



REGULATORY UPDATE

Provided by:



MARCH 10, 2005



ILLINOIS

Docket 98-0252/0335/00-0764

ICC Review of SBC's Alternative Regulation Plan

On 11/16/04, the Appeals Court for the 3rd District reversed the Commission's extension of the remedy plan to CLECs without interconnection agreements and reversed the Commission on extending the \$600 annually capital spending requirement as part of the modified Alternative Regulation plan. On 1/21/05, the ALJ notified parties that, given that the mandate from the Illinois Appellate Court, the opinion in Illinois Bell Telephone Company v. Illinois Commerce Commission, et.al., No 3-03-0207 and No. 3-03-0515 (consl) is now settled. Among other things, this opinion remands the matter back to the Commission. The ALJ scheduled a status hearing. Parties have since filed briefs with the ICC on the scope of remand. The briefs on remand disagree on, among other things, the following issues: whether the ICC has the authority to reopen the record to take additional evidence, whether the ICC *should* reopen the record, and the need for an investment requirement in SBC's Alt Reg Plan.

Docket 00-0233/0335

Universal Service Fund

As of last update, the ICC entered its 2nd Interim Order on Remand (12/21/04), which found that all lines (primary and secondary) are funded. Nothing new has transpired in this docket since last update.

Docket 00-0812

Verizon TELRIC Docket

The Commission has found Verizon's ICM cost model to be appropriate for producing UNE rates and granted Verizon several months to update its data for developing rates. Nothing new has transpired in this docket since last update.

Docket 01-0120

SBC/Ameritech Merger Condition 30

At last update, McLeod's appeal of the ICC's order on remand was at the reply brief stage. There has been nothing new posted to the docket sheet since last update.

Docket 01-0539

Carrier to Carrier Service Quality Rules

At last update, SBC and Verizon had filed Notices of Appeal regarding the Commission's Final Order adopting Code Part 731 (Carrier to Carrier Service Quality Rules). There has been nothing new posted to the docket sheet since last update.

Docket 01-0614

Appeal of ICC's Order Implementing Section 13-801 of the PUA

This case was remanded to the ICC and the proceeding was reopened on 6/23/04. The Proposed Order on Remand for Phase 1 was circulated on 1/26/05. Briefs on Exceptions and Reply Briefs on Exceptions have been filed and the Post Exceptions Proposed Order is pending. Phase 1 addresses issues that were not included in the

TRO Remand, while Phase 2 includes issues contained within the TRO Remand. The Phase 1 Proposed Order found as follows: 1) SBC must provide enterprise switching at non-TELRIC, just and reasonable rates, 2) SBC must provide access to existing splitters at non-TELRIC, just and reasonable rates, 3) carriers purchasing UNE-P can not resell shared transport, 4) SBC can charge non-TELRIC rates for combinations that are more expansive than those required by federal rules, 5) SBC must provide OCn capacity loops and transport at non-TELRIC rates, 6) SBC must provide DS3 loops at non-TELRIC based rates, 7) SBC must provide switching related elements (e.g., call related databases) at non-TELRIC rates, 8) SBC must provide entrance facilities at non-TELRIC rates, 9) SBC must certify its routine network modification process, 10) SBC must provide feeder subloops at non-TELRIC rates, 11) SBC must allow collocation of any equipment for interconnection, 12) EELs are subject to the federal eligibility requirements, 13) SBC cannot charge CLECs for terminating access when CLECs utilize switching and shared transport.



01-0614
Proposed Order of

Docket 01-0662

Investigation concerning SBC Illinois' compliance with Section 271 of the Telecommunications Act of 1996

SBC reported its Tier 2 penalty payments for December 2004 (about \$3,800), which it is *subtracting* from what it refers to as the 01-0120 overpayment balance (currently about \$1.5 Million). SBC also provided its 18th status report showing Trouble Ticket Coding Accuracy results for 4Q04.



Tier 2
performance mea



SBC 18th Status
Report.pdf

Docket 02-0147

North County Complaint Against Verizon

At last update, appeals by both parties of the Commission's Final Order (10/6/04) were pending. On January 20, 2005, however, the parties filed a joint motion to dismiss the proceeding. The motion asks the Commission to vacate its prior order and dismiss the proceeding with prejudice, as the companies have apparently entered into a post-order settlement to avoid legal challenges.



02-0147 Joint
Motion.pdf



Docket 03-0553

TDS complaint against SBC Illinois regarding termination liability

This case pertains to a complaint filed by TDS against SBC for termination penalties assessed for certain services. According to TDS, these charges are anti-competitive, unjust and unreasonable. The ICC entered its order on 9/9/04 which found that SBC's pre-March 2004 termination penalties were anticompetitive. SBC's petition for rehearing was denied on 10/29/04 and SBC filed an Appeal of the Order on 12/2/04. Also, on 12/28/04, the parties jointly filed a verified statement seeking a revised order to reflect the settlement discussions that took place between the parties regarding attorneys' fees and litigation costs. This revised order was discussed by the Commission on 1/20, 2/2 and 2/23.



03-0553 Joint
Verified Statemen

Docket 04-0165

Digital Divide Elimination Infrastructure Fund

The ICC entered its Final Order in this docket on 2/2/05, which addressed various amendments that were made to Section 13-301.3 of the PUA regarding eligibility requirements. These rule changes were not challenged by any parties.



04-0165 Final
Order.pdf

Docket 04-0428

Level 3/SBC Arbitration

This case pertains to an arbitration between Level 3 and SBC regarding myriad issues ranging from definitions, interconnection, UNEs, trunking, etc. At last update, briefs on Exceptions and replies were filed. The proposed order was withdrawn from the ICC agenda on 2/8 due to an apparent settlement by the parties.

Docket 04-0461

SBC Imputation Compliance

This case pertains to SBC's compliance with Section 13-505.1 of the PUA after its UNE loop rate increase authorized by Docket 02-0864. The proposed order was circulated on 1/24/05 which allows SBC to combine services with the network access line in the imputation test (contrary to long-standing Commission and SBC policies). Briefs and Reply briefs have since been filed. Also, on 2/22/05, the ALJ announced that it will now also allow SBC to include switched access costs and revenues in the new "broad" imputation test. The final order is pending.



04-0461
HEPO.pdf

Docket 04-0469

MCI/SBC Arbitration

This arbitration pertains to many issues related to interconnection, UNEs and pricing. The Commission entered its arbitration order on 11/30/04. This order addressed issues related to collocation, UNEs, NGDLC, line sharing, line splitting, etc. On 1/20/05, the ICC denied MCI's petition for rehearing and on 2/8, extended the schedule for conformance. Then, on 2/15/05, MCI and SBC filed a motion to reopen the record to address conformance issues, such as issues related to interim UNEs, UNE combinations, and the TRO Remand Order. Staff filed comments on 3/1/05, opposing much of what MCI has requested in the Motion to Reopen.



04-0469 Motion
to Reopen.pdf

Docket 04-0441

SBC Petition for Variance of Part 735

On 2/2/05, the ICC granted SBC's petition for a permanent variance from the Rule under Part 735 requiring itemization of all toll calls.



04-0441 Final
Order.pdf

Docket 04-0778

XO Communications Complaint Against SBC

This was a complaint filed by XO against SBC for SBC not allowing XO and Allegiance to opt into agreements of AT&T and Sprint. The parties settled the case in 12/04 and the Commission dismissed the case on 2/24/05.



04-0778 Final
Order.pdf

Big Sky v Illinois Bell Telephone

Constitutionality of Sections 13-502.5 (a-f) of the PUA (services allegedly improperly classified) Circuit Court No. 03-L-715

At last update, the Circuit Court for the 3rd Judicial District (on September 22, 2004) found Sections 13-502(a-f) of the Public Utilities Act unconstitutional. This legislation abated Docket 98-0860, declared SBC business services as competitive, required SBC to provide a \$90M refund, and required SBC to make donations to the Digital Divide

ILLINOIS REGULATORY OVERVIEW – MARCH 2005



Fund. SBC filed its Brief on Appeal to the Supreme Court of Illinois on 2/22/05 and reply briefs are due 35 days thereafter.

SBC Acquisition of AT&T

This issue was discussed at the ICC's meetings on 2/2 and 2/24. On 2/24/05, the ICC Staff discussed a proposed a letter to Governor Blagojevich on this issue. A draft letter was not available on-line.

TipTop Tariff

In 12/04, SBC filed a tariff to mirror its federal TipTop Tariff. On 1/20/05 (in TRM #1050), the Commission approved modifications to this tariff.



SBC IL Tip Top
Filing.pdf

INDIANA

42393

SBC TELRIC case

AT&T and MCI's federal appeals of the IURC's January 5, 2004 order are presently pending and briefing on appeals was due January 17, 2005. CLECs appealed on numerous issues. SBC appealed on cost of capital.

42749

SBC Complaint against CLECs

This cause pertains to an SBC amendment to its interconnection agreements to remove certain UNEs. On January 21, 2005, the presiding officers in the cause made an entry wherein the motions to dismiss the SBC complaint were denied. On March 9, 2005, the Commission found that SBC Indiana is not required to accept UNE-P orders for new customers after March 10, 2005. The Commission also denied a request to have SBC Indianan comply with the change of law provisions of the interconnection agreements in implementing the TRRO. See attached order.



Entry denying motions to dismiss in



Motion for Emergency Order



Cause No. 42749-
Docket Entry 3-9-200

INDIANA Triennial Review Matters

42500, 42500-S1 and 42500-S2

The IURC dismissed the TRO dockets. The records established in these three Causes by the Commission and the parties will be maintained in their entireties and those parts of the records submitted to the Commission under a preliminary determination of confidentiality shall continue to be maintained by the Commission as confidential.

42500 (Mass Market Switching)

42500-S1 (Batch Hot Cut)

42500-S2 (Loop Transport)



IN 42500, Order dismissing TRO cases

MICHIGAN

U-13531

In the matter of the application of SBC Ameritech Michigan for approval of revised cost studies related to certain telecommunications services

At last update, the CLECs had filed objections to SBC's compliance filing.

<http://www.qsiconsulting.com/pdf/QSIReportonSBCMIComplianceMICaseU-13531.pdf>

The Commission addressed these objections in its Order on 1/25/05 (see below), which approved SBC's compliance filing as amended. The CLECs argued that the Commission's order should result in an average 12% price decrease, while SBC filed rates reflecting a 15% price increase. The Commission's order addressed non-zero rates, errors in due date change, failure to produce NRC outputs, corrected NRCs, etc. MCI filed a petition for rehearing of the 1/25/05 Order on 2/24/05, which is pending.

<http://www.qsiconsulting.com/pdf/2705MIPSCU-13531ComplianceOrder12505.pdf>

U-13891

Implementation of a Batch Hot cut Process

At last update, the US District Court had enjoined the MPSC HC Collaborative, finding that the docket used by the MPSC to establish the collaborative was overturned by the USTA court. The only new development in this case is comments filed by AARP on 2/7/05 urging the Commission to appeal the court's decision.



AARP

Comments.pdf

U-13982

In the matter, on the Commission's Own Motion, to consider the competitive implications of SBC Michigan's refusal to waive early termination fees for some but not all competitive local exchange carriers

The MPSC initiated this investigation on 12/18/03. Nothing new has transpired in this case since last update.

U-14004

In the matter of the application and complaint of MCImetro Access Transmission Services LLC against SBC Michigan relative to improper charges for loops used in conjunction with UNE-P, local number portability surcharge and USOC NR9UV

At last update, the parties were disputing attorneys' fees and related costs. Since that time, the parties settled the dispute and on 2/24/05, the MPSC entered an order resolving the case and closing the docket.

U-14073

Investigation into VoIP issues

On 3/16/04, the MPSC initiated an investigation into VoIP. Comments were filed on 4/21/04, and addressed the following issues: #/type of VoIP providers in Michigan,

degree of regulation that should apply to VoIP, numbering resources, quality of service and virus potential, emergency services, USF issues, and access charges. Nothing new has transpired since last update.

U-14152

In the matter of the application of Level 3 Communications for arbitration

At last update, the decision of the arbitration was issued on 12/10/04. On 2/22/05, the parties filed a joint stipulation, which indicated the parties have settled the issues. The MPSC, on 2/24/05, entered an order adopting the parties' agreement and closing the docket.



U14152

Stipulation 2.22.0!

U-14175

In the matter, on the Commission's Own Motion, for establishing a policy on switched access rates pursuant to Section 310(2) of the Michigan Telecommunications Act, MCL 484.2310

This docket was initiated on 6/29/04 to examine the MPSC's policy on switched access rates, *i.e.*, whether mirroring should continue or whether access should be priced at LRSIC. Comments have been filed. Nothing new has transpired in this docket since last update.

U-14303

In the matter of the application of competitive local exchange carriers to initiate a Commission investigation of issues related to the obligation of incumbent local exchange carriers in Michigan to maintain terms and conditions for access to unbundled network elements

On 9/30/04, Joint CLECs (including AT&T, XO, MCI, TalkAmerica, LDMI, TelNet and ACD) filed a petition with the MPSC asking the Commission to open an investigation to ensure that SBC and Verizon continue to provide nondiscriminatory access to UNEs pursuant to Michigan Law. Comments were filed in January and February and oral argument is scheduled for 3/17/05.

U-14305

In the matter of the application of SBC Michigan for a consolidated change of law proceeding to conform 251/252 interconnection agreements to governing law pursuant to Section 252 of the Communications Act of 1934, as amended

This is SBC's mega-complaint against CLECs regarding alleged non-compliance with current rules regarding access to UNEs. This case has been consolidated with U-14303 and, as such, an oral argument is scheduled for 3/17/05. SBC requests that the Commission address all out-of-compliance interconnection agreements.



U-14324/14323

SBC Classification of Residential and Business Local Exchange Services as Competitive

This case was filed on 10/26/04 by SBC in order to reclassify its business and residential services in Michigan. Comments were filed in November and December. The MPSC issued its Order on 1/6/05, finding that business services in Access Area A are competitive for a 1-year trial period. For the remainder of services, SBC filed its testimony in February, intervenors' testimony was due on 3/4/05, rebuttal is due on 3/25/05 and the Proposed Order is expected about 6/13/05.

U-14334

In the matter of the application by AT&T Communications of Michigan, Inc. for approval of alterations to its rates for basic local exchange service

AT&T filed an application to increase its residential rate plans (Call Plan 50, Call Plan 400 and Call Plan Unlimited) from between 17 and 20%. The Commission entered its order approving AT&T's application on 1/25/05.

U-14374

In the matter of the complaint of Lucre Inc. against SBC Michigan to resolve a dispute over payment of reciprocal compensation

At last update, a mediator had been selected to mediate the dispute. Since that time, the mediator provided a proposed settlement and the parties have provided comments. On 2/3/05, the ALJ issued a Transmittal sending the mediator settlement to the Commission and indicating that the parties have agreed to it. The Commission's ruling is pending.

U-14382

In the matter of the application and formal complaint of ACD Telecom, Inc. against Michigan Bell Telephone Company d/b/a SBC Michigan for its unilateral revocation of line sharing service in violation of the parties' interconnection agreement and tariff obligations, and for an Emergency Relief order

ACD filed its complaint against SBC and petition for emergency relief on 12/14/04 to prevent SBC from unilaterally withdrawing its line sharing offering. At last update, ACD's petition for emergency relief had been denied. Since that time, a schedule was set in which SBC filed testimony on 3/3, rebuttal was filed on 3/9 and a proposed order is expected around 5/2/05. After the schedule was set, SBC's summary judgment motion was approved and the original schedule was cancelled.

U-14383

Complaint of TruComm Corp against SBC Michigan for violations of the interconnection agreement and arbitration order of the MPSC

TruComm filed this complaint against SBC alleging that SBC is not abiding by the terms of the parties' agreement by not providing a functioning switch port with Flex-ANI. SBC filed its motion to dismiss on 1/10/05. On 1/25/05, the Commission dismissed the proceeding because the parties do not have an effective interconnection agreement.

U-14384

In the matter of the complaint and application for resolution of SBC Michigan against Lucre, Inc. for refusals to pay certain charges lawfully assessed and for other violations of duties under law

SBC filed an amended complaint in early February, which dropped the reciprocal compensation count from this case and included revised testimony. The major issue in this case is whether Lucre owes SBC over \$1 Million for charges related to facilities that Lucre ordered as interconnection facilities and SBC has billed at access rates. Lucre's testimony is due on 3/17/05.

U-14447

In the matter, on the Commission's Own Motion, to commence a collaborative proceeding to monitor and facilitate implementation of accessible letters issued by SBC Michigan and Verizon

In mid-February, SBC issued a series of Accessible Letters stating that it will withdraw its wholesale UNE tariffs as early as March 10. Some CLECs expressed their objections to SBC's letters. Finding that SBC's letters have merit, the MPSC initiated this docket to commence a collaborative proceeding to examine the availability of UNEs from SBC and Verizon.



U14447 Press
Release.pdf

U-14435

In the matter, on the Commission's Own Motion, to promulgate rules to set standards for measuring and enforcing the quality of regulated telecommunications services

The Office of Regulatory Reform, on 2/16/05, filed a request for rulemaking for service quality rules in order to eliminate potential legal challenges to existing rules. This rulemaking must be completed by 6/30/05 and a hearing date has been set for 4/1/05.



U14435 Request
for Rulemaking.pdf

U-11756

In the matter of the complaint of Michigan Pay Telephone Assoc. et al., against Ameritech Michigan and GTE North Incorp.

This case pertains to the New Services Tests of SBC and Verizon. On 3/16/04, the Commission issued an order finding that, to the extent that rates exceeded the ceiling calculated pursuant to the New Services Test, SBC and Verizon had charged unlawful and excessive rates in violation of the Act and MCL, to independent payphone providers. The order further provided a process for refunding any excessive rates. On 2/10/05, the

MICHIGAN REGULATORY OVERVIEW – MARCH 2005



MPSC issued an order denying the Michigan Pay Telephone Association's petition for rehearing and largely rejecting MPTA's objections to SBC's refund report.



MI U-11756
Order 2.10.05.pdf



OHIO

96-1310-TP-COI

In the Matter of the Commission's Investigation into the Implementation of Section 276 of the Telecommunications Act of 1996 Regarding Pay Telephone Services

On 9/1/04, the Commission found SBC's payphone rates to be non-compliant with Section 276 of the Act and the FCC's New Services Test pricing standard. The Order substantially reduced rates but refused to consider refunds. At last update, this case was being appealed and there is nothing new to report since last time other than follow-up textual revisions made by SBC to its 12/14/04 tariff filing (which were accepted by the Commission on 2/23/05).

01-1741-TP-CSS

Internet Access Provider Complaint Against SBC

Complaint of Internet Access Providers and DataCom for SBC's alleged failure to supply adequate service and overcharges of account. This case has been ongoing since 2001 and at last update, SBC's petition to dismiss was denied and a hearing was set for 1/5/05. There has been no new developments in this case since last update.

02-1280-TP-UNC

In the Matter of the Review of SBC Ohio's TELRIC Costs for Unbundled Network Elements

At last update, parties' were determining whether, and to what extent, SBC's filing complied with the Commission's 11/3/04 Order. Since that time, CLECs have filed comments on SBC's compliance filing, the Commission denied SBC's petition for rehearing, the Commission issued its order on 2/9/05 approving SBC's compliance filing, and SBC filed its revised tariff pages. A Phase 2 schedule was also established as follows: SBC files cost studies (4/22); SBC files testimony (5/23); intervenor files testimony (8/8); and status hearing (8/29). Phase 2 will address NRCs and 911 costs.



02-1280-TP-UNC :

03-950-TP-COI

Investigation into Voice Over Internet Protocol

On 4/17/03, the Commission initiated an inquiry into VoIP services and the regulation, if any, that should apply. Since last update, only one additional provider, Super-Net, Inc., has submitted the VoIP questionnaire.

04-940-TP-ARB

Level 3/SBC Arbitration

This case was initiated in 6/04 to resolve issues in dispute between Level 3 and SBC. At last update, hearings had been set for 4/4/05, and nothing new has been submitted in



this docket since that time. This will likely be withdrawn due to the parties' multi-state settlement.

04-1450-TP-CSS

USTA II Complaint by SBC against CLECs

This is SBC's mega-complaint against CLECs regarding alleged non-compliance with current rules regarding access to UNEs. SBC alleges that interconnection agreements include UNEs that have been declassified and that the PUCO should address all "out of compliance" interconnection agreements in 1 proceeding. Since last update, SBC has dismissed Time Warner Communications from the complaint because it had executed an interconnection agreement.

The Ohio PUC 2004 End of Year Review

The telecommunications highlights of the PUC's 2004 *End of Year Review* are as follows:

- **SBC Wholesale Rates** (02-1280-TP-UNC) "On November 3, 2004, the PUCO adopted new wholesale rates for various unbundled loops (including two-wire analog unbundled loops) offered by SBC. After careful consideration and examination of testimony and evidence provided by interested parties, the PUCO set the rate for the two-wire analog unbundled loop or "the last mile" at \$12.80 on a statewide average. SBC had requested a rate of \$23.36 on a statewide average. The wholesale rates for various unbundled loops (including two-wire analog unbundled loops) are subject to a compliance run that SBC will conduct by entering the rate adjustments into its wholesale pricing formula to verify the rate. The "last mile" refers to the facilities used to route a call from a company's local switching station to the customer's home or business. The PUCO believes that this rate encourages competition, and allows SBC to invest in advancements and upgrades in network technology."
- **New Access Settlement** (04-847-TP-UNC) "The PUCO, in cooperation with the Ohio Attorney General's Office and nine other states, reached a settlement with New Access Communications L.L.C., on June 9, 2004, following an investigation concerning New Access' business practices. The investigation examined a number of alleged deceptive telemarketing practices including misrepresentation of service costs, an affiliation with customers' telephone service providers, and the company's involvement in a practice known as "slamming," where a customer's phone service is switched without authorization. New Access agreed to pay \$1 million in restitution fees to the states and will issue \$1 million in consumer credits. Penalties totaling \$750,000 were levied against New Access. Ohio is scheduled to receive \$100,000, 60 percent of which will go to the state's General Revenue Fund and 40 percent will go to the Attorney General's Consumer Protection Fund. In addition to fines and penalties, New Access was required to change a number of business practices as a result of the agreement. New Access must provide a toll-free customer service number, ensure all telemarketing information is presented in a clear manner, obtain authorization from customers to institute service



- features, and implement a system for recording its telemarketing solicitation calls and keeping those recordings for one year.”
- **Alternative Regulation Plans Approved for Five Telephone Companies** The PUCO...has adopted an “off the shelf” alternative regulation plan for telephone service providers to allow them to keep pace with change. Under the plan, in exchange for pricing flexibility for certain services, the company must abide by several commitments...Cap basic local exchange service and basic caller identification at the existing rates for the length of time the company remains under the plan, cap the rates for second and third basic local exchange service lines and call waiting for 24 months from the effective date of the plan, provide advanced telecommunications services according to specified geographic criteria no later than 12 months or 24 months from the elective date of the plan, implement an enhanced lifeline program to low-income customers that are receiving benefits from certain state or federal low-income programs or if their household income is at or below 150 percent of the poverty level. Alternative regulation plans were approved for:
 - CenturyTel effective March 2, 2004 (04-62-TP-ALT)
 - Cincinnati Bell effective July 1, 2004 (04-720-TP-ALT)
 - Chillicothe Telephone Company effective September 24, 2004 (04-1253-TP-ALT)
 - ALLTEL and Western Reserve effective October 15, 2004 (04-1358-TP-ALT and 04-1359-TP-ALT)
 - **Voice over Internet Protocol Update**

On November 9, 2004, the FCC declared that states do not have the authority to regulate VoIP providers and the FCC will retain jurisdiction at the federal level. As a result, the PUCO cannot enforce the Minimum Telephone Service Standards, billing requirements, or any other state regulation on VoIP providers; however, some providers have voluntarily agreed to follow these rules. Customers should ask the VoIP service providers they are considering whether or not they have agreed to follow the PUCO’s rules...The PUCO will continue to monitor this evolving technology and alert consumers to any necessary changes in the market.

WISCONSIN

6720-TI-192

Administration of the Mechanics of Price Regulation Pertaining to Wisconsin Bell, Inc., d/b/a SBC Wisconsin,

The Final Decision is amended to remove the effects of the application of price-regulation review to the basic local exchange service offered within **SBC** Wisconsin's Local Saver Packs and Solution Packages by eliminating any requirement, expressed or implied, that:

- a. The rates of Local Saver Packs and the basic service elements provided within the Solution Packages be governed under [Wis. Stat. § 196.196\(1\)](#); and
- b. The revenues attributable to the basic local exchange service generated by the Local Saver Packs and Solution Packages be reported under Wis. Admin. Code § PSC 163.04(1)(a) and those revenues apply to the price setting mechanism under [Wis. Stat. § 196.196\(1\)](#).



WI 6720-TI-192
1.21.05.pdf

6720-TI-187

SBC TELRIC Petition

Hearings were held July 26-30th. Initial briefs were filed on August 27th; reply briefs are due on September 15th. Essentially this case resulted in a 20% increase in loop rates. TDS has filed appeal in state court. Concerns exist that SBC has tariffed rate increases but has not filed revised tariff pages for rates that decreased. See attached final order.



6720-TI-187 Final
Order 10.13.04.pdf

05-TI-1175

Complaint of Wisconsin Bell, Inc., d/b/a SBC Wisconsin, for Expedited Resolution of a Dispute With Certain CLECs Regarding Adoption of an Amendment to Commission-Approved Interconnection Agreements to Make Them Consistent With Changes in Law

This case pertains to an SBC amendment to its interconnection agreements to remove certain UNEs. MCI filed a motion to dismiss on January 7, 2005. This is set for agenda March 10, 2005.



PSCW Agenda
3-10-05.pdf

6720-TI-196

SBC Complaint against CLECs

SBC is seeking to deregulate certain residential services in access areas A and B. This would impact the 17 largest exchanges. See attached document.



WI 6720-TI-196
2.10.05.pdf



SBC Petition.pdf

OTHER ISSUES

Certain CLECs have held discussions with the Commission Staff respecting the filing requirements for CLECs on their annual reports.

WISCONSIN Triennial Review Matters

05-TI-824, 05-TI -908, 05-TI -909 and 05-TI -910

PSCW has suspended but not dismissed the TRO cases. Status conference set for March 10, 2005 at 2:30 p.m. to determine if the dockets should be closed, what disputed issues are likely to arise based on SBC's Accessible Letters, and how the Commission should address any disputes.



05-TI-824 -908 -909
-910 3-4-05.pdf

05-TI-908 (Mass Market Switching)

05-TI-909 (Local Transport and Enterprise Loops)

05-TI-910 (Batch Hot Cut)



TEXAS

Docket 29347

Project to Address Modification of the Definition of “Access Line” Pursuant to Local Govt. Code §283.003

This case was initiated in 2/04. The Staff solicited comments on the following 3 questions:

- (1) Since September 2002, have there been any changes in technology or facilities that would justify a modification of the categories of access lines as developed by the commission? If so, what are these changes? How frequently have they been deployed?
- (2) Since September 2002, have there been any competitive or market conditions that would justify a modification to the categories of access lines as developed by the commission? If so, what are these changes? How frequently have they been deployed?
- (3) Are there any other issues regarding the redefinition of “access line” pursuant to Local Government Code 9283.003 that should be addressed by the commission?

Comments and Replies were filed in late summer – early fall 2004. In 1/05, the Staff of the Telecom Division requested additional comments on the following question: “The ITNA amended the ITFA to allow Texas municipalities to collect access line fees for right-of- ways for VoIP traffic. What impact, if any, does this have on the Commission investigation into the *Modification of the Definition of “Access Line” Pursuant to Local Government Code §283.003?*” Comments were filed on this issue in 1/05. The TX Staff provided a recommendation on 3/2/05 to the Commission that no rule amendment is necessary. This item is on the 3/9/05 agenda for possible commission action.



TX 29347 Agenda
Item.pdf

Docket 30081

Petition of SBC Texas for Declaratory Ruling Relating to Its Obligations Pursuant to Subst. R.26.435(e)(3)

This docket was initiated to address a petition for declaratory ruling from SBC related to its obligations to release wholesale billing records to 911 administrative entities pursuant to PUC Subst. R. Q 26.435(e)(3). According to SBC, its Petition was prompted by requests by certain 9-1-1 administrative entities for the release of SBC Texas’ wholesale billing records, apparently for the purpose of identifying wholesale line counts for specific carriers. As SBC explained, although PUC Subst. R. Q 26.435(e)(3) appears to permit the release of such records, SBC was concerned that the requirement may conflict with its nondisclosure obligations under 47 USC 3 222. Briefs and replies were filed in December and January. This item is on the Commission’s agenda for March 9th.

Docket 30463

Complaint of Premiere Network Services, Inc. Against SBC Texas and Request for Interim Ruling

This case pertains to a complaint filed by Premier Network Services against SBC related to performance measure reporting, among other things. Order No. 6, issued on 2/10/05, granted in part and denied in part SBC's motion to dismiss the complaint. This issue is on the Commission's agenda for March 9th. In anticipation of the Commission's meeting, Premiere filed a letter with the Texas Commissioners, which is surprisingly frank and interesting. The letter: (1) accuses SBC of fraud, (2) questions the objectivity of TXPUC Staff, (3) questions the Commission's response to claims against SBC, (4) refers to documents that have disappeared from Commission archives, (5) states that the Commission is so influenced by SBC that no impartial investigation related to SBC can be conducted at the TXPUC, (6) requests Leave of this Commission so that it can proceed straight to court.



TX Order 30463
1.18.05.pdf



Premier Letter to
TX Commissioner:

Docket 28821

Arbitration of Non-Costing Issues for Successor Interconnection Agreements to the Texas T2A Agreement

This docket was initiated in late 2003 to investigate the non-cost related issues for the successor agreement to the T2A. This docket was delayed due to the pending regulatory/court decisions regarding UNE availability. Testimony was filed in July – August 2004. Then the Commission abated Track 2 issues (i.e., UNE-related issues subject to the TRO rules) in September pending the FCC's final rules, and was unabated in December. The Arbitration Award for Track 1 issues was released on 2/23/05, which resolved disputes related to interconnection, trunking, reciprocal compensation, performance measures and resale. The Commission has also set a schedule for Track 2 as follows: Direct (3/25), Rebuttal (4/8), Hearings (4/21-22) and Arbitration Award (mid-June).



28821 Arb Award
- Track 1.zip

Docket 20400

Section 271 Compliance Monitoring of SWBT

This docket was initiated in early 1999 to track SBC's 271 compliance. SBC submitted its DOJ Tracking Report on 2/22/05 showing its aggregated Performance Measure Tracking Results.



29347 PM
Results.zip

Docket 29832

Petition of Level 3 Communications for Arbitration with SWBT

This case was initiated in June 2004 to arbitrate the terms of the parties' agreement. Testimony was filed in 1/05, but on 2/22/05, the parties' filed a joint stipulation to stay the proceeding due to a 13-state settlement reached by the parties.

Docket 30731

Petition of Xspedius Communications for Post Interconnection Agreement Dispute Resolution and Request for Interim Ruling Against SWBT

On 2/22/05, Xspedius filed its amended complaint alleging that SBC has failed to comply with the parties' agreement related to billing and compensation, including payment for transport and termination of ISP-bound traffic. As of 3/5/05, a procedural schedule had not been set.

Docket 29897

Rulemaking to Review Telecommunications Service Objectives and Performance Benchmarks Established in PUC Substantive Rule 26.54

A workshop was held in late 2004 in which a list of questions was formulated with regard to improving the quality standards and benchmarks. Parties provided comments on these questions in 9/04. In February, the proposed rule change was approved for publishing.



29897 Staff
Proposed Rule Ch:

Texas PUC Report on Incentive Regulation

The Texas PUC issued its report on incentive regulation in 1/05, which provides rate comparisons, service quality data, innovation trends, infrastructure investment levels, etc. since incentive regulation was approved.



TXPUC Incentive
Regulation Report

Texas PUC Report on the Status of Telecommunications Competition

The Texas PUC issued its report on the status of competition in 1/05, which presents competition data for Texas, including: (1) 20.76% CLEC market share, (2) UNE-P is 52%

TEXAS REGULATORY OVERVIEW – MARCH 2005



of CLEC lines, (3) 78% of residential CLEC lines are UNE-P, (4) significant price increases continue for vertical services.



TXPUC
Competition Report

Texas Public Utilities Connection Newsletter

The Texas PUC publishes the *Connection* on a quarterly basis, detailing issues at the TXPUC. The 2/05 edition below discusses the status of competition report and the 11/04 edition below has a very interesting article on new telecom technologies (e.g., Broadband Over Power Lines (BPL), WiMax, WiFi, etc.)



Public Utility
Connection 2.05.p



Public Utility
Connection 11.04.



CALIFORNIA

C0501009

MPower vs. Pacific Bell Telephone Company dba SBC California, for inappropriate charges for disconnecting loops

MPower filed its complaint on 1/13/05 and SBC submitted its answer and motion to dismiss on 3/2/05.

A0502027

For authorization to transfer control of AT&T Communications of California, et al. to SBC, which will occur indirectly as a result of the merger of AT&T with a wholly-Owned Subsidiary of SBC, Tau Merger Sub Corporation

The Joint Application of AT&T and SBC was filed on 2/28/05. As of 3/5/05, the Application was the only substantive filing in the case.

C0410024

PacWest vs. AT&T Communications of California, Inc., et al. for refusal to pay Pac-West its lawfully tariffed rate for terminating traffic that AT&T originates and routes to Pac-West

PacWest filed its complaint against AT&T in 10/04 and AT&T answered in 11/04. A schedule was set, with hearings taking place 4/12-15/05.

A0406004

Level 3/SBC Arbitration

On 2/22/05, the Commission granted the parties' motion to stay the proceeding, consistent with the 13-state settlement.

A0405002

XO Communications/SBC Arbitration

On 3/3/05, XO filed for emergency relief to require SBC to provide the status quo pending the outcome of the arbitration proceeding.

I0402007

Order Instituting Investigation on the Commission's own motion to determine the extent to which the public utility telephone service known as Voice over Internet Protocol should be exempted from regulatory requirements

This proceeding was initiated in 2/04. Comments and Reply comments were filed in 2004. Nothing substantive has been filed in this case since 11/04 and no decisions have been rendered.

R0308018

Order Instituting Rulemaking to review policies concerning intrastate carrier access charges



This case was initiated in 2003. On 12/2/04, the Commission entered an order resolving Phase 1 Issues. The Commission set the scope for Phase II issues in Jan. 2005 (see below).



R0308018 Phase
II issues.pdf

A0202034

PacBell Request for the Commission to Re-Examine the Costs and Prices of the Expanded Interconnection Service Cross-Connect Network Element in the Second Annual Review of Unbundled Network Element Costs pursuant to D99-11-050

This case was initiated in 2002. While various actions have been taken throughout the years in this docket, the most recent substantive decision was made in 9/04, when the Commission revised SBC's UNE rates (see link below).

http://www.cpuc.ca.gov/PUBLISHED/FINAL_DECISION/40308.htm

R0109001

Order instituting rulemaking on the Commission's own motion to assess and revise the new Regulatory Framework for Pacific Bell and Verizon California Incorporated

This case was initiated in 2001. In 9/04, the Commission entered the most recent substantive order that addressed 68 accounting issues identified by auditor's review of SBC's New Regulatory Framework.



R0109001 Order
12.04.pdf

Broadband Deployment Report

The Commission published its Broadband Deployment Report in 2/05 per SB 1563. The report shows that (1) CA leads the nation in the broadband market with about 4.7M lines, (2) broadband growth in CA exceeds the national average, (3) as well as a significant amount of information on broadband technologies, economic impacts, etc.



CA Broadband
Deployment Report

New California PUC Commissioner

On 1/18/05, Dian Grueneich was sworn in as a CAPUC Commissioner. Ms. Grueneich was formerly a principal at Grueneich Resource Associates, an environmental law and energy consulting company. She will serve a 6-year term.



New CA
Commissioner.pdf

COMPETITION SUMMARY – MARCH 2005



COMPETITION - AT A GLANCE

ILEC and CLEC Lines & CLEC Market Share (December 1999 – June 2004)

	California			Illinois		
	ILEC Lines	CLEC Lines	% CLEC Market Share	ILEC lines	CLEC Lines	% CLEC Market Share
Dec-99	23,198,657	1,027,200	4	8,040,394	443,936	5
Jun-00	23,436,793	1,317,414	5	7,990,635	590,208	7
Dec-00	23,250,580	1,498,146	6	7,875,563	803,492	9
Jun-01	23,103,077	1,668,232	7	7,558,613	1,113,112	13
Dec-01	22,771,976	2,003,404	8	7,578,706	1,341,060	15
Jun-02	22,315,423	2,158,878	9	7,322,494	1,468,057	17
Dec-02	21,475,881	2,705,851	11	6,994,127	1,602,482	19
Jun-03	20,645,363	3,046,959	13	6,741,172	1,616,765	19
Dec-03	20,111,818	3,422,373	15	6,517,977	1,662,007	20
Jun-04	19,478,761	3,723,815	16	6,326,988	1,672,522	21

	Indiana			Michigan		
	ILEC Lines	CLEC Lines	% CLEC Market Share	ILEC Lines	CLEC Lines	% CLEC Market Share
Dec-99	3,559,946	96,091	3	6,287,424	208,980	3
Jun-00	3,597,365	156,280	4	6,363,024	349,703	5
Dec-00	3,574,414	191,921	5	6,262,696	366,305	6
Jun-01	3,576,710	180,221	5	6,027,730	583,653	9
Dec-01	3,637,893	205,845	5	5,965,971	865,182	13
Jun-02	3,542,715	252,722	7	5,498,139	1,211,379	18
Dec-02	3,459,873	284,532	8	5,174,471	1,362,217	21
Jun-03	3,327,235	348,159	9	4,819,294	1,384,973	22
Dec-03	3,188,863	457,657	13	4,614,333	1,547,619	25
Jun-04	3,095,055	501,936	14	4,487,619	1,575,267	26

	Ohio			Texas		
	ILEC Lines	CLEC Lines	% CLEC Market Share	ILEC Lines	CLEC Lines	% CLEC Market Share
Dec-99	6,904,938	262,159	4	12,601,936.00	586,111.00	4
Jun-00	6,944,806	255,267	4	12,349,899.00	998,326.00	7
Dec-00	6,922,773	308,213	4	11,892,768.00	1,764,676.00	13
Jun-01	6,876,434	280,088	4	11,496,247.00	1,891,131.00	14
Dec-01	6,967,603	352,811	5	11,365,441.00	2,166,033.00	16
Jun-02	6,705,911	510,623	7	11,006,831.00	2,170,914.00	16
Dec-02	6,405,570	652,104	9	10,766,127.00	2,182,929.00	17
Jun-03	6,131,768	754,020	11	10,451,045.00	2,266,028.00	18
Dec-03	5,889,260	946,303	14	10,269,558.00	2,265,505.00	18
Jun-04	5,697,351	979,885	15	10,139,446.00	2,320,273.00	19

COMPETITION SUMMARY – MARCH 2005



Wisconsin			
	ILEC Lines	CLEC Lines	% CLEC Market Share
Dec-99	3,184,664	177,336	5
Jun-00	3,239,809	244,373	7
Dec-00	3,178,516	278,087	8
Jun-01	3,151,854	322,735	9
Dec-01	3,121,462	367,195	11
Jun-02	3,145,341	420,200	12
Dec-02	3,063,426	477,915	13
Jun-03	2,953,647	526,343	15
Dec-03	2,834,559	603,492	18
Jun-04	2,754,836	626,809	19

% of Total Lines That Are UNE-Based and Modes of Competitive Entry (June 2002 – June 2004)

	California				Illinois			
	Facilities	UNEs	Resale	% of Total Lines That Are UNE-Based	Facilities	UNEs	Resale	% of Total Lines That Are UNE-Based
Jun-02	889,664	745,805	523,410	34.55%	476,567	734,208	257,282	50.01%
Dec-02	891,032	1,281,292	526,380	47.48%	445,905	933,020	223,558	58.22%
Jun-03	888,346	1,555,392	603,222	51.05%	402,909	1,023,789	190,067	63.32%
Dec-03	1,022,095	1,858,739	541,539	54.31%	392,284	1,119,361	150,371	67.35%
Jun-04	1,042,458	2,097,112	584,245	56.32%	400,253	1,120,585	151,684	67.00%

	Indiana				Michigan			
	Facilities	UNEs	Resale	% of Total Lines That Are UNE-Based	Facilities	UNEs	Resale	% of Total Lines That Are UNE-Based
Jun-02	76,042	122,467	54,213	48.46%	121,463	986,378	103,538	81.43%
Dec-02	72,492	158,277	53,764	55.63%	104,222	1,153,763	104,232	84.70%
Jun-03	69,470	227,687	51,002	65.40%	84,951	1,207,874	92,149	87.21%
Dec-03	79,247	325,585	52,828	71.14%	107,600	1,360,390	79,629	87.90%
Jun-04	90,730	357,102	54,104	71.14%	106,307	1,387,936	81,024	88.11%

	Ohio				Texas			
	Facilities	UNEs	Resale	% of Total Lines That Are UNE-Based	Facilities	UNEs	Resale	% of Total Lines That Are UNE-Based
Jun-02	153,094	277,806	79,724	54.41%	405,593	1,541,888	223,433	71.02%
Dec-02	82,924	468,521	100,660	71.85%	426,168	1,467,770	288,992	67.24%
Jun-03	69,500	583,676	100,844	77.41%	429,626	1,548,110	288,291	68.32%
Dec-03	78,463	736,516	125,379	78.32%	435,727	1,547,260	282,518	68.30%
Jun-04	108,441	759,213	112,231	77.48%	461,568	1,595,937	262,767	68.78%

COMPETITION SUMMARY – MARCH 2005



Wisconsin				
	Facilities	UNEs	Resale	% of Total Lines That Are UNE-Based
Jun-02	55,547	272,963	91,689	64.96%
Dec-02	46,087	351,822	80,007	73.62%
Jun-03	44,598	419,505	62,240	79.70%
Dec-03	46,961	498,588	57,948	82.62%
Jun-04	57,631	514,907	54,271	82.15%