

FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

March 22, 2002

Ms. Caryn Moir
Vice President – Federal Regulatory
SBC Telecommunications, Inc.
1401 I Street, NW, Suite 400
Washington, DC 20005

RE: *SBC/Ameritech Merger Order*, CC Docket No. 98-141, ASD File No. 99-49

Dear Ms. Moir:

This letter addresses the request of SBC Communications, Inc. (“SBC”) to extend the deployment deadline for the development of uniform, electronic operations support systems (“OSS”) as required by the *SBC/Ameritech Merger Order*.¹ As explained below, I grant SBC a limited extension of time to complete its deployment of uniform, electronic OSS.

The *SBC/Ameritech Merger Order* requires SBC to develop and deploy uniform, electronic OSS throughout its region.² To accomplish this task, the *Merger Conditions* establish a phased-in approach that starts with SBC’s submission of an initial Plan of Record.³ Then, in a series of collaborative sessions, SBC and interested competitive local exchange carriers (“CLECs”) discuss a broad range of OSS issues, including SBC’s OSS interfaces, enhancements, business requirements, a change management process, deployment schedule, and other issues related to SBC’s Plan of Record.⁴ The final phase requires SBC to upgrade its OSS in accordance with the Plan of Record and the revisions made during the collaborative sessions. The final phase started on September 22, 2000. Pursuant to the *Merger Conditions*, the target date for implementation is March 22, 2002.⁵

On February 25, 2002, SBC requested a limited extension of the March 22, 2002 deadline.⁶ In its request, SBC explains that the limited delay is necessary because of the additional work needed to

¹ Applications of Ameritech Corp., Transferor, and SBC Communications, Inc., Transferee, For Consent to Transfer Control of Corporations Holding Commission Licenses and Lines Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90, 95, and 101 of the Commission’s Rules, CC Docket 98-141, *Memorandum Opinion and Order*, 14 FCC Rcd 14712 (1999) (“*SBC/Ameritech Merger Order*”).

² *SBC/Ameritech Merger Order* at Appendix C, para. 28; *see id.* at paras. 381-83 (describing the commitments contained in the *Merger Conditions*).

³ *Id.* The Plan of Record contains, among other things, SBC’s plan for developing and deploying uniform application-to-application and graphical user interfaces throughout its 13-state region.

⁴ *Id.* at Appendix C, para. 28(b).

⁵ *See* Letter from Carol E. Matthey, Deputy Bureau Chief, Common Carrier Bureau, FCC to James W. Calloway, Group President – SBC Services, Inc., SBC Communications, Inc., DA 00-2172 (Sept. 22, 2000).

⁶ Letter from Priscilla Hill-Ardoin, Senior Vice President, SBC Telecommunications, Inc. to Dorothy Attwood,

respond to CLEC requests that post-dated the submission of the Plan of Record. In addition, SBC explains that it encountered serious, unanticipated software problems with its planned upgrades and additional regulatory requirements affected its software programming work.⁷ AT&T Corporation (“AT&T”) and WorldCom, Inc. (“WorldCom”) oppose SBC’s request.⁸

Although this is a very close call, I find that good cause exists to extend the 18-month OSS deployment deadline for four reasons. First, the extension is of limited duration. Second, SBC demonstrates that it needed additional time to respond to issues raised by CLECs after the start of the deployment phase. Third, SBC demonstrates that issues raised by CLECs after the start of the deployment phase contributed to the unanticipated problems with its software.⁹ Finally, new regulatory requirements arising out of certain state proceedings affected SBC’s deployment schedule.¹⁰ For these reasons, I grant a limited extension of time.¹¹ I stress, however, that this extension is conditioned on SBC’s assurances that it will complete its deployment of uniform and enhanced OSS as specified in the September 20, 2000 Plan of Record in the Southwestern Bell, Pacific Bell, Nevada Bell, and Ameritech service areas no later than April 24, 2002. To the extent that SBC misses the April 24, 2002 deadline, or fails to deploy its enhancements in substantial compliance with the September 20, 2000 Plan of Record, it could be subject to voluntary incentive payments of up to \$10,000 per day per state, pursuant to paragraph 28(c)(3) of the *Merger Conditions*. Although SBC may request a waiver of the voluntary incentive payment requirements, such a request will only be granted if SBC demonstrates that failure to meet the April 24, 2002 deadline was caused “by a force majeure event or an Act of God.”¹² As a result of this extension, the deployment deadline for SBC’s uniform and enhanced OSS commitments contained in the September 20, 2000 Plan of Record for the Southwestern Bell, Pacific Bell, Nevada Bell, and Ameritech service areas is April 24, 2002.¹³

AT&T and WorldCom raise concerns about the quality of information provided by SBC concerning the scope of the software problems, and the communication between SBC and the CLECs in the weeks leading up to SBC’s request.¹⁴ To address these concerns, I direct SBC to submit into the

Chief, Common Carrier Bureau, FCC (Feb. 25, 2002) (“*SBC February 25, 2002 Letter*”).

⁷ SBC provided additional information about the nature of the software problems in a March 13, 2002 letter. See Letter from Caryn D. Moir, Vice President, SBC Telecommunications, Inc. to Dorothy Attwood, Chief, Common Carrier Bureau, FCC (Mar. 13, 2002) (“*SBC March 13, 2002 Letter*”).

⁸ See Letter from Robert W. Quinn, Vice President, AT&T Corporation to Dorothy Attwood, Chief, Common Carrier Bureau, FCC (Mar. 14, 2002) (“*AT&T March 14, 2002 Letter*”); Letter from Lisa B. Smith, Senior Policy Counsel, Worldcom, Inc. to Dorothy Attwood, Chief, Common Carrier Bureau, FCC (Mar. 14, 2002) (“*WorldCom March 14, 2002 Letter*”).

⁹ *SBC March 13, 2002 Letter* at 1-4.

¹⁰ *Id.* at 3 (specifying changes arising out from requirements adopted in Illinois).

¹¹ See *SBC/Ameritech Merger Order* at Appendix C, para. 72 (authorizing the Common Carrier Bureau to grant extensions of deadlines upon a showing of good cause).

¹² See *id.* at Appendix C, para. 70.

¹³ The deployment schedule for SBC’s operations in Connecticut is on a different schedule than the rest of SBC’s service areas. SBC states that it will complete its deployment in Connecticut by August 7, 2002. See *SBC February 25, 2002 Letter* at 9.

¹⁴ See *AT&T March 14, 2002 Letter* at 2; *WorldCom March 14, 2002 Letter* at 2-3. In its February 25, 2002 Letter, SBC does not provide detailed descriptions about the serious software problems affecting its deployment schedule.

public docket weekly status reports, starting on March 29, 2002, describing its progress towards meeting the revised OSS deployment deadline. These status reports should provide sufficient detail regarding the software errors (and SBC's efforts to address such errors) so that CLECs can determine whether their own work efforts are affected (e.g., whether the CLEC must undergo additional testing). These status reports should also ensure that SBC provides sufficient detail for the CLECs to understand any software problems if they continue to occur.

WorldCom points out that SBC already relied on the same reasons to modify the original deployment schedule committed to in the September 20, 2000 Plan of Record.¹⁵ Although this appears to be correct, SBC's earlier request for an extension did not affect the 18-month deployment deadline. Instead, SBC made its request to an arbitration panel pursuant to a process agreed upon by SBC and the CLECs and contained in the September 20, 2000 Plan of Record.¹⁶ Because SBC is presenting these facts to the Bureau for the first time in connection with the final deployment deadline, it is appropriate for the Bureau to consider these facts for this request.

Please do not hesitate to contact me if I can be of further assistance. You may also contact Anthony Dale at (202) 418-2260 for further information on this matter.

Sincerely,

Carol E. Matthey
Deputy Chief, Common Carrier Bureau

CC:

Robert W. Quinn, AT&T Corporation
Lisa B. Smith, WorldCom, Inc.

After discussions with the Bureau staff, however, SBC submitted additional documentation detailing the major software problems. See *SBC March 13, 2002 Letter* at 1-4.

¹⁵ See *WorldCom March 14, 2002 Letter* at 2-3.

¹⁶ See *SBC February 25, 2002 Letter* at 4, 6.