

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion, )  
to consider AMERITECH MICHIGAN's compliance )  
with the competitive checklist in Section 271 of )  
the federal Telecommunications Act of 1996. )  
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Case No. U-12320

**COMMENTS OF AT&T COMMUNICATIONS OF MICHIGAN, INC.  
AND TCG DETROIT ON SBC AMERITECH'S COMPLIANCE PLAN**

AT&T Communications of Michigan, Inc. and TCG Detroit ("AT&T") submit their comments on the SBC Ameritech Michigan ("Ameritech") Compliance Plan Proposals, filed on October 30, 2002.<sup>1</sup>

**I. AMERITECH'S PROPOSED SUBSTITUTE PLAN FOR CONCLUDING THE THIRD-PARTY TEST SHOULD NOT BE ACCEPTED BY THE COMMISSION**

Ameritech's October 30<sup>th</sup> submission (entitled "Ameritech Michigan's Compliance Plan Proposals," hereinafter also referred to as "Ameritech Compliance Proposal") is an attempt to "force the issue" as to uncompleted and unsatisfied portions of the Third Party Test. Ameritech has cited the growth of competition in Michigan – certainly a highly favorable result of this Commission's pro-competitive policies – in support of its request that the Commission substitute the proposed compliance plans (with Ameritech's performance audited by Hewlett-Packard Company ("HP")) for the completion of testing by BearingPoint pursuant to the approved Master Test Plan.

<sup>1</sup> In a filing also made today, AT&T submits separate comments on the October 30, 2002 BearingPoint Report and other related issues.

Ameritech's admitted objective in proposing this substitution is to accelerate its Section 271 authorization by short-circuiting the military test process and giving it a "green light" now, subject to another, future, round of compliance activities. Ameritech's proposal is highly objectionable and should be rejected by the Commission.

**A. Ameritech's Proposals Abrogate The Collaborative Principles That Have Successfully Governed The Third-Party Test From The Outset, And Substitute An Ill-Defined Plan Controlled By The Test Subject – Ameritech.**

Most fundamentally, the Ameritech Compliance Proposal would abandon the collaborative approach that, with the Commission's approval, has guided the third-party test from its inception. CLECs have an enormous interest in seeing that Ameritech Michigan's OSS perform adequately – it is fundamental to their ability to gain and serve customers in the local market in competition with Ameritech. The collaborative approach, which was integral to Ameritech's proposal for the Third-Party test in the first instance, allows CLECs access to the information and processes that are vital to assessing and measuring the performance of Ameritech Michigan's systems. AT&T and the other CLECs have invested substantial time and resources and have played a significant role in the test process. See November 15, 2002 Affidavit of Timothy M. Connolly on Ameritech Compliance Plan Proposals (hereinafter "Connolly Aff."), ¶ 13.

This approach has paid off. From the outset, AT&T has subscribed to the view that an independent third-party test is the most efficient and effective way to determine whether Ameritech Michigan's OSS are adequately efficient and nondiscriminatory. AT&T believed, and continues to believe, that the Master Test Plan as drafted and executed would serve to demonstrate what parts of Ameritech Michigan's OSS are adequate and, where they were not, the military-style of testing ("test until pass") would

ensure that Ameritech Michigan implements permanent, meaningful improvements to its systems. Perhaps no one could have foreseen the number and types of problems that BearingPoint has detected or, perhaps more importantly, Ameritech's seeming reluctance to attend to those problems expeditiously. Certainly, however, the progress that has been made in drawing Ameritech Michigan's attention to addressing and resolving its systems issues would not have transpired without the BearingPoint test.

The Ameritech Compliance Proposal would have the Commission and the parties simply walk away from the collaborative-based approach for the remainder of the test process. CLECs would be denied access to information concerning and input into the steps that would be employed to "satisfy" the outstanding testing issues. Not only that, as Mr. Connolly explains in his Affidavit the Ameritech proposal would ignore the Master Test Plan's "Global Exit Criteria," i.e., the tasks that pursuant to the MTP must be completed before testing can be deemed complete. Connolly Aff., ¶¶ 18, 24-25. *See also* Ameritech OSS Evaluation Project, Master Test Plan, Version 3.0, pp. 17-18 (April 2, 2002). Ameritech would replace these key criteria with an undefined process that would lie within Ameritech's unilateral control. Connolly Aff., ¶ 24.

For example, as Mr. Connolly explains, under the Ameritech Compliance Proposal Ameritech, would tell HP (its proposed "auditor" of compliance) what to do and how to do it. Connolly Aff., ¶¶ 18-20. HP would document its work plan and have Ameritech (not HP) review it with the Commission or Staff. *Id.*, ¶ 20. HP would merely "verify the implementation" of any systems corrections but, critically, under its proposal *Ameritech Michigan is not required actually to correct the original problem found by*

*BearingPoint in the underlying exception* (or any additional problems identified by HP in the course of its “audit”). *Id.*, ¶ 22.

Moreover, the structure of Ameritech’s proposed “audit” and the manner in which it would proceed is almost entirely undefined.<sup>2</sup> Ameritech stated in its original letter of September 5 that “the results of this audit are used to validate SBC’s assertions related to the resolution of the selected exceptions and observations.” No further elucidation has been offered in the plan as proposed by Ameritech on October 30. Nowhere has Ameritech explained how any specific action plans (or the “assertions” to which Ameritech refers) would be tied to underlying exceptions. And Observations would be ignored altogether. Similarly, HP would be obligated only to issue a “compliance audit report,” but the nature of its required “findings” is nowhere defined.<sup>3</sup> Indeed, as proposed, HP is not even committed to addressing directly the Ameritech “assertions” or to verifying that the implementation of the “assertions” would actually resolve the problem originally identified by BearingPoint. There is nothing, in fact, to prevent HP

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<sup>2</sup> Mr. Connolly describes the generic deficiencies in Ameritech’s proposal at paragraphs 35 through 61 of his Affidavit. Further, Mr. Connolly proceeds to detail the specific shortcomings of Ameritech’s proposals on Exceptions 33 (which concerns the accuracy of Ameritech Michigan’s Customer Service Records) and Exception 52, which concerns incorrect updates to Ameritech Michigan’s directory assistance database. *Id.*, ¶¶ 61 through 104. In the interests of brevity that discussion, which details a series of obvious shortcomings and unanswered questions, will not be summarized here. The inescapable conclusion, however, is that these proposals are defined in only the most vague terms and are patently weak. Fundamentally, they simply do not provide any real assurance that the underlying defects in these two critical areas will actually be remedied. Thus, the Ameritech proposals do not satisfy the basic “test until pass” principle of the Commission’s third-party test.

<sup>3</sup> Indeed, the proposal identifies no standards for the conduct of the HP audit. In contrast, the Master Test Plan requires BearingPoint to conduct its performance measures audit in accordance with the “Yellow Book” standards. See Connolly Aff., ¶ 23. The BearingPoint testing, in other words, is fully adequate to discharge the remaining open test items, in particular those where testing and re-testing are underway. *Id.*, ¶ 24.

from issuing an audit report stating merely that “Ameritech Michigan is (or is not) in compliance with the assertions it made.”

**B. The Ameritech Proposal Is Partial And Incomplete**

Ameritech acknowledges that BearingPoint identified fourteen additional Exceptions in the TVV and PPR testing groups, and thirteen additional Exceptions in the PMR testing group; Ameritech did not view it as necessary to address any of these in its compliance plans, however. Its reasons vary.<sup>4</sup>

First, there are a number of Exceptions as to which Ameritech claims Bearing Point is in re-testing and Ameritech anticipates a favorable result. These include, for example, Exceptions concerning the accuracy of CABS billing and the adequacy of process controls – vital areas to CLECs and their ability to bill their customers accurately. Mr. Connolly in his Affidavit describes the numerous issues – in particular, process issues – identified by BearingPoint and describes why Ameritech’s claim that it has or will satisfy these Exceptions is dubious. *See, e.g., Connolly Aff.*, ¶¶ 65-71.

Second, there are Exceptions as to which Ameritech believes its performance is satisfactory, but it proposes to improve its performance through “internal improvement plans.” In particular, these include Exceptions related to Line Loss Notifiers -- an issue over which this Commission has expressed serious concerns previously, because failure to send proper Line Loss Notifiers can lead to double-billing of customers. Ameritech’s proposed “internal improvement plan” calls for the issuance of Accessible Letters to “affected CLECs” in the future, but that undertaking relates only to an interruption which

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<sup>4</sup> The discussion that follows is illustrative, not comprehensive. The complete account appears at paragraphs 64 through 72 of Mr. Connolly’s affidavit.

Ameritech considers to be “of significance,” and the proposal itself raises more questions than it answers concerning the parameters surrounding such notifications. See Connolly Aff., ¶¶ 71 through 76. This category also includes the “time stamp” issue with respect to pre-ordering and ordering functions, with which the Commission is familiar. See, e.g., Connolly Aff., ¶ 77. Certainly, the Commission needs to resolve this issue, rather than allow Ameritech to bury it in an exclusion from compliance. Lastly, Mr. Connolly addresses Exception 131, which involves Ameritech Michigan’s wholly unsatisfactory performance in placing the correct “Cause Codes” on CLEC trouble tickets.<sup>5</sup> As Mr. Connolly explains, incorrect closure codes may result in the exclusion from the performance calculation of the errors for which the trouble tickets were submitted, and such exclusions may erroneously “improve” Ameritech Michigan’s reported performance. Connolly Aff., ¶¶ 78 through 83.

Third, there are a group of Exceptions as to which Ameritech deems its responses to open issues during testing to be satisfactory, such that no further testing is required. Connolly Aff., ¶¶ 84-91; Ameritech Proposal, at p. 13. As to certain of these Exceptions, however,<sup>6</sup> Ameritech’s claim is based not upon standards adopted by the Commission but rather standards that it *desires* to be adopted. That is inconsistent with the Master Test Plan, however. *Id.* As to others, i.e., Exceptions 49 and 97 concerning the timeliness of FOC processing, Ameritech’s position boils down to a claim that BearingPoint is wrong, and it disregards the Exception on that basis. See Connolly Aff., ¶¶ 90-91. Again, the test subject should not be permitted unilaterally to declare that it has passed the test.

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<sup>5</sup> In July, for example, Ameritech Michigan properly coded the Cause Code 91.4% of the time for Resale, 82.4% for UNE and 69.7% for Special Circuits, against a benchmark of 95%. See Connolly Aff., ¶ 78.

<sup>6</sup> I.e., Exceptions 44, 48 and 116; see Connolly Aff., ¶ 89.

Fourth, as to PMR testing, Ameritech claims that “significant progress” has been made and that it is “working with BearingPoint” to arrive at a “clear schedule” to conclude testing. At the same time, it acknowledges that *it has not proposed any compliance plan solution or other remediation efforts for the 10 Exceptions that BearingPoint has issued and which remain open today relating to Performance Metric Review (“PMR”) testing.* Ameritech states only that no such action is necessary because the testing continues and considerable progress has been made. Connolly Aff., ¶ 92. However, as Mr. Connolly demonstrates, Ameritech repeatedly ignores significant aspects of the problems identified by BearingPoint, and simply declines to address numerous outstanding Exceptions as to the PMR-1, PMR-4 and PMR-5 tests. For example, Ameritech claims that it has “addressed all of the current issues relative to PMR 3,” and yet three Exceptions remain to be resolved before Ameritech’s proposed resolutions to PMR 3 issues can be evaluated. Connolly Aff., ¶¶ 93-97. BearingPoint has found seven of the 16 evaluation criteria for PMR 3 to be “Not Satisfied,” and of those, four are not in retesting *because Ameritech has refused to take part in the correction process.* *Id.*, ¶ 98. Similarly, as to PMR 4 (“Metrics Data Integrity Verification and Validation Review”), Mr. Connolly explains that there is little evidence that Ameritech Michigan and BearingPoint have yet undertaken the kind of effort that generated significant progress on PMR 1. *Id.*, ¶ 101. As to PMR 5, there are 57 open Observations, and BearingPoint has recently announced plans to abandon January 2002 as the data month in favor of July – with implications that are not yet known. *Id.*, ¶ 103. In short, as to PMR testing there is significant work to be done under the terms of the MTP, and Ameritech’s proposal – which acknowledges the work remaining -- is simply a

promise to do it only after it has received the Commission's blessing for Section 271 purposes.

Lastly, the Ameritech Compliance Proposal completely disregards Observations, a failure that alone renders the proposal inadequate. As Mr. Connolly explains, during the course of this test the use of Observations has evolved from indicating questions to denoting problems, and issues flagged initially as Observations have come to be Exceptions. Thus, although Observations unlike Exceptions are not a certain indication that a test criterion will not be met, they do indicate issues that must be addressed. The Ameritech Compliance Plan would not do so.

**C. The Commission Should Redirect The Testing End-Process By Requiring Expedited, Collaboratively Based Procedures For Bringing The Test To A Successful Conclusion**

As shown above, the procedures contemplated under the Ameritech Compliance Proposal for closing out work on the outstanding Exceptions and Observations is ill-defined and inadequate to achieve the needed level of confidence in Ameritech's OSS.<sup>7</sup> Instead, the Commission should require Ameritech to continue along the basic course charted in April of 2000. It should require Ameritech to proceed with testing and re-testing in conformity with the Master Test Plan and its underlying principles. Most

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<sup>7</sup> Additionally, AT&T objects to having HP serving as a compliance auditor for Ameritech Michigan. As Mr. Connolly explains in his Affidavit, HP in the SWBT Texas Section 271 Compliance proceeding failed to provide CLECs with equal access to its audit process, as directed by the Texas Commission and agreed to by HP. There were also strong indications that HP permitted SWBT unilaterally and unfairly to influence the findings in its report. Connolly Aff., ¶ 31. In this proceeding, HP first admitted (at the technical conference) that it had failed to issue Observations that were merited based upon its experience with the EDI gateway. Subsequently, it invoked its "professional judgment" in concluding that the open items "do not rise to the level" of an Observation or Exception. Connolly Aff., ¶ 34. These lapses are described in greater detail in the Affidavit of Mr. Connolly, but individually and taken together they should disqualify HP from performing any kind of "audit" role with respect to Ameritech Michigan's performance.

importantly, it should preserve the collaborative approach in connection with the completion and conclusion of the test.

The Commission would be entirely justified at this point in calling a halt to the process that Ameritech initiated in its September 5<sup>th</sup> filing and sending Ameritech back to complete the test process until BearingPoint, the Commission-retained tester, is satisfied - not Ameritech. Ameritech has always controlled the progress of this test, through the performance of its systems and its diligence in addressing and correcting problems as they are identified, and the only reason this test has not been completed successfully is because its systems have not proven to be adequate and it has been slow to respond to issues and problems.

In the event, however, that the Commission concludes that open test items are appropriately resolved through a “compliance plan” mechanism, it should pursue that approach not through measures unilaterally demanded by Ameritech but rather through industry (and, as necessary, Commission) participation. AT&T would recommend that the Ameritech Michigan Compliance Plan activity be halted now, and instead that an industry collaborative should be convened immediately. The Commission should direct Staff to convene test-concluding collaboratives, working with BearingPoint to identify the unfinished tests and related problems in Ameritech’s systems. CLECs would contribute recommended priorities and test protocols and their own testing resources as appropriate, and Ameritech Michigan would be called upon to ensure that the tests are appropriately scheduled and resourced to ensure timely completion. As Mr. Connolly explains, the goal of the collaboratives would be to develop “closing scripts” that would

allow BearingPoint to finish the work it has started and, indeed, has nearly completed.<sup>8</sup> This collaborative approach would produce a plan for the efficient and expeditious completion of testing and attainment of the Exit Criteria.

There is no reason that such a process would unnecessarily delay the successful completion of testing. Ameritech Michigan and the CLECs have strong, albeit divergent, incentives to move the test along to successful conclusion. Ameritech Michigan of course wants the test to be over so that it can proceed with its Section 271 application. CLECs want the test successfully completed so that the system problems that they experience, and as documented as Observations and Exceptions by BearingPoint, are resolved efficiently to support their market entry operations. The Commission can and should control the process by establishing an expeditious timeline for the work of the collaborative. AT&T commits to making its resources fully available to support this process.

### **CONCLUSION**

For the reasons set forth above, the Commission should reject the Ameritech Compliance Proposal and, in giving future direction to the parties, reaffirm that collaborative principles and processes shall continue to govern the conclusion of its Third-Party OSS test.

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<sup>8</sup> These scripts should take the form of a set of steps for each test issue, including impasse items, which scripts BearingPoint could execute and, upon satisfactory review of the test results, close out the issues.

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Respectfully submitted,

**AT&T COMMUNICATIONS OF  
MICHIGAN, INC. and TCG DETROIT**

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