

# **EXHIBIT MAC-4**

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10 SBC GLOBAL NETWORK

11 BROADBAND SERVICE

12 INDUSTRY COLLABORATIVE FORUM

13 PROJECT PRONTO - CLEC COLLABORATIVE

14 JANUARY 25, 2001

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1 MS. MOIR: Good morning, everybody. I'm  
2 not the bright, perky type so I'm not going to make you say  
3 hello. For those of you who don't know me I'm Caryn Moir.  
4 I've got the product marketing organization that's responsible  
5 for development of the data products in our wholesale unit. A  
6 number of my team is here. I'd ask that those of you who are  
7 either on my team or with SBC in the development world to  
8 stand up and wave your hands so we know, the rest of you can  
9 look around. That way, if you have a question, you know who's  
10 with SBC, you can spot them pretty quickly. We've also tried  
11 to get more of your account managers here to answer questions  
12 so that you have a good opportunity to get some good dialogue  
13 going.

14 Welcome to the second of our  
15 collaboratives on the broadband service. How many of you were  
16 here for the first one? And how many of you this is your  
17 first time in this collaborative? Okay. Well, let me take  
18 just -- since we have so many people in here, let me just take  
19 a couple of minutes and orient us around our purpose today.

20 The origination of this collaborative, as  
21 I think everybody knows, is in what we call Pronto. And we  
22 have a commitment to the FCC to pool a collaborative. That is  
23 the kernel of this. I don't want anyone thinking four a  
24 moment that that's the only reason we're in the room is  
25 because we have an obligation to spend a day with you every

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1 now and then. We are really working hard to make sure that  
2 this is a product marketing approach, sort of a focus group,  
3 if you will. We always have the overlay of regulatory issues  
4 and we're [unintelligible] to those but we try to drive us to  
5 a productive area, so that's our focus. I know we've got a  
6 lot of cooperation from everybody else in funneling the  
7 conversation in different channels.

8                   We are on the record. You'll notice we  
9 have a court reporter with us taking this down, so not for a  
10 minute do we forget the importance of this in the regulatory  
11 arena, but again we're focused on taking the broadband service  
12 to the next level. We have deployed it, but as we deploy the  
13 service, as we launch it in the various regions, we also have  
14 new events cropping up and some of those we won't be able to  
15 respond to today.

16                   Just in the last week -- let's tick off  
17 what's happened in the last two weeks. We've had the BC court  
18 vacate the merger order. We've had the Illinois HEPO  
19 [phonetic] come out of the ICC, which is the hearing  
20 examiner's proposed order. We've had the line share order or  
21 the advanced services order come out of the FCC on Friday.  
22 There's a lot of activity and it's pretty much never ending.

23                   Where we can address things we will, but  
24 what you will find is, for example, with the line sharing  
25 order that came out in the FCC on Friday, we're not going to

1 have a whole lot of comments on it today. And specifically  
2 there's -- the very beginning of it it talks about line  
3 sharing over a variety of media. We're not prepared for that  
4 kind of discussion after just having it for a couple of days.

5 I do want to address the Illinois HEPO  
6 before we get started. Are you guys familiar with what the  
7 hearing examiner stated? Their recommendation is that we  
8 unbundle the broadband service, which has been an ongoing  
9 debate in the regulatory arena. I don't want to spend a lot  
10 of time on this but I will tell you just so we all have the  
11 information is that this series from our perspective is  
12 seriously jeopardizing our economics in the broadband service.

13 We have deployed equipment in Illinois.  
14 We will serve using that equipment at this time, but we're  
15 temporarily suspending additional investment, additional  
16 deployment because of the expense involved until we get to  
17 what I would call a stable environment. And I think we're  
18 expecting a final order in March, is that about right? So  
19 those things will affect us. What I really want to encourage  
20 everybody to do today is to plow ahead with what we can do.

21 Couple of other comments around our  
22 purpose and around what we're trying to achieve today, there  
23 will be time later for an open discussion. We had quite a few  
24 items that came up last time that we didn't really know where  
25 to funnel. Some of them were regulatory comments, some of

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1 them were issues that we hadn't scheduled time on the agenda  
2 for, so we want you to know that we've heard some comments  
3 about how we've scheduled this. We do have an open panel  
4 discussion. We'll have a number of people up here. It's not  
5 because they have an agenda necessarily to discuss but that  
6 we're all here for question and answer.

7                   Also there have been a number of questions  
8 about the parties that play in this environment. Certainly  
9 there's the [unintelligible], as we see, there's all the CLECs  
10 who are providing service to the band users and there's the  
11 third party vendors, and we have Alcatel with us today. I  
12 hope you'll be kind. This is a fairly pressure filled  
13 environment so I want to let you know that as we're scheduling  
14 these, we are trying to listen to what you're trying to get  
15 out of them as well and respond to that. So as we go through  
16 the day, if you have additional comments, we'll find time to  
17 address them somewhere in the day or we can talk to you about  
18 them at lunch.

19                   Let me cover a couple of building items  
20 and I think I'm done. For those of you who aren't familiar  
21 with this building, there are restrooms right outside these  
22 doors. There's also another set just past the elevators.  
23 There's a bank of phones behind the double doors in back. You  
24 will have to use a calling card, but I think everybody's  
25 prepared for that. I'm trying to think. Is there anything

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1 else I need to address, Peggy?

2 MS. BEATA: Just the agenda's included in  
3 the package.

4 MS. MOIR: Okay. And the agenda's  
5 included in the package. We're going to start off with Pete  
6 Wilcox who's going to talk about the special request process,  
7 and I'll be here throughout the day if you have questions for  
8 me.

9 MR. WILCOX: Well, good morning to all. I  
10 asked for approximately 15 minutes on this morning's agenda  
11 because in our last collaborative, our initial one in October,  
12 I presented in the afternoon and there were a bunch of  
13 questions that were raised and I wanted to make sure that we  
14 took care of any unfinished business. I also want to stress  
15 this morning that from our perspective I think we heard what  
16 some of you folks were asking about or making recommendations  
17 on as far as the special request process.

18 For those who were here in October I think  
19 there was almost a great deal of let's say almost universal  
20 dissatisfaction with the way it looked originally. We tweaked  
21 it, made some changes, made some recommendations and I just  
22 want to stress for my presentation and for the rest of the  
23 day, because I'll be the moderator, that this is a  
24 collaborative effort. We want your input. We need it. It's  
25 a two-way street, so please let's look at it as a healthy

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1 dialogue and we are open obviously to suggestions,  
2 recommendations, etc.

3                   Okay. That being said, my presentation  
4 here on the special request process basically says that one of  
5 the first items that came up was can you have a technical  
6 meeting, do I need to institute the paperwork. This is  
7 something that, you know, why go through the process of  
8 putting paperwork together if SBC may turn around and reject  
9 it summarily.

10                   So our first change from the last session  
11 and what we'd like to introduce is that if you folks feel you  
12 have a special type of application, please bring it to the  
13 attention of your account manager because that's your  
14 interface into the corporation, and we will work -- product  
15 management will work with the account manager and the  
16 necessary folks in the organization to get a technical meeting  
17 scheduled because I think the first item from October was  
18 technical feasibility, how do we determine that in lieu of  
19 putting in a bunch of paperwork and then finding out  
20 afterwards.

21                   So the first item is get to your account  
22 manager, give them an idea. You don't have to be overly  
23 specific. More specifics you can provide would be helpful up  
24 front, but dialogue with your account manager, let them know  
25 what you're thinking of, and then we will be more than happy

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1 to sit down at the table for an hour, hour and a half to  
2 discuss technical feasibility.

3                                 Now, at this session I'd like to stress  
4 that the folks that we intend to bring in, and product  
5 management will be represented, amongst others, but it's  
6 designed to gauge the feasibility of the request. That's  
7 basically it. We're not going to get into pricing or anything  
8 like that up front, but it's just a first blush session at  
9 should you go forward or do you want to go forward, that's  
10 your call. Okay. That's number one.

11                                 Number two, as far as what came up last  
12 time, there was a gentleman sitting over here at the time who  
13 said gee, SBC, we don't want to give you a blank check, you  
14 know. You have a special request process here, you're going  
15 to provide us with a cost quote, how do we know what's going  
16 to go into the cost quote at all. What we're going to  
17 continue to ask for obviously is as much detailed information  
18 as possible. So the more up front info you folks can provide,  
19 the better it'll assist us in gaining a quote for you.

20                                 However, as far as the issue of does SBC  
21 want to use this as carte blanche for a blank check,  
22 absolutely not. So we're doing two things, and the other two  
23 changes involve, at least here in January are, we want to  
24 introduce an application fee of \$100. That's basically a  
25 paper processing input fee. It'll -- I view it quite candidly

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1 as keeping you folks honest. You're going to think about the  
2 request beforehand, we're going to hold a technical meeting  
3 beforehand if need be, if you want it, so then after all that  
4 if you want to submit the request, there'll be an application  
5 form. But it's \$100, so I kind of look at that as a novel  
6 thing.

7                                 But what we're going to do behind that is  
8 that when the folks put the quote together, we're going to  
9 come back to you with, I guess, a quote that says there's a  
10 cap on the developmental cost that depending upon the  
11 application and the folks that we put together whether --  
12 obviously we may consult with a vendor, we'll go through our  
13 engineering group, we'll go through our network planning  
14 group, whatever we have to do internally to work this thing.  
15 To come up with a preliminary quote what we'd like to do based  
16 upon your requests last meeting is give you a real good order  
17 of magnitude cap on the developmental cost.

18                                 Now, is that to say that if we came back  
19 with a quote that said for application for widget one is  
20 estimated at \$5,000, will it be 5,000 on the nose by the time  
21 we get done with the process, which basically takes 75 days.  
22 In your package there's a timeline, and in here -- I'm sorry,  
23 I'm skipping around a little bit and I'm not one to stay right  
24 by the book with the slides, but it's kind of self-explanatory  
25 in your package.

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1                   We talk about the application fee, ask you  
2 for as much information as possible, indicate what we need and  
3 here it is; technical description, drawings, locations,  
4 straightforward stuff that you're, I'm sure, used to getting  
5 from your own customers and used to providing in business.  
6 Okay.

7                   But out of that if we get that input, and  
8 let me stress the one input that is critical in my view  
9 because I'm going to bring this right back to the costing  
10 effort, is the idea of forecasting. This is known as the  
11 special request process, so up front I view it as perhaps a  
12 one of a kind. It's a special request conceivably for one  
13 customer. Maybe more customers will want it in the future.  
14 If you think that would be the case, please give us the best  
15 forecast you can. And we're asking for a three year  
16 forecasting, all right. That's, I think, a good time frame  
17 to look at in this day and age. But if you can give us  
18 something, that will help in the costing effort.

19                   Because I believe last time we talked a  
20 little bit about the idea that when you want something special  
21 for one customer in a business, generally speaking, the cost  
22 causer, or the application in this case, would drive the cost.  
23 Does a business, whether it's ours, yours or any other, want  
24 to leave money on the table when you're doing something for a  
25 singular venture. Normally we don't. It's not good business

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1 practice to turn around and say gee, something's going to cost  
2 a thousand dollars, I'm going to charge my customer 795 and  
3 you're leaving money on the table. That's a business decision  
4 that any entrepreneur or businessman can make. As a rule,  
5 quite frankly in my experience, we don't do that.

6 But the idea of what was termed in one  
7 discussion I had with an individual was repetitive costs. If  
8 you know you're going to have three, four, five, ten of these  
9 things and you tell us that and it's within this time frame  
10 and it looks good, then perhaps the cost can be spread out  
11 over that number. So I think it can be to your benefit is  
12 where I want to go with that.

13 In the package here we do have a slide  
14 here that talks about the timeline. That hasn't changed.  
15 That was in the October handout and it hasn't changed. So  
16 basically speaking, what we're asking for is you get to your  
17 account manager with it with a request with a potential input,  
18 if we sit down at the meeting in a meeting room and have this  
19 discussion about it, you folks turn it in. Then we'll come  
20 back and acknowledge that within ten days, and then in 35  
21 business days beyond that we'll work up this quote to the best  
22 of our ability. No gouging, nothing like that, okay. We'll  
23 do the best we can to fulfill a request, obviously that the  
24 request has been accepted.

25 Now, another special point from last

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1 session was if we get your request in even after the technical  
2 meeting and for whatever reason we're not going to process it,  
3 we're going to reject it, we're going to give you a better  
4 answer. We're going to give you the best answer we can, the  
5 best reason why we're not going to go forward with it. Could  
6 be a policy decision, could be a change in the environment,  
7 and I mean legislature, slash, regulatory, slash, whatever  
8 environment, I don't know. But a discussion point from  
9 October was gee, SBC, sometimes we just think that we might go  
10 forward with these and then we hear otherwise. We'll let you  
11 know, okay.

12                               So basically -- let me state that nothing  
13 else in the presentation from before was altered other than  
14 these three items about the application fee, technical meeting  
15 and the idea of the developmental costs being included in the  
16 pricing. So those are the three main changes that I have here  
17 for you this morning.

18                               And if anyone who wasn't here -- there are  
19 a lot of faces I recognize. For folks who weren't here in  
20 October, I'll be more than happy to get you a copy of that  
21 presentation. That's no problem whatsoever, okay, and I can  
22 get it to you before you leave today. So if you want to do a  
23 stare and compare as to what's in here now versus what we said  
24 last time, that's fine. And I'll be certainly available for  
25 questions during breaks as well or right now, if anybody has

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1 any. Yes, ma'am?

2 MS. GENTRY: Where are you going to  
3 memorialize this as far as usually BFRs, which this is not a  
4 traditional BFR, is contractual. Is this going to be  
5 something that is time specific that in turn doesn't go too  
6 far to a contract so that we have the assurance of the  
7 timeline and its structure?

8 MR. WILCOX:: You know, Jo, I think that's  
9 a very valid request and I think that is an excellent  
10 question. I think the customer specific request for a CLEC,  
11 broadband services aren't put into a contract. I don't see  
12 why we couldn't put it into the contract. Let me take it as a  
13 take back, and I think that answers your question that it  
14 would solidify it.

15 MR. BOYER: I would think that -- Chris  
16 Boyer. I think from my perspective I think that we could --  
17 if we negotiate a contract, we could update the language to  
18 reflect the process.

19 MR. WILCOX: And, Chris, thank you for --  
20 Chris got up and identified himself. Not that all you folks  
21 who are in broadband don't know who that gentleman is, but  
22 during the course of the day Christy's up here taking all the  
23 verbiage down. We had a lot of unidentified speakers in the  
24 transcript at the last session. If you could identify  
25 yourself, that will help us work with the account team to

1 perhaps direct any follow-up issues or feedback back to you  
2 going forward, if that's okay, we can do that. Yes, ma'am?

3 MS. LOPEZ: Ann Lopez from Rhythms. As  
4 Ms. Gentry pointed out, this is nothing more than a surrogate  
5 bay of arts, nothing more than a bona fide request. Although  
6 you're only presenting it here in Pronto, what type of  
7 situations, what type of scenarios do you see the CLECs  
8 presenting a special request -- or special request process go  
9 into effect? What type of products are you expecting to see  
10 from us?

11 MR. WILCOX: Well, in my view, if you were  
12 to ask for a tweaking of the DSL that's out there; in other  
13 words, we have a ADSL out there today, and if we call that  
14 plain vanilla DSL for talk sake now and you come up and you  
15 want really cranberry DSL because you're going to perhaps add  
16 something in that you may have heard about or read about,  
17 whatever you want us to explore, something that could be  
18 leading edge out there that a telephony magazine has put out  
19 there, I don't know exactly, that would be your call with what  
20 your customer is telling you that they think they need and  
21 all.

22 Obviously we're going to come out with  
23 newer items or enhancements to broadband, slash, Pronto as  
24 time goes by, which some of which you may hear about today.  
25 And if perhaps you want one of those in advance, okay, of its

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1 general lease, if we can do that I would consider that if we  
2 were to try to push something forward. That would be  
3 considered a special request. Yes, Jo.

4 MS. GENTRY: Jo Gentry, IP. Go a little  
5 further into that because traditionally at the FCC when you do  
6 an ICB, that is the one that -- one time situation. By the  
7 time you do your second one, it becomes a standard offering.  
8 I, as a company, would like to have the opportunity to know  
9 that some of the CLEC is asking for something through some  
10 kind of an acknowledgment so that I didn't have to start over  
11 from scratch.

12 Also, if you've already developed the  
13 process even though they may have paid for some of the  
14 developmental costs up front, you might in research a few  
15 months later ask for that same thing. We've already created  
16 an awful lot of that, I would have known that and the delivery  
17 time will be shorter. Have you thought about the  
18 communication path for acknowledging to the industry that  
19 you've created some kind of unique configuration and the fact  
20 that it becomes a standard offering to the product, it's not  
21 ICB?

22 MR. WILCOX: We had part of this  
23 discussion last time.

24 MS. BEATA: Do you want to take it, Pete,  
25 or can we take it over here?

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1 MR. WILCOX: Be my guest.

2 MS. BEATA: Peggy Beata, SBC, and if  
3 anybody else from SBC that wants to respond to that  
4 point, please do. We talked about this last time and I  
5 reiterate that if something is developed on behalf of one  
6 customer, it's proprietary. If the customer pays for that  
7 development, it is proprietary to that customer. So we will  
8 not generally roll out something that is developed and paid  
9 for if it is not part of some kind of deployment plan to a  
10 mass of customers. If it's a one time ICB type of  
11 arrangement, that's what it is.

12 If we are going to roll out something to  
13 customers or it's in a plan deployment stage, that's a  
14 different story and you would be told that. That would be  
15 acknowledged. I'm not sure if I'm getting to the point  
16 of your question but I just want to clarify some of the  
17 things that were said. So at no time would a customer in this  
18 room be paying for something that's going to become generally  
19 available.

20 MS. GENTRY: I think I conceptually  
21 understand when you're saying that if it was a one time  
22 situation, that it's a unique occurrence. The second time  
23 that it's requested it's no longer unique, and I see that as a  
24 standard offering. So that's -- that would be where if a CLEC  
25 had already requested this functionality, you created that.

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1 Now, I may not know that they created that.

2 What you're telling me right now, you're  
3 not going to acknowledge it, but I asked for it and it is so  
4 close to the same thing or it is the same thing. I would have  
5 the expectation that you would not start from scratch again,  
6 take me through the full developmental process and the expense  
7 and in fact the delivery time would be shorter.

8 Now, what you tell me and how you  
9 communicate it to me may not be what well, I've already done  
10 that so this is going to be a short circuit in a few weeks.  
11 But the expectation is that you would in fact have it on a  
12 shorter time frame, but that it would become a standard  
13 offering because you see now two people have it and in fact  
14 there's a demand for it in the industry.

15 MS. BEATA: And your interpretation is the  
16 same as an interpretation as many state commerce commissions,  
17 especially Illinois, whereby you cannot offer the same thing  
18 to one more than one customer without it becoming a general --

19 MS. GENTRY: And FCC. It's been at the  
20 FCC for 15 years, 20 years, since we've been access and  
21 everything is that the second one becomes a standard offering.  
22 You know, we used to have to file ICBs in the FCC tariffs, the  
23 second one was a standard offering and then everyone had the  
24 benefit from it. That would be my same expectation here.

25 MS. BEATA: Did I answer your question?

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1 MS. GENTRY: I think you're -- as far as  
2 the first one is proprietary, you're not going to tell me  
3 that. But coincidentally if I accidentally ask you or if they  
4 are asking for the second time, then it becomes public  
5 knowledge.

6 MS. CARTER: Peggy, in your scenario with  
7 --

8 MS. BEATA: Melia Carter with Covad.

9 MS. CARTER: I'm sorry. Melia Carter from  
10 Covad. In your scenario where you have one CLEC that comes in  
11 and pays for a special arrangement, I guess two questions.  
12 One is how do you distinguish that from the scenario where the  
13 second person comes in and, third -- the second question is  
14 who gets the intellectual property rates to that?

15 UNIDENTIFIED SPEAKER: I don't know.  
16 We'll have to take that one down.

17 MS. CARTER: I guess the question is, if a  
18 CLEC comes in and pays for a development of something, why  
19 should SBC get the intellectual property rates to that if it's  
20 all paid for and developed by the CLEC.

21 MS. BEATA: Can you take that?

22 MR. WILCOX: Melia, that's an excellent  
23 question. Let me add my opinion from what I think where Jo  
24 was going that the first part of your question, okay, in my  
25 view -- and I have been dialoguing somewhat with the costing

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1 folks obviously in this scenario. Second iteration of it or  
2 another request very close to what we've already done, we  
3 rolled out widget one for one customer and then widget two  
4 comes in and it's 99 and 44/100 percent the same as widget  
5 one. Your point, Jo, about our developmental costs perhaps  
6 smaller is the time frame shorter to turn this out, and then  
7 the answer is yes, it should be. We've done it, we should be  
8 able to do it again in a shorter time frame. So it presumably  
9 will have the type of positive impact you folks do here.

10 Anything else, because I'd like to keep to  
11 the agenda today, or at least to the time frame, not to say  
12 that we can't go over if need be, so -- but -- yes, sir?

13 MR. JENNINGS: Scott Jennings from  
14 McLeodUSA. I'm not sure I understood completely the answer to  
15 this lady's question up here. The -- very simply, is this  
16 just a special request process or only Project Pronto related?

17 MR. WILCOX: Yes.

18 MR. JENNINGS: So it doesn't apply to the  
19 broad spectrum?

20 MR. WILCOX: That's correct. You're  
21 exactly right. This is Project Pronto broadband services  
22 related for this collaborative and this offering.

23 MS. LOPEZ: Ann Lopez again just to  
24 clarify a little bit more for you. Everyplace else this is a  
25 BFR. It's a bona fide request, okay. They just call it

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1 special request for Pronto.

2 MR. BOYER: Actually -- Chris Boyer.

3 Actually that's an incorrect statement. It is not the same as  
4 BFR process. I think . . . contract rate she would realize  
5 the fact that this offering is distinctly different from the  
6 BFR process.

7 MS. BEATA: Chris, can you speak up?

8 MR. BOYER: I was just commenting to the  
9 fact that it's not a correct statement to say this process is  
10 identical to the BFR process. There are several differences  
11 in the way this process is structured and also the way it's  
12 being costed, so that I would beg to differ with Ann's comment  
13 about the fact that it's identical.

14 MS. LOPEZ: Chris, why don't you go ahead  
15 and point out some of the -- because the BFR process is you  
16 submit a BFR request, you acknowledge in ten days whether it's  
17 going to be accepted or not, there's a 30 to 35 day interval  
18 for them to come back and do the preliminary analysis.

19 MR. BOYER: Well, I'd be happy to point  
20 out the differences. I mean, I can tell you right now the  
21 timelines are different from the BFR process, the up front  
22 charge is distinctly different. In fact, with the BFR the up  
23 front charge is \$2,000.

24 MS. LOPEZ: And that was the one thing  
25 that was pointed out here. That was the only change that you

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1 made between the special request and the BFR the last time --

2 MR. BOYER: And the fact --

3 MS. LOPEZ: At the last meeting it was  
4 still 2,000.

5 MR. BOYER: And the fact that we're also  
6 offering a cap on the developmental cost, which is not  
7 something that's offered in a conventional BFR process.

8 MS. LOPEZ: And what is the cap that  
9 you're offering for a developmental price on the special  
10 request?

11 MR. BOYER: Well, I seem to recall in the  
12 last collaborative from reading the transcript that Mr. Bowen  
13 was asking questions to the extent that he was not comfortable  
14 with this process because he would not be able to determine  
15 how much it would cost your firm to offer a product to a given  
16 customer. He was commenting to the extent that I may be  
17 willing to go forward with the special request for a customer  
18 if it costs me, for sake of argument, \$10,000 to develop it,  
19 but I may not be willing to go forward with this customer if  
20 it costs \$30,000.

21 So what we're offering is a cap in our  
22 initial quotes so that you can make a more informed decision  
23 about what you want to move forward with the special request.  
24 So there are several distinct differences from a BFR.

25 MR. WILCOX: Anything else?

1 MS. FLATT: Excuse me, Pete, I might  
2 suggest that everyone identifies themselves, make that  
3 suggestion again for the record.

4 MR. WILCOX: And that was Sherri Flatt  
5 that just said that.

6 COURT REPORTER: If you-all could do me a  
7 favor and stand up, it's easier for me if I'm not hearing  
8 every word if I can read your lips because I can't see some of  
9 you-all and it's just harder for me.

10 MR. WILCOX: Okay. I will be available  
11 during the day at front, break or anything like that for  
12 questions. So moving right along, we have Robin Gustafson who  
13 has come down from the Ameritech region who will be talking  
14 about combined voice and data.

15 MS. GUSTAFSON: Thank you, Pete.

16 MR. WILCOX: You're welcome.

17 MS. GUSTAFSON: Good morning. My name is  
18 Robin Gustafson. I have not yet had the pleasure of meeting  
19 most of you yet but I'm sure I probably will. I am a product  
20 manager for broadband services and I'm today going to talk  
21 about -- basically do a review of the phase two which is the  
22 combined voice and data product that we're offering with the  
23 broadband services platform.

24 Just a little bit of a review, Project  
25 Pronto is the deployment of an advanced broadband network

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1 which encompasses several initiatives that we're rolling out  
2 in phases. Phase one, we rolled out the data only copper  
3 subgroup. We also included in there the hyperactive portion  
4 of the subgroup or the line share portion of the loop. Phase  
5 two, which I'm going to cover today, is the combined voice and  
6 data product. And phase three, which is under development, is  
7 the CBR, constant bit rate, which will be discussed later on  
8 today.

9                   Basically, again, what this provides is  
10 ADSL capability via an overlay network that we're deploying  
11 which allows us to reach customers who are outside the region  
12 of the central office. DSLAMS can be reached by a remote by  
13 access from remote terminal. We've started deployment of this  
14 band in the fall of last year and it's planned to be deployed  
15 over a three year period. We do have available in all 13  
16 states today where facilities exist.

17                   Okay. Let's talk about the combined voice  
18 and data product. What this provides, it provides you the  
19 ability to provision both the voice and data service to your  
20 end and your customer over the same type of facility. The  
21 voice and data signal will be split once they come from the  
22 end user into the remote terminal, they'll be split at the  
23 remote terminal by the ADLU card there and travel over  
24 separate paths from the remote terminal ultimately to your  
25 collocation space.

1                   The voice path will go across an OC-3  
2 service into the central office terminal and then be handed  
3 over to the . . . to your collocation space and the data path  
4 will travel across -- and the data path will travel across a  
5 OC-3c and be handed off at the OCD port. This is offered to  
6 accommodate those of you who are serving -- want to serve your  
7 customer both voice and data to your end user.

8                   I included a diagram here that basically  
9 depicts what I just described, the copper facility from the  
10 end user into the remote terminal. At that point at the port  
11 termination it will be split and of course they will travel  
12 separate paths through to your collocation space. Basically  
13 what you get is the copper facility and the voice path from  
14 the remote terminal to your collocation space and then the PVC  
15 that you would purchase with the data for the data product  
16 which we'll talk about later. The two of those together will  
17 provide your end user with a bulk of voice and data service.

18                   Okay, let's talk a little bit about the  
19 service arrangements. The broadband service consists of the  
20 following. Again, as I said, we have three configurations of  
21 loops. We have the line shared or the hyper portion of the  
22 subgroup. This -- we also have the data loop which is a  
23 dedicated data copper facility between the end user and the  
24 remote terminal. And then of course the combined voice and  
25 data loop I just described which will provide the full subloop

1 to you for presenting both the voice and data transport, the  
2 voice and data from the end user to the remote terminal and  
3 the voice service from the remote terminal to the  
4 distribution, framing central office.

5 I just want to make a note, a  
6 clarification note here. The subloops and loops that we're  
7 defining here in conjunction with this service are integrated  
8 with the remote terminal the next generation carrier equipment  
9 and offered as a specific building element of this, and they  
10 differ. They're offered separately from the subloops that are  
11 defined in the FCC under the UNE remand order. So these are  
12 not available as a stand-alone UNE subloop.

13 The next piece is the permanent virtual  
14 circuit. This is the circuit that goes on -- the PVC that  
15 goes from the remote terminal to the OCD to deliver the data  
16 service to your end user or to your collocation. And then the  
17 OCD port termination which is required in order for us to  
18 route the traffic to your collocation arrangement in the  
19 serving wire center.

20 I've been ordered to set this up. There  
21 is basically two pieces. There is the infrastructure build  
22 and there's the end user specific requirements for combined  
23 voice and data. The infrastructure elements will consist of  
24 the OCD port and cross connects to both your voice and data  
25 service. Two separate handoffs are required at your

1 collocation. They cannot be handed off on the same facility.  
2 We'll continue to provide you with this disclosure information  
3 from our central offices and our two locations that are  
4 equipped with this service. That will be located on the DTI  
5 tool that you can access via the CLEC web site.

6                   In order to set up the infrastructure  
7 these will be ordered via ASR. In addition to the ASR the  
8 CLEC will need to fill out a CLEC information form, a CLIF  
9 form, which is also located on the CLEC web site under the  
10 broadband ordering profile, and this is for each OCD that you  
11 purchase. This will contain the information necessary for us  
12 to set up the parameters in the OCD for your services that you  
13 require for your OCD.

14                   MS. CARTER: Excuse me. It's my  
15 understanding -- Melia Carter with Covad. It's my  
16 understanding that SBC was able to -- and I think this is a  
17 good accomplishment. SBC was able to install the whole Pronto  
18 infrastructure, and I'm not talking about ordering but the  
19 whole Pronto infrastructure in many cases including the  
20 installation of the OCD in a six month time period. Is that  
21 correct?

22                   MS. GUSTAFSON: I honestly don't know the  
23 answer to that. I would have to take that back and maybe  
24 somebody else can answer that.

25                   UNIDENTIFIED SPEAKER: What do you mean by

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1 the whole --

2 MS. CARTER: Well, I mean getting your  
3 infrastructure Pronto ready, in many cases you were you able  
4 to do that in a six month time period.

5 MS. LOPEZ: In other words, if you've  
6 turned around and you're evaluating you say okay, if we want  
7 to go ahead and implement Pronto at the CEN TRAN 01 office to  
8 this particular RT location, what's the time frame of that? I  
9 thought --

10 MR. KEOWN: James Keown, SBC. That varies  
11 from office to office because when you --

12 MS. CARTER: But I think in some cases  
13 you've been very aggressive and were able to achieve that.

14 MR. KEOWN:: If right-of-way came easy, if  
15 the materials and supplies were on hand, it's a fairly quick  
16 process, six to eight months which is probably reasonable.  
17 When you deploy from both terminals, you have to get  
18 right-of-way, you have to get all the things in place. In  
19 this case, that's not the case.

20 MS. CARTER: And assuming a terminal is  
21 already in place and you had the Litespan 2000 out there, you  
22 just needed to make it DSL capable, I think in some cases you  
23 were able to do that.

24 MR. KEOWN: In some cases in California,  
25 for instance, where they have been deploying . . . in Illinois

1 or Ameritech region where we only had to upgrade some of those  
2 updates, some of that was a fairly quick process.

3 MS. CARTER: And what was that, about six  
4 months?

5 MR. KEOWN: Well, this broadband service  
6 depends also on the OCD.

7 MS. CARTER: Right.

8 MR. KEOWN: So it's kind of less dependent  
9 upon -- the interval depends upon, number one, when can you  
10 get the kit to do the upgrade and the second was the  
11 installation of OCD itself. So six months probably is  
12 reasonable when you have --

13 MS. MOIR: This is Caryn Moir, SBC. What  
14 is the need you're trying to address? Are you trying to deal  
15 with planning the marketing?

16 MS. CARTER: I'm trying to understand if  
17 -- the timing here. If SBC's able to get Pronto architecture  
18 in place in six months, how much more of an interval does it  
19 take to upgrade it from DSL to voice? What more is involved  
20 in the infrastructure build out to put that capability in  
21 place?

22 MS. MOIR: Melia, the concern I would have  
23 with that in answering at the broad level is I think we've all  
24 dealt with this, how can you -- half of you guys have worked  
25 for [unintelligible]. When you have such a broadly

1 distributed network, we're subject to everything from  
2 right-of-way to just general availability. So I'm a little  
3 uncomfortable overcommitting to something as opposed to, you  
4 know -- and I know you guys -- this is a time on our debate of  
5 forecasting, tell me where you need to be and what you're  
6 needing and I'll see what I can get to meet you on a specific  
7 basis.

8 MS. CARTER: Great. And, again, don't get  
9 me wrong, I mean, I'm not asking you to overcommit and I know  
10 there's situations that occur with right-of-way and things  
11 like that.

12 MS. MOIR: But you're looking for a  
13 general time frame?

14 MS. CARTER: Yeah, I'm looking for  
15 general.

16 MR. WALLACE: Let me make a comment also,  
17 that -- my name is Matthew Wallace with SBC. You said how  
18 much you were trying to get -- how much time it would take to  
19 move the next step to voice over DSL. I just wanted to make a  
20 clarification that what's being described right here is not  
21 voice over DSL.

22 MS. CARTER: Well, okay. Combined voice  
23 and data.

24 MR. WALLACE: Okay. The combined voice  
25 and data, okay. Just wanted to clarify that they are two very

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1 different things.

2 MS. CARTER: All right. Thank you.

3 MS. BEATA: Melia, was your question not  
4 answered?

5 MS. CARTER: Well, I still didn't get the  
6 [unintelligible].

7 MR. WALLACE: For a nominal case, six  
8 months is probably reasonable, but there are a few nominal  
9 cases.

10 MS. CARTER: For the addition of the voice  
11 and data capability? Okay.

12 MR. WALLACE: Well, I was talking about  
13 for building an initial Pronto. For adding the voice and data  
14 capability, there's no infrastructure upgrade that needs to be  
15 -- needs to be put in place. It uses the same -- the same  
16 software, the Litespan and --

17 MS. CARTER: Okay. And --

18 MR. WALLACE: As soon as the contracts are  
19 negotiated to include that, you guys -- I think you guys can  
20 place orders for that.

21 MR. BOYER: Right.

22 MS. CARTER: So the infrastructure is  
23 really not --

24 MR. WALLACE: Not new. There's not new  
25 infrastructure.

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1 MS. LOPEZ: Ann Lopez for Rhythms. Just  
2 to clarify this, you've got an OCD in your CO and you've got  
3 the DLC out there that probably needs some type of upgrade,  
4 and I'm looking at it for planning purposes. You know, I want  
5 to be able to go to my engineers and say hey, they just looked  
6 at this site and the OCD's already in and now we're looking at  
7 a -- you know, making it Pronto ready. I'd like to kind of  
8 give them like a general time frame to say okay, maybe four to  
9 six months we should be able to start deploying Pronto in that  
10 area. Would that be reasonable?

11 MR. BOYER: I think this is -- Chris  
12 Boyer, SBC. I think first of all we have a tool out there  
13 that you guys can use. Actually the DTI . . . has been  
14 updated. We have -- I was saying the fact that we have a tool  
15 out on the CLEC handbook called the DTI tool in which you can  
16 go in and actually query on a given quotation, actual customer  
17 address, telephone number and it'll tell you whether an RT's  
18 available on the tool or it will tell you the projected time  
19 frame of when an RT may be available. So it should give you a  
20 . . . as to when it's going to be available.

21 And if I just may for one second just to  
22 let Robin continue on Melia's question about combined voice  
23 and data products just to clarify any kind of confusion, that  
24 product is the standard offering using the existing  
25 technology. So according with the FCC order, that product is

1 generally available today in locations where the GLC has been  
2 turned up and completed. If somebody would agree to  
3 contractual terms and want to issue an order for that, we  
4 would be able to accommodate that as of today.

5 MS. CARTER: Thank you.

6 MS. BEATA: Peggy Beata, SBC. I didn't  
7 want to interrupt what you and Melia were in because you were  
8 already midstream with the thought and it's still to bring  
9 closure. What we learned from the last collaborative when we  
10 read the transcripts is that some of the presentations went on  
11 an hour and a half and one almost two hours because we allowed  
12 so much interaction during the presentation.

13 Time could be saved if we allow the  
14 presentations to complete and then hold the questions  
15 pertinent to that presentation until after that presentation  
16 and immediately following and then we can stay on track. So  
17 if it's possible, that's the way that we can better accomplish  
18 what we didn't last time.

19 MS. GUSTAFSON: Thank you. The other  
20 piece to this is the end user specific order which is  
21 basically the combined voice and data loop which includes the  
22 next generation voice grade loop and the PVC that's required  
23 between the RT and the OCD. This -- these are ordered via one  
24 LSR per end user. And in addition to that, what we would need  
25 is a profile built in the network management system. This

1 would be accomplished through the CLEC web site through the  
2 broadband ordering profile, the Bob tool that's out there or  
3 [unintelligible] that's out there. And this will allow CLECs  
4 some flexibility to offer the services to their end user by  
5 setting up the profiles.

6                   And the profiles are required per state  
7 for any state that you decide that you want to operate in.  
8 And also we would need to utilize -- you would need to utilize  
9 the dual inventory CFA process to provision the combined voice  
10 and data product. This was introduced with the line sharing  
11 order with line sharing when we rolled out the line sharing  
12 and it's also outlined in the accessible letter that was sent  
13 out on December 8th outlining the process for combined voice  
14 and data.

15                   Our loop qualification that -- Chris  
16 covered this a little bit. Basically the loop qualification  
17 tool does have the capability if you go in to prequalify to  
18 verify if it's not DSL capable it will tell you if there's an  
19 RT deployed there where available to serve your customer and  
20 provision a DSL service.

21                   The CLEC handbook in the process of  
22 updating this information and disclosure information, as I  
23 stated earlier, is available through the DTI tool on the web  
24 site and we state here is available at [clec.sbc.com](http://clec.sbc.com) and then  
25 under the CLEC specific reports area you'd find this



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1 an example, you can input an address and it will tell you when  
2 the projected time frame for the RT to be installed. And the  
3 assumption is that -- it's actually a projected time frame for  
4 when it's going to go green, which would mean the OCD is there  
5 but the RT is turned off, the DA, distribution area,  
6 interface has been wired, so all that's the general  
7 assumption. That is the data at which point all those pieces  
8 should be complete and I can't say whether it's six months or  
9 eight months. Like we said before, Pronto is a phase three  
10 year rollout, so it could be next year in some places.

11 MR. WALLACE: Matthew Wallace, SBC. In  
12 many cases for 2001, a lot of our deployment plans have  
13 already been set not for the entire year, but if there's an  
14 office out there that doesn't have OCD placed in it and isn't  
15 currently project let's say for the year 2001 to be turned up  
16 as green, then there's a possibility it could get pulled back  
17 onto that list. I don't know if there's a process for CLECs  
18 to put put in prioritization requests. I don't know if we've  
19 got a method for feedback of anything like that for CLECs to  
20 provide prioritization requests for turnup of specific RTs. I  
21 don't know.

22 MS. BEATA: Peggy Beata, SBC. I think  
23 this is a pat answer for many questions that will be asked  
24 such as this today. Use your account manager, go back to your  
25 account manager. This is not a special request. This is not

1 a BFR. This is collaborative information between working  
2 partners and that should be the kind of dialogue you're having  
3 with your account manager, your account team on a regular  
4 basis. And if we can be influenced by your needs, we'll work  
5 with it. That is not a special request. We want to hear that  
6 information.

7 MS. LOPEZ: Ann Lopez for Rhythms. That's  
8 great to know, Peggy. So let's say we get in a major customer  
9 that we previously couldn't provide them, you know, the ADSL  
10 service because they were outside of the time frame, but what  
11 you're saying is you would bring in -- let's say you've got an  
12 area that's really scheduled out quite some ways just because  
13 workload prevents it, you know, and we understand that. But  
14 if we took on something that major, a major customer who comes  
15 in, rather than it being on the deployment schedule for 2002,  
16 we could really bring it into the 2001 account and deal with  
17 work collaboratively to possibly get that brought in within a  
18 six months time frame?

19 MR. WALLACE: I wouldn't want to provide  
20 any guarantees but I think -- I work closely with the outside  
21 planners who develop those schedules, and I have to think that  
22 they would be influenced by some of that. We would certainly  
23 like to turn up RTs where we know there's customer interest  
24 rather than turning up RTs based on some of our own research  
25 and then not having anybody.

1                   So I think that would be something that  
2 we'd be interested in hearing about. And as Peggy says, talk  
3 to your account managers and let us know if you have  
4 particular locations that are more critical for your business  
5 needs.

6                   MS. CARTER: Getting back to Larry's  
7 question when he asked you about the timing on the  
8 installation of the OCD and fiber, I thought Mr. Keown was  
9 going to respond to something.

10                  MR. KEOWN: James Keown, SBC. The  
11 answer's still the same and that is is that all the variables  
12 on right-of-way, intervals and everything --

13                  MS. CARTER: Yeah. And assuming that it's  
14 -- a right-of-way's in place like you already have the  
15 terminal out there.

16                  MR. KEOWN: If you assume that everything  
17 is in place, fairly short. But depending on where you want to  
18 go --

19                  MS. CARTER: What's fairly short?

20                  MR. KEOWN: Well, it could be anywhere  
21 from six to eight months. But it all depends on where you  
22 want to go. If you submit an office that is urban territory  
23 where there's nothing there, it's going to be longer because  
24 we have to negotiate right-of-way. Some of the negotiations  
25 for right-of-way has taken us 12 months just to get a plot of

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1 land put on. And that's before you order anything. So you  
2 just can't say it's a six month interval.

3 MR. GINDLESBERGER: Larry Gindlesberger  
4 for Covad. That wasn't part of the question because I  
5 prefaced that by saying that it was already in NGDLC capable  
6 meaning you couldn't quite get [unintelligible] service  
7 because the second fiber, the OCD and the handheld wasn't  
8 installed yet. However, taking into consideration that the  
9 remote is already there because you're already providing dial  
10 tone service out of that remote and it is an NGDLC capable  
11 remote.

12 And that's what I'm looking for because we  
13 know that there are areas out there that you have planned and  
14 for whatever reason they're out in the future. But if we have  
15 a customer that we know we want to service, we tell that  
16 customer it'll be six months or do we have to tell them I'm  
17 sorry, SBC isn't going to be prepared for you for a year and a  
18 half.

19 MR. KEOWN: Again James Keown, SBC. I  
20 think Mr. Boyer answered part of that question by saying the  
21 first thing you want to look at is [unintelligible]. And DTI  
22 gives you particularly -- well, if it's a Pronto wire center.  
23 DTI will tell you when that RT is scheduled to turn out. And  
24 when that schedule is there, that means exactly what he said  
25 earlier; that is, it is a green RT. That is there really is a

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1 green RT, it's wired to the SAI. We have cable paraphernalia  
2 that will be ready to go serving a customer in the area.

3                   So if it's on that -- if it's green there  
4 -- if it shows it's red, typically we'll have a projected date  
5 for that DA and that's very specific to DA because you have to  
6 have a cable before you can serve a customer out of it. So if  
7 you'll look at that you'll be able to look at that date. Now,  
8 if that date is not satisfactory, I think Peggy's answer comes  
9 to play, and that is you need to check with your account  
10 manager to see what we can do.

11                   MS. GUSTAFSON: Any other questions?

12                   MR. JACKSON: Nick Jackson from TDS  
13 Metrocom. I understand that DTI is a tool for checking RT  
14 information on an individual address, but is there any way  
15 that CLECs can get information about the existence of RT in a  
16 geographic area, more broad as opposed to going in and looking  
17 at the individual address? This is something we've asked for  
18 in the Wisconsin OSS proceeding.

19                   MR. KEOWN: James Keown, SBC again. DTI  
20 has a disclosure list in it so you can look at a broader area  
21 than just the address.

22                   UNIDENTIFIED SPEAKER: I just wanted to  
23 get a clarification on that. So DTI also provides the address  
24 ranges that are served by the RT? Oh, so we don't know  
25 addresses are served by the RT but only known address of the

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1 RT?

2 MS. LOPEZ: Ann Lopez from Rhythms. Is  
3 there -- and I thought we had discussed this before about  
4 possibly adding the zip codes that are RT capable that go with  
5 those DAs as a possible range, and then we'd have to go in, of  
6 course, and do the address, but it would give us more of  
7 a -- it would give our sales team the opportunity to actually  
8 go in and blanket an area rather than a person by person. Was  
9 there anything that was ever followed up on that?

10 MR. BOYER: This is Chris Boyer from SBC.  
11 I think on the gentleman's first question there, I'm not  
12 exactly certain about whether it provides you a range of  
13 addresses. I do know that when you go on, it provides you a  
14 geographical view like it'll give you an area.

15 Like if you put in -- if you put in a  
16 certain address, it'll show you -- it'll give you a map that  
17 shows everything that's green in that general vicinity, so  
18 from that standpoint I think you can deduce to a certain point  
19 about which locations were green and which ones weren't in  
20 that general vicinity. But I'm not certain that it gives you  
21 an actual address in that range.

22 MR. BYLER: John Byler with ASI. Being a  
23 user of the tool, it will give you ranges. There is a  
24 specific place where you can go and get street ranges and  
25 street lists for a particular DA. It depends on how you do

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1 the query.

2 MR. BOYER: Thanks, John. I haven't used  
3 the tool in a while.

4 UNIDENTIFIED SPEAKER: . . . first by  
5 state or by city or by --

6 MR. BOYER: This is Chris Boyer one more  
7 time. If I may -- if I may make an offer. I think one of the  
8 things that we were going to talk about later this afternoon  
9 is that we were still -- we were going to schedule another one  
10 of our what were previously called monthly collaborative  
11 sessions that will be held through the summer and the fall,  
12 and in those sessions we actually had our DTI team come out  
13 and do a demo of the system which I may offer again in the  
14 next one of those sessions. We could have the folks come out  
15 and do another demo, computer demo of the tool and step  
16 through each one of the things that are on there. That may  
17 help.

18 MS. GUSTAFSON: We are planning once we  
19 set up the next meetings that we would schedule a person who  
20 would come out in one of those next monthly collaboratives to  
21 show the tool and talk more in depth about the whole  
22 prequalification process.

23 MS. BEATA: Would that be beneficial?

24 MR. GINDLESBERGER: Yes.

25 MS. BEATA: Thank you.

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1 MS. GUSTAFSON: Any more questions?

2 MR. KILGORE: Mike Kilgore with McLeodUSA.

3 Could you briefly discuss the availability maybe to the  
4 metallic test access of the RT and how the copper loop will be  
5 tested by the CL?

6 MS. GUSTAFSON: I probably would go to the  
7 network people if they could do that. Otherwise I would take  
8 that question back and get an answer for you. I don't have  
9 it. One of our network people may be able to answer it, I  
10 don't know.

11 MR. KEOWN: That would be our network  
12 regulatory guy. You said metallic test access. MLT is the  
13 only metallic test that we have available at the remote  
14 terminal today.

15 UNIDENTIFIED SPEAKER: Is that system  
16 accessible by a CLEC?

17 MR. KEOWN: I think on your tool bar -- I  
18 think you have a button on your tool bar to access MLT.

19 MS. LOPEZ: That's only in Southwestern  
20 Bell region.

21 MR. KEOWN: Yeah. I know . . . MLT  
22 testing for CLECs. I knew Southwestern were looking at it. I  
23 don't know about Ameritech. I need to find out.

24 MS. GUSTAFSON: We can look into that.  
25 Any more questions right now?

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1 UNIDENTIFIED SPEAKER: Are there any more  
2 enhancements to the DTI plan? I work with it every day, too,  
3 and one of the things we kind of look to see, we have a plan  
4 network and it's very hard -- it's such a micro level look at  
5 -- you can get down to the individual address. We want a  
6 macro level. We want something when you pull up and just see  
7 when this particular wire center is going to have an OCD in  
8 it. In order to get there I've got to download in California  
9 28,000 lines of data and pound them down to a 400 line file.  
10 It takes hours and hours and hours. We'd really like to have  
11 an overhead view rather than such a finite view of the  
12 network.

13 From a marketing standpoint it's a  
14 wonderful tool. From an engineering standpoint, it's a  
15 nightmare because I've got to pound that thing down. So it'd  
16 be wonderful if I could do a straight view instead of having  
17 to go down to the DSL level and move back up.

18 MR. BOYER: And this is Chris Boyer from  
19 SBC again. I think from the network's perspective,  
20 engineering perspective as well, I think that when we have the  
21 folks come out in the follow-up meeting and talk about the  
22 DTI, we'd be more than happy to take down suggestions because  
23 I know the outside plan organization is going to . . . so we'd  
24 be more than happy to take down suggestions about that. I  
25 can't guarantee we can accommodate them all but we can

1 certainly listen.

2 UNIDENTIFIED SPEAKER: I have some  
3 suggestions when we break.

4 MR. BOYER: If I may, one minor  
5 clarification on the diagram, in the diagram one in this  
6 presentation -- actually it's my error but it actually shows a  
7 voice switch . . . I think most folks know that switches are  
8 not eligible pieces for [unintelligible]. Just to clarify.

9 MS. GUSTAFSON: That's a good handoff  
10 there.

11 MR. WILCOX: That was a test question,  
12 wasn't it?

13 MR. JENNINGS: Scott Jennings from  
14 McLeoudUSA. Is DTI, the data, available in every state?

15 MS. GUSTAFSON: Yes, I believe so.  
16 Anybody else? Okay. Well, I will be around the rest of the  
17 day as will all these other wonderful experts for any other  
18 questions that you may have. Thank you.

19 MR. WILCOX: Thanks, Robin. In the spirit  
20 of collaboration, the agenda says that after Robin was  
21 finished and the Q and As were done that we could take a  
22 break. We are a little bit ahead of schedule, I believe, on  
23 the timeline so we're going to leave it up to you folks if you  
24 want to do it by hand vote or voice vote or whatever, we can  
25 continue on. Alcatel's ready to present with the next on the

1 list and we can take a break after Alcatel's presentation or  
2 take a break now.

3 UNIDENTIFIED SPEAKER: Take a break now.

4 MR. WILCOX: Take a break now, okay.

5 (A break was taken).

6 MR. WILCOX: As Caryn Moir had indicated  
7 earlier this morning, we do have representatives from Alcatel  
8 here, one of our main vendors for this collaborative partners.  
9 How's that? Okay. And Darrell Besemer here will give you a  
10 nice overview of what Alcatel's up to in the world of  
11 broadband. And then when his presentation is complete, feel  
12 free to ask questions, okay, if we can do it that way. As the  
13 slides go forward, if you see a question, feel free to write  
14 it down on your sheet and then you can refer to slide three or  
15 slide four of his presentation. I'm sure Darrell can go right  
16 back to it or whatever. But that way things will move along  
17 and you'll get all the information up front and then we'll  
18 have time for questions afterwards.

19 Oh, Darrell, one last thing. For folks,  
20 we did hear one comment during break. If you have questions  
21 when you get to that, please stand up because the folks in the  
22 back of the room at times have been having trouble hearing.  
23 So if you could project when it comes time for questions,  
24 that'd be great.

25 MR. BESEMER: Well, good morning. I'll



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1 not do that.

2 MR. GINDLESBERGER: Okay.

3 MR. BESEMER: I'm assuming you guys can  
4 give us a list.

5 MS. BEATA: We'll give you a distribution  
6 list. Is that okay with everyone? I want to make the time  
7 productive. I don't want you to not be able to see enough to  
8 make this fruitful.

9 MR. NUTTALL: Are you going to take the  
10 confidential information taken off that?

11 MR. BESEMER: I'm sorry, this  
12 presentation?

13 MR. NUTTALL: You got on your presentation  
14 confidential information.

15 MR. BESEMER: Good question.

16 UNIDENTIFIED SPEAKER: What was the  
17 question?

18 MR. BESEMER: I've got to take the  
19 confidential statement off. In most cases I'll check with  
20 Alcatel to see what the issue is there about taking this off.  
21 Most of it is marketing information that's already available.

22 Okay. Can everybody see? Okay. The  
23 first job of Litespan or any DLC equipment is to provide an  
24 economical feeder relief over a copper facility. In most  
25 applications about 12,000 foot out from the central office

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1 NGDLC is placed. The advantages of placing a DLC piece of  
2 equipment is you can get TR008 interfaces, GR-303 interfaces  
3 and also you have software control. In addition to that, with  
4 the NGDLC product that we have, we now can provide ATM  
5 services over the same platform.

6 In general, a Litespan is deployed  
7 generally covering what's called a carrier serving area.  
8 Carrier serving area basically counts for two to four  
9 distribution areas or roughly around 2,000 subscriber homes.  
10 In general, from the RT to the interface and out to the  
11 customer it's on nonloaded loop generally following carrier  
12 serving area rules up to about 9,000 feet on 26 gauge and  
13 about 12,000 feet on 24 gauge.

14 The main purpose of placing the Litespan  
15 in this strategic location is to feed all subscribers within  
16 those designated AAs. Generally the rules of a CSA account  
17 for roughly up to 9,000 feet, as I said, no more than 2,500  
18 foot of bridge tap. Basically Litespan 2000 and Litespan 2012  
19 are similar products. One is the Litespan 2000 is an OC-3  
20 product. The Litespan 2012 is an OC-12 product.

21 In order to provide ATM or ADSL service  
22 out of a Litespan there's some basic upgrades that have to  
23 happen. One of the replacements is the bank control unit  
24 needs to be replaced with an ATM bank control unit. Basically  
25 two of these par channel bank. And you can add the ADLU card

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1 to provide the ADSL service. You need to have the software  
2 available, in this case it'd be 10.X or higher will provide  
3 ASDL service. You also need transport for the ATM on the  
4 OC-3c pipe back to the OCD.

5                   The transport medium, with the Litespan  
6 2000 you can have separate fibers, you can have an OC-3  
7 broadband drop off of a Litespan 2012. You can also utilize  
8 wave division multipliers. Now, WDM or essentially  
9 [unintelligible] WDM product is a separate box which means you  
10 have to have a separate piece of equipment. There's also some  
11 limitations that I've listed here associated with that. It  
12 has neither been tested or deployed by SBC.

13                   All right. The Litespan 2012, again, the  
14 same basic types of upgrades have to happen. ADCUs, you need  
15 the ADLU cards, you need a separate transport. That  
16 transport could be separate fibers again or you could take an  
17 OC-3c broadband and drop right out of the broadband group.  
18 Again, the wave division multiplex gives an option; however,  
19 it's not a cost effective option with the 2012.

20                   The ADLU card itself, the DMT, it is a  
21 dual card which means there are two services on there, ADSL  
22 and POTS. There are 2,024 BCs per channel bank. There's one  
23 VP per each channel bank. You can have up to 32 channel banks  
24 chained together. All right. And that's a software  
25 limitation. In most cases you're only going to be chaining

0050

1 together nine or less channel banks.

2                   Basically each one of the services is  
3 going to have two VP -- or PVCs, basically a UBR and one CBR.  
4 Line rates essentially are all the way up to eight megahertz  
5 downstream, about 800, 900K upstream. And essentially you can  
6 provide those in 32 kilobit increments. All right. There is,  
7 you know, test access through MLT testing. We utilize an  
8 element manager called AMS. Right now that's a 3.X software  
9 load.

10                   Approximately one third of the shelves can  
11 be upgraded in an RT, and that is an average, all right. And  
12 not all of those channel bases can be completely filled with  
13 ADLU cards today. There is power consumption restrictions and  
14 also thermal limitations as well as battery backup associated  
15 with each one of the RTs. These are pictorial drawings of the  
16 general configuration. You have a TDM pipe, your OC-3 basic  
17 going from your common control out to your RT. You also have  
18 ATM path. In this particular case it's directed by fibers  
19 going directly to the OCD.

20                   Again, one other option is using WDM, and,  
21 again, this has not been deployed or tested and there are  
22 limitations associated with this. In addition, there's  
23 additional costs in which the optics cards would have to be  
24 replaced. The [unintelligible] DTM optic cards would have to  
25 be replaced.

0051

1 All right. 2012, again, you can utilize  
2 direct fiber out to the RT going to the OCD and, again, you  
3 still have a TDM path that's now an OC-12 path. You can also  
4 utilize an OC-3c drop out of the broadband group essentially  
5 utilizing one fourth of the bandwidth to provide an ATM signal  
6 down to the channel bank. In this particular drawing we  
7 showed the channel banks being daisy chained in which each  
8 channel bank can now provide ADSL service in addition to POTS.

9 All right. Essentially OC-3 signal back  
10 to the OCD is a single ISP connection. In order to get  
11 multiple flex associated with that OC-3c, you need a device or  
12 an optical cross connect device. All right. In this case the  
13 OCD is going to provide your input into that -- that bit  
14 stream out to the RT and ultimately out to the subscriber.

15 Voice and data are separated at the RT.  
16 The ADLU card has an integrated splitter in which the TDM or  
17 the POTS traffic would cross across the TDM bandwidth or TDM  
18 pipe back to the central office terminal or you can go into a  
19 class five switch or it can be broken out into TR057 that can  
20 be shipped off to any other CLEC that might want to provide  
21 that service. Those are not combined services. Your ATM and  
22 your ADSL service will still go through the OCD and again be  
23 ported back to your location in that regard.

24 There are future developments. Right now  
25 we're in the development phase of release 11. We're expecting

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1 a mid-2001 lab evaluation. Lab evaluations can take anywhere  
2 -- any particular time frame that's unspecified depending on  
3 the amount of testing that has to be done. This is full  
4 regression testing which means they're going to take this  
5 software load and they're going to match it up to make sure it  
6 works with every single card that's in deployment today.

7                   There are basically four new cards that  
8 will be associated with release 11. There's a quad combo  
9 card. Essentially you'll get four ADSL and POTS. You have an  
10 HDSL-2 which is a TDM. HDSL-2 is essentially a 1.5 service  
11 provided over a single pair. You have a GL lite mode that's  
12 available only on the quad card. It's not available today on  
13 the dual card and would not be available through release 11.  
14 This is only associated with the quad card. You also have a  
15 quad GSHDSL card that will be coming out with release 11.

16                   All right. There's also some greater ATM  
17 functionality. Provisionable VP/VC cross connects. This  
18 helps the OCD be able to manage the OCD in a much more  
19 efficient way. The way it's in done in release ten,  
20 essentially those are fixed cross connects. So it means even  
21 if there's only one subscriber service out there, all cross  
22 connects remain at the OCD. This allows provisional mapping  
23 of those cross connects.

24                   All right. In a general statement, more  
25 than one BP per channel bank, all right. Now, this has to go

0053

1 through testing, lab evaluation to see exactly what that means  
2 as far as multiple VPs at a channel bank. Today I can't  
3 provide any more details than that. All right. And, again,  
4 this is a much more efficient way of utilizing the OCD  
5 bandwidth.

6 Plug and play. Evidently this issue has  
7 come up quite a few times. I'll kind of cover, you know,  
8 Alcatel's position on this. The Litespan itself, the channel  
9 bank itself is a proprietary shelf back planning and software.  
10 All right. It's copyright protected. It's issued under  
11 restricted license. There is a contract on a warranties  
12 associated which prohibit foreign equipment to enter a channel  
13 bank, all right.

14 There's several reasons for that. Number  
15 one is the performance of the card, mostly mechanical and  
16 electrical performance outperforms in the channel bank itself  
17 and also interference with other services might be available  
18 out of the RT, all right. You cannot support -- we cannot  
19 support proprietary service offerings, SDSL being an example  
20 of one of those. There's back planes, there's bus  
21 limitations, there's essentially software and resource  
22 constraints in order to even try and manage proprietary type  
23 interfaces.

24 We support standard interface, GSHDSL  
25 being one of those. The card itself does not provide service.

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1 The service is provided via the software, via the system and,  
2 again, via the ADLU card in combination with that. All right.  
3 There's no direct physical access to the cards. There's not  
4 an interface where you can just jump into. Also, service  
5 turnup depends on the software that's being provisioned.

6 All right. Now questions. No questions?  
7 Thanks very much for your time.

8 MR. WILCOX: Thanks, Darrell. Matthew, I  
9 don't know whether you're going to want the lights dimmed down  
10 or whatever for yours but we can do it either way. We can  
11 leave it as it is.

12 Here's a familiar face for most of you who  
13 have been here before, Matthew Wallace. For the sake of  
14 Matthew's voice we know that two days ago he was at the  
15 doctor's voice with hardly any voice at all. So if you could  
16 let him get through the presentation and then hit him with  
17 questions afterwards because he's in a recovery mode, but I  
18 think you're going to see something here on CBR.

19 MR. WALLACE: I'm going to try to stand in  
20 front of the microphone the entire time. My voice is not  
21 doing too well right now. My name's Matthew Wallace. I'm in  
22 the new technology introduction group. We have  
23 responsibilities for the approval for the new technology  
24 associated with the broadband service and we've been working  
25 on the initial phase one and phase two offerings of this

0055

1 product for a year plus some now and are now working on the  
2 phase three offering.

3                   When I did this on my computer, it wasn't  
4 a big A up there. That's not supposed to be an A. It was a  
5 neat font that we've got that has an SBC logo, so that was  
6 supposed to be an SBC logo, so you transpose that in your mind  
7 there or you can think up something interesting for A to stand  
8 for.

9                   UNIDENTIFIED SPEAKER: Scarlet letter.

10                   MR. WALLACE: Yeah. Well, it's not red,  
11 though. Try to give an overview of what we're talking about  
12 for the phase three broadband service. Last time I spoke I  
13 talked in general about new capabilities that were going to be  
14 possibilities for the future that broadband serviced. It was  
15 pretty broad range, covered lots of things about ATM  
16 capabilities, different QoS's, some management capabilities, a  
17 really wide range of things.

18                   We're going to focus on what we're calling  
19 broadband phase three right now which is a constant bit rate  
20 quality of service permanent virtual circuit which will be  
21 used to supplement the existing offerings which are an  
22 unspecified bit rate per my virtual circuit. This is to be  
23 used as a supplement for so it can be used in conjunction with  
24 the UBR service, the existing services or instead of. And I  
25 think that this is going to enable new services different

1 capabilities for our customers.

2                               What does quality of service -- what does  
3 this feature bring to the customers. Well, we feel that from  
4 the quality of service perspective it's bringing guaranteed  
5 bit rate. Lots of services out there are dependent on  
6 guaranteed bit rates, specified delay in the cell streams  
7 transmitted across the network and certain variations in that  
8 cell transfer timing. Specify the limitations on the loss of  
9 cells that [unintelligible] feel that these parameters are  
10 going to be guaranteed for this service based on the reliable  
11 TELCO engineering and feel that this will enable our  
12 customers to create service level agreements with your  
13 customers as you need.

14                               Also the other capability here is multiple  
15 permanent virtual circuits. In this initial offering it's  
16 going to be very limited but hopefully pave the way for a  
17 greater capability in the future to allow right now a UBR  
18 PVC, a CBR PVC or two PVCs, a UBR and CBR, to allow you to  
19 give CBR to an existing customer that has ADSL Pronto  
20 broadband service network infrastructure and reduce your  
21 costs. So instead of having to provision two separate links  
22 to a customer for two types of DSL services, they can both be  
23 provision on the same loop.

24                               Some of the applications that have  
25 potentials here. Voice over DSL is the one that we're really

1 focused on meeting the need for initially and what the initial  
2 service offering is targeted for. Target markets include the  
3 residential market, a service that will provide high quality  
4 at an uncompressed voice signal for residential second line or  
5 for small businesses could have a low cost multiple lines of a  
6 compressed nature for small businesses. The initial offering  
7 is targeted at some of these segments. We're not targeting  
8 something that would be a big IAD [phonetic], for instance, to  
9 serve a medium sized office or something like that. The focus  
10 really at the small end here initially and I'll try to get  
11 into some of the reasons why a little bit later.

12                   It's important to note that this doesn't  
13 entirely provide the capability to do voice over DSL. The  
14 TELCO is providing this as a CBR service over the DSL. You  
15 guys owns DSLAMS today, you can probably provide a CBR  
16 quality of service over some of your DSLAMS today, but in  
17 order to provide voice over DSL you've got to have some  
18 additional capabilities in your network. You have to have a  
19 voice over DSL gateway to convert that somehow back to TDM,  
20 you have to have voice capable CPE or IAD or something out  
21 there that you have to be capable of taking in the analogue  
22 voice input from the customer phone and converting it to --  
23 converting it to a DSL bit stream. And you have to have an  
24 interface somewhere in the class five switch. And that's not  
25 necessarily the case. You could be doing some sort of end

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1 command voice over ATM type of functionality. In general  
2 these are the some of the requirements that you have for voice  
3 over DSL.

4 SBC is evaluating the possibility of a  
5 GR-303 classified switch interface. That's something that has  
6 been requested, I believe, or been discussed in some other --  
7 I think I mentioned in the previous collaborative. That would  
8 fulfill the last -- the third part of these requirements.  
9 Most of the voice over DSL gateways utilize a GR-303 interface  
10 to the classified switch, and so this would enable CLECs who  
11 want to purchase a gateway but not a classified switch in  
12 order to still have a voice over DSL offering.

13 Some of the other applications is some  
14 types of corporate data access may have requirements for kind  
15 of a more guaranteed type of service than just the unspecified  
16 bit rate of the UBR DSL or maybe applications that are more  
17 delay sensitive and that need some sort of realtime data,  
18 realtime applications there. The important thing here is not  
19 all CPs that you've got out there today is capable of CBR.  
20 Constant bit rate does require different types of ATM coding  
21 that requires CPE that is knowledgeable about the difference  
22 between unguaranteed traffic UBR and guaranteed traffic CBR.  
23 So you can't -- just adding CBRs to an existing customer will  
24 require -- generally require a CB upgrade.

25 Constant bit rate. Constant bit rate is

0059

1 an ATM quality service that's defined by the ATM forum that's  
2 a standards body, well known standards body in the ATM world.  
3 And they publish specifications and they define constant bit  
4 rate in great length, but some of the -- it really didn't show  
5 up too well up there but you guys have a printed copy in front  
6 of you. Looks great on the screen here.

7                   Anyway, they define constant bit rate in  
8 terms of the number of parameters, but let me try to touch on  
9 the important ones. First one is the peak cell rate. That is  
10 the data bit rate that the customer can send through at that  
11 rate but it also includes the overhead from what's called the  
12 ATM adaptation layer and of the ATM cell overhead. So if you  
13 specify -- the cell rate that's specified for ATM CBR isn't  
14 equivalent to the data but that you can get through because it  
15 includes the ATM cell overhead.

16                   The cell transfer delay is another  
17 parameter that's specified by the ATM forum. Cell transfer  
18 delay is the amount of time that it will take for a cell, an  
19 ATM cell, to transfer from one side of the network to the  
20 other side of the network. In the Pronto architecture that  
21 means the amount of time that it takes from ingress of the  
22 line part of the Litespan to the output of the OCD port.  
23 That's kind of our network piece right there. The loop  
24 transfer is pretty negligible, so it really involves the  
25 buffering that may take place in the Litespan and the OCD

0060

1 network elements.

2                   The cell transfer delay variance, CTD  
3 variances, the next parameter. That specifies as -- the cell  
4 transfer delay specifies the maximum amount of time. The  
5 variance in that specifies if there's a range between the  
6 maximum amount of time and the minimum amount of time that a  
7 cell could take to get across the network. Lots of  
8 applications such as voice are sensitive to the amount of  
9 variance in the transit times that the package cross the  
10 network.

11                   Cell loss ratio is another parameter.  
12 That's the percentage of dropped cells could be dropping as a  
13 buffer overloads or something like that. Cell error ratio is  
14 something else that's specified by the ATM forum. It's not  
15 one that is generally implemented and it's not one that SBC is  
16 implementing because the reason if the cell has an error, the  
17 systems generally drop those cells and so they turn up under  
18 the cell loss ratio. So the cell loss ratio's kind of all  
19 inclusive of those parameters.

20                   The real important thing, the last bullet  
21 point I have here is there's policing to guarantee the traffic  
22 conduct. Policing means that the information that is received  
23 by the network element so the amount of data that is that  
24 transmitted downstream from the CLEC ATM network into the OCD,  
25 the OCD will monitor the format of that incoming data. If it

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1 exceeds some of these parameters, if it exceeds -- let's say  
2 if the cell transfer delay of the cells were sent too closely  
3 together or the traffic was sent at too high speed, they would  
4 be -- they'd be subject to [unintelligible], they'd be marked  
5 for being discard eligibility and could be dropped. And the  
6 network elements do that for CBR traffic in order to be able  
7 to maintain the quality of service for all the different CBR  
8 services and quality services that would be running on the  
9 equipment.

10                   For our network offering we've started to  
11 do some analysis of these capabilities of the Litespan  
12 equipment and the [unintelligible] OCD in our technology  
13 resources laboratories. And these are still very much in  
14 testing right now. But some of the initial information that  
15 we have about the offering and the capabilities that are  
16 [unintelligible] that at a peak cell rate don't have a  
17 specific speed set on this yet.

18                   Initially we're going to provide a single  
19 symmetric rate element so the same speed up and downstream.  
20 It's going to be a low speed offering targeted, as I said  
21 before, at being able to carry voice over DSL, a voice over  
22 DSL signal, either a single uncompressed voice stream or  
23 multiple compressed streams, up to four is what our technology  
24 guys are telling us right now. We need to do some more  
25 testing before we finalize the specific speed that we need to

1 provide in order to enable that.

2                   The cell transfer delay maximum time.

3 That's the maximum time across the network. We're looking at  
4 less than four milliseconds at a variance and then also less  
5 than four milliseconds. So the cell transfer delay represents  
6 the maximum time value. So since the variance is four  
7 milliseconds, the amount of time it could take is -- well, it  
8 can't actually be zero but it's somewhere between zero and  
9 four milliseconds is the amount of time the cell is going to  
10 take to get across the network. That's not round-trip.  
11 That's a one way time.

12                   The cell loss ratio is very low at ten to  
13 the negative ten cells dropped. That is in conformance with  
14 the ATM forum specifications. As I said, we're not really  
15 measuring the cell error as yet. This provides a picture, a  
16 graphical representation of what CBR is going to look like to  
17 the network element. CBR will utilize the same port, same  
18 loops that you're using today.

19                   So you can see the red line on there was  
20 the existing UBR service and the green line that we've added  
21 rides over the same copper blue that goes into the same ADSL  
22 line card that's multiplexed through the Litespan slightly  
23 differently in order to account for the CBR ATM  
24 characteristics but still rides back over the same data OC-3c  
25 into the OCD in the same manner, gets switched in the OCD in a

0063

1 slightly different fashion to account for the priority of the  
2 CBR traffic and can exit through the same OCD port that you've  
3 ordered today. So it utilizes the same OCD port that you have  
4 today and it can utilize the same copper loops that you have  
5 UBR service on today. There's not a need to buy an additional  
6 OCD port just because you've got a service.

7                   I said some of this here. You can use the  
8 existing subloops. If you have UBR service out there today,  
9 you can add UBR PVC in top of that. The important thing is  
10 this is also capable of being used with both the phase one and  
11 the phase two products. That means it can be ordered in as a  
12 line shared application, the high frequency portion of the  
13 subloop. It can be ordered as a data only configuration or it  
14 can be ordered as the combined voice and data we just heard  
15 about from Robin earlier today. It will be able to be offered  
16 in all three of those combinations.

17                   We will use -- you'll use your existing  
18 OCD ports. If you bought an OCD port in a wire center, you'll  
19 be able to receive both UBR and CBR streams through that same  
20 -- through that same port. CBR, as you guys are managing the  
21 ATM streams out of your OCDs -- or out of our OCDs out of your  
22 ports, as you're managing those traffics, you have to realize  
23 that CBR is different bandwidth requirements for that and  
24 we'll need to be cognizant of that as you're monitoring your  
25 own bandwidth there.