

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 090430-TP

AMENDED PETITION FOR VERIFIED
EMERGENCY INJUNCTIVE RELIEF AND
REQUEST TO RESTRICT OR PROHIBIT
AT&T FROM IMPLEMENTING ITS CLEC
OSS-RELATED RELEASES, BY SATURN
TELECOMMUNICATION SERVICES, INC.
D/B/A EARTHLINK BUSINESS.

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 7

COMMISSIONERS
PARTICIPATING: CHAIRMAN RONALD A. BRISÉ
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER ART GRAHAM
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Tuesday, February 14, 2012

PLACE: Betty Easley Conference Center
Room 148
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Tallahassee, Florida

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P R O C E E D I N G S

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2 **CHAIRMAN BRISÉ:** We are moving on to Item
3 Number 7, Docket Number 090430-TP.

4 **MR. HALLENSTEIN:** Good morning,
5 Commissioners.

6 **CHAIRMAN BRISÉ:** Good morning.

7 **MR. HALLENSTEIN:** Jerry Hallenstein with
8 staff. Pursuant to this Commission's regulatory
9 oversight, AT&T is required to provide
10 nondiscriminatory access to its operation support
11 systems, also referred to as its OSS systems. These OSS
12 systems are used by competitive local exchange
13 companies to place orders with AT&T.

14 Following the BellSouth and AT&T merger in
15 2006, AT&T began the process of migrating and
16 consolidating the former BellSouth nine-state OSS
17 platform into a single preordering and ordering
18 platform across AT&T's new 22-state region. This issue
19 pertains to a set of instruction manuals CLECs use to
20 guide them in placing orders known as the required
21 conditional optional, or RCO tables. STS states that
22 the RCO tables are vital to successful placement of an
23 order. As part of AT&T's consolidation process, AT&T
24 replaced these RCO tables with new product activity
25 tables. Parties are here to speak, and staff is

1 available for questions.

2 **CHAIRMAN BRISÉ:** Thank you very much.

3 And at this time we'll ask AT&T to go first.

4 **MR. HATCH:** Thank you, Mr. Chairman. Tracy
5 Hatch appearing on behalf of AT&T Florida. Also for
6 any technical questions you may have appearing with me
7 is Mr. Mark Chamberlain (phonetic).

8 Commissioners, this is a staff recommendation
9 with which we must disagree. I think, as Mr.
10 Hallenstein pointed a moment ago, AT&T's obligation to
11 the CLEC community is to provide nondiscriminatory
12 access to its operating support systems. If you may
13 recall -- actually, Commissioner Edgar may recall, the
14 rest of you are sort of new to this particular case --
15 in 2010 the Commission issued a proposed agency action,
16 and in that PAA it approved the migration from the old
17 southeastern nine-state LENS ordering system to what is
18 now the standard 22-state LEX (phonetic) ordering
19 system. In that proposed agency action, the Commission
20 made a determination that LEX, as it was at that point
21 in time, basically met our obligation to provide
22 nondiscriminatory access to our OSS systems.

23 LEX has evolved since then, but it certainly
24 hasn't changed in the sense of what you approved back
25 in 2010. It is also significant to note, then, that

1 the original underlying complaint filed by STS in this
2 proceeding back in 2009 is that virtually all the
3 issues in that complaint were resolved by the PAA.
4 They were either resolved or were rendered moot by the
5 Commission's decision to approve the migration moving
6 forward with LEX.

7 There were some leftover issues that staff
8 identified that basically fall into a couple of
9 categories. The first one being staff was concerned
10 that perhaps the new LEX OSS system, based on their
11 audit, how well it would hold up under full CLEC
12 ordering volumes. We did the volume testing, all of
13 that played out, and everything was fine with that.

14 The other issues that remained are STS
15 specific, and that's important here. No other CLEC has
16 come forward with any of these issues. No other CLEC
17 came to the Commission to raise any of these issues.
18 These are all issues specific to STS. And that's no
19 other carrier in 22 states. It is only STS in Florida.

20 Of the -- I think it's 61 issue raised by
21 STS, we have resolved 60. The only one left is the RCO
22 tables. It's important to note as well that the data
23 and the information in the RCO tables was migrated out
24 of the RCO tables into essentially the functional
25 equivalent in LEX, which is the LSOR. It's just a

1 different format. And it is also important to note
2 that the LSOR is really more consistent with the
3 national standards group, the ordering and billing form
4 for purposes of identifying standardization for orders
5 and billing and so forth. And the LSOR really is more
6 consistent with that than the old LENS local ordering
7 handbook.

8 Having said all of that, the functional
9 equivalent is there for what STS wants to accomplish.
10 It is not in the same format, and perhaps may be more
11 complicated to use, but a functionality as endorsed by
12 the Commission in its order that was not protested says
13 our OSS and the LEX OSS in particular meets our
14 obligations.

15 One thing that you have to understand, it may
16 be nice to provide the RCO tables, but they are not
17 necessary for CLECs to do that. The data that they
18 need is already in the LSOR. The staff recommendation
19 appears to be -- and I don't blame them for this, but
20 it's a classic split the baby. It doesn't help AT&T
21 with this nor does it ultimately help the STS or any
22 other CLEC. What the staff recommendation tells you or
23 suggests that you do is make AT&T update -- rebuild the
24 RCO tables, update them to March of this year, and
25 that's it. And we give them back to STS and they can

1 do with them what they want.

2 If the RCO tables are a problem now, when the
3 next OSS release comes out they will be a problem then.
4 As staff noted in its recommendation, AT&T made the
5 offer that we would give them a copy of the RCO tables
6 circa third quarter of 2010, I think is when we
7 officially made the offer. I think it was September
8 when we made the offer. If you need the RCO tables and
9 you want them and you want to keep them and update
10 them, then we will make them available to you. Several
11 CLECs did that. STS did not.

12 Again, as noted in the staff recommendation,
13 STS in the intervening time frame, without the RCO
14 tables, has developed other mechanisms, templates, and
15 so forth to accommodate their needs. So I would submit
16 to you, Commissioners, that there is no point to the
17 staff recommendation in making AT&T go to the time and
18 expense of rebuilding the RCO tables simply to have
19 them start -- essentially reset the clock on them.

20 Just to sort of round out this, it's our
21 estimate that rebuilding the RCO tables as recommended
22 by the staff would cost somewhere in excess of
23 \$100,000. That's basically the time it would take to
24 recreate all of this data in the original format in the
25 RCO tables. We submit to you that there is no point

1 making us spend in excess of \$100,000 for a one-time
2 benefit that goes away again as soon as the next OSS
3 release comes out. We would urge you to reject the
4 staff's recommendation and close the docket.

5 **CHAIRMAN BRISÉ:** Thank you.

6 I'm assuming, Mr. Gold, that you have a
7 different perspective.

8 **MR. GOLD:** Yes, sir. And good morning. I
9 represent STS as well as DeltaCom. And for the record,
10 as staff noted, although other CLECs are not here
11 today, they filed documents supporting the position in
12 the -- staff's position and the importance of the RCO
13 tables.

14 What staff found in its recommendation is
15 something that should be quite disturbing to this
16 Commission. They found that in AT&T's new OSS system,
17 for the entire CLEC community, according to AT&T's own
18 records, that 36 percent of the time that an order is
19 placed that it is rejected. We are not talking about
20 the additional time that it takes to place an order,
21 which place the CLECs at a competitive disadvantage, we
22 are saying 36 percent of the time an order is rejected.
23 For STS that number, according to AT&T and the staff's
24 recommendation, is 40 percent of the time. One out of
25 every two there is a reject, and this is not

1 acceptable.

2 This docket started several years ago in
3 which to save money AT&T wanted to change its LENS
4 operating system to a new one. They assured this
5 Commission, they assured the CLECs that it would be the
6 same. That when you go back and look at the initial
7 staff report and this Commission's recommendation, it
8 was is this the system how CLECs order interconnection
9 and other services would be at parity, would be
10 equivalent to AT&T's retail.

11 Now, initially under the old system there
12 were realtime on-line edits. So when someone, a CLEC
13 was ordering, right on the screen it would tell them
14 what they did was wrong. That was taken away. The
15 staff and this Commission recommended that if AT&T
16 correct certain deficiencies in the system, correct
17 certain issues that they would let them go forward.
18 But this Commission nor the staff never found that by
19 itself that the new system was equivalent to the old.
20 There were issues that needed to be corrected.

21 Now, the RCO tables are very important and
22 more important now, because as staff very aptly pointed
23 out, it allows a CLEC at a very quick opportunity to
24 take a glance and see how to correctly place an order.
25 It wasn't as important when there's realtime edits,

1 because on the screen you can see what is to be done.
2 These RCO tables, which was one of the issues that
3 needed to be corrected and which this Commission
4 ordered that we work together to correct, is more
5 fundamental now than it ever was. And I believe the
6 error rate demonstrates how important that is.

7 Now, the Commission's report also points out
8 that when we were told that the tables, the ordering
9 would be moved, we were also informed by AT&T that it
10 would be maintained in the same format. That was
11 untrue. The format had changed. The format is far
12 more time consuming. It's not as intuitive, and it
13 results in unacceptable errors. So for AT&T to save
14 money, they are getting a very distinct competitive
15 advantage. It is contrary to this Commission's
16 findings, it's contrary to the federal rules which
17 requires the access to network elements in a
18 nondiscriminatory manner, which means equal or
19 equivalent to what AT&T provides itself.

20 We support staff's recommendations. However,
21 we would also request that this docket remain open.
22 Staff suggested two things. That the RCO tables remain
23 open, and that AT&T work with STS to correct the errors
24 which would hopefully also correct the errors
25 industry-wide in Florida. We believe that leaving it

1 without any oversight and just saying the two companies
2 work it out does not address a proper remedy should
3 these errors not be rectified. The staff's
4 recommendation also recommended that because of these
5 errors, not only because of STS, that AT&T look at
6 whether on-line edits should be incorporated, whether
7 the CLEC community wants that. I suggest that leaving
8 it up to AT&T without the Commission's oversight is
9 sort of like letting the lunatics run the asylum, that
10 we need this oversight. So what DeltaCom and STS
11 suggest is that this Commission accept the staff's
12 recommendation. The RCO tables are extremely
13 important. But instead of just saying here is a
14 one-time thing, and STS and the other CLECs, you go out
15 and spend the money developing front end systems and
16 third parties, that that is not what the law requires.
17 We are entitled to be at parity with their retail
18 systems, that this Commission revisit it and see if the
19 errors, the reject rate remains as high. We believe
20 something else needs to be done. We believe the RCO
21 tables and working together is a first step that we
22 whole-heartedly recommend, but we disagree that it
23 should be closed at this point. Thank you.

24 **CHAIRMAN BRISÉ:** Thank you.

25 Commissioners?

1 **MR. HATCH:** Mr. Chair, may I respond
2 momentarily?

3 **CHAIRMAN BRISÉ:** If you'd give us a second.
4 Commissioner Edgar.

5 **COMMISSIONER EDGAR:** Thank you, Mr. Chairman.
6 First, a question for Mr. Gold. How long has
7 STS been using the current ordering system?

8 **MR. GOLD:** They have been using -- they have
9 been using the current ordering system ever since they
10 were allowed to under the docket. And they still have
11 had problems with certain types of orders and a high
12 rejection rate. They have progressed to a certain
13 point, and for certain types of orders have developed
14 methods and templates, but they are still having this
15 high rejection rate which, as we can see, apparently is
16 industry-wide. But we have been diligently using that
17 since, I believe, 2009/2010.

18 **COMMISSIONER EDGAR:** And I was going to say
19 maybe somewhere in 2010, but I'll look for more detail,
20 of course.

21 **MR. HALLENSTEIN:** Commissioner Edgar, it was
22 fully implemented in, I believe, March 2010.

23 **MR. GOLD:** And there was a transition period,
24 I believe, of about three or four months. And during
25 that transition period, STS did its best to become

1 familiar and competent with that system.

2 COMMISSIONER EDGAR: So almost two years?

3 MR. GOLD: Yes, ma'am.

4 COMMISSIONER EDGAR: That seems like a
5 reasonable amount of time to learn whatever changes and
6 practices would need to be incorporated.

7 MR. GOLD: I would think it would depend upon
8 the system and the placement and the placing of -- and
9 the placing of orders. We have contended that this is
10 a very user unfriendly system. The fact that we have
11 been doing it so long and we have errors, I believe
12 that where you look for the fault is not on the people
13 that is operating, especially when it's not just one
14 company, but look at the fault at which system it is.

15 I also think that given the federal
16 regulations and the state's prior rulings, it's also a
17 question of does it provide access to network elements
18 in an equivalent and parity with what AT&T provides
19 itself. And although AT&T has not provided any
20 figures, nor have they provided figures for what the
21 reject rate was with LENS, I would be absolutely
22 shocked if AT&T's retail had a 36 percent or a 46
23 percent reject rate. And if they did, I think they
24 would be looking into what is wrong with their OSS
25 system, not what's wrong with the people using it.

1 **COMMISSIONER EDGAR:** Mr. Hatch, can you speak
2 to the 36 percent reject rate that has been put forth
3 today, and respond briefly to Mr. Gold's comments about
4 the nonuser friendly status of the system.

5 **MR. HATCH:** A couple of points that I would
6 raise, Commissioner Edgar. First, Mr. Gold talks about
7 parity. The answer to that is yes, we are in parity.
8 One thing that you have got to understand is that 13
9 states have used LEX since the inception of OSS. Those
10 13 states all passed 271 muster and all have been ruled
11 in parity.

12 Another important point that nobody seems to
13 have mentioned yet here today is the type of services
14 that STS really wanted to order you could not order on
15 a mechanized basis in LENS. They only got the
16 mechanized functionality to order their commingled
17 loops in LEX. I mean, they are complaining about the
18 lack of essentially the quality of LEX, but it allows
19 them to do exactly what they want to do.

20 Now, with respect specifically to their error
21 rate, I can tell you that without divulging
22 confidential carrier-specific information, as Mr. Gold
23 said, STS's error rate is substantially higher than
24 other CLECs for, as much as we can tell without doing a
25 huge dive into the data, for similar types of orders.

1 The types of errors on their -- that we have recorded
2 that they make are not specific to STS, and essentially
3 all we can suggest is that their reps need more
4 training than perhaps another CLECs' reps because it
5 doesn't seem to be any reason other than that to have a
6 much higher error rate for similar types of orders.

7 Now, we have always stood ready to help them,
8 to coach them, to give them training. Whenever they
9 have asked we have done that on repeated occasions. We
10 still stand ready to do that.

11 **COMMISSIONER EDGAR:** Thank you.

12 And to our staff, can you speak to the point
13 that was raised from the review and analysis and your
14 expertise as to whether access to network elements are
15 provided at parity?

16 **MR. HALLENSTEIN:** Commissioner, back in 2010
17 we completed an audit of the transition from one OSS
18 system to another, and we did determine at that time
19 that parity is provided to CLECs in order for AT&T to
20 implement the new LEX ordering interface in the
21 nine-state region.

22 **COMMISSIONER EDGAR:** Thank you.

23 Commissioners, I would just say that I am
24 open, but I'm not convinced that ordering an ILEC to
25 update the RCO specifically for one CLEC at this point

1 in time with all of the decisions that have been made
2 in the past is the direction we want to go, but I
3 welcome further discussion.

4 **CHAIRMAN BRISÉ:** Commissioner Balbis.

5 **COMMISSIONER BALBIS:** Thank you, Mr.
6 Chairman.

7 I just want to make a few comments and a
8 question for staff. I could not help but noticing our
9 staff chomping at the bit when hearing the comments
10 from both sides, and I'd like to give you the
11 opportunity to respond to what was said previously at
12 this time, if I may.

13 **MR. HALLENSTEIN:** Yes, sir.

14 Effectively, Mr. Hatch hit the nail on the
15 head. We are trying to split the baby. We are asking
16 for AT&T to update the RCO tables one time. This buys
17 additional time for STS, who as of about a year ago was
18 purchased by EarthLink, to look into an alternative
19 ordering system.

20 I think Mr. Hatch raised the issue that STS
21 is the only CLEC that is, for lack of a better term,
22 complaining, and it's because of the complexity of the
23 orders that they are putting through the LEX system.
24 That is staff's position. Other CLECs also use
25 third-party vendors to place orders. They contract

1 with third-party vendors, or they simply are resellers
2 and it is easier for them to put the order through the
3 LEX interface. So in the meantime, if AT&T were to
4 update the RCO tables, this would also buy STS
5 additional time to look into an alternative ordering
6 system. It is a cost intensive and it is going to
7 require capital costs. They probably would have to
8 build a front-end ordering interface. There are other
9 ordering systems available to CLECs, but they are, you
10 know, again, for lack of a better word, more powerful.
11 They can handle the more complex orders. I can't
12 speak -- I don't know exactly how they work, but that's
13 my understanding.

14 Also, I would like to point to Page 9 of the
15 recommendation. In the second full paragraph, it
16 notes -- let me just give you a little background here.
17 AT&T and the CLECs have what is called a change control
18 process. It is basically a monthly form where they can
19 discuss changes to their software or any concerns that
20 are raised by the CLECs. And through the change
21 control process, AT&T does have -- they are supposed to
22 dedicate capacity, resources to what is needed to the
23 CLECs. It's staff's position that AT&T does have the
24 resources currently available -- Mr. Hatch might want
25 to speak to that -- to provide the updates to the RCO

1 tables.

2 **COMMISSIONER BALBIS:** Thank you.

3 And for the Commission, I mean, one of the
4 concerns that I have that was brought forth by the
5 parties is that you have a situation where one could
6 argue that AT&T would benefit by making these forms
7 difficult to complete, because they are, in essence,
8 competing on a retail basis. So I understand the
9 party's point on that, which gives me some pause. So
10 I'd like to hear from the other Commissioners on this
11 issue. I think -- I hate just to split the baby just
12 to split the baby. I think if there is a better
13 solution, let's go to the better solution. But, again,
14 I would open it up for other Commissioner comments on
15 this.

16 **CHAIRMAN BRISÉ:** I have a question for
17 Mr. Hatch.

18 If you could answer the issue that was
19 brought up by staff, I think that that would bring a
20 little bit of clarity.

21 **MR. HATCH:** Certainly.

22 As the staff recommendation noted, that STS
23 did go to the change management process and make a
24 request that we update and maintain the RCO tables.
25 That request was denied for cost reasons, because it's

1 very expensive. No other CLEC was interested in that
2 happening at the time, and it was not just cost, but
3 because the data that is essentially at issue in the
4 RCO tables is also included in the LSOR. So the RCO
5 tables were viewed as at least somewhat duplicative of
6 what is already out there, and so both from a
7 duplicative point of view as well as a cost
8 perspective, we rejected that. It wasn't a change
9 management resource issue, per se, or an allocation of
10 the capacity in the change management system.

11 **CHAIRMAN BRISÉ:** All right. Let me ask a
12 couple of questions, and then I will shoot it over to
13 you.

14 As far as the industry standard, would we say
15 that the productivity tables which AT&T uses versus the
16 RCO tables which are used by Saturn, which one of those
17 two is closer to the industry standard?

18 **MR. HATCH:** I'm going to defer to my expert
19 on this one.

20 **CHAIRMAN BRISÉ:** Okay.

21 **MR. CHAMBERLAIN:** Hi. My name is Mark
22 Chamberlain with AT&T.

23 The industry standard is the local service
24 ordering requirements that conform with the local
25 service ordering guide, which is developed by the

1 ordering billing forum, which is a forum that all of
2 the technical industry participates in to develop what
3 fields are required for various different TELCOs,
4 RBOCs, and ILECs. So the LSOR is the industry standard
5 for telecommunications.

6 **CHAIRMAN BRISÉ:** Okay. And hearing that,
7 what does the time that staff is suggesting do for both
8 parties? Does that do any good for any one of the
9 parties, from your perspectives?

10 **MR. HATCH:** Mr. Chairman, from my perspective
11 it doesn't do either STS or AT&T any good. First, it
12 would cost a significant chunk of change in excess of
13 \$100,000 for AT&T. In addition to that, it would take
14 at least six months to actually rebuild the data
15 tables. And then at the next OSS release, and they
16 happen three or four times a year, it's automatically
17 outdated again. And so that's why we don't see a whole
18 lot of benefit in the particular place where the staff
19 recommendation ended up.

20 All the mechanisms that staff is recommending
21 STS pursue have been available to STS since this whole
22 saga began. More importantly, at the beginning of this
23 process, STS was a stand-alone CLEC. They have now
24 been acquired by EarthLink. We had questions
25 internally whether they wouldn't just switch over to

1 DeltaCom's or other EarthLink ordering systems if they
2 had trouble with LEX the way they have. I know that
3 DeltaCom uses what they call XML Gateway, which is
4 essentially a CLEC designed front-end system that feeds
5 directly into our systems. It's their own gateway.
6 They can tailor it to behave however they wish. They
7 still use LEX for certain, perhaps, one ofs (phonetic),
8 or things that are not regularly ordered by them, but
9 there's lots of things available to them and have been
10 available to them all along. We don't see the RCO
11 tables as solving any problem.

12 **CHAIRMAN BRISÉ:** Mr. Gold.

13 **MR. GOLD:** Yes, sir. We believe that, as we
14 said before, that the RCO tables are important to STS
15 as well as the other CLECs, and I believe there's about
16 five that has filed papers in support of this that we
17 believe they should be updated for more than a year.
18 But the fact that they are updated will still give us a
19 snapshot.

20 Staff is suggesting and the Commission might
21 be suggesting that STS and the other CLECs spend a lot
22 of money in putting front-end systems and the rest. At
23 this point in time, STS has been bought out. It places
24 some of its orders through DeltaCom, others of its
25 orders it needs to place manually, so whatever time

1 that it is given is important.

2 The one point that I made before and that I
3 won't belabor, neither this Commission in the past nor
4 the federal regulations require that to get access to
5 network elements a company utilize a third-party
6 provider or build a multi-million dollar system. We
7 are entitled to access to network elements in the
8 same -- in a nondiscriminatory manner, which is in the
9 same manner that AT&T retail has done so. And this
10 Commission's findings of parity in the past was based
11 upon issues being corrected with LEX and LENS, and the
12 RCO tables are a major point of that.

13 So a short answer to your question, we would
14 like it longer, but whatever time we get it, we believe
15 it would be a benefit not only to STS but the four or
16 five other CLECs who have voiced support of this in
17 this docket.

18 **CHAIRMAN BRISÉ:** Staff, on the issue of
19 parity, can we talk a little bit about the parity that
20 is being discussed now in terms of what does that
21 actually mean? Is it basic parity, or is it whatever
22 the particular carrier is using themselves for retail
23 versus what they are providing to all those who are in
24 the CLEC world?

25 **MR. HALLENSTEIN:** Commissioner, I can't speak

1 for a comparison of -- really a comparison of what AT&T
2 does on the retail side in comparison to the wholesale
3 side as far as their systems. The only thing I could
4 say is back in 2010 we completed an audit where staff
5 reviewed the transition of the old OSS interface, which
6 was LENS. AT&T wanted to convert or eliminate and
7 implement a new OSS interface, which is LEX, in the
8 nine-state region as a part of the consolidation
9 process.

10 At that time, we determined that parity did
11 exist. However, the Commission ordered that AT&T could
12 implement the LEX interface in the nine-state region
13 with the understanding that we would work with STS to
14 resolve a series of issues, approximately as Mr. Hatch
15 said, I believe, 61, and we resolved them all with the
16 exception of these instructional tables that were
17 consolidated along with the systems, and that is the
18 issue at hand now. STS believes these instructional
19 tables are more critical now because these edits, these
20 front-end edits are not built into the LEX interface as
21 they were in the LENS interface.

22 So when they used LENS, they didn't -- the
23 RCO tables were not as critical to STS as they are now
24 because the edits would be in there. For example, if
25 you are filling out an order and ask for the name, the

1 first name -- I am oversimplifying -- if you ask for
2 the first name, a pop-up would come up and say
3 prohibited, don't need first name, just last name. Now
4 they have to look at a table to know whether to put the
5 name, the address, Social Security Number, and I'm
6 simplifying it, and that table is basically a cheat
7 sheet. The RCO table is a cheat sheet as opposed to
8 the product activity table. It's just a longer process
9 of building an order. They have to click on every
10 single field within the order to determine whether that
11 field -- what is required in that field.

12 **CHAIRMAN BRISÉ:** Commissioner Brown.

13 **COMMISSIONER BROWN:** Thank you. What is the
14 long term solution then for STS? It sounds like this
15 is a very cost-intensive process, very duplicative
16 information. It sounds like it's continuously being
17 outdated.

18 **MR. HALLENSTEIN:** Commissioner, that is a
19 good question. I can't speak for STS, but staff
20 believes that the long-term solution for STS, given the
21 types of orders they place with AT&T and the complexity
22 of orders, we believe they need to pursue an
23 alternative ordering interface. Perhaps since they
24 have been recently purchased by EarthLink they could
25 have discussions, I can't speak for STS, because of the

1 complexity of the orders. LEX is maybe not the best
2 interface to use. They might need to refer -- and,
3 again, I don't know the ordering systems that well.
4 Maybe the XML Gateway that Mr. Hatch alluded to or
5 another -- build another front-end ordering interface
6 to help with their orders.

7 In the meantime, though, they have a very
8 high order rejection rate with the system, the LEX
9 system they are using now. And keep in mind that AT&T
10 has been ordered to implement this in the nine-state
11 region. They are obligated to provide parity service
12 with the LEX interface.

13 **COMMISSIONER BROWN:** Well, I'm going to look
14 to STS and ask the same question. Do you have a
15 long-term solution?

16 **MR. GOLD:** It's my understanding, and I'm
17 representing STS and DeltaCom in this litigation, I'm
18 not their business counsel and not intimately familiar,
19 so I will tell you the best that I do know. It is my
20 understanding that STS has been moving over as many of
21 its orders as it can and is looking in the long run to
22 invest that type of money. Up until now it has found
23 out that for the type of orders that it orders from
24 time to time, and network elements that it does order,
25 that it does still need to, for a period of several

1 years, to continue using the LEX, the LEX system. In
2 the long run, probably not, but what is somewhat
3 aggravating to that is though STS is doing so, when
4 this whole process began and it's in the staff
5 recommendation, we were told the RCO tables, and staff
6 was told the RCO tables would be in its same format,
7 and it has not been. And even though STS is investing,
8 and the other companies will be spending money to go
9 forward, under the law, until that happens, we should
10 not be experiencing these high rejection rates. And
11 it's not just STS, I would contend that 36 percent
12 rejection rates of the other CLECs is unacceptable.
13 When AT&T was asked to provide the rejection rate with
14 LENS, they said they could not -- they could not do it.
15 To me, that's not acceptable anyway.

16 **COMMISSIONER BROWN:** Thank you. Thank you.

17 I would like to give Mr. Hatch an opportunity
18 to also answer that question.

19 **MR. HATCH:** Their long-term solution is up to
20 them. There are lots of opportunities and options for
21 them, most of which have already been discussed. I
22 can't offer them anything new.

23 One of the things that has to be -- I guess
24 we would sort of talked (inaudible), I guess, because
25 we all know too much, or at least we know too much

1 about it, is the discussion has centered on on-line
2 edit checking and the RCO tables. They are not the
3 same thing. The on-line edits, which is what STS
4 really wants, is not at issue today. The RCO tables
5 are not the same thing. Although they are part of that
6 they are not the same thing. So you have to sort of
7 keep them separate in your mind.

8 When Mr. Gold talks about parity with our own
9 ordering systems, RNS is essentially our retail
10 navigation system that we use for our own residential
11 ordering service, it doesn't have RCO tables. But that
12 is kind of normal, because what a CLEC has to order is
13 essentially wholesale piece-parts where internally we
14 order packaged piece-parts in our network. You can't
15 do an actual apples-to-apples comparison of what they
16 have to do to order for their customers versus what we
17 do to serve our customers directly. So there's an
18 apples-and-orange problem there.

19 But, nonetheless, the RCO tables don't help
20 anybody. They don't help STS in the long run. They
21 don't even help them in the short run very much. And
22 it costs us a lot of time and a lot of money to get
23 there for no real apparent long-term useful reason.

24 **CHAIRMAN BRISÉ:** Commissioner Graham.

25 **COMMISSIONER GRAHAM:** Thank you.

1 This question is to staff. Is it just STS
2 and DeltaCom that's having this problem?

3 **MR. HALLENSTEIN:** Commissioner, if you turn
4 to page -- bear with me, I'm sorry -- Page 2 of the
5 recommendation. In the next to the last paragraph,
6 back in June of 2011 there were other CLECs that filed
7 letters in support of STS's position, and essentially
8 that's what the letters just said.

9 **COMMISSIONER GRAHAM:** They said they support
10 the position. Does it say that they were having the
11 same problems?

12 **MR. HALLENSTEIN:** They didn't go into detail
13 in their letters. I assume they have some problems,
14 but I can just assume, and I don't want to do that.

15 **COMMISSIONER GRAHAM:** Well, then I guess this
16 comes to a legal question. Legally is it the burden of
17 AT&T to make sure that all companies can move forward
18 as -- that all companies can move order without having
19 a 36 percent rejection rate?

20 **MS. ROBINSON:** I think AT&T's burden is to
21 provide nondiscriminatory service to all CLECs, and I
22 think they are doing that at this time.

23 I just wanted to mention, too, that the CLEC
24 support letters, two of the three that we received did
25 say that they were in support as it may affect their

1 system, not as it affects STS's system at this time.

2 **COMMISSIONER GRAHAM:** You'll have to say that
3 one more time.

4 **MS. ROBINSON:** The support letters, they did
5 say that they are written to support STS's position,
6 but as it may affect their system, which is a different
7 OSS system, the SEEM OSS system. So I do not think
8 that the support letters were, in effect, saying that
9 they have the same issue as STS. But to answer your
10 question, I think they are providing the service that
11 they are required to provide.

12 **COMMISSIONER GRAHAM:** You think that AT&T is
13 providing the service?

14 **MS. ROBINSON:** Yes, sir.

15 **COMMISSIONER GRAHAM:** So then why is staff's
16 recommendation for AT&T to change these tables?

17 **MR. HALLENSTEIN:** Commissioner, that's a good
18 question. I believe that -- we strongly believe that
19 STS needs to update these RCO tables merely on the fact
20 that they have a 46 percent rejection rate. They are
21 not -- no matter how hard STS is trying to build these
22 orders, one out of every two that they submit to AT&T
23 is getting rejected for some reason or another. You
24 know, we also recommended -- in our recommendation we
25 also recommended for AT&T to work with STS to determine

1 and resolve some of these rejection rate -- this
2 rejection rate issue, and we believe that if the RCO
3 tables were updated this one time it might reduce the
4 number of rejections.

5 **COMMISSIONER GRAHAM:** But it sounds like
6 everybody else has been able to make it work.

7 **MR. HALLENSTEIN:** Commissioner, not
8 necessarily. I believe that the -- and help me here.
9 The other CLECs still experience a high rejection rate,
10 and I believe it is noted in the recommendation. And I
11 would also point out -- I'm sorry, on Page 8 -- and I
12 would also point out that -- I'm sorry, let me go back
13 to Page 8 in the third paragraph, the last sentence,
14 "When compared to the analogous data for the top three
15 LEX users in Florida, the ratio of rejects to orders
16 placed experienced by these CLECs averaged 36 percent."
17 So the top three LEX users in Florida are still
18 experiencing a high rejection rate, as well.

19 **COMMISSIONER GRAHAM:** All right. Then I
20 guess my question is, and this goes back to what Mr.
21 Hatch had said, if they make these changes to these
22 tables, does it fix these problems that you are talking
23 about here in that paragraph?

24 **MR. HALLENSTEIN:** Staff believes that it will
25 certainly help with reducing the rejection rate if they

1 were to update the tables now. STS is having to build
2 their own templates to try to get these orders through
3 the door, and they are trying to use what -- to the
4 best of their ability, they are trying to update the
5 RCO tables on their own, so to speak. And we believe
6 if AT&T were to update them with the next release, we
7 would hope that STS's order rejection rate would be
8 reduced. And then in the meantime, STS could possibly
9 pursue alternative options as far as another ordering
10 system.

11 **COMMISSIONER GRAHAM:** About how much time
12 does that buy you?

13 **MR. HALLENSTEIN:** I'm sorry?

14 **COMMISSIONER GRAHAM:** How much time does that
15 buy you?

16 **MR. HALLENSTEIN:** Meaning STS, how much time
17 would it buy STS?

18 **COMMISSIONER GRAHAM:** Yes. If they make
19 these changes to the table now, but yet then again some
20 other update comes up, then does the changes that they
21 made to those tables --

22 **MR. HALLENSTEIN:** Typically, the updates in
23 the past -- typically, the updates to the RCO tables
24 occur three times a year. AT&T would have three major
25 OSS releases. They have one coming up in March, and --

1 Mr. Chamberlain, help me here, July would be the next
2 one?

3 **MR. CHAMBERLAIN:** Yes, sir, March, July, and
4 November.

5 **MR. HALLENSTEIN:** And so it would buy
6 additional time until the July release. And we don't
7 know what the impact would be for each of these
8 releases, it might be minimal.

9 **COMMISSIONER GRAHAM:** Thank you, Mr. Chair.

10 **CHAIRMAN BRISÉ:** Thank you.

11 Commissioner Balbis.

12 **COMMISSIONER BALBIS:** Thank you, Mr.
13 Chairman.

14 And just to follow-up with Commissioner
15 Graham, and I'm glad you pointed out that paragraph,
16 because that was the question I was going to ask is
17 what percentage of rejects are the other CLECs. And,
18 again, 36 percent seems high to me, but I don't know
19 how that compares with other companies. Do you have
20 any information on that?

21 **MS. HARVEY:** Commissioner, I would suggest to
22 you that AT&T's own ordering system's rejection rate is
23 zero. So a 36-percent rejection rate for CLECs is very
24 high.

25 **COMMISSIONER BALBIS:** Okay. And my concern

1 is that we are not moving towards a long-term solution.
2 I think we are having a short-term band-aid that may or
3 may not work. However, I do, with that information,
4 feel that 36 percent is a high rejection rate. So I
5 don't know from staff -- and the question is is there
6 anything we can do -- if we reject the band-aid
7 approach, but keep the docket open, are there any
8 options that you would recommend where you can pursue
9 working with the parties, a long-term option where it's
10 a true solution rather than a short-term fix?

11 **MS. HARVEY:** I would suggest consideration of
12 on-line edits for the LEX system as a long-term
13 solution for CLECs in reducing the rejection rate.

14 **COMMISSIONER BALBIS:** And as far as -- you
15 know, obviously we haven't been provided the pros and
16 cons of having on-line edits, the cost to AT&T, or any
17 other difficulties. Would it be best to have you bring
18 this back to us where you can thoroughly look into that
19 option rather than us making a decision with very
20 little information now? And I'm just speaking for
21 myself, obviously.

22 **MS. HARVEY:** Absolutely; yes.

23 **COMMISSIONER BALBIS:** Okay. Mr. Chairman,
24 that's all I have.

25 **CHAIRMAN BRISÉ:** Thank you, Commissioner.

1 Commissioner Edgar.

2 **COMMISSIONER EDGAR:** Thank you, Mr. Chairman.

3 And we have had a long discussion about this
4 and it has been informative. These issues have been
5 dealt with by this Commission for a very, very, very
6 long time. And over the years, as we know, there have
7 been many changes at both the state and the federal
8 level in the law and in the regulatory scheme. I
9 believe strongly, and I don't want to speak for anybody
10 else, although I think that you will agree with this, I
11 believe strongly that this Commission has taken actions
12 over the years to promote competition and will continue
13 to do so. I also believe that sometimes it is the role
14 of the regulator to make decisions that help to level
15 the playing field.

16 In this instance, though, similar to my
17 earlier comments, I remain unconvinced that the
18 direction we should take is to order an ILEC to update
19 the RCO tables specifically for one CLEC at this point
20 in time, realizing the changes that will be made in the
21 OSS over the normal course of business.

22 So, Mr. Chairman, if we are in the posture, I
23 would move that we reject the staff recommendation and
24 direct our staff to close the docket.

25 **COMMISSIONER BROWN:** Second.

1 **CHAIRMAN BRISÉ:** Okay. It has been moved and
2 seconded.

3 Commissioner Balbis? No. Okay.

4 All right. Any further comments on this
5 docket?

6 Commissioner Graham.

7 **COMMISSIONER GRAHAM:** I guess you guys may
8 hate me for asking this question, because rejecting
9 staff's recommendation and closing the docket doesn't
10 solve the problem. What happens, what is the next step
11 to solving the problem? I don't know. That's actually
12 a question to staff.

13 **MR. HALLENSTEIN:** I apologize, Commissioner,
14 can you repeat the question?

15 **COMMISSIONER GRAHAM:** Rejecting staff's
16 recommendation and closing the docket does not solve
17 the problem. What is the next step in solving the
18 problem?

19 **MR. HALLENSTEIN:** That's a good question.

20 **COMMISSIONER GRAHAM:** I don't know is a fair
21 answer.

22 **MR. HALLENSTEIN:** Obviously our concern is
23 their rejection rate, and the rejection rate needs to
24 be addressed somehow. I don't have an answer for you,
25 a direct answer for you. AT&T needs to work closely

1 with STS to determine the cause of the rejection rate.
2 I don't know if something can be mandated for them
3 to -- I'm not legal, so -- to work with, I mean, have
4 AT&T specifically work with STS to determine the exact
5 causes and maybe what STS is doing wrong.

6 **COMMISSIONER GRAHAM:** Well, I guess, back to
7 the Commission, maybe the next step -- I don't have a
8 problem with closing it and pushing this docket aside,
9 but maybe the next step is just deferring this until
10 the next meeting and giving -- more dialogue to come to
11 the table. Because, I mean, I'm not seeing a solution
12 come up. And short of Mr. Gold or his client having to
13 come back and filing something different and going
14 through the process and pushing everything back several
15 months, maybe in the next couple of weeks there is
16 something that will come to light or maybe we can at
17 that time yank it.

18 **CHAIRMAN BRISÉ:** Commissioner Balbis.

19 **COMMISSIONER BALBIS:** Thank you, Mr.
20 Chairman; and thank you, Commissioner Graham.

21 And I tend to agree with you, I would rather
22 work towards a long-term solution. My concern is that
23 if we close this docket we will not have the
24 opportunity to do so unless we, again, initiate a whole
25 new proceeding, which I certainly would not want to do

1 that if there is an easier way.

2 And perhaps if we keep the docket open it
3 would allow staff to come up and look into the on-line
4 editing option or provide us with information on maybe
5 a longer term solution. So the question for staff, if
6 we close this docket, does it effectively eliminate any
7 options for us to look at a long-term solution on this
8 issue?

9 **MR. TEITZMAN:** Commissioners, Adam Teitzman
10 on behalf of Commission staff. There is a docket that
11 remains open, it is 000121A. That is the docket where
12 this OSS system was first approved. And usually we
13 wouldn't monitor this type of issue in that docket.
14 However, I believe you certainly could indicate to
15 staff today that you would like us to monitor that as
16 part of the 000121A docket. It is generally a docket
17 now that remains open for continued oversight of the
18 OSS systems.

19 **MR. HATCH:** Mr. Chair, at some point might I
20 weigh in a little bit?

21 **CHAIRMAN BRISÉ:** Sure. Yes, I think now
22 would be appropriate.

23 (Laughter.)

24 **MR. HATCH:** I understand that you're looking
25 for a long-term solution; I truly appreciate that.

1 Leaving this docket open doesn't help that goal.
2 Whatever -- and let me assure you, we have worked with
3 STS a lot trying to figure out ways to get there. We
4 have not come to an agreement at this final juncture on
5 just the RCO tables. Whatever the final solution is,
6 it does not involve the RCO tables. So keeping this
7 docket open doesn't solve any problems.

8 If at some point STS or any other CLEC
9 figures out that it needs a solution that involves AT&T
10 making changes to its systems, then let it come forth.
11 It is free to file a petition and put on a case anytime
12 it chooses to. But leaving this docket open to address
13 issues that were never identified in the original
14 petition -- I mean, we end up shadow-boxing, going
15 around and around and around with no clear goal. And
16 essentially that is why we are here today, and it has
17 been so long getting here is there is no clear
18 delineated I want this; my answer is yes or no; let's
19 talk about how to get there. But this case in this
20 docket is not the vehicle to do that.

21 **MR. GOLD:** May I respond?

22 **CHAIRMAN BRISÉ:** Sure.

23 **MR. GOLD:** STS two years ago filed its docket
24 objecting to the RCO tables based upon the edit --
25 on-line edits. When that went away, we started relying

1 and we needed to rely upon the RCO tables. Our goal
2 from the inception of this docket has been the same,
3 how can we place orders for our customers with a
4 minimum of errors? How can our error rate get to where
5 AT&T's retail rate is? I believe that this docket and
6 what can be done in this docket, whether it's a
7 continuation of the RCO tables that we work with,
8 whether it's the on-line edits which eliminate the need
9 for the RCO tables, but I would like -- I would think
10 this docket would be appropriate, and I would also
11 suggest, as was pointed out, that this is not just an
12 STS problem. It's not STS having trouble and all the
13 other CLECs are not. I mean, one-third of every order
14 is a lot of problems. Thank you.

15 **CHAIRMAN BRISÉ:** Thank you.

16 I'll make a comment, and then Commissioner
17 Graham has some comments, and then Commissioner Edgar,
18 and then Commissioner Brown.

19 Obviously there's an issue at hand in this
20 docket and the splitting-the-baby solution is not the
21 solution from my perspective for this docket. So I
22 don't think there is any benefit in keeping this
23 particular docket open. However, I think there is a
24 huge benefit of looking at Docket Number 000121,
25 monitoring -- and I would strongly encourage the

1 companies to engage in dialogue with each other so that
2 this issue will be resolved for as much resolution can
3 be found in that issue.

4 Understanding that it is capital intensive,
5 it is human resource intensive in the training and all
6 of that that will come about through the process of
7 arriving at a solution. So those are my thoughts on
8 this issue.

9 And at this time, Commissioner Graham.

10 **COMMISSIONER GRAHAM:** Once again, I know you
11 guys are going to get mad for me stirring the pot. I
12 don't have a problem with moving forward with the
13 motion that was on the floor and seconding. Mr.
14 Chairman, as you said, just as long as there is a
15 mechanism to make sure that the conversations continue
16 to go. Because it's just like anything else, this
17 problem -- it didn't just start yesterday. You know,
18 it has probably been going on for awhile, and it seems
19 like, you know, two kids are fighting over a truck.
20 It's got to come before mom and dad that any resolution
21 comes to happen. And we need to make sure that that
22 constant flow of information is going through.

23 I don't know if we need to put a time frame
24 out there or come back or anything along that line.
25 I'm just throwing ideas out there. Staff, if you have

1 anything you can let me know, but other than that I
2 don't have a problem with just moving forward with the
3 motion that's on the floor.

4 **MS. HARVEY:** Commissioner, I would
5 specifically suggest monitoring the rejection rate for
6 STS and other CLECs on a monthly basis for the next --
7 for some period of time, six months, nine months.

8 **COMMISSIONER GRAHAM:** Well, that doesn't fix
9 the problem. We know that the rejection rate is high.
10 I mean, what else can we do or should we be doing right
11 now? I mean, the number is going to come back and it's
12 going to be 36, or it's going to be 46, or whatever
13 it's going to be. I mean, you know, it's not going to
14 change unless we do something.

15 **MS. HARVEY:** That's true. That's true.

16 **COMMISSIONER GRAHAM:** Okay. Thank you.

17 **CHAIRMAN BRISÉ:** Commissioner Edgar.

18 **COMMISSIONER EDGAR:** Thank you, Mr. Chairman.
19 And I concur completely with the comments that you made
20 just a moment ago and with Commissioner Graham's
21 comments. I could not have said it better myself. I
22 do think that even with the later discussion that we
23 have had that procedurally the posture we are in, the
24 motion that is before us is maybe not perfect, but
25 probably the best way to proceed.

1 I would ask that -- and I'm not sure I got
2 the number, but if it is 000121 and another docket that
3 is currently active at the Commission, that as part of
4 that our legal office take a look specifically at what
5 our statutory role and authority is regarding rejection
6 rates, and that may help us down a path to see if there
7 is a role or some actions that we could or should take.
8 So I'm not adding that into the motion, I am just, as
9 one Commissioner, making that request. And, Mr.
10 Chairman, when you are ready for a vote, I'm ready to
11 do that, too.

12 **CHAIRMAN BRISÉ:** Sure. Commissioner Brown.

13 **COMMISSIONER BROWN:** Thank you.

14 And thank you, Mr. Chairman, Commissioner
15 Graham, and Commissioner Edgar. I agree
16 whole-heartedly with all three comments that you have
17 made, and I am in a position right now, I think we are
18 in a position to make a motion, since right now I think
19 we are ready to close this docket. And the guidance
20 has been dictated to the Commission staff to look into
21 what role we can do in terms of helping reduce that
22 rejection rate. So I'm ready to make the motion or
23 second the motion.

24 **CHAIRMAN BRISÉ:** You have already seconded
25 it.

1 **COMMISSIONER BROWN:** Okay. Second.

2 (Laughter.)

3 **CHAIRMAN BRISÉ:** Commissioner Balbis.

4 **COMMISSIONER BALBIS:** Thank you, Mr.

5 Chairman.

6 And I just want to make sure staff does have
7 clear direction on that. It's the 000121A docket, I
8 feel and I believe comments from the other
9 Commissioners that a 36 percent rejection rate is too
10 high. And it's one thing if all parties are having
11 similar problems, but when AT&T retail is competing
12 against those other parties, then there is a clear
13 advantage. So I would hope that in that docket,
14 whether it's a specific issue, but a clear
15 recommendation comes to us so that we can move forward
16 with a long-term solution. Thank you.

17 **CHAIRMAN BRISÉ:** All right. At this time we
18 are ready for the vote. All in favor say aye.

19 (Vote taken.)

20 **CHAIRMAN BRISÉ:** All right. Any opposed?

21 Very good.

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1 STATE OF FLORIDA)

2 : CERTIFICATE OF REPORTER

3 COUNTY OF LEON)

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I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.


IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 17th day of February, 2012.

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