

JUNE 29, 2001

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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

AFFIDAVIT OF A. EARL HURTER REGARDING BILLING ISSUES

1 I, A. Earl Hurter, being first duly sworn under oath, do state that if called upon to be a
2 witness in this matter that I would be competent to testify to the following:

3 My name is A. Earl Hurter. I am the Senior Manager for Central Line Cost Management
4 within WorldCom, including the subsidiary companies of MCImetro Access Transmission
5 Services, Inc., MCI WorldCom Communications, Inc., and Brooks Fiber Communications of
6 Michigan, Inc.

7 I have been employed by WorldCom or its predecessor entities for fifteen years. My
8 experience includes five years in engineering and provisioning, five years in terminal and field
9 operations, and five years in line cost management. My present title is Senior Manager for
10 Central Line Cost Management, where I manage the auditing and payment of telephone company
11 ("telco") invoices from many companies, including Ameritech. I have held this position for
12 three years.

13 I received my Master of Science degree in Telecommunications and Computer Science
14 from DePaul University, Chicago, in 1993 and graduated Suma Cum Laude. I received by
15 Bachelor of Science degree from Northeastern Illinois University, Chicago, in 1983 and

JUNE 29, 2001

1 graduated Magna Cum Laude Graduate. I also studied Electrical Engineering and Computer
2 Science at Northwestern University, Evanston, IL, from 1978 - 1981

3 This present affidavit focuses on certain issues regarding WorldCom's experience with
4 Ameritech relating to telco billing for local switching and to billing for OS/DA. Generally, and
5 fortunately, we have had relative success in dealing with Ameritech with our long-distance
6 billing. However, our experiences relating to billing for local services have been very negative
7 to date.

8 **BILLING FOR LOCAL SWITCHING**

9 As background, it is important to understand why bill format is so important to CLECs
10 (Competitive Local Exchange Carriers) such as WorldCom. ILECs (Incumbent Local Exchange
11 Carriers) such as Ameritech issue invoices to CLECs for services leased from the ILEC. These
12 services include both flat-rated and usage sensitive charges. When a CLEC orders services from
13 the ILEC, the elements of the order are translated into Universal Service Order Codes (USOCs)
14 that define specifically what services and options were ordered. The ILEC tariffs specify what
15 rate is applicable to those USOCs, making the use of the USOC codes in the billing a critical
16 element in the auditing of the telco bills. Usage sensitive charges are billed at an aggregated end
17 office level, while flat rated elements are billed at a USOC level. This has been the industry
18 practice for all non-toll usage since divestiture. Invoices for these charges are telco bills.

19 The particular format of the telco bill is critical to the CLEC's ability to audit it. Because
20 of the volume of ILEC bills that a CLEC receives and the number of USOCs billed per circuit or
21 service, the need for effective automation is great. Efficient bill receipt, audit, and payment is
22 predicated – and indeed, dependent – upon a predictable, well-defined electronic bill format that
23 allows for levels of summarization by end office, jurisdiction, LATA, and state. Certain bill

AFFIDAVIT OF A. EARL HURTER

JUNE 29, 2001

1 formats are conducive to this degree of summarization, such as those provided in what is known
2 as the CABS BOS format, and others, such as those arriving in the AEBS and CRIS formats used
3 by Ameritech, simply are not.

4 Auditing of ILEC bills is critical to CLECs such as WorldCom, since Ameritech often
5 overcharges us for telco costs, and we have no way of auditing the records to identify the
6 overcharges if we do not receive auditable bills. I base this on my experience in auditing
7 Ameritech's other local billings to us. Even when Ameritech knows that its bills will be audited,
8 they contain significant errors. If Ameritech knows that we cannot properly audit its telco billing
9 due to format problems, the errors will certainly be as serious, if not worse. Accordingly, it is
10 critical that WorldCom be able to audit Ameritech's bills.

11 Before December 2000, Ameritech offered billing only in its AEBS (Ameritech
12 Electronic Billing System) format. AEBS is a non-standard, Ameritech-specific billing system,
13 roughly modeled after the more widely-used CRIS system. We simply cannot audit AEBS bills,
14 since to do so, we would have to develop an Ameritech-specific system for data retrieval. Such a
15 system would become obsolete, at least for a while, every time Ameritech changed its AEBS
16 system.

17 In December 2000, Ameritech offered us the option of receiving telco bills in the CRIS
18 format. While this system is still a poor choice for auditing purposes, it is slightly preferable to
19 AEBS because it is not a company-specific system, and it can be sent electronically. However, it
20 still not a standardized format, does not summarize usage by end office, jurisdiction, LATA or
21 state (while CABS billing does). Further complicating matters, the rules governing CRIS bills,
22 also known as implementation guidelines, are ILEC-specific and are subject to change with little

AFFIDAVIT OF A. EARL HURTER

JUNE 29, 2001

1 or no notice and contain information only on electronic transmission of CRIS bills, not the
2 consistency of data content.

3 In response to its offer, we promptly informed Ameritech in December 2000 that we
4 wanted to convert to CRIS billing until CABS BOS billing became available. Despite the fact
5 that we made this request before the new year, we still received our January 2001, February
6 2001, March 2001 and April 2001 bills in AEBS, rather than CRIS, format. At some point in
7 March 2001, Ameritech finally began the conversion process to CRIS, which resulted in
8 significant translation problems -- at both ends -- in March and April of this year. We finally
9 received our first CRIS bill in May 2001, *five months* after our request. However, our problems
10 did not end there.

11 Adding insult to injury, Ameritech has unilaterally decided to send our CRIS bills for
12 Michigan and Illinois together in a single electronic file, which is crashing our systems due to its
13 massive size. We know this because we receive single-state CRIS bills from other RBOCs
14 (Regional Bell Operating Companies), and are able to do so successfully, without systems
15 malfunctions.

16 On May 23, 2001, we asked Peggy Herzog of SBC-Ameritech to help resolve this
17 problem by changing the invoice date for the Illinois account so that both bills would not arrive
18 at the same time and crash our systems. A copy of the WorldCom email from James DeVries'
19 May 23, 2001 e-mail to Ms. Herzog is attached as part of Attachment "A". On June 13, 2001,
20 we finally received a response from Ms. Herzog in the form of a voice mail message left on Mr.
21 DeVries' voice mail. Mr. DeVries forwarded this message to me. Ms. Herzog stated in her
22 voice mail message that Ameritech would not accommodate our request because Ameritech
23 would be moving to CABS billing in the upcoming months:

AFFIDAVIT OF A. EARL HURTER

JUNE 29, 2001

1
2 . . . [R]egarding changing that band number in um, Michigan, the
3 um, O4OMO27229000 – does not look like we’re gonna be able to
4 make that happen. Um, part of the reason – um, because that’s
5 billed out of the RBS system and that the UNE-P is all going to the
6 CABS effective in August . Um, they’re indicating that – they’re,
7 it’s, they won’t change – um, at this point in time, they’re not um,
8 looking at changing any type of accounts at this point in time, and
9 that we would just need to make that change um, when it transfers
10 over to CABS. So, um, I’ve got some additional questions out, but
11 it doesn’t look good that we’re going to be able to, um, change the,
12 um, RBS billing, um, to, um, a different bill period.
13

14 Ameritech’s refusal to agree to our request will have severe implications for our ability to
15 receive, interpret, load, audit and pay the Michigan and Illinois accounts. We have attempted,
16 only partially successfully, to push Ameritech’s CRIS transmissions through our system with the
17 help of an outside contractor. However, this process is not working properly, and we are
18 devoting an inordinate amount of resources, financial and otherwise, to attempting to load these
19 oversized files. On June 14, 2001, I sent an e-mail to Marilyn Williams of SBC-Ameritech
20 seeking her assistance in fulfilling our request to change the Illinois bill date, but so far,
21 Ameritech has not accommodated us. A copy of my June 14, 2001 e-mail to Ms. Williams is
22 attached as part of Attachment “A”.

23 The end result of these troubles is that while we have a May 2001 CRIS bill for
24 Michigan, we know little more than that there are data present in the electronic bill transmitted to
25 us. We will not be able to pay this bill until we can process it, and the problem will simply recur
26 in June 2001 and every subsequent month until Ameritech agrees to transmit its CRIS bills in a
27 form our systems can handle.

28 Ameritech has indicated that it is moving up its scheduled implementation date for CABS
29 billing for local switching to August from October 2001. This is a positive step. If Ameritech
30 properly implements CABS billing this will resolve issues of this nature going forward.

AFFIDAVIT OF A. EARL HURTER

JUNE 29, 2001

1 However, as matters presently stand, Ameritech's present billing methods for local switching are
2 unworkable, unauditible, and WorldCom will refuse to pay these billings. The importance of this
3 issue to WorldCom was previously set forth in my previously submitted affidavits in this docket
4 of September 25, 2000, and of November 13, 2000.

OS/DA BILLING

5
6 Another issue with the Ameritech billing is with respect to OS/DA (Operator
7 Services/Directory Assistance) which WorldCom uses in conjunction with its offering of UNE-P
8 based local service in Michigan. It is my understanding that as a result of the order in Case No.
9 U-12622 that Ameritech has been required to bill OS/DA at TSLRIC rates. It is also my
10 understanding that Ameritech has not yet complied with this order as it has not yet filed tariffs
11 reflecting this type of pricing for OS/DA.

12 For example, for OS, in Case No. U-11831, Ameritech was required to file compliance
13 tariffs at TSLRIC rates. A copy of the pricing page for OS which was part of the compliance
14 filing in U-11831 is attached as Attachment "B". As recently as March 30, 2001, Ameritech had
15 these same rates in its OS tariff. (See, Attachment "C", OS tariff with an effective date of March
16 30, 2001). Yet, on May 11, 2001 Ameritech submitted a tariff for OS with an effective date of
17 May 14, 2001 (Attachment "D") with two new rates not set forth in the compliance tariff filing
18 from Case No. U-11831. These two new rates are a per call branding charge of \$0.022 and a
19 non-recurring charge of \$2,169.31 per switch. Accordingly, Ameritech is now charging rates not
20 approved in the TSLRIC costing case for OS.

21 These same two new tariffed rates (\$0.022 per call branding charge, and a non-recurring
22 charge of \$2,169.31 per switch) are now also part of Ameritech's DA tariff even though to the

AFFIDAVIT OF A. EARL HURTER

JUNE 29, 2001

1 best of my information they were not part of any compliance tariff filing in Case No. U-11831.
2 (See, Attachment "E", Ameritech's DA tariff with a stated effective date of May 14, 2001).

3 Part of my duties also involve reviewing and auditing OS/DA bills. The good news (at
4 least presently) from the WorldCom perspective is that Ameritech has not yet issued any bills for
5 OS/DA relating to UNE-P based local service in Michigan. The bad news is that because of this
6 Ameritech has not made any showing that it is presently capable of issuing proper bills for
7 OS/DA. Accordingly, Ameritech should be required to issue proper OS/DA bills at the approved
8 TSLRIC rates (as opposed to the unapproved, but purportedly presently tariffed rates) before
9 Ameritech can claim that it appropriately provides OS/DA in Michigan. Alternatively, if
10 Ameritech would stipulate to never issuing bills for OS/DA, that would also be acceptable.

AFFIDAVIT OF A. EARL HURTER
JUNE 29, 2001

1
2
3
4
5
6
7
8
9
10
11
12
13
14

FURTHER AFFIANT SAYETH NOT

A. Earl Hurter

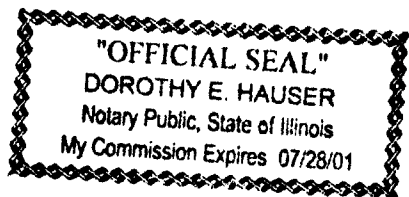
A. Earl Hurter

Subscribed to and sworn to before me this

26th day of June, 2001

Dorothy E. Hauser

Notary Public



JUNE 29, 2001

ATTACHMENT "A"

-----Original Message-----

From: WILLIAMS, MARILYNN Y (SBC-MSI) [<mailto:mw195a@sbc.com>]

Sent: Thursday, June 14, 2001 6:49 PM

To: Earl Hurter

Subject: RE: UNE-P Invoice Date Change Request

Earl

I will investigate and get back with you.

Marilynn Y. Williams

Director-Local Compliance

MCIW Account Team

214-464-1750 - office

mw195a@txmail.sbc.com

-----Original Message-----

From: Earl Hurter [<mailto:earl.hurter@wcom.com>]

Sent: Thursday, June 14, 2001 8:02 AM

To: WILLIAMS, MARILYNN Y (SBC-MSI)

Subject: FW: UNE-P Invoice Date Change Request

Importance: High

Marilynn,

Can you assist with this issue? The files for Michigan and Illinois combined are too large to be sent in one day and we would like to get the Illinois invoice changed from the 16th to the 19th or 20th. This seems to be a fairly simple request, but the voicemail indicated that since CABs was coming in the fall, you would be unable to accommodate this request. This puts our ability to receive and pay our invoices at serious risk as the transmissions are presently failing to load, due to their size.

Can you look into this and assist in getting the Illinois invoice date changed?

Thanks

Earl

-----Original Message-----

From: Jim DeVries [<mailto:james.r.devries@wcom.com>]

Sent: Wednesday, June 13, 2001 4:32 PM

To: Earl Hurter

JUNE 29, 2001

1 Cc: James R. Denniston
2 Subject: FW: UNE-P Invoice Date Change Request

3
4
5 Earl,

6
7 I got a voice mail from Peggy Herzog today (forwarded to you) stating that they cannot
8 accomodate this request. This will have severe implications on our ability to receive, interpret,
9 load, audit, and pay these accounts.

10
11 Jim

12 -----Original Message-----
13 From: Jim DeVries [<mailto:james.r.devries@wcom.com>]
14 Sent: Wednesday, May 23, 2001 1:40 PM
15 To: PEGGY M HERZOG (SWBT)
16 Subject: UNE-P Invoice Date Change Request

17
18
19
20 Peggy,

21
22 In order to alleviate the problem of large file sizes for UNE-P transmissions in EDI, I am
23 requesting that we change the invoice date for the Illinois account. My systems folks would
24 prefer if we moved this from an invoice date of the 16th to something later in the month, say the
25 19th or 20th.

26
27 Please process this request with your systems team and let me know the effective date for this
28 change and the new invoice dates.

29
30 Thanks,

31
32 Jim DeVries
33 Manager
34 Worldcom Central Line Cost Management

35
36

PART 19 - Unbundled Network Elements and Number
 Portability
 SECTION 8 - Unbundled Operator Services

2nd Revised Sheet No. 10
 Cancels
 1st Revised Sheet No. 10

1. UNBUNDLED OPERATOR SERVICES (cont'd)

E. PRICES (cont'd)

1. Service Elements

Description	Rate	Non-recurring Charge
Manual Call Assistance (No LIDB Validation), - Sent-paid, Person-Person, Station-Station, Operator Assist, per occurrence	\$.287 (R)	(C) (C) (D) (D)
Ameritech LIDB User		(N) / 2 /
Manual Call Assistance -Collect, Calling Card, Third Number per occurrence	.293	
-Automated Call Assistance per occurrence	.029	
Non-Ameritech LIDB User		(N) / 2 /
Manual Call Assistance -Collect, Calling Card, Third Number per occurrence	.347	
-Automated Call Assistance per occurrence	.083	(N) / 2 /
Busy Line Verification, per occurrence	.621 (I)	
Busy Line Verification Interrupt, per occurrence	.762 (I)	
Branding, per trunk group ^{1/}		\$403.64 (I)

/1/ When branding service is provided on a combined toll and assist Operator Service and Directory Assistance trunk group basis, as technically feasible, a single branding charge will apply. The telecommunications carrier is also responsible for the rates applicable to custom routing, transport and any other services or network elements it orders to deliver its traffic to the Company's switch on separate direct trunks.
 /2/ Effective April 30, 2000.

Issued under authority of M.P.S.C. Order dated 11/16/99 Case No. U-11831

Issued: February 1, 2000

Effective: February 15, 2000

By Robin M. Gleason, Vice President - Regulatory
 Detroit, Michigan

MICHIGAN BELL
TELEPHONE COMPANY
TARIFF M.P.S.C. NO. 20R

Ameritech

Tariff

PART 19

SECTION 8

PART 19 - Unbundled Network Elements and Number
Portability

SECTION 8 - Unbundled Operator Services

Original Sheet No. 10

1. UNBUNDLED OPERATOR SERVICES (cont'd)

E. PRICES (cont'd)

1. Service Elements

Description	Rate	Non-recurring Charge
Manual Call Assistance (No LIDB Validation), - Sent-paid, Person-Person, Station-Station, Operator Assist, per occurrence	\$.287 (R)	
Ameritech LIDB User		
Manual Call Assistance -Collect, Calling Card, Third Number per occurrence	.293	
-Automated Call Assistance per occurrence	.029	
Non-Ameritech LIDB User		
Manual Call Assistance -Collect, Calling Card, Third Number per occurrence	.347	
-Automated Call Assistance per occurrence	.083	
Busy Line Verification, per occurrence	.621 (I)	
Busy Line Verification Interrupt, per occurrence	.762 (I)	
Branding, per trunk group ^{1/}		\$403.64 (I)

/1/ When branding service is provided on a combined toll and assist Operator Service and Directory Assistance trunk group basis, as technically feasible, a single branding charge will apply. The telecommunications carrier is also responsible for the rates applicable to custom routing, transport and any other services or network elements it orders to deliver its traffic to the Company's switch on separate direct trunks.

/2/ Effective April 30, 2000.

Issued under authority of M.P.S.C. Order dated 03/19/01

Case No. U-12622

Issued: March 29, 2001

Effective: March 30, 2001

By Robin M. Gleason, Vice President - Regulatory
Detroit, Michigan

(N)

(N)

C

MICHIGAN BELL
 TELEPHONE COMPANY
 TARIFF M.P.S.C. NO. 20R

Ameritech

Tariff

PART 19 **SECTION 8**

PART 19 - Unbundled Network Elements and Number
 Portability
 SECTION 8 - Unbundled Operator Services

1st Revised Sheet No. 10
 Cancels
 Original Sheet No. 10

1. UNBUNDLED OPERATOR SERVICES (cont'd)

E. PRICES (cont'd)

1. Service Elements

Description	Rate	Non-recurring Charge	
Manual Call Assistance (No LIDB Validation),			
- Sent-paid, Person-Person, Station-Station, Operator Assist, per occurrence	\$0.287		(D)
 			(D)
Manual Call Assistance (LIDB Validation)			(C)
-Collect, Calling Card, Third Number per occurrence	0.347		
-Automated Call Assistance per occurrence	0.083		
Busy Line Verification, per occurrence	0.621		
Busy Line Verification Interrupt, per occurrence	0.762		
Branding,			
- per call	\$0.022		(N)
- per trunk group ^{/1/}		\$403.64	
- per switch		\$2,169.31	(N)

/1/ When branding service is provided on a combined toll and assist Operator Service and Directory Assistance trunk group basis, as technically feasible, a single branding charge will apply. The telecommunications carrier is also responsible for the rates applicable to custom routing, transport and any other services or network elements it orders to deliver its traffic to the Company's switch on separate direct trunks.

Issued under authority of M.P.S.C. Order dated 03/19/01 Case No. U-12622

Issued: May 11, 2001

Effective: May 14, 2001

By Robin M. Gleason, Vice President - Regulatory
 Detroit, Michigan

MICHIGAN BELL
 TELEPHONE COMPANY
 TARIFF M.P.S.C. NO. 20R

Ameritech

PART 19 **SECTION 7**

Tariff

PART 19 - Unbundled Network Elements and Number
 Portability
 SECTION 7 - Unbundled Directory Assistance
 Service

1st Revised Sheet No. 8
 Cancels
 Original Sheet No. 8

1. UNBUNDLED DIRECTORY ASSISTANCE (cont'd)

E. PRICES

Directory Assistance rates apply for all calls.

The branding rate is a one time charge assessed, on a per trunk group or per switch basis, for the mechanized front-end branding of Directory Assistance calls. The per call branding rate is applicable when the telecommunications carrier is utilizing unbundled local switching with shared transport. (C)

Directory Assistance Call Completion rates apply on a completed call basis. In addition to the charge for Directory Assistance Call Completion, normal Directory Assistance charges, and applicable usage charges apply, if the call is completed on the Company's network. If a call is not completed, only the appropriate charge for Directory Assistance Service will apply. (C)

Rates do not include custom routing, unbundled network elements, or any end office or tandem switching.

1. Service Elements

Description	Recurring Charge	Non-recurring Charge	
Directory Assistance - per call	\$0.263		(C)
Directory Assistance Call Completion - per call	\$0.021		(C)
Branding, - per call	0.022		(N)
- per trunk group ^{/1/}		\$403.64	
- per switch		\$2,169.31	(N)

/1/ When branding service is provided on a combined toll and assist Operator Service and Directory Assistance trunk group basis, as technically feasible, a single branding charge will apply. The telecommunications carrier is also responsible for the rates applicable to custom routing, transport and any other services or network elements it orders to deliver its traffic to the Company's switch on separate direct trunks.

Issued under authority of M.P.S.C. Order dated 03/19/01 Case No. U-12622

Issued: May 11, 2001 Effective: May 14, 2001
 By Robin Gleason, Vice President - Regulatory
 Detroit, Michigan

"E"