

DRAFT

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of)
)
Application by SBC Communications Inc.,)
Michigan Bell Telephone Company d/b/a) CC Docket No. _____
Ameritech Michigan, and Southwestern)
Bell Communications Services, Inc. d/b/a)
Ameritech Long Distance for Provision of)
In-Region InterLATA Services in Michigan)

**AFFIDAVIT OF DENISE KAGAN
ON BEHALF OF AMERITECH**

STATE OF ILLINOIS)
)
COUNTY OF COOK)

**TABLE OF CONTENTS
BILLING AFFIDAVIT**

SUBJECT	PARAGRAPH
EXECUTIVE SUMMARY	2
ACIS	4
RBS	7
CABS	12
CUSTOMER USAGE DATA	16
CAMPS	17
DAILY USAGE FILE	20
BILLING RATE TABLES	22
BILLING DATES	27
OVERLAPPING BILLING	31
BILLING CYCLES	34
BILLING TIMELINESS	45
BILLING PERFORMANCE MEASURES	47
CONCLUSION	48

I, Denise Kagan, being of lawful age and duly sworn upon my oath, do hereby depose and state
as follows:

1. My name is Denise Kagan. I am a Billing Program Manager for Southwestern Bell Corporation Services, Inc. (SBC Services). My business address is 2001 Lakewood Blvd., Room 5L571G, Hoffman Estates, Illinois, 60195. I am responsible for managing billing system development to support wholesale billing to Competitive Local Exchange Carriers (CLECs) for the Ameritech region.

EXECUTIVE SUMMARY

2. The purpose of my affidavit is to describe how Michigan Bell Telephone Company d/b/a Ameritech Michigan or Ameritech (“Ameritech”)¹ provides non-discriminatory access to billing in accordance with FCC requirements. To meet its billing obligations under the Telecommunications Act of 1996 (Act), Ameritech spent millions of dollars to modify and maintain its billing systems and processes. These investments allow Ameritech to deliver timely and accurate daily usage information and monthly wholesale bills to CLECs.
3. Ameritech uses four systems to generate usage data and bills to CLECs. These systems work together in providing non-discriminatory access to complete, accurate, and timely billing to the CLEC for services and products purchased from Ameritech. After a customer record has been established, the billing system will begin to monitor charges that will eventually be gathered together to form a bill. Among other things, the billing system will track any non-recurring charges (e.g., installation or service

¹ Michigan Bell Telephone Company, a Michigan corporation, is a wholly owned subsidiary of Ameritech Corporation, which owns the former Bell operating companies in the states of Michigan, Illinois, Wisconsin, Indiana, and Ohio. Ameritech Corporation is a wholly owned subsidiary of SBC Communications, Inc. Michigan Bell offers telecommunications services and operates under the names “Ameritech” and “Ameritech Michigan” pursuant to assumed name filings with the state of Michigan.

order charges) and recurring charges (a.k.a. monthly service charges) associated with the account. At the same time these charges are being monitored, usage (events that are billed on a per-minute or per-use basis such as directory assistance or long distance calls) is being recorded and collected. When the time comes to bill a particular customer, billing gathers these service order charges and/or monthly recurring charges and combines them with the usage charges to create a bill. All orders with billable activity, whether for one of Ameritech's access, retail, or CLEC customers, will flow through to one of Ameritech's billing systems to generate a statement to the customer. My affidavit will describe the billing applications used in providing this access, and it will also demonstrate how these systems function at parity with Ameritech's retail processes.

AMERITECH CUSTOMER INFORMATION SYSTEM (ACIS)

4. Ameritech uses its Ameritech Customer Information System (ACIS) as the backbone of the billing process. ACIS provides service order processing, payment and adjustment processing, and bill creation for retail products to residential and business customers. There are five variations of ACIS, one for each state in the Ameritech five-state region. Tariff specific differences are handled through tables and code in each state; however, the architecture is the same for all five states. ACIS has been in place for more than six years.
5. In the year 2000, more than 168 million bills, available via various mediums, were created by ACIS throughout the Ameritech region.
6. Although data for both retail and wholesale accounts is stored on the ACIS customer database, ACIS does not produce billing for wholesale accounts. Rather, each bill period, ACIS creates a file of wholesale accounts which contains basic account information such as

billing telephone number, billable services, and order activity. This file is then passed to the Reseller Billing System (“RBS”).

RESELLER BILLING SYSTEM (RBS)

7. The Reseller Billing System (RBS) has been in use since 1996 to create timely and accurate bills for CLECs who resell Ameritech’s products and services.
8. As noted above, in order to produce the bill in RBS, ACIS transmits a file containing the appropriate recurring and non-recurring charges for all CLECs in the given bill period. RBS receives the files from ACIS, and then re-rates the records based on the resale or unbundled rates established in the applicable tariffs and interconnection agreements. In addition, RBS receives a usage feed from Common Ameritech Message Processing System (CAMPS), described below, to bill the CLEC for any usage its accounts may have incurred for the given bill period. The usage sent from CAMPS is already priced at resale or unbundled rates, and is summarized to the end-user level prior to being sent to RBS.
9. With these two feeds, one from ACIS and one from CAMPS, RBS performs its bill process and creates the bill.
10. Since Ameritech first began to bill for wholesale services, all bills for resale CLECs have been issued from RBS. In contrast, CLECs who use unbundled network elements receive two bills from Ameritech – a CABS bill (described below) for the circuit-based (loop) charges, and an RBS bill for charges associated with the port, cross-connects and usage.
11. Ameritech is currently in the process of implementing a project, that when completed in October 2001, will move most of its UNE billing out of RBS and into CABS. RBS will

continue to bill CLECs for end user initiated usage charges associated with the port, such as directory assistance and operator-handled calls.

CARRIER ACCESS BILLING SYSTEM (CABS)

12. The Ameritech Carrier Access Billing System (“CABS”) was designed and developed over sixteen years ago to create and render bills for access products and services. This same system is in use today throughout Ameritech’s five-state region and has proven to be accurate, timely, and efficient.
13. For Ameritech’s wholesale operations, CABS is currently used to bill CLECs for any UNE-P (Unbundled Network Element Platform) loop charges. These bills include all applicable loop monthly recurring and non-recurring charges.
14. As previously mentioned, Ameritech CABS will be modified by the end of October 2001 so that it will bill all of the UNE-P charges, with the exception of directory assistance and operator services usage charges; which will remain in RBS. This enhancement will allow CABS to incorporate the billing of port charges, cross-connect charges, and all associated usage-sensitive charges, while retaining the billing of recurring and non-recurring loop charges as it does today. This migration of over 69,000 ports (Michigan only as of 3/2001) from RBS to CABS will allow Ameritech to render the UNE-P billing almost entirely from CABS. At the completion of this project in October 2001, Ameritech will have fulfilled one of its commitments to provide consistent billing system orientation for

unbundled network products as outlined in the Uniform and Enhanced OSS Plan of Record.²

15. Because CABS is the same system used for creating bills for Ameritech's IXC customers, any degradation in the system for CLECs would be detrimental to Ameritech's access operations as well.

CUSTOMER USAGE DATA

16. Ameritech provides CLECs nondiscriminatory access to usage data by providing usage data on all types of products and services for which Ameritech provides usage data to itself. This includes access usage records, intraLATA toll records, local usage records, and billable messages recorded by other companies. Given that local exchange service is "flat-rated" (a set monthly rate without regard to the number of times the service is used), usage on those lines is not provided to the CLEC. In contrast, all usage records are made available for UNE switch ports.

COMMON AMERITECH MESSAGE PROCESSING SYSTEM (CAMPS)

17. Ameritech uses the Common Ameritech Message Processing System ("CAMPS") for all usage processing in each of the five Ameritech states. CAMPS is a single integrated system that runs in multiple states and processing sites throughout the Ameritech region. The CAMPS front-end programs process and edit the Automatic Message Accounting ("AMA") messages recorded on all of the network switches throughout the Ameritech states and creates the national standard Exchange Message Interface ("EMI") records.

² Final Uniform and Enhanced Plan of Record, Product Billing System Alignment, p. 63, dated 8/7/00.

This logic is the same for usage recorded on Ameritech switches regardless if the call originates from an Ameritech retail line, a CLEC line, or an independent company line. EMI records are created for various call types of local, intraLATA toll, carrier access and operator handled calls. CAMPS front-end logic distributes the usage records to other CAMPS downstream programs for further processing and billing. Retail, resale, and UNE-P usage is all processed within CAMPS, and carrier billable usage is directed to CABS.

CAMPS processing includes:

- Receiving usage from the network and formatting EMI
- Rating the usage at tariff rates
- Receiving and distributing usage to billing companies
- Creating daily usage files (DUF) for CLECs
- Storing the usage that is rated and processed in CAMPS until billing time
- Extracting, sorting, pricing, and summarizing usage at billing time
- Distributing usage/summaries to the account billing organization for presentation on the bill. Summaries for retail accounts are sent to ACIS, while CLEC accounts are sent to RBS.

18. The software is centrally developed and maintained in Brecksville, Ohio for all five Ameritech states. CAMPS was initially implemented in 1987 by processing records for Ohio. Over the next the next 5 years, production for the remaining Ameritech states was added, ending with the addition of Illinois in 1991.

19. As discussed in more detail below, usage data from CAMPS is delivered to the CLEC via Ameritech's Daily Usage File ("DUF") extract process.

DAILY USAGE FILE

20. The Daily Usage File (“DUF”) extract process was developed specifically for Ameritech’s CLEC customers. The process used in Ameritech is the same one used throughout its five-state region. As described in the Michigan Tariff³, the DUF extract itemizes usage records for CLECs. The CLEC can use these records to bill their end-user customer, or in the case of UNE-P, also its carrier customers. The DUF process was developed to comply with industry guidelines, or where none existed, guidelines agreed upon by Ameritech and the CLECs. The Daily Usage File extract process has been in use since 1996, and was modified in September 2000 to provide access records to CLECs for carrier usage that originated or terminated to UNE-P ports. Ameritech changes this process on an “as-needed” basis as industry guidelines are introduced or changed, or when new products or services are introduced in the marketplace.
21. Usage from CAMPS is delivered to the CLEC via the Daily Usage File extract. For those CLECs who opt to receive the DUF, Ameritech extends a choice of delivery options. In Michigan, the DUF is available via magnetic tape or electronically over data lines (Connect: Direct or File Transfer Protocol). As described in the Generic Interconnection Agreement⁴, all usage records included in the DUF are presented to CLECs in the industry standard Exchange Message Interface (“EMI”) format.

³ Michigan Bell Telephone Company Tariff M.P.S.C. No. 20U, Part 22 – Resale Local Exchange Service, paragraph 6, Billing.

⁴ SBC Multi-State Generic Interconnection/Resale Agreement (GIA), General Terms and Conditions, section 8.10, Exchange of Billing Message Information. The GIA can be found on SBC’s CLEC On-line Handbook at <https://clec.sbc.com/unrestr/interconnect/multi/index/.cfm>

BILLING RATE TABLES

22. The CABS and ACIS billing rate tables are dynamic. Data on the tables will change as new CLECs begin operating in Ameritech's region and as tariffs are changed. Ameritech assigns prices to products and services purchased by CLECs based on existing or new rates that are defined in Ameritech's tariffs and local interconnection agreements. The rate tables also contain a variety of state-specific data that is necessary to accurately assign prices or discount percentages. The structure of the tables is the same in all-relevant aspects for all five states within the Ameritech region.
23. ACIS tables are loaded with universal service order codes ("USOCs") for both retail and wholesale products and services. Rating associated with those products and services is defined in Ameritech's tariffs and local interconnection agreements. The tables are state-specific, though the structure of the tables is the same for each of the five states.
24. Because tariffs vary from state to state, taxes differ region to region, and individual CLECs are entitled to different discounts in their interconnection agreements, the rating tables Ameritech uses in its CABS systems must carry tariff-specific as well as CLEC specific information.
25. The mechanized routines used for translating the table data into bills are the same – indeed, creation of bills from table data and usage records for all five states is handled by the same group of employees without regard to whether the bill is retail or wholesale.
26. UNE pricing flexibility is determined by product development. Some UNE products are billed using tariff rates, while others have CLEC specific rating as defined in the

interconnection agreement. Any modifications to existing rate levels or percentages are made within 30 days from the billing organization's receipt of the change.

BILLING DATES

27. Ameritech bills customers monthly for the products and services purchased. This billing includes monthly recurring charges, usage-sensitive charges, and non-recurring charges.
28. Ameritech divides its billing for ACIS and RBS into ten monthly bill periods. RBS uses all ten billing dates per month to bill the CLECs for UNEs. This is the same number of bill dates used by ACIS for retail and by RBS for billing resale CLECs.
29. Ameritech has fourteen different monthly billing dates/periods for its CABS billing. Upon request to the Local Service Center ("LSC"), CLECs may choose the option of selecting a particular bill date from any of the fourteen available in CABS. The ability to maintain the bill date or choose from any of the fourteen CABS bill dates provides the CLEC parity with Ameritech's billing to IXC customers because Ameritech has offered every available bill date to the CLEC.
30. However, at the discretion of Ameritech, a bill date may be closed to additional billing activity if it has been determined that high volumes are adversely affecting the performance of the system.

OVERLAPPING BILLING

31. The issue of overlapping billing is always present whenever a customer changes its local service provider. As is customary in the industry, Ameritech customers are billed in advance for monthly service, and are billed in arrears for usage-based services. When a customer changes local service providers, there is a need to reconcile the amounts previously billed and charges pending, with payments and adjustments for the partial month of service.
32. ACIS has been designed to mechanically handle the overlapping billing that occurs when customers change their local service provider. These processes include automatic credits to the Ameritech customer and partial month billing for the CLEC end user.
33. As previously stated, Ameritech currently bills a UNE CLEC out of two separate and distinct billing systems; RBS for the ports, cross-connects and usage-sensitive charges, and CABS for loops. Both of these Ameritech billing systems have unique billing calendars and therefore do not produce bills at the same time during the month. As the port facilities are migrated to CABS from RBS later this year, they will be assigned to accounts that will bill on a different day of the month than when they were billed out of RBS. However, effective billing dates will be used for these accounts to ensure that the CLECs will be billed correctly as a result of the conversion.

BILLING CYCLES

34. The term “billing cycle” refers to the process of creating, auditing, and mailing a bill. ACIS bill periods are broken down into two process groups. ACIS runs a billing cycle monthly for each process group, including all available billable activity associated with accounts in

the process group. ACIS bills from the bill date through the day prior to bill date (e.g., bill period 10 billing would be from the 10th through the 9th of the next month).

35. Unlike ACIS, the CABS billing cycle begins the day after the billing date of the previous month, and ends on the bill date of the current month. Customer account information that is effective as of the bill date and stored in the appropriate CABS customer database is used to process the bills. Customer account information is established and changed through service order activity. By the fourth workday associated with the bill date, CABS will assemble all billing records accumulated over the past month (since the last bill date) and create a data file with the usage, product, and service information necessary to create a bill.
36. An RBS billing cycle begins when ACIS and CAMPS have assembled all the billing records accumulated over the past month (since the last bill date), and send the data to RBS. RBS then processes the data files with the usage, product, and service information needed to create a bill.
37. The ACIS and CAMPS data is processed through a series of edits that verifies both format and content of the data. RBS uses this data for creating control totals as well as bills that can be reviewed for accuracy.
38. In CABS, all data is processed through a series of edits either within CABS, or before it enters CABS through an interface.
39. Because only that billing data which satisfies the program edits in any of its billing systems is used to create Ameritech bills, any data that does not pass these program edits is distributed to error correction processes for investigation and correction. Corrected data is resubmitted to the system for processing.

40. A control set of retail bills, which is defined by statistical sampling, is audited for accuracy of format and content. Anything appearing on the bill that is customer affecting, including monies and bill messages, is verified for accuracy before the bills are released for printing and distribution.
41. Wholesale bills are also audited for accuracy of both format and content. The audit of wholesale bills consists of several steps, which provide inspection above and beyond the normal retail audit process. The first step in the process is to determine the CLEC billing in the billing cycle. Second, the bill verifiers check the bills for format and accuracy. This audit is repeated throughout the month for each of the ten RBS monthly bill cycles. In addition, a third step occurs each month – a sample of billing elements is created and manually checked to determine if the correct rates have been billed. When all auditing steps have been completed for a given bill cycle, the bills are printed and mailed via overnight delivery to the CLEC.
42. Ameritech completes a thorough validation of software changes within its test system for CABS bills. The CABS test system contains a sampling of test accounts, which are reviewed each month for accuracy. In preparation for the RBS to CABS conversion scheduled for October 2001, Ameritech's CABS test system will be enhanced in June 2001 to include test accounts that have unbundled local switching with shared transport.
43. For CLECs that choose to use Electronic Data Interface ("EDI"), the billing data is formatted using the appropriate industry guidelines. The EDI 811 format is offered for both retail and resale customers, providing not only parity between retail and resale, but also consistency with SBC offerings in the Pacific Bell and Southwestern Bell regions. For resale and UNE billed out of RBS, CLECs may choose to receive their data in Ameritech

Billing Service (AEBS 450) format as well. When bills have been sent for validation, the electronic files are created and sent via the media type chosen by the CLEC.

44. The Ameritech CABS “official bill” media is either paper or Bill Data Tape (“BDT”). For CLECs that choose a paper bill output, these bills will be produced in one of the SBC Bill Print Centers. These centers use specialized hardware and software to print, assemble, and prepare the bills for mailing. CABS bills are ACNA and ZIP code sorted, then delivered by the appropriate courier to customers. For CLECs that choose to use BDT, the billing data is formatted using the appropriate industry guidelines. Ameritech will deliver BDT via the CLEC’s chosen option, either by means of Direct: Connect, floppy disk, magnetic tape, or microfiche.

BILLING TIMELINESS

45. Whether through paper or electronic means, Ameritech provides parity of billing timeliness.

Electronic bill detail media, provided through EDI 811 or AEBS 450, is mailed or transmitted by the sixth workday associated with the bill date. This standard applies to delivery of electronic bill detail media for both retail and CLEC accounts in all five Ameritech states.

46. The criterion for measuring mechanized billing timeliness is contained in PM 18, which requires that 95 percent of such bills be released “on time”, defined as no later than midnight of the 6th workday. PM 18 currently covers wholesale bills processed through RBS and supplied to competing carriers via EDI 811 or AEBS 450.

BILLING PERFORMANCE MEASURES

47. Ameritech provides the following performance measures to demonstrate the accuracy, completeness, and timeliness of its billing and usage extract processes.

- PM 14 – Billing Accuracy
- PM 15 – Percent of Accurate and Complete Formatted Mechanized Bills
- PM 16 – Percent of Usage Records Transmitted Correctly
- PM 17 – Billing Completeness
- PM 18 – Billing Timeliness, Wholesale Bill
- PM 19 – Daily Usage Feed Timeliness
- PM 20 – Unbillable Usage

The affidavit of Salvatore Fioretti describes the specific performance measures in detail.

CONCLUSION

48. Ameritech recognizes the importance of billing in having met its obligation to open its local markets. Ameritech has succeeded in its efforts to build a billing system that provides timely, accurate, complete, and nondiscriminatory billing information to CLECs for both daily usage information and monthly wholesale bills.

This concludes my affidavit.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on _____, 2001.

Denise Kagan
Billing Program Manager

STATE OF ILLINOIS

COUNTY OF COOK

Subscribed and sworn to before me this _____ day of _____, 2001.

Notary Public