

1 REBUTTAL TESTIMONY OF RONALD MARTINEZ

2 ON BEHALF OF MCI

3 DOCKET NO. ~~960846-TP~~ *910828-TP*

4 September 16, 1996

5

6 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

7 A. My name is Ronald Martinez and my business address is 780 Johnson Ferry
8 Road, Atlanta, Georgia 30342.

9

10 Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?

11 A. Yes. I have previously adopted the direct testimony filed by Terry Farmer on
12 August 22, 1996.

13

14 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

15 A. The purpose of my testimony is to respond to the testimony of Ms. Calhoun,
16 and specifically to correct any misunderstandings which exist with regard to
17 MCI's requirements for bills for resold services; to discuss why billing issues
18 are so important for new entrants in the local market; to explain why it is
19 critical for new entrants to have pre-ordering access to customer service
20 records -- with the permission of the customer; and to demonstrate that the
21 absence of electronic interfaces hamstrings new entrants and prevents them
22 from being able to provide the same level of service as incumbent LECs.

23

24 Q. MS. CALHOUN AT PAGES 7-8 OF HER DIRECT TESTIMONY DATED

1 **SEPTEMBER 9, 1996, TESTIFIES THAT BELLSOUTH BELIEVES MCI'S**
2 **OBJECTIVE IS TO FORCE BELLSOUTH TO RENDER BILLS FOR**
3 **RESOLD SERVICES VIA THE CARRIER ACCESS BILLING SYSTEM**
4 **("CABS"). PLEASE CLARIFY MCI'S BILLING REQUIREMENTS FOR**
5 **RESOLD SERVICES.**

6 **A. MCI is not attempting to tell BellSouth out of what system it should render its**
7 **bills for resold services. MCI does not care what system BellSouth uses as**
8 **long as it receives a CABS formatted billing tape.**

9
10 **At the industry Ordering and Billing Forum ("OBF") 55 held in August, 1996,**
11 **final closure was reached on the specifications for CABS formatted billing for**
12 **resold services. MCI is simply requesting that it receive bills for resold**
13 **services in the format specified at the OBF. At page 49 of her August 12,**
14 **1996 testimony Ms. Calhoun states that "if at some time in the future, the**
15 **industry were to define CABS as the standard for resale billing, the matter**
16 **should be addressed at that time." OBF has now agreed upon standards for**
17 **CABS formatted billing for resold services.**

18
19 ***In light of Ms. Calhoun's testimony, MCI fails to understand BellSouth's***
20 ***continued reluctance to provide bills for resold services in CABS, the industry***
21 ***standard format. This is particularly so given Ms. Calhoun's statement at page***
22 ***24 of her direct testimony that BellSouth started development of systems***
23 ***compliant with OBF standards for ordering even before there was final closure***
24 ***on the ordering standards for resold service.***

1 Q. AT PAGES 8-9 OF HER DIRECT TESTIMONY DATED AUGUST 12, 1996
2 MS. CALHOUN COMMENTS ON THE IMPORTANCE OF INDUSTRY
3 STANDARDS FOR RESALE. SHE STATES THAT BELL SOUTH HAS
4 EVERY INTENTION OF COMPLYING WITH INDUSTRY STANDARDS
5 FOR ORDERING AS THEY BECOME AVAILABLE. WHY IS IT
6 IMPORTANT THAT BELL SOUTH ALSO CONFORM TO THE INDUSTRY
7 CONSENSUS ON BILLING FORMATS?

8 A. BellSouth suggests that resale billing should be provided through the BellSouth
9 Customer Record Information System ("CRIS") billing system. As set forth
10 above, MCI does not care what system BellSouth uses. What MCI objects to is
11 BellSouth providing resale billing in a non-standard format which would
12 require MCI to build numerous front ends for data receipt, as well as different
13 systems for bill audit.

14
15 The CRIS system is a proprietary system. As such, OBF has consciously
16 decided not to develop standard formats for CRIS billing. It will create a
17 significant barrier to entry for MCI and other ALECs if they are required to
18 accommodate multiple bill formats for receipt and auditing of billing data for
19 resold services. BellSouth and the FCC have both acknowledged the
20 importance of industry standards for the processes used to implement local
21 competition. Billing is just as critical to successful market entry as ordering
22 and as such BellSouth should be required to produce a bill for resold services
23 in an industry standard billing format.

24

1 Q. MS. CALHOUN STATES AT PAGE 8 OF HER SEPTEMBER 9, 1996
2 TESTIMONY THAT THE CABS BILLING SYSTEM, WITHOUT
3 EXTENSIVE AND COSTLY MODIFICATION, IS NOT CAPABLE OF
4 ACCOMPLISHING BILLING AS DESIRED BY MCI. IS ANY RBOC
5 TODAY PRODUCING BILLS FOR RESOLD SERVICES IN THE OBF
6 CABS DATA FORMAT?

7 A. NYNEX plans to produce bills for resold services in OBF CABS format
8 effective October 1, 1996. NYNEX will take output from its CRIS system and
9 reformat it to the OBF CABS billing data format for resold services. Pacific
10 Bell is today using a CABS data format for certain services and is moving
11 towards full implementation of OBF billing data formats for resold services.
12 Both these RBOCs began development work on the CABS billing format for
13 resold services in advance of final closure on this issue at the OBF.

14
15 Q. AT PAGE 9 OF HER SEPTEMBER 9, 1996 TESTIMONY, MS. CALHOUN
16 STATES THAT ONLY THE CRIS SYSTEM CAN PRODUCE LINE LEVEL
17 DETAIL. PLEASE EXPLAIN SOME OF THE REQUIREMENTS
18 CONTAINED IN THE CABS BILLING DATA FORMAT THAT THE CRIS
19 BILLING FORMAT FAILS TO PROVIDE.

20 A. There are a number of requirements for billing resold services contained in the
21 OBF CABS billing data tape or feed format that are not provided in CRIS
22 billing. Let me describe a few of the key missing outputs.

23
24 There is no adjustments section on the CRIS bill that can be related to claims

1 for misbilling. This is a key requirement so that, as disputes are resolved,
2 MCI can track their resolution. Even more important, there is no reflection of
3 the products and services to which customers subscribe. In the CRIS
4 environment, only the initial customer bill reflects detailed customer service
5 information. Thereafter features and functions are not ordinarily broken out on
6 monthly bills. This information is critical for MCI to insure it is paying only
7 for services that it has purchased.

8
9 Moreover, if there are different bill outputs based on whether the purchase is
10 in the initial month or not, MCI would be required to build multiple auditing
11 systems to audit the CRIS bills. Finally, the CRIS bills fail to have
12 jurisdictional indicators or provide total minutes of use.

13

14 Q. AT PAGES 4-5 OF HER SEPTEMBER 9, 1996 TESTIMONY, MS.
15 CALHOUN PROVIDES REASONS WHY IT IS NOT PROPER TO SUPPLY
16 CUSTOMER SERVICE RECORDS ("CSRs") TO MCI PRIOR TO ORDERS
17 BEING PROCESSED. IS MCI REQUESTING TO OBTAIN CUSTOMER
18 SERVICE INFORMATION WITHOUT THE CUSTOMER'S CONSENT?

19 A. No. MCI is not asking for BellSouth to provide CSRs for prospect marketing.
20 MCI is requesting that when it is in the process of making a sale, and has
21 obtained customer authorization, that it have the ability to access customer
22 information. MCI is ready and willing to provide to BellSouth a blanket letter
23 of authorization which will state that MCI will only request CSRs after
24 obtaining customer approval.

1 Q. MS. CALHOUN AT PAGE 6 OF HER SEPTEMBER 9, 1996 TESTIMONY
2 ASSERTS THAT MCI DOES NOT NEED ACCESS TO CURRENT CSRs
3 TO COMPETE EFFECTIVELY FOR EXISTING BELLSOUTH
4 CUSTOMERS. WHY IS IT IMPORTANT FOR MCI TO HAVE ACCESS
5 TO CSRs IN THE SALES PROCESS?

6 A. Residential and small business customers are often not aware of all the services
7 to which they subscribe. These customers cannot easily look at a bill to
8 determine their services. Florida Rule 25-4.110(1) requires itemized services
9 to be listed only in the initial bill and then at least once in each succeeding
10 twelve months. Given the many changes that customers, especially business
11 customers, make to their telephone service, a snapshot once a year has only a
12 very limited period of accuracy and cannot be relied upon year-round as a true
13 picture of the customer's services.

14
15 It is important for MCI to be able to know customer service information
16 during sales calls so that it can make "apples to apples" price quotations. In
17 addition, if a customer has called to add or delete services and BellSouth has
18 failed to complete the transaction, when MCI installs service MCI will be
19 viewed as having failed to establish the service the customer desired. Without
20 CSRs at the time of sale MCI cannot insure that the customer is receiving the
21 services desired.

22
23 Moreover, if MCI quotes a price based on the recollection of the customer as
24 to its existing services, and after the sale MCI discovers the customer has

1 different services than discussed, MCI will be in the very awkward position of
2 having to go back to the customer with new pricing or absorbing any pricing
3 differences. In addition, for the small business customer, an error in
4 establishing service could cost the business its livelihood.

5
6 For medium and large business customers there are even more issues. With
7 more services and locations, combined with changing personnel, business
8 customers are not going to want to spend time providing new entrants details
9 about their services for new entrants to make price quotes. Time is money to
10 these business customers. Unless new entrants can offer proposals without
11 requiring work effort on the part of the business customers, competition will
12 be stifled.

13
14 In the case of business customers with complex services, the likelihood of
15 orders being rejected will be substantially increased if MCI does not have
16 complete and fully updated customer service information at the time of
17 ordering. With more services it is likely that the customer will not get it all
18 right and not having it right means a reject, delayed service installation and
19 customer dissatisfaction for a new MCI customer.

20

21 Q. PLEASE PROVIDE SOME EXAMPLES OF HOW THESE CONCERNS
22 HAVE BEEN VALIDATED IN THE MARKETPLACE.

23 A. BellSouth cries foul at AT&T at page 17 of Ms. Calhoun's August 12, 1996
24 testimony when AT&T suggests that it could possibly experience the same

1 problems with BellSouth as it did with Rochester's service installation relative
2 to failure to have customer information. This is, unfortunately, a most valid
3 concern.

4
5 Problems such as these are not limited to former Bell system companies.
6 Southern New England Telephone ("SNET") recently rejected an MCI order to
7 convert service of a business customer. The customer advised MCI that six
8 lines were to be converted, so this is what MCI requested on the order. SNET
9 records reflected the customer had seven lines, so it rejected the order, as well
10 as for the additional reason that SNET questioned the hunting sequence.

11
12 Unless MCI has CSRs, we are not in a position to insure when orders are
13 submitted that they will be processed timely without rejects. In the case of the
14 SNET example, MCI contacted the customer who stated that they had
15 contacted SNET to have the seventh line removed two to three months prior, a
16 pitfall described above.

17
18 Q. THROUGHOUT HER AUGUST 12, 1996 TESTIMONY, MS. CALHOUN
19 PROUDLY CLAIMS THAT BELLSOUTH IS PREPARED TO PROVIDE
20 ELECTRONIC INTERFACES/LINKS TO SUPPORT ALEC ENTRY.
21 WHAT IS THE CURRENT STATUS OF ELECTRONIC INTERFACES
22 FROM YOUR PERSPECTIVE?

23 A. First, BellSouth is wrong in stating that it is prepared to provide electronic
24 interfaces to support alternative local exchange company ("ALEC") entry.

1 The current status of electronic interfaces is that they provide an interim
2 solution only, until real-time, interactive interfaces can be developed consistent
3 with national standards.

4
5 Next, there are three key areas which Ms. Calhoun discusses: pre-ordering,
6 provisioning and maintenance/repair. I have attached as Exhibit ___ (RM-1) a
7 copy of a proposed MCImetro/ILEC Interconnection Agreement which has
8 recently been furnished to BellSouth. Attachment VIII of this exhibit sets
9 forth in detail MCI's requirements in these areas. Each of these three key
10 areas will also be addressed separately below.

11
12 **Q. WHAT HAS BEEN MCI'S RECENT EXPERIENCE WITH ELECTRONIC**
13 **INTERFACES FOR REPAIR?**

14 **A. MCI and BellSouth have been working for over two years to install a fully**
15 **electronic, real-time, trouble reporting interface for access services. The**
16 **interface is now finally installed after several false starts. These included a**
17 **total shut down which was necessary after what was to have been the final**
18 **resolution of all problems. Every other RBOC and GTE were transmitting**
19 **repair tickets for access services through this interface prior to the BellSouth**
20 **turn-up. The experience with this repair interface exemplifies the complexity**
21 **of turning up real-time and interactive electronic interfaces. Not only is there**
22 **significant time required in standards bodies to define specifications, but there**
23 **are also stops and starts in the development, testing and implementation**
24 **schedules of the individual ILECs.**

1 Q. HOW DOES THE ABSENCE OF ELECTRONIC REAL-TIME
2 INTERACTIVE INTERFACES ADVERSELY AFFECT THE TIMELINESS
3 OF REPAIRS?
4

5 A. To date there are no industry specifications available for trouble reporting for
6 non-access services, although BellSouth fails to address this in its testimony.
7 At this point in time, MCI will be faced with phone calls to BellSouth to relay
8 customer trouble. This ineffective means to process customer troubles will put
9 MCI at a significant competitive disadvantage. Ms. Calhoun states at page 50
10 of her August 12, 1996 testimony that "the real time and interactive interfaces
11 demanded by AT&T are not the requirements for successful market entry. An
12 exchange of information is required, but how that information is exchanged is
13 secondary and is likely to be of little concern to the end user."
14 This misses the point. MCI would agree that the customer does not need to
15 understand how a trouble report is transmitted. However customers will and
16 should care how long it takes for customer troubles to be resolved. The
17 availability of electronic real-time interactive interfaces is a key driver of the
18 timeliness of repair. The time to repair MCI long distance access service was
19 reduced dramatically when electronic bonding for repair was implemented.
20

21 Q. WHAT ARE THE PROBLEMS WITH THE EXISTING AND PLANNED
22 PRE-ORDERING INTERFACES?

23 A. First, since BellSouth has refused to concede the need for MCI to have CSRs
24 prior to order placement, no interface for MCI to gain access to this critical

1 information is now available. Based on our experience with electronic bonding
2 for repair, MCI is not hopeful that these interfaces could be made available
3 any time soon. Ms Calhoun talks about electronic data interchange ("EDI") for
4 pre-ordering and many of the other interfaces required to support local service.
5 Ms. Calhoun makes it sound as though EDI is the ultimate solution. This is far
6 from the case. MCI has agreed to EDI, which is not now real time or
7 interactive, at forums such as OBF only as an interim solution.

8
9 Beyond this, MCI has experience with an existing preordering interface which
10 BellSouth demonstrated as a possible means to enable MCI to validate
11 customer names and addresses to improve the quality of access orders
12 submitted by MCI. The interface worked fine for residential plain old
13 telephone service. When a business telephone number was input, however, the
14 best the system could do was to refer to a range of address numbers such as
15 100 to 2000. Because the interface failed to produce the specific address for
16 business customers, it was therefore valueless as a validation tool for
17 pre-ordering. BellSouth stated specifically that this interface was designed to
18 support ALEC activities. Thus even when a real-time interface is developed,
19 unless it meets the specifications of the new entrant, it is of no use.

20

21 Q. HOW DOES THE LACK OF ON-LINE, REAL-TIME ACCESS TO CSRs
22 ADVERSELY AFFECT THE ABILITY OF NEW ENTRANTS TO
23 PROVIDE COMPETITIVE SERVICE TO THEIR CUSTOMERS?

24 A. BellSouth suggests that pre-ordering interfaces and CSRs are not required for

1 most orders, in particular, "as is" orders. But without real-time access to the
2 CSR, MCI has no timely way to obtain accurate information such as address,
3 service, feature, and inter/intraLATA PIC availability, which is critical to
4 verify an order and to avoid other rejections by the incumbent LEC. Further,
5 without CSR access, MCI has been unable to use "as is" migrations as an
6 effective ordering method for small business and residential customers.

7

8 Lack of access to CSRs in an online, real-time manner severely constrains
9 MCI's ability to accurately process residential and small business sales orders.
10 As the residential and small business sales process requires all sales order and
11 pre-ordering activities to take place on a single sales call (mostly over the
12 telephone), and very quickly I might add, on-line, real-time access is the only
13 viable method of obtaining CSRs.

14

15 Without on-line, real-time access to CSRs, MCI finds itself in the unacceptable
16 situation of not really knowing for sure what a customer has prior to a
17 migration. This jeopardizes the customer's quality of service by increasing the
18 likelihood of loss of feature functionality upon migration. This in turn reflects
19 poorly upon MCI's local service, and is detrimental to MCI's ability to
20 compete on an even playing field.

21

22 Q. PLEASE EXPLAIN WHAT HAS OCCURRED AS A PRACTICAL
23 MATTER WITH LECs WHO DO NOT PROVIDE REAL-TIME, ONLINE
24 ACCESS TO CSRs.

1 A. An example is what has occurred with PacBell, which does not provide real-
2 time, online access to CSRs: MCI is forced to submit all orders as "migration
3 with changes" orders. This means that the order is placed with PacBell, which
4 then turns around and gives MCI the customer's records for review in order to
5 ensure that we send accurate orders to the incumbent LEC for migration and
6 that we are providing the customer with the correct services.

7

8 Q. WHAT IS THE INDUSTRY CURRENTLY DOING ON THE ISSUE OF
9 ORDERING AND PROVISIONING FOR LOCAL SERVICE?

10 A. This issue is now before the OBF. That group has published the initial draft
11 of the Local Service Ordering Guideline (LSOG) and the Local Service
12 Request (LSR)/Industry Support Interface (ISI) for ordering all unbundled and
13 resold local services. However, over 40 additional ALEC order/order
14 processing issues for mechanized interfaces still remain to be worked. It is
15 clear from this that non-interactive, non-real-time interfaces will thus be in
16 place for an interim period of time. Even in the access arena, electronic
17 bonding for processing of access service requests is not anticipated to be
18 operational until sometime within the first half of 1997, and IXC PIC
19 processing, which has gone through many years of development, is only now
20 getting close to real-time interactive order processing.

21

22 Q. WITHOUT ELECTRONIC INTERFACES FOR PRE-ORDERING,
23 PROVISIONING AND MAINTENANCE/REPAIR, CAN COMPETITION IN
24 THE LOCAL MARKET DEVELOP?

1 A. No. BellSouth may claim that ALECs can enter the local market without these
2 electronic interfaces. The reality, however, is that for robust competition to
3 develop, these interfaces must be available.

4
5 With regard to actual implementation of these electronic interfaces, BellSouth
6 appears to have good intentions, but performance is reality. To date BellSouth
7 does not have a good track record of performance. Combine this with the
8 iterative process of interface development at forums such as OBF and TCIF,
9 and it is not likely that fully functional truly interactive, real time interfaces
10 will be available for some time to come. While new entrants in the local
11 market will be operating under these less than optimal conditions BellSouth
12 will certainly be clamoring for long distance entry.

13
14 There is a terrible inequity here. If allowed into long distance, BellSouth will
15 have the benefit of total real-time interactive operational interfaces while the
16 new entrants to the local market will be hamstrung with interim solutions. As a
17 result, until these systems which support local service are fully operational,
18 any request by BellSouth to get into long distance is premature.

19
20 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

21 A. Yes.

22

23

24