re-  
6 sent.

7 So for specific issues we believe it is  
8 documented which center they should go to. However, if  
9 they do have a question that they are not directed  
10 specifically which way to go for a speed-of-use purpose,  
11 then the CLEC could go to the LSR or their account manager  
12 as the first point. Then they should be able -- then they  
13 would be referred on accordingly to the correct group.

14 MR. REIDY: And that referral would be  
15 according to a process designed within that particular  
16 center called? In other words, the center would  
17 understand, "No, that's not my area of functionality, and  
18 therefore you must go to this point, that point"?

19 MR. TRUDGIAN: Obviously the center that  
20 received the request would know whether they would  
21 specifically be able to handle that request. And they  
22 should be able to refer -- they should be able to refer  
23 individuals or the CLECs to the proper center or group  
24 that can assess it.

25 MR. REIDY: I guess my question is: "Is



1 otherwise it would say more than that.

2 MR. REIDY: And so stated generically, the  
3 escalation issue or procedures as discussed here  
4 specifically, were there any considerations for any  
5 particular part of help desk functionality, whether it be  
6 account management, LSC, or ABMS where BearingPoint  
7 actually observed an issue escalated according to the  
8 outlined procedures that you reviewed?

9 MR. ERINGIS: We would have to go back to  
10 see what -- typically again we have those kinds of  
11 artifacts, specifically I believe that we wrote this this  
12 way about ABMS because our records did not include a  
13 specific artifact that we could point to and say not only  
14 is it defined in a document which is what we used to  
15 satisfy a criterion, but in addition we could say -- and  
16 also we watched a specific escalation being handled here  
17 or several.

18 But in general we don't have an absence of  
19 those sorts of things. We usually have enough to say,  
20 O.K., we have some artifacts of escalation being done in  
21 general, but with respect to the criterion in question --  
22 and so that's how, one of the ways we get comfortable in  
23 rating something "satisfied."

24 MR. REIDY: I'm always intrigued by this  
25 word "artifact," John.

1                   The escalation procedure that you're  
2                   talking about in PPR 10-6, are they specific to the  
3                   billing help desk functionality or are you referring to  
4                   more general escalation procedures that are non-specific  
5                   to billing?

6                   MR. TRUDGIAN: For the purposes of this  
7                   evaluation --

8                   MR. REIDY: Let me stop you, Terry, just a  
9                   second. When you say "this," do you mean PPR 10-6?

10                  MR. TRUDGIAN: Right. My apologies, yes.

11                  For purposes of PPR 6 -- 10-6, the  
12                  evaluation is specifically looking at billing escalations.

13                  However, that being said, with the account  
14                  manager being involved in the process there would be  
15                  overlap to other CLEC issues.

16                  MR. REIDY: And so can I interpret that to  
17                  mean that if the account manager is part of the escalation  
18                  process is that account manager following a specific  
19                  billing escalation procedure, or is it just a general  
20                  account management escalation process?

21                  MR. ERINGIS: Both.

22                  MR. REIDY: So you observed -- and there  
23                  are artifacts showing both, is that what -- that should be  
24                  my understanding?

25                  (Mr. Eringis conferred with his team.)

1                   MR. ERINGIS: Jay, I'm being corrected by  
2 Terry. When I said both, because they're one and the  
3 same, the specific escalation path that's designed for  
4 this is from their overall procedures.

5                   MR. REIDY: "Their" in this case is the  
6 account manager?

7                   MR. ERINGIS: Yes. And I've also been  
8 informed by my colleagues here that another point that we  
9 should make about the ABMS is that the volume there of  
10 escalation is so low that that's why we don't have  
11 anything. And we couldn't get it.

12                   MR. REIDY: That's a retail work center,  
13 by the way, correct?

14                   MR. TRUDGIAN: Correct. It is a retail  
15 center that also assists in -- it's a retail center that  
16 assists resale as well.

17                   MR. REIDY: I don't want to waste  
18 anybody's time on this, more than the next 30 seconds. Is  
19 there a specific -- for the ABMS, since it is a retail  
20 center, is there a specific escalation process that is  
21 particularized to just CLEC escalations, even though it's  
22 a very small volume of work? Or in instances of --

23                   MR. HOWARD: An ABMS center from the  
24 wholesale perspective, all they handle is re-sends of RBS  
25 bills, so that normally is not escalatable. They just do

1 it, so --

2 MR. REIDY: PPR 10-9, please. In the  
3 middle paragraph it says we're talking about an LSC has an  
4 informal process, and it's indicated that part of that  
5 informal process is that every third quarter the area  
6 manager meets on the subject matter to discuss -- when we  
7 talk about the third quarter, you're talking about  
8 calendar third quarter, July through whatever it is,  
9 September?

10 MR. TRUDGIAN: That's correct.

11 MR. REIDY: On PPR 10-11, the evaluation  
12 criterion mentions that what is being evaluated is both  
13 security and integrity of CLEC data.

14 Can I ask what is meant by integrity as  
15 contrasted to security, I guess?

16 (Mr. Eringis conferred with his team.)

17 MR. ERINGIS: Security and integrity  
18 meaning just security.

19 MR. REIDY: So I should ignore -- all  
20 right.

21 MR. ERINGIS: Integrity from a security  
22 perspective is what that meant. And it's not escalatable.

23 (Laughter)

24 MR. ERINGIS: Sorry.

25 MR. REIDY: When I reviewed this

1 particular portion of the report -- and excluding the  
2 concept of integrity, in the security sense -- the  
3 criteria and the functions that BearingPoint did here were  
4 essentially to confirm that the data -- that in this case  
5 the customer data, the CPNI, that sort of thing, remains  
6 secure in the billing support process in the sense that it  
7 does not reach the public domain, correct? It remains  
8 confidential?

9 MR. TRUDGIAN: Correct.

10 MR. REIDY: So the activities that you  
11 reviewed were to confirm that there were processes and  
12 systems in place designed to -- by SBC Ameritech -- to  
13 prevent the disclosure of that information in the public  
14 domain, correct?

15 MR. TRUDGIAN: Correct.

16 MR. REIDY: This test, this part of the  
17 test, was not designed as far as I can tell -- and please  
18 understand I am not asserting anything here. I'm just  
19 asking a question -- this part of the test was not  
20 designed to prevent the internal improper use of the  
21 information by SBC Ameritech. Is that correct?

22 MR. ERINGIS: Well, no. I don't think  
23 that that's correct because what we do is we look in the  
24 billing support process when we're looking to satisfy this  
25 criterion to see that it includes procedures, not just for

1 external to SBC Ameritech disclosure inappropriately, but  
2 we do look for the company to demonstrate to the evaluator  
3 that they can address how you take steps, how they take  
4 steps to ensure that information is appropriately handled  
5 within the work groups and not improperly disclosed to  
6 other Ameritech employees.

7 So we do look beyond the outside-the-  
8 building, if you will, security procedures.

9 And I think that's why we talk about the  
10 things -- business code of conduct and the employee code  
11 of conduct -- and talk about passwords to systems, et  
12 cetera. Those are the types of things that demonstrate to  
13 us that there are controls designed into the process to  
14 help ensure that the right people have access to the  
15 information and others are impeded from getting access to  
16 that information.

17 MR. REIDY: Was it the result of the  
18 review that the same processes and procedures and systems  
19 that would prevent the improper disclosure exterior to the  
20 company are also designed to prevent the improper  
21 disclosure internal to the company? Or were there  
22 separate procedures that were reviewed and identified for  
23 either category?

24 And I'm not asking were there separate  
25 procedures that were reviewed and identified for either

1 category.

2 And I'm not asking anything of a  
3 confidential nature to be disclosed by your response.

4 MR. ERINGIS: I understand. I think these  
5 processes overlap. So if the only thing that we saw when  
6 we -- if we asked the question of the appropriate  
7 Ameritech representatives, "How do you address this  
8 issue?" and they said, "Well, we require everybody that  
9 comes into our building to carry one of these security  
10 badges; you couldn't just walk in off the street and go  
11 get this information," we wouldn't deem that sufficient.

12 We would look for other things that not  
13 only ensure that there is a general restriction of access  
14 between non-SBC Ameritech employees and SBC Ameritech  
15 employees, but within the company that there is some way  
16 that the company controls its information so that it's  
17 secure.

18 I think if you look in the Comments  
19 section we talk about that, but that -- we didn't approach  
20 the evaluation when we started doing our fact finding with  
21 a sharp distinction in mind that we're expecting the  
22 company to describe to us these multiple layers of  
23 security in that fashion.

24 It's more of I think the process has  
25 overlaps there. So we were able to then pull back the

1 information and say we see attributes that have those  
2 different layers of security.

3 MR. REIDY: I guess what I take away from  
4 that is that if during your review you had seen that, for  
5 example, a service representative sitting at a desk was  
6 blocked from e-mail access, unable to send e-mail, access  
7 from their desktop to outside the company, that that would  
8 have met some criteria for establishing that it would be  
9 much more difficult for that person to electronically  
10 transmit CPNI or something like that outside the company.

11 But was the review also in that if that  
12 person was not blocked from sending an e-mail within the  
13 company, that you would have, as part of your review,  
14 taken that into consideration in determining whether or  
15 not the procedures were there to maintain security?

16 MR. ERINGIS: I understand your question.  
17 If I could rephrase -- not the question, but where I think  
18 you're going with this.

19 I think there is a distinction in the test  
20 approach between looking for the presence within a  
21 business process of how something is done, in this case  
22 security.

23 This question is getting at what does SBC  
24 have in place in its business process that's defined and  
25 documented to some degree that explains how it has set up

1 internal controls?

2 With this test and these criteria, what  
3 they do not do is then probe those specific security  
4 features. So although we did experience things such as we  
5 know that we couldn't get into SBC Ameritech facilities  
6 without badges, and we needed to be escorted through their  
7 facilities, that in and of itself doesn't make us opine to  
8 say we think that these security procedures are air-tight  
9 or that there aren't ways to circumvent this. So what we  
10 wanted to do is to get a more precise idea of how the  
11 procedures are. We have no opinion on that whatsoever.

12 This is a fairly easy test to satisfy, Jay, so it's really  
13 looking for just the presence of an explanation and some  
14 reasonable way that controls are defined. It does not  
15 probe into degree of security.

16 MR. REIDY: Thank you.

17 MR. CONNOLLY: O.K.

18 MR. KERN: Why don't we take a five-minute  
19 break.

20 (A recess was taken.)

21 - - -

22 MR. KERN: Could you take your seats,  
23 please.

24 I think we left off with AT&T questions  
25 regarding TVV 8.

1                   MR. ERINGIS: John, very quickly, we had,  
2                   just a moment ago had some discussions about what happens  
3                   when 3E status occurs. We want to make one clarification  
4                   of our understanding that we thought we didn't make clear  
5                   in response to a question from AT&T.

6                   MR. GORFIN: Tim, when we discussed 3E  
7                   status and how we saw it during our DUF test we wanted to  
8                   point out that we actually didn't look at the condition  
9                   because a CLEC doesn't have purview of the condition of  
10                  3E. We looked at receiving service order completions or  
11                  not receiving service order completions.

12                  The other aspect that we wanted to add is,  
13                  during PPR 12 interviews and PPR 13 interviews, SBC  
14                  Ameritech did point out that they do have an error hold  
15                  file for both the account and any uses associated with  
16                  that account should an account go into error status, which  
17                  we believe equates to 3E.

18                  MR. ERINGIS: And that being said, we  
19                  didn't generate activity to purposely see a 3E condition  
20                  to then see whether, through transactions, this error hold  
21                  file did in fact do what SBC stated.

22                  So we do have the company's representation  
23                  about how its process design addresses that condition. We  
24                  have no data from our own transactions, nor did we try to  
25                  emulate that condition occurring.

1 MR. CONNOLLY: Thank you.

2 MR. ERINGIS: Thank you.

3 MR. CONNOLLY: So we're ready to go to  
4 TVV 8, if you all are, which is the billing function usage  
5 evaluation. Our Question 524, please.

6 MR. HOWARD: The question was --

7 MR. ERINGIS: You don't have to read the  
8 question.

9 MR. HOWARD: We re-execute the test due to  
10 a failure for --

11 MR. KERN: You need to use the microphone,  
12 please.

13 MR. HOWARD: We re-execute the test due to  
14 a failure by Ameritech to retrain metrics data as noted in  
15 Exception 19. It was not due to a failure within the  
16 TVV 8 test itself.

17 MR. ERINGIS: We did not expand on that  
18 point further. We were concerned and agreed during the  
19 point in the test after the initial DUF evaluation was  
20 conducted that we were concerned that we might not be able  
21 to locate our DUF records for use in PMR 4.

22 So there was a discussion with the company  
23 and the Commission staff about what we would do in this  
24 event, and we did determine that it was prudent to go and  
25 do the DUF evaluation again, generate usage so that we

1 would be more certain that we'd find the records, and we  
2 do have those now.

3 MR. CONNOLLY: Can you help us understand  
4 how this usage evaluation creates this special  
5 circumstance relative to Exception 19, contrasted with  
6 other sorts of transaction tests, whereby you ran the test  
7 in July 2001, you found the deficiency which was recorded  
8 in Exception 19, and that caused you to have to retest the  
9 usage file production process?

10 MR. ERINGIS: It was our evaluation, I  
11 believe in late calendar 2001, in discussions with SBC  
12 Ameritech and Commission staff, DUF records were one of  
13 the things that were identified as potentially not being  
14 present in Ameritech's system.

15 The company had represented to us that it  
16 was concerned that, based on its data retention policies  
17 at that time, as it understood it, that if we went to go  
18 to the data integrity evaluation and we sought from the  
19 source systems or from some other archive our DUF records  
20 so that we could do data integrity testing, that those  
21 records may not be present. They may not be able to  
22 provide those. Not for data integrity reasons per se, but  
23 because they weren't sure that they had them archived and  
24 they would be available in a time frame that we were  
25 seeking them.

1                   We did not at that time pursue that any  
2                   further because we felt, well, we don't need to prove that  
3                   point; we have to worry about how we're going to  
4                   successfully execute the test and make sure that we have  
5                   the conditions present to complete an evaluation with the  
6                   data that we generated.

7                   The reason that we didn't do that in other  
8                   areas is because we didn't have that same indication in  
9                   other areas. The company did not express that same level  
10                  of concern to us, nor did we express to them, based on our  
11                  understanding of the situation, that we were quite  
12                  concerned that we would be in a situation where this  
13                  wouldn't happen.

14                  So there was other work done, quite a bit  
15                  of work done, in late calendar year 2001 and in the  
16                  beginning of calendar year 2002, to get a better  
17                  understanding of which discrete records were available and  
18                  how they were archived, and to do a very detailed analysis  
19                  of the data retention policies and practices regarding all  
20                  those specific data elements.

21                  So to summarize, DUF was a particular area  
22                  of concern. We did not have the same concern about other  
23                  types of transactions.

24                  MR. CONNOLLY: So DUF is sort of a unique  
25                  set of records in terms of the data integrity evaluation

1 that was found to be flawed, which caused you to write  
2 Exception 19. There's many, many, many other kinds of  
3 records featured as problematic in Exception 19, but these  
4 DUF records caused you to do -- plus SBC Ameritech's  
5 notice to you caused you to react differently to that than  
6 in ordering transactions, trouble tickets, as examples of  
7 transactions?

8 MR. ERINGIS: In general I agree with your  
9 characterization, although I think I remember the order of  
10 things slightly differently.

11 I don't think that DUF records or a  
12 concern about DUF records being present or absent in and  
13 of itself precipitated Exception 19.

14 I think what happened was there were other  
15 issues that precipitated Exception 19, and we began to  
16 consider the possibility that if the issues in Exception  
17 19 turned out to be true, to various degrees, we started  
18 to consider, well, how would that impact other tests that  
19 were being done. And as we started to do that assessment,  
20 DUF emerged as an area of particular concern, that being  
21 the one that I described, we were not going to be able to  
22 find our DUF records in their archives and so we wouldn't  
23 be able to conduct a data integrity evaluation for the  
24 related performance measures.

25 MR. CONNOLLY: O.K. Thanks.

1                   MR. GORFIN: And for the other transaction  
2 tests, TVV 9 provisioning, and order management, we still  
3 had additional activities planned for the future where we  
4 would be obtaining more records that could then be  
5 evaluated for data integrity.

6                   For TVV 8, we had no additional plans to  
7 generate activities to be able to look at additional or at  
8 data integrity, and as that data may not have been  
9 available, we then proceeded with another DUF test.

10                  MR. CONNOLLY: Thank you, Eugene.

11                  In our Question 525, I wondered if you  
12 were able to do some root cause analysis or some profiling  
13 of these cases where the test scripts did not produce the  
14 DUFs to see if you saw a common denominator or common  
15 factors?

16                  MR. HOWARD: This is something that we do  
17 in this test, Tim. In this case, the 44 test scripts that  
18 we believe failed to produce a DUF record were a very  
19 random type of calls, very random from a location  
20 perspective.

21                  But, yes, we do examine that for patterns.

22                  MR. CONNOLLY: Did you find any particular  
23 patterns on these?

24                  MR. HOWARD: No.

25                  MR. CONNOLLY: Our Question 526, we

1 provide a table there, and maybe what we should do is  
2 explain the table so its purpose is clear. This test  
3 evaluation, TVV 8, and test reference TVV 8-3, tells us  
4 about the completeness of the DUF record packs. And we  
5 looked at the dates that the calls were made, as we  
6 understood them, and predicted according to the pattern of  
7 DUF provisioning when the test CLEC would have received  
8 calls made from those call dates.

9 So the table we provide there is in a  
10 series of seven columns, the first column of which is the  
11 date that the calls were made. And then we list --  
12 actually that's for the row going across, 18th through the  
13 22nd of March. So that is the reference across the top.

14 And then the column shows we would have  
15 expected -- the first column contains the date by which we  
16 would have expected to see the DUF produced for each one  
17 of those call dates.

18 For example, the calls made on the 18th of  
19 March, which will be in the first column there, we would  
20 expect those call records received within two days to be  
21 provided on March 20th, and within three days on March  
22 21st, within four days on March 22nd, and so forth.

23 And then you go to the next column of  
24 March 19th and we show that for call records provisioned  
25 within two days, that would have taken place on March

1 21st, three days on March 22nd, four days on March 25th,  
2 and so forth.

3 MR. HOWARD: Sure.

4 MR. CONNOLLY: So when we go through that  
5 analysis, we figure out that the test CLEC should have  
6 received 10 DUF record packs, according to this plan, and  
7 you report that there were 13, and we're wondering if our  
8 formulation here of this table is consistent with your  
9 understanding of the way DUF provisioning works, and if  
10 you do, can you help us understand when the other three  
11 DUF record packs would have emerged?

12 MR. HOWARD: Tim, when we do the  
13 timeliness evaluation it's on a per-record basis. The  
14 records are packed. I know that Ameritech delivers access  
15 and non-access DUF records in different data sets, so the  
16 packing of the data my understanding is either volume-  
17 driven or time-driven based on cutoffs of switch  
18 collection and polling and then nightly DUF processing.  
19 So the fact that we received 13 versus 10 record packs, I  
20 can certainly go back and look at that.

21 When we do our timeliness evaluation it's  
22 on a record-by-record basis without sensitivity of the  
23 actual pack that it was delivered in.

24 MR. CONNOLLY: Right. Understand that.  
25 Well, do we have a fair and reasonable representation of

1 the process here?

2 MR. HOWARD: I don't believe that it's  
3 necessarily the case that I would receive one record pack  
4 from Ameritech each day necessarily. It depends. I think  
5 that the fact that the access and non-access records are  
6 in different data sets would certainly indicate the  
7 potential for those being in different packs on the same  
8 day.

9 MR. CONNOLLY: Maybe you could help me  
10 understand what a pack is.

11 MR. HOWARD: What I believe you're talking  
12 about is a group of DUF records between a UNE header and  
13 trailer record. Are you talking about a data set, an  
14 actual physical data set?

15 MR. CONNOLLY: Well, I read this part of  
16 the test to deal with packs, that you received 13 packs of  
17 DUF records.

18 MR. HOWARD: Yes, we did. We received 13  
19 packs of DUF records.

20 MR. CONNOLLY: And a pack is a  
21 transmission -- or is a file that's transmitted from SEC  
22 Ameritech to the test CLEC on a given day containing  
23 however many days' DUF record.

24 MR. HOWARD: But a file may contain more  
25 than one record pack.

1 MR. CONNOLLY: And how does that happen?  
2 Then what is a pack within a file?

3 MR. HOWARD: A pack is any group of  
4 records separated with a header, then the detail records  
5 themselves in the trailer within a physical data set  
6 transmitted, or we reach out and pull ours over FTP.  
7 Within that physical data set there may be more than one  
8 collection of these records between a header and a trailer  
9 record.

10 MR. CONNOLLY: What causes, if you know,  
11 Ameritech to create a pack of DUF records? What is the  
12 start and what's the end?

13 MR. HOWARD: I don't know specifically.  
14 The only industrywide limitation that I know is that they  
15 can only hold I believe it's 99,999 records, because  
16 that's the limit of the field size of the trailer to hold  
17 a number of records. But as far as any other parameters,  
18 I'm not sure.

19 MR. CONNOLLY: The test CLEC never had  
20 that many records in the entire test.

21 MR. HOWARD: No.

22 MR. CONNOLLY: So a given day couldn't  
23 have caused or wouldn't reasonably have caused Ameritech  
24 to create a pack of records limited by that specific  
25 limitation?

1 MR. HOWARD: That's correct.

2 MR. CONNOLLY: So there's some other

3 limitation or some other configuration change or some

4 other configuration that causes Ameritech to start a pack

5 and end a pack?

6 MR. HOWARD: The only thing I can speak to

7 factually is the fact that it does appear that Ameritech

8 delivers access records and non-access records on separate

9 data sets, separate actual files, which would by inference

10 then be separate packs.

11 MR. CONNOLLY: So there could be multiple

12 packs within an access record data set provided to the

13 test CLEC on a given day.

14 MR. HOWARD: Yes, there could be.

15 MR. CONNOLLY: And multiple packs within a

16 data set for --

17 MR. HOWARD: Non-access.

18 MR. CONNOLLY: -- non-access records,

19 which are Category 10s, on a given day.

20 MR. HOWARD: That is true.

21 MR. CONNOLLY: You can't have one pack on

22 multiple data sets; is that correct?

23 MR. HOWARD: No. One pack cannot

24 physically span multiple data sets.

25 MR. CONNOLLY: So using our little chart

1 here, can you identify on what days you got the DUF data  
2 sets?

3 MR. ERINGIS: And when you say DUF data  
4 sets, do you mean a specific record, a specific pack, or a  
5 specific file, file meaning data set.

6 MR. HOWARD: Right, right.

7 MR. ERINGIS: Because those answers are  
8 somewhat different, and so our evaluation, as I understand  
9 it, and perhaps just barely understand it --

10 MR. CONNOLLY: Is on a record level.

11 MR. ERINGIS: -- is on the record level.

12 MR. CONNOLLY: Right.

13 MR. ERINGIS: O.K.

14 MR. HOWARD: Timeliness.

15 MR. ERINGIS: If you understand that, then  
16 please continue.

17 MR. CONNOLLY: O.K. And I'm trying to  
18 figure out on what days did the test CLEC receive DUF  
19 files --

20 MR. HOWARD: Files.

21 MR. CONNOLLY: -- which are comprised of  
22 at least one pack per data set --

23 MR. HOWARD: O.K.

24 MR. CONNOLLY: -- and at least one data  
25 set per file.

1                   MR. HOWARD: I draw an equivalence between  
2 file and data set, but yes.

3                   I don't have that. I can provide that in  
4 writing. I don't have that.

5                   MR. CONNOLLY: O.K. I thought John  
6 indicated that there was a possibility of multiple data  
7 sets per file.

8                   MR. ERINGIS: No. No, I did not. And  
9 wouldn't, then, it be true that if I look at the chart  
10 provided -- and I'll pose this question to Van -- if I  
11 received a file on March 20th, it may include calls from  
12 multiple dates in this table, or maybe a better date would  
13 be March 25th or March 22nd --

14                   MR. HOWARD: Right.

15                   MR. ERINGIS: -- it could have calls for  
16 multiple dates shown here?

17                   MR. HOWARD: Yes. Yes.

18                   MR. ERINGIS: O.K. And so we can't do a  
19 -- are we going to try to do a count of those?

20                   MR. HOWARD: I'm still not sure exactly  
21 what Tim's asking for.

22                   MR. CONNOLLY: What I'd like to know is on  
23 what days you receive the DUF files for each of the five  
24 call dates.

25                   MR. HOWARD: O.K. Realizing, to John's

1 point, that a file will contain calls that were made on  
2 various dates.

3 MR. CONNOLLY: Well understood. Well  
4 understood. You've done a great job explaining that to  
5 me.

6 MR. ERINGIS: So that the result of this  
7 table, it would look -- there would be, unless I'm missing  
8 something here, and I need to think about it after we're  
9 not in front of a microphone -- but I think this is a  
10 binary -- the result of this is binary, meaning there's a  
11 check box in the cell or there's not a check box in the  
12 cell. I don't know that we're going to be able to -- my  
13 brain can't process whether we can actually count the  
14 calls.

15 MR. CONNOLLY: Well, I'm not looking for  
16 call counts.

17 MR. ERINGIS: O.K., great.

18 MR. CONNOLLY: What I'd like to know, for  
19 example, if on March 22nd that was the very first DUF file  
20 that you received, and I'm not saying it was, but if that  
21 was the first, I want that indication. And I would also  
22 like to be shown on there whether or not you received  
23 calls from the 18th, the 19th, the 20th, and the 21st.

24 MR. HOWARD: O.K.

25 MR. CONNOLLY: Not how many.

1 MR. HOWARD: That we can do. I can do  
2 that. I can't do that right now, but I can do that.

3 MR. CONNOLLY: O.K., thank you very much  
4 for doing that whenever you do it.

5 O.K. Now we'd like to go to AT&T's  
6 Question 527, which is in TVV 9. What we're looking to  
7 have you explain for us here is your determination that  
8 CABS bills are accurate and how do you form that opinion.  
9 What's the basis for that opinion?

10 MR. ERINGIS: We would direct your  
11 attention to page 987 in TVV 9-28.

12 I'm sorry, I pointed you to the wrong  
13 page, Tim.

14 On page 213 we state:

15 "Accuracy of the usage billing components,  
16 rates, and quantities was assessed by reviewing the RBS  
17 and CABS carrier bills to verify that the required  
18 elements such as fractional charges, NRCs, MRCs, usage  
19 charges, start/end dates, duration, discount amounts, were  
20 correctly applied based on the policies, business rules,  
21 and rate structure specified in SBC Ameritech's publicly-  
22 available documentation and/or the Interconnection  
23 Agreement for [our] Billing Test CLEC."

24 MR. CONNOLLY: And we've had discussions  
25 about the accuracy of the CABS bills, including this

1 evaluation as you described it from your report, John,  
2 that you've also evaluated the CABS bill as accurate based  
3 on the paper bill. Correct?

4 MR. TRUDGIAN: That's correct.

5 MR. CONNOLLY: So when we look at the CABS  
6 bill in terms of the jurisdictional summaries of charges  
7 for local, for intraLATA, for interLATA, and so forth,  
8 what is the standard by which we look at those  
9 jurisdictional summaries and determine whether or not  
10 those are accurate?

11 MR. TRUDGIAN: To answer your question,  
12 Tim, for the purpose of this evaluation we did not take  
13 into consideration the geographical -- sorry -- the  
14 jurisdictional indicator.

15 MR. CONNOLLY: And we think that that  
16 jurisdictional indicator is pretty important, and we also  
17 think that if we read the description of this test in the  
18 MTP, we find it's reasonable to have that jurisdictional  
19 indicator be considered.

20 The MTP in Section 9.1, the description  
21 says:

22 "An accurately billed item will contain  
23 the correct price and correct supporting information such  
24 as start/end dates, duration, standard amounts, and  
25 discount amounts."

1                   The supporting information, in our  
2                   thinking, goes to including this jurisdictional indicator,  
3                   because a CLEC that's going to process that CABS bill has  
4                   to look at jurisdictional summaries in order to determine  
5                   where in its system it places those summaries for audit,  
6                   for balancing and controls, and so on and so forth.

7                   Now, it's our understanding that when the  
8                   test CLEC receives the bill, the CABS bill, from SBC  
9                   Ameritech, it reviews it for accuracy, completeness,  
10                  timeliness, and so forth, and forms an opinion about that  
11                  bill on the basis of the bill itself and other factors.

12                  A CLEC that gets the bill also will do  
13                  those sorts of evaluations to the extent that its business  
14                  practices require it.

15                  But the other thing that a real CLEC will  
16                  do is take that bill and process it into its system to do  
17                  its bookkeeping, to do its billing of other end users, to  
18                  do its audit functions, and other things. But it will  
19                  internalize that billing data toward its own business  
20                  requirements.

21                  The test CLEC, in our understanding,  
22                  doesn't have a system that causes it to have to process  
23                  that billing data to do any of those things -- the  
24                  business analyses and business activities, your test  
25                  processes being on one side of the things to do, the

1 downstream processing of the billing data on the other  
2 side of things to do with that billing data -- and this is  
3 where we see a need to have the test process and the real  
4 CLEC world intersect a little bit closer: that if you  
5 look at the things that you would do with the bill as an  
6 actual CLEC, one of the things that you would include are  
7 jurisdictional indicators and use that to drive your  
8 particular processes.

9 So because the CABS bill doesn't have the  
10 properly formed jurisdictional indicators as it comes from  
11 SBC Ameritech, we're troubled by the "satisfactory" test  
12 result on billing accuracy for CABS bills and wondered how  
13 we can convince you that the jurisdictional indicator is  
14 in fact part of the supporting information as the MTP  
15 calls for and ask how you would look at that on a  
16 reexamination of billing accuracy.

17 (Mr. Eringis conferred with his team.)

18 MR. GORFIN: Tim, can I first ask a  
19 question? What is AT&T using to determine that there are  
20 appropriate jurisdictional indicators that should be used  
21 and how they apply?

22 MR. CONNOLLY: We buy UNE-P services from  
23 SBC Ameritech, and on our CABS bill reflecting those UNE-P  
24 charges we do not have those nonrecurring, recurring and  
25 adjustment amounts reflected in the local portion of the

1 CABS bill, and we believe that since they are local  
2 services, that's how they should be jurisdictionally  
3 assigned, or indicated, as Terry said.

4 MR. GORFIN: And to clarify, they are  
5 indicated in the intraLATA section of the bill?

6 MR. CONNOLLY: That's correct.

7 MR. GORFIN: And that is determined to be  
8 incorrect by AT&T because -- the distinction between local  
9 and intraLATA is based on what?

10 MR. CONNOLLY: Based on a definition of  
11 what the service is that we're buying. And I'm not going  
12 to foreclose that there are or are not other  
13 jurisdictional indicators that are incorrect in the CABS  
14 bill. We know that these are incorrect. The UNE-P charge  
15 is being reflected as intraLATA.

16 We would also ask that the evaluation of  
17 accuracy consider the other charges and the jurisdictional  
18 indicators for those in the case that there are interLATA  
19 indicators that are set wrong also.

20 (Mr. Eringis conferred with his team.)

21 MR. ERINGIS: Tim, one of our issues with  
22 the question -- and we've discussed this general topic  
23 before in other forums -- is that we're at a loss to find  
24 a suitable documented and clearly defined and generally  
25 accepted industry standard for an SBC Ameritech document

1 or some other document that would discretely define the  
2 services with respect to the appropriate jurisdictional  
3 categorization, and it's the absence of that standard in  
4 the industry or other sort of controlling documentation,  
5 if you will, that is really giving us trouble on this one.

6 And so even if we were to design a test,  
7 we would need that as a basis for conducting the test at  
8 this time, we feel, and that's an obstacle in us coming up  
9 with a way to do that. And we've thought about this issue  
10 before certainly when it's been brought up, and that's the  
11 piece that we feel as though we're missing, that being  
12 that we're afraid that the absence of that standard or  
13 something that bears that sort of weight would mean that  
14 when we did the categorization, we would rely on some  
15 other information to make the judgments as to whether  
16 something was appropriately or not appropriately  
17 categorized, and then in the absence of the industry  
18 standard there would be a debate in interpreting the  
19 results as to what the meaning of it all is.

20 And so with that said, I think the  
21 information that you provided is also known in the  
22 industry and certainly here in the region in which  
23 Ameritech and Michigan CLECs operate. And so we're not  
24 sure that even if we're constructing a test in the absence  
25 of those standards, that we would be bringing anything in

1 the test that would shed new light on the matter.

2 That is, AT&T, for example, has bills that  
3 it believes have charges that are not categorized  
4 appropriately jurisdictionally, and you already have that  
5 information. If we did a test and simulated all of this,  
6 we would perhaps simply recreate the data that's already  
7 out there, and then in order to take that further we'd be  
8 looking for saying, well, the way that you objectively  
9 assess whether this is in fact right or not right is to  
10 look for the guideline or the standard. We're not aware  
11 of one that bears that weight.

12 So that's why, in consideration of this,  
13 that we haven't pursued it.

14 MR. CONNOLLY: Well, we think that it's  
15 very obvious that the nature of UNE-P services are local,  
16 and that's evident in many ways that you're not able to  
17 determine to a level of your satisfaction of what that  
18 jurisdiction is.

19 That's kind of a troubling question for  
20 us. What is it that you are looking at that gives you an  
21 unclear indication that UNE-P services are local? Do you  
22 see that being identified as in several jurisdictions, or  
23 do you not see anything that tells you what jurisdiction  
24 at all? Help me with that.

25 MR. ERINGIS: Well, I guess I can help you

1 with that by entering a slightly different question,  
2 because I'm not sure it's our role to be in the debate or  
3 consideration of that question.

4 The way that we see it is that -- the way  
5 that your bills are appearing and the way that these  
6 charges are categorized with respect to jurisdiction is a  
7 fact that we don't think is in dispute. So what's in  
8 dispute is perhaps whether that's appropriate.

9 We as the evaluator don't know or don't  
10 have anything to bring to bear to help in that dispute,  
11 and doing a test to recreate facts that are not in dispute  
12 doesn't seem to be a productive exercise for us.

13 So we're at a loss -- we're not here to  
14 affirm or refute what you're saying. We believe that the  
15 facts that you're describing in terms of the way that your  
16 bills are are in fact true. What we can't help you with  
17 is whether or not that's appropriate. We understand your  
18 position on that, but, you know, we're not in a position  
19 to weigh in one way or the other that we believe  
20 influential.

21 MR. CONNOLLY: Let me give you an analogy  
22 and ask you about this.

23 When Van is looking at the accuracy of DUF  
24 records, if he sees a call, an intraLATA Michigan call,  
25 area code 303 to area code 303, if you saw a settlement

1 code J, which shows an interstate call, would that be an  
2 accurately formed DUF record? Dialed call, unrated.

3 (Mr. Eringis conferred with his team.)

4 MR. HOWARD: When I look at usage  
5 accuracy, Tim, I don't put a lot of credence in the actual  
6 field of supplement code because --

7 MR. ERINGIS: Let me stop you. In general  
8 in the industry.

9 MR. HOWARD: In general in the industry.  
10 The reliability of information in that field is  
11 questionable. I look to see if it's populated per EMI  
12 guidelines, a value is in there.

13 My industry experience is that usage has  
14 to be evaluated on a point-to-point basis by whoever is  
15 going to bill it to determine what it is, whether it's  
16 local or intraLATA.

17 MR. CONNOLLY: You would agree that in the  
18 EMI record, as a test CLEC receives it from SBC Ameritech,  
19 there is a settlement code assigned?

20 MR. HOWARD: Yes, there is a settlement  
21 code assigned.

22 MR. CONNOLLY: If you saw an interstate  
23 settlement code, which is a J, on a call from area code  
24 313 to 313, that would be a conflicting settlement code  
25 relative to the to and from points of that?

1                   MR. HOWARD: That would actually be a  
2                   conflicting record type because interstate would be an  
3                   accuracy record.

4                   MR. CONNOLLY: If on the 313 to 313 call,  
5                   which is a category 10 call --

6                   MR. HOWARD: 303?

7                   MR. CONNOLLY: 313 to 313, intraLATA, dial  
8                   call, category, if you saw a J settlement code in there,  
9                   that would conflict with the from and to numbers on that  
10                  call, would it not?

11                  MR. HOWARD: That would conflict.

12                  MR. CONNOLLY: All right. Would that be  
13                  an incorrect DUF record?

14                  MR. HOWARD: No.

15                  MR. CONNOLLY: Why not?

16                  MR. HOWARD: Because, as I said earlier,  
17                  industry experience is that the settlement code field in  
18                  the EMI is not reliable, and usage is processed by the  
19                  billing company and reevaluated using LERG wire sender  
20                  data -- L-E-R-G wire sender data -- NECA tariffs to  
21                  determine from a point-to-point basis what that call is.

22                  MR. CONNOLLY: When you're looking at the  
23                  SBC Ameritech DUF, if on every single intrastate interLATA  
24                  call you always saw a J, what would your opinion be about  
25                  the accuracy of the DUF records in general?

1 MR. HOWARD: It would be the same.

2 MR. CONNOLLY: So your test criterion for  
3 accuracy of DUF does not include settlement?

4 MR. HOWARD: That is correct.

5 MR. CONNOLLY: Can you tell me what it  
6 does include, then?

7 (Mr. Eringis conferred with his team.)

8 MR. HOWARD: I would rather answer that in  
9 writing because I don't have recollection of the EMI field  
10 names point by point by point.

11 MR. CONNOLLY: That's fine. I'm hoping  
12 that's the long list.

13 MR. HOWARD: What? Of what I evaluate?

14 MR. CONNOLLY: The fields that you  
15 evaluate for accuracy. Of all the fields in a DUF record,  
16 I hope that's the long list and not the short list.

17 MR. HOWARD: It's the long list.

18 MR. CONNOLLY: But I'm very surprised that  
19 settlement code isn't one of them.

20 Now, if the test CLEC were to be  
21 processing the DUF records for billing to its end users,  
22 it would generate its own settlement code?

23 MR. HOWARD: That's correct. That is  
24 absolutely correct.

25 MR. CONNOLLY: And what would it do for

1 its end user with that settlement code?

2 MR. HOWARD: You would determine what you  
3 were going to charge that end user.

4 MR. CONNOLLY: On the basis of the  
5 settlement code or on the basis of call from and to  
6 points?

7 MR. HOWARD: Call from and to points.

8 MR. CONNOLLY: So settlement code wouldn't  
9 mean anything for billing of the end user?

10 MR. HOWARD: Not in my opinion.

11 MR. CONNOLLY: What would a test CLEC use  
12 that settlement code for?

13 MR. HOWARD: Nothing really. That's why I  
14 don't consider it.

15 MR. CONNOLLY: Perhaps for  
16 jurisdictionally assigning how many calls and how much  
17 money went interstate and how many went intrastate?

18 MR. HOWARD: I wouldn't categorize revenue  
19 based on information someone sent me. I would probably  
20 make that determination in-house.

21 MR. CONNOLLY: To the extent that you  
22 could, with the call detail records, you could do that?

23 MR. HOWARD: That's correct.

24 MR. CONNOLLY: So on the CABS bill where  
25 the money amounts are summarized, you wouldn't be able to

1 do that, would you?

2 You wouldn't be able to make the  
3 determination that this part of the summary amount is  
4 really local, and another part of it is intraLATA?

5 (Mr. Eringis conferred with his team.)

6 MR. HOWARD: I'll take another whirl, Tim,  
7 since I've gotten into this. I am whirling.

8 In the CABS bills charges, albeit bucketed  
9 in the BOS-BDT file, the billing detail for any type of  
10 charge is available.

11 Now, whether that categorization of that  
12 charge jurisdictionally is driven, in the case of the  
13 usage records, by a from or to number, or in the case of  
14 other billing detail by a USOC code, that would still give  
15 you a fundamental billing element at the detail level that  
16 would enable a determination to be made as to where, how  
17 that call, how that billable item should be rebilled, how  
18 that billable item should be journalized, counted,  
19 bucketed, whatever, you know.

20 MR. CONNOLLY: In your accuracy evaluation  
21 of CABS bills, did you do any balancing of USOC codes with  
22 the summaries of charges by jurisdiction?

23 MR. TRUDGIAN: By jurisdiction, no. As  
24 part of the evaluation we look at the individual billing  
25 elements, regardless of jurisdictional element, and then

1 total those up and then look at the summary level.

2 MR. CONNOLLY: So the summaries by

3 jurisdiction are not part of the CABS bill that you look  
4 at for accuracy?

5 MR. TRUDGIAN: The jurisdictional  
6 indicator relative -- the jurisdictional indicator on any  
7 part of the CABS bill, whether that can be at the  
8 individual billing element level or the total level, is  
9 not considered.

10 MR. CONNOLLY: So would you agree, Terry,  
11 that there is fields, data elements within the CABS BDT  
12 structure that say this much money in this bill is  
13 intraLATA, this much money in this bill is local, this  
14 much money in this bill is interLATA? Do you recall the  
15 structure of the CABS, BDT, BOS-BDT format to have those  
16 elements?

17 MR. TRUDGIAN: Just a moment.

18 (Mr. Eringis conferred with his team.)

19 MR. ANDERSON: Tim, just so the record is  
20 clear -- and this is perhaps unique to Michigan -- but I  
21 should mention, you made the comment earlier that it was a  
22 call that was intraLATA, it couldn't be interstate.  
23 That's not necessarily true in Michigan.

24 There are situations where there is  
25 interstate intraLATA.

1 MR. CONNOLLY: Thank you.

2 MR. TRUDGIAN: Tim, I'd like to -- my

3 recollection is foggy at this point, so I'd like to take  
4 that back and provide you an answer in writing.

5 MR. CONNOLLY: Good. Maybe you can help  
6 me find something in the TVV 9 section about whether or  
7 not you did anything, performed an audit of the CABS  
8 bills.

9 MR. ERINGIS: We're not an auditing firm,  
10 as has been pointed out.

11 (Laughter)

12 MR. ERINGIS: Meaning such as this. So do  
13 you mean an evaluation? Or what did you mean in the sense  
14 of "audit"?

15 MR. CONNOLLY: Well, I'm looking to see if  
16 there is anything in the report that says BearingPoint  
17 audited the CABS BOS-BDT billing, or performed an audit of  
18 the CABS BOS-BDT bill.

19 MR. ERINGIS: Well, I --

20 MR. CONNOLLY: I didn't see anything, and  
21 I'm just wondering. I can put it on my word machine and  
22 look for the word "audit."

23 MR. ERINGIS: Well, the challenge that I'm  
24 having is that without knowing the definition that you're  
25 using for the term "audit," I'm concerned that, because we

1 are not an auditing firm, I do not want to represent in  
2 the record that we did an audit.

3 MR. CONNOLLY: O.K.

4 MR. ERINGIS: As the industry understands  
5 what an audit is.

6 MR. CONNOLLY: Let me restate my question.

7 In your TVV 9 test, do you have an evaluation result, the  
8 auditability of the CABS BOS-BDT bill?

9 MR. ERINGIS: We do not have a specific  
10 evaluation criteria that discusses auditability in that  
11 way.

12 MR. CONNOLLY: So because you don't have a  
13 test spec for that or a criteria, is it safe to say you  
14 don't have an opinion on the auditability?

15 MR. ERINGIS: I think since we are not an  
16 AICPA member firm, we would not use that terminology in  
17 our report unless there was sufficient contextual framing  
18 of the way that the verb audit or the noun audit is being  
19 used. So we avoid that term quite a bit.

20 MR. CONNOLLY: That's good. Thank you. I  
21 understand what you meant.

22 MR. ERINGIS: If you mean by can you  
23 validate in general do we have -- do we consider the test  
24 whether one could validate aspects of the bill? To that  
25 we would say yes. In fact, we couldn't do this if you

1 weren't able to validate specific elements.

2 But I would reiterate that I think that  
3 when you bring that up a level and say, well, is the bill  
4 auditable in some sense, that there is already some  
5 standard and pretty well defined in industry terminology  
6 around that term, and we make no representations about it  
7 in that sense.

8 MR. CONNOLLY: Thanks.

9 MR. GORFIN: I think the one thing that I  
10 would add is that we use the specification that's  
11 recognized in the industry, which is BOS-BDT, to conduct  
12 our evaluation. So if there are industry -- the outline  
13 of the industry is set by that specification, and that is  
14 what is used for our BOS-BDT evaluation.

15 MR. CONNOLLY: If I could give Terry  
16 another little homework assignment, could you identify for  
17 us the elements of the BOS-BDT bill that you evaluate for  
18 accuracy?

19 MR. TRUDGIAN: Yes, we can do that.

20 MR. CONNOLLY: That you evaluate for  
21 purposes of accuracy.

22 MR. TRUDGIAN: Certainly, we can do that.

23 MR. CONNOLLY: Eres toto (as heard).

24 MR. ERINGIS: Thank you.

25 MR. KERN: I think WorldCom has one, two,

1 three follow-up questions.

2 MS. LICHTENBERG: Depends on how you count  
3 them.

4 I want to go back to the dreaded 3E status  
5 and try to understand a couple of things that you all  
6 said.

7 We believe that 3E status is customer-  
8 impacting. Because of that I want to ask some questions.  
9 You said, then, that when a customer is in 3E status --  
10 that is, the order has not completed to billing -- that  
11 the usage recycles, it falls into a holding pen and it  
12 just goes around and around. Is that correct?

13 MR. HOWARD: That's our understanding from  
14 a process review, not from our transactional experience.

15 MS. LICHTENBERG: And that would be the  
16 local usage, is that correct, as opposed to long distance  
17 or --

18 MR. HOWARD: I assume, Sherry, that it  
19 would be any usage that Ameritech records, whether it  
20 would be access or non-access.

21 MS. LICHTENBERG: But we're talking about  
22 Ameritech-recorded usage.

23 If this customer were PIC'd in State No.  
24 1, you know, in existence 1 for a long-distance to AT&T,  
25 he migrated to another CLEC and he PIC'd MCI for his long-

1 distance carrier, but the order fell into the 3E status,  
2 what would happen to his long-distance PIC?

3 MR. HOWARD: I don't know, Sherry.

4 MS. LICHTENBERG: O.K. Neither do I,  
5 that's why I'm asking.

6 When a customer is in the 3E status, does  
7 he simply receive no billing anymore from his previous  
8 carrier for daily usage? In other words, all daily usage  
9 drops into the holding tank and therefore he's not being  
10 billed at all for his local calls?

11 MR. HOWARD: I believe that would depend  
12 on what the prior state of the account is.

13 MS. LICHTENBERG: If he were, in his prior  
14 life, an Ameritech customer, and he migrated to MCI, and  
15 in that migration he fell into the holding tank, got very  
16 wet, would he continue to see Ameritech daily usage until  
17 he began to see MCI-billed usage? Or would that usage  
18 seem simply to fall into the tank?

19 (Mr. Eringis conferred with his team.)

20 MR. HOWARD: Sherry, I'm going to have to  
21 defer your question, to go back and review the process.  
22 We know that with 3E status stuff gets recirculated.

23 What I don't recall right now is if that  
24 3E involves a pending migration, does the system reach out  
25 and detect that pending migration and hold the records

1 just in case, until the orders clear? And I don't recall.  
2 We will check that.

3 MS. LICHTENBERG: I would appreciate that  
4 very much. I would also appreciate it if you have any  
5 information on what happens to the customer's PIC. We  
6 talked also about the way that the report is written. It  
7 infers that there is an Ameritech billing help desk, and I  
8 think that AT&T established -- perhaps because Mr. Reidy  
9 hasn't read as many of these as I have, and therefore got  
10 to the reality -- there is no billing help desk in  
11 Ameritech. There are a number of places you go for  
12 billing help.

13 Will you be revising your report to state  
14 that? Not that it matters, but not to imply that there is  
15 something called a billing help desk?

16 MR. ERINGIS: Well, Sherry, I'll answer  
17 the question this way: The title of the test is an  
18 artifact of the master test plan. We will certainly go  
19 back, in consideration of what was said here today, and  
20 review our business process description and the other  
21 contextual information that describes exactly was done in  
22 the test with that title.

23 But I don't think that that would include  
24 having us change the title. I think that'll then be  
25 confusing, although we'll consider that as well. I don't

1 anticipate that we're going to change that piece of it,  
2 though.

3 MS. LICHTENBERG: The only piece that I'm  
4 concerned with there is that, for instance, in other  
5 places there is a certain organization called the billing  
6 help desk that my guys get in trouble with because we call  
7 our account manager. Here we call our account manager.

8 In your review of the account manager  
9 guidelines, did they have a guidelines for how rapidly  
10 they are to respond to billing questions such as "I'm not  
11 getting my daily usage feeds," or "I am getting daily  
12 usage fees for customers that are not mine"?

13 (Mr. Eringis conferred with his team.)

14 MS. LICHTENBERG: If you'd like to take  
15 that back, that's fine.

16 MR. ERINGIS: Yeah, I think we should take  
17 it back. My colleagues here want to be responsive, but I  
18 think that that's just one of those prudent things to go  
19 look back in our documentation.

20 MS. LICHTENBERG: And then I would assume  
21 that the DUF accuracy and timeliness test would not make  
22 any distinction for the accuracy and timeliness of DUF  
23 records sent for customers that Ameritech thinks belong to  
24 a specific CLEC but which the CLEC does not believe are  
25 its customers. I apologize for the grammar.

1                   For instance, MCI has recently reconciled  
2                   our records with Ameritech's, and we have discovered that  
3                   Ameritech believes that we have some number of customers  
4                   for whom we are receiving timely, I believe, daily usage  
5                   feeds, but for whom we never sent a local service request.  
6                   You would not have seen that kind of problem in the test  
7                   or would you just have said, yep, record is timely?

8                   MR. HOWARD: The timeliness is evaluated,  
9                   of course, on the DUF that we did receive. We do look to  
10                  ensure that the accounts that we're receiving usage files  
11                  for are indeed ours and that we're not receiving records  
12                  that do not belong to us, as well as not missing records  
13                  that we feel do belong to us. Does that --

14                  MS. LICHTENBERG: Yes, that answers the  
15                  question. And all your records did belong to you, or the  
16                  majority?

17                  MR. HOWARD: They did. All of them did.

18                  MS. LICHTENBERG: Thank you. I'm done.  
19                  We can go home.

20                  MR. KERN: Does anybody else have  
21                  questions for billing?

22                  Hearing none, that completes this portion  
23                  of the agenda.

24                  Is there anything else you want to add  
25                  regarding any other part of this technical conference?

1 MR. REIDY: Could we go off the record for  
2 just a minute?

3 MR. KERN: Uh-huh.

4 (There was a discussion off the record.)

5 MR. KERN: The technical conference is now  
6 closed.

7 (At 12:25 P.M., the proceedings were  
8 concluded, to be resumed at 9:00 A.M. on Monday, November  
9 25, 2002.)

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C E R T I F I C A T E

We, the undersigned, do hereby certify that we reported stenographically the foregoing proceedings had in the within-entitled matter, being Case No. U-12320, before John Kern, Facilitator, at the Mercantile Building, Lansing, Michigan, on October 18, 2002, and that the foregoing transcript constitutes a full, true and correct transcript of our said stenographic notes.

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Dated: October 18, 2002