

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

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In the matter of the application filed by)
SBC COMMUNICATIONS INC., MICHIGAN)
BELL TELEPHONE COMPANY, and)
SOUTHWESTERN BELL COMMUNICATIONS)
SERVICES, INC., for provision of in-region,)
interLATA services in Michigan.)
_____)

WC Docket No. 03-16

COMMENTS OF THE
MICHIGAN PUBLIC SERVICE COMMISSION

March 24, 2003

The Michigan Public Service Commission (the Commission) takes this opportunity, after conversations with FCC staff, to further clarify and reiterate its position regarding the sufficiency of the billing systems of SBC Communications Inc. (SBC) in regard to its obligations under Section 271 of the federal Telecommunications Act of 1996 and SBC's now pending application on these matters.

In its January 13, 2003 Report previously filed in this proceeding on January 29, 2003 (the Report), the Commission concluded that SBC has complied with its obligations in regard to Checklist Item 2. Specifically, the Commission observed: "The Company has expended considerable effort in upgrading its OSS and implementing the procedures and processes required to provide access to these systems and to its pre-ordering, ordering, provisioning, maintenance and repair, and billing systems in such a manner as to provide a reasonable opportunity to compete."¹ The Commission further acknowledged: "Although certain performance measures remain deficient and certain interfaces and processes still require additional work as specified in the accompanying order issued today, in the opinion of the Commission, when viewed in the totality, SBC's application, BearingPoint's test, and commercial usage support a positive determination in regard to Checklist Item 2."² Specifically in regard to billing, the Commission concluded that the one outstanding finding in BearingPoint's billing test should be resolved, that the results on billing performance measures were acceptable, and that billing auditability issues should be further addressed in a SBC improvement plan, but that notwithstanding that requirement, any issues in this regard did not warrant a finding of discriminatory behavior by SBC.

¹Report, p. 76.

²Report, p. 76.

The details of a Carrier Access Billing System (CABS) billing issue have been determined since the time of the Commission's January Report. However, these details do not alter the Commission's earlier conclusions. Specifically, on November 21, 2002 prior to the release of the Commission's Report, SBC announced via accessible letter that it intended to perform a reconciliation of its CABS billing database for UNE-P during the month of January 2003.³ This reconciliation followed the 2001-2002 migration of certain UNE-P billing components from its Resale Billing System (RBS) to CABS. As described by SBC, this migration to CABS was a massive undertaking and was supported by CLECs. The reconciliation occurred in January 2003, and the results were summarized in an ex parte letter filed with the FCC by SBC on February 19, 2003 and referred to in the comments of the U.S. Department of Justice (DOJ) filed in this proceeding on February 26, 2003. In discussing this billing reconciliation and SBC's billing accuracy, however, the DOJ indicated that "SBC's billing problems in Michigan may already be on the verge of resolution. The Michigan PSC has required SBC to submit an improvement or compliance plan addressing 'issues related to [CLEC] inability to audit bills received from SBC and to utilize its billing dispute resolution processes once issues arise.' In addition, SBC credibly asserts that its consolidation of billing platforms, and the subsequent reconciliation process, will help it generate more accurate bills in the future."⁴ Although some parties disagree with DOJ's suggestion that any billing problems may "be on the verge of resolution," this Commission not only agrees with DOJ's assessment, but believes that SBC's billing systems were already

³November 21, 2002 Accessible Letter Number CLECAM02-509.

⁴February 26, 2003 Comments of the U.S. Department of Justice, p. 11-12. Footnote deleted.

compliant with the requirements of Section 271 of the 1996 federal Communications Act at the time of SBC's application.

First, BearingPoint's billing tests in Michigan support the conclusion that SBC's billing systems are adequate and accurate. In its two transaction billing tests (on functional usage and carrier bill evaluation) and four process and procedure tests (on the billing center and help desk, usage file returns, usage production and distribution, and bill production and distribution), BearingPoint concluded in its October 2002 Michigan report that SBC satisfied 93 of the 95 applicable test criteria. BearingPoint was unable to reach determinations regarding one test criteria, whether UNE-P bills reflected in a timely manner related service order activity. The inability to reach conclusions on this test criterion related to the timing of the Michigan billing test, which occurred during the CABS migration. However, BearingPoint's billing tests in Illinois, Ohio, Wisconsin, and Indiana occurred after the CABS migration on a system that is now permanently in place. In the Illinois, Wisconsin, and Indiana tests, BearingPoint concluded that SBC satisfied the test criteria, which in Michigan had been inconclusive. In addition, BearingPoint indicated in its Ohio test report that the conclusions reached in those three states could be used as a basis for conclusions in Ohio as well. BearingPoint indicated that although it had not validated all aspects of SBC's assertion that the CABS bill production processes are common across the SBC/Ameritech region, BearingPoint's experience was consistent with that assertion.⁵ It is reasonable to utilize the satisfactory results of this testing criterion for Michigan as well.

The final BearingPoint billing test criterion related to SBC's process for validating CABS

⁵BearingPoint's December 20, 2002 Ohio OSS Evaluation Project Report, p. 1026-1027.

bills. At the time of BearingPoint's October report in Michigan, this criterion was not satisfied. In its January Report, the Commission did not conclude that this one negative testing conclusion warranted a negative finding in regard to the totality of SBC's billing systems. Nevertheless, the Commission agreed with SBC's assertion that it would resolve the issues related to the BearingPoint finding. On March 18, 2003, BearingPoint posted a positive disposition report in regard to this finding. In its report, BearingPoint concluded that SBC now follows a systematic process for verifying the accuracy and ensuring the proper formatting of bills produced by the Carrier Access Billing System.

In summary, SBC satisfies all 95 billing criteria included in BearingPoint's extensive testing of these matters.

Second, the Commission reiterates its earlier conclusion that SBC's performance in regard to its billing metrics is, on a whole, satisfactory.⁶ In this regard, the Commission noted in its January Report that there were also ongoing discussions regarding revisions to certain billing performance measures. These referenced discussions have also concluded since the Commission's earlier report. A Joint SBC/CLEC/Attorney General/Staff request to adopt the revised performance measures was approved by this Commission on February 20, 2003.⁷

Third, the Commission has nearly concluded its review of the billing improvement plan required to be filed by SBC in the Commission's January 13, 2003 order on these matters. Although the Commission did not conclude that a billing improvement plan was required in order to satisfy Section 271 requirements, it nevertheless required SBC to propose further action in regard to billing auditability and dispute resolution matters raised by CLECs. An initial plan was

⁶Report, p. 74.

proposed by SBC on February 13, 2003, which was the subject of collaborative discussion with the industry and Staff on March 4, 5, and 12th. A revised plan was filed by SBC on March 13, 2003, on which CLEC comments were filed on March 20, 2003. A Commission conclusion on the proposal will be provided to the FCC for its information upon issuance, likely later this week. The proposed plan incorporates both additional measures that SBC will take to assist CLECs in their review of bills, additional actions to permit more timely interaction regarding any billing disputes, and reference to ongoing industry discussion to incorporate some of the existing and new billing procedures in revised and additional performance measures. In the opinion of the Commission, although it is of the belief that SBC's billing systems were already compliant with Section 271 requirements, these actions will further assist in the provision of timely and accurate bills and in the resolution of any issues that may arise in regard to those bills.

Finally, the Commission notes the issues that have been raised in regard to SBC's CABS migration and the reconciliation and finalization of that migration. The issues relate to a one-time transition from one billing system to another—a transition that was enormous in scope. The Commission does not dismiss these issues, and agrees that they have not as yet been resolved. However, the Commission does not believe that Section 271 of the federal Communications Act requires that systems be in place where issues never arise nor that changes to those systems must always occur without incident. To the contrary, the Commission believes that it is far more important to have in place systems that are generally accurate and reliable, procedures to address any issues that will undoubtedly arise, and processes to permit changes to those systems that will inevitably be implemented. BearingPoint's tests and the results of SBC's billing performance measures support a conclusion that SBC's billing systems and, in particular, the newly

⁷See February 20, 2003 Commission Order in Case No. U-11830.

implemented portions of the CABS UNE-P billing system provide competitors a reasonable opportunity to compete. Out of hundreds of billing test criteria in BearingPoint's billing tests, none remain unsatisfied in any of the tests in the five Ameritech states and four of those tests were conducted completely after the CABS migration. Residual issues have been identified related to the CABS migration itself, and SBC indicates that these issues may affect 10% of its UNE-P circuits in Michigan. These issues will not be dismissed by this Commission. Neither are they likely to be resolved overnight. Nevertheless, the evidence continues to support the conclusion that SBC's billing systems were compliant with Section 271 requirements at the time of this Commission's January recommendations and they continue to be compliant today. In addition, the procedures are in place to address issues such as the ones related to the one-time CABS migration, and the Commission will pursue its ongoing responsibility to assure that these issues are resolved.