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BEFORE THE
ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF:)
)
ILLINOIS COMMERCE COMMISSION)
On Its Own Motion,) No. 01-0662
)
Investigation concerning)
Illinois Bell Telephone)
Company's compliance with)
Section 271 of the)
Telecommunications Act of 1996.)
Chicago, Illinois
February 12th, 2003

Met pursuant to notice at 8:30 a.m.

BEFORE:

MS. EVE MORAN, Administrative Law Judge

APPEARANCES:

MS. LOUISE SUNDERLAND and
MR. MARK ORTLIEB
225 West Randolph Street, Suite 25-A
Chicago, Illinois 60606
Appearing for SBC of Illinois;

1 APPEARANCES (Continued)
MR. DARRELL TOWNSLEY and
2 MS. SHERRY LICHTENBERG
205 North Michigan Avenue, Suite 1100
3 Chicago, Illinois 60601
Appearing for WorldCom, Inc.;

4
ROWLAND & MOORE, by
5 MR. THOMAS ROWLAND
77 West Wacker Drive, Suite 4600
6 Chicago, Illinois 60601
Appearing for Cimco Communications, Forte
7 Communications, XO Illinois and Globalcom;

8 SHIFF, HARDIN & WAITE, by
MR. OWEN E. MacBRIDE
9 6600 Sears Tower
Chicago, Illinois 60606
10 -and-
MR. PETER HEALY
11 525 Junction Road, Suite 6000
Madison, Wisconsin 53717
12 Appearing for TDS Metrocom, LLC.;

13 MS. CHERYL HAMILL, MR. TIMOTHY CONNOLLY
and MR. JOHN REDY, III
14 222 West Adams Street
Chicago, Illinois 60606
15 Appearing for AT&T Communications;

16 MR. MATTHEW L. HARVEY
160 North LaSalle Street, Suite C-800
17 Chicago, Illinois 60601
Appearing for Staff of the ICC;

18
KERN & ASSOCIATES, by
19 MR. JOHN P. KERN
2300 North Barrington Road, Suite 400
20 Hoffman Estates, Illinois 60195
Appearing for the ICC.

21 SULLIVAN REPORTING COMPANY, by
Barbara A. Perkovich, CSR
22 Carla J. Camiliere, CSR
Tracy Ross, CSR

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I N D E X

Witnesses:

Cross

MR. CONNOLLY	3262
MS. WEBER	3305
MR. MACBRIDE	3470, 3497
MR. ROWLAND	3499

1	<u>E X H I B I T S</u>		
2	<u>Number</u>	<u>For Identification</u>	<u>In Evidence</u>
3			
4	NONE MARKED		
5			
6			
7	IN CAMERA PAGES ARE:		
8		PAGES	3295 - 3301
9		PAGES	3394 - 3426
10		PAGES	3470 - 3496
11		PAGES	3525 - 3544
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1 MR. JOHN KERN: Let's get started. I just want
2 to do a quick announcement. This room is going
3 to be very difficult to hold this type of
4 workshop in, so I'm going to need all parties to
5 really speak clearly, loudly and slowly, Brian,
6 without the use of the hand. We may have to turn
7 the fan off if Barbara is having a hard time
8 hearing parties speak.

9 So did you want to do appearances today?

10 JUDGE MORAN: Sure, we can do appearances.
11 This is a continuation of our workshop from
12 yesterday in Docket No. 01-0662. Parties can
13 present their appearances.

14 MR. REIDY: On behalf of AT&T Communications of
15 Illinois, John J. Reidy and Cheryl Hamill,
16 H-a-m-i-l-l.

17 MR. HARVEY: For the staff of the Illinois
18 Commerce Commission, Matthew L. Harvey, 160 North
19 LaSalle Street, Suite C-800, Chicago, Illinois
20 60601.

21 MR. MacBRIDE: Appearing on behalf of McLeod
22 USA Telecommunications Services, Inc., and TDS

1 Metrocom, LCC, Owen MacBride, 6600 Sears Tower,
2 Chicago, Illinois 60606. Also appearing on
3 behalf of TDS Metrocom, Peter Healy, 525 Junction
4 Road, Madison, Wisconsin.

5 MR. ORTLIEB: On behalf of SBC Illinois, Mark
6 Ortlieb and Louise Sunderland, 225 West Randolph
7 Street, Suite 25-A, Chicago, Illinois 60606.

8 MS. BLOOM: Appearing on behalf of Ernst and
9 Young, Wendy Bloom, Kirkland and Ellis, 200 East
10 Randolph Drive, Chicago, Illinois 60601.

11 JUDGE MORAN: Are there any other appearances?
12 Hearing none, those are all the appearances for
13 today.

14 MR. JOHN KERN: First up on the agenda today
15 will be AT&T, they will continue where they left
16 off yesterday. Tim, I know you left off with
17 Question 91, but did you want to ask first about
18 the homework assignments that you hoped would be
19 coming in today?

20

21

22

1 FURTHER CROSS-EXAMINATION

2 BY

3 MR. TIMOTHY CONNOLLY:

4 Q. If I could. Which ones do we have and
5 which ones will be by other date?

6 MR. BRIAN HORST: We have the October/November
7 analytical review, we will provide you copies of
8 that today. At least of the questions. We don't
9 have the underlying detail behind that, but we
10 can get that to you. The ADMOD schedule, which
11 is a request you made, that is not part of our
12 work papers so that is a request that needs to go
13 to the Company.

14 MR. REIDY: But my question was do you have
15 have it in your possession. We'll make that
16 request of the company.

17 MR. BRIAN HORST: There was a question on AT&T
18 24, I think Andrea is prepared to answer that,
19 but the question surrounded what sites would we
20 visit.

21 MR. REIDY: 24 is a confidential question, as I
22 remember, and so to the extent we have to -- if

1 we are going to go forward on that, I want to
2 make sure we have acknowledged that. Is that
3 what we are going to proceed to discuss now?

4 MR. BRIAN HORST: We don't have to.

5 MR. REIDY: I would like you to if you can.

6 JUDGE MORAN: You know what, Jay, would it be
7 possible for us to save that for the end?

8 MR. REIDY: That's fine.

9 JUDGE MORAN: That would be great.

10 MR. BRIAN HORST: In terms of AT&T Question 32,
11 33, 34 and 35, you had asked us to indicate the
12 interfaces used by the CLEC's to place the
13 inquiries. Andrea, I believe you have that.

14 MS. ANDREA AUGUST: I have the interfaces that
15 are used by SBC. I can get you -- I think you
16 wanted each interface for each exception, was
17 that correct?

18 BY MR. TIMOTHY CONNOLLY:

19 Q. The ones that were used to submit the
20 transactions that you found the audit issues,
21 yeah?

22 MS. ANDREA AUGUST: I can give you a summary,

1 but I can't give you that in detail right now.
2 It's going to take a little more time so I can
3 get you that at a later date.

4 Q. Well, is the summary the interfaces that
5 are available?

6 MS. ANDREA AUGUST: Yes.

7 Q. We already know that so we'll put that on
8 the list of will provides.

9 MR. BRIAN HORST: And AT&T 39 you had asked us
10 what was the reporting month that we had tested
11 and that was September 2002.

12 Q. Thank you.

13 MR. BRIAN HORST: For AT&T 42 you asked us what
14 the ER number was, the ER number was 1137.

15 Q. Thank you.

16 MR. BRIAN HORST: For AT&T 43 the ER number is
17 1080. For AT&T 47, the ER number is 929.

18 Q. Thank you.

19 MR. BRIAN HORST: For AT&T 55, the ER number is
20 1240.

21 Q. Thank you.

22 MR. BRIAN HORST: For AT&T 49, you had asked us

1 about the 17 exceptions, you wanted more detail
2 as to the type of orders those were. The
3 response we have are these LSR's related to 36
4 different service orders. These break down into
5 28 change orders and 8 disconnect orders.

6 In AT&T 56 we have those numbers for
7 you. For PM 43 the number is 522. For PM 44,
8 the number is 526. For PM 45, the number is 521.
9 For PM 46, the number is 524. For PM 47, the
10 number is 518. For PM 48, the number is 539.
11 For PM 49, the number is 539. For PM 50, the
12 number is 518.

13 For AT&T 57, we have the following
14 numbers: For PM 55, the number is 520. For PM
15 55.1, 532. For PM 55.2, let us check, just a
16 sec. For 55.2, 0. For 55.3, 0. For 56, 516.
17 For 56.1, 0. For 58, 483. For 59, 540. For 60,
18 479. For 61, 539. For 62, 534. For 63, 479.

19 For AT&T 58, for 98, 540. For 99, 540.
20 100, 0. 101, 0. Wisconsin 1, 505. Wisconsin 9,
21 0.

22 Q. Thank you.

1 MR. BRIAN HORST: Related to AT&T Question
2 61 -- do you have a question on 61 or was it 63?

3 Q. It was on 63. Well, actually there was
4 one on 62 and 63 but not 61.

5 MR. BRIAN HORST: In terms of 63, in order to
6 correct the error the Company has changed the
7 programming code in the SAS system to include
8 transactions identified as projects. This is ER
9 1284.

10 For 62, we are going to make a
11 correction to our Appendix B and file a
12 correction. What we did, because 75 and 78
13 require a retail comparison in Illinois, we did
14 an additional sample of 40 for both 75 and 78 to
15 test the retail comparison. But when we put the
16 schedule together we replaced the previous 40 on
17 the wholesale side.

18 So your number should read for PM 75
19 there were 80 transactions tested, 44 were
20 properly included, 11 were properly excluded,
21 there were 25 exceptions.

22 MR. MacBRIDE: Could you repeat what document

1 it was?

2 MR. BRIAN HORST: Appendix B to our
3 supplemental report filed on January 17th, 2002.
4 And again for PM 75, there were 80 total
5 transactions tested. 44 were properly included,
6 11 were properly excluded, and we had 25
7 exceptions.

8 MR. REIDY: The error rate would change then,
9 too?

10 MR. BRIAN HORST: The error rate changes from
11 43 percent to 31 percent. The 25 exceptions
12 related to the same issue, which was excluding
13 projects from the reported results.

14 PM 78, there were 80 transactions
15 tested. Nine were properly included, 62 were
16 properly excluded, there were 9 exceptions. The
17 error rate increased from 3 percent to 11
18 percent. These 8 transactions also related to
19 the issue of excluding projects from reported
20 results. Does that answer your question?

21 Q. Yes, thanks. Excuse me, Brian, that will
22 change the table below the summary results table,

1 Page 8 of that report, also?

2 MR. BRIAN HORST: That's correct.

3 Q. Great.

4 MR. BRIAN HORST: Are there any other questions
5 that you are aware of that were outstanding?

6 Q. 69.

7 MR. BRIAN HORST: What was the question there?

8 Q. This was when you looked at the records
9 that cleared the errors, what was the data that
10 you looked at?

11 MR. KEVIN GRAY: We will respond in writing.

12 Q. We will add that to our list. There is
13 another question on follow up for this one and
14 maybe you can take this one back also. In the
15 testing for PM 102, did you test -- is this TSS
16 report, which is the source data, does that just
17 container errors from Intrade?

18 MR. KEVIN GRAY: Yeah, we'll respond to that
19 later on that same question.

20 Q. 77 was the next one that I had. That was
21 follow up from yesterday.

22 MR. KEVIN GRAY: For No. 77 we will also

1 respond in writing.

2 Q. We also had a question yesterday about in
3 AT&T's Question 71, the meaning of the term SOI
4 report.

5 MR. KEVIN GRAY: It's service order interface.

6 Q. Thanks. Next one we had on follow up was
7 79.

8 MR. BRIAN HORST: That's the one that we said
9 we would get back in writing.

10 Q. The 77, 78, 79 all of those together?

11 MR. BRIAN HORST: Yeah, all of those.

12 Q. And 81 also?

13 MR. KEVIN GRAY: What was the question on 81?

14 Q. If there is different data that you looked
15 at for the LOC rate of service contrasted with
16 the LSC grade of service, if you could explain
17 what those differences are.

18 MR. REIDY: Will that be in writing?

19 MR. KEVIN GRAY: Yes.

20 Q. And 85 was the last one that I had on
21 follow up.

22 MR. KEVIN GRAY: Your question was how we

1 identified the CLEC interface or CLEC outages?

2 Q. CLEC outages, correct.

3 MR. KEVIN GRAY: Basically in the transactions
4 or banded on the band of tickets there is a
5 component field that basically lists the
6 component that has the error problem. And so
7 that was the data element that we are looking at
8 to validate that was a CLEC component or that it
9 was a CLEC affecting outage that was to be
10 reported as performance measure.

11 Q. So something in that indicator tells you
12 that it is an interface that faces a CLEC, or it
13 is a component that faces a CLEC?

14 MR. KEVIN GRAY: Correct.

15 Q. And do you recall what the other
16 attributes of that indicator are, besides CLEC
17 affecting?

18 MR. KEVIN GRAY: SBC uses bands for a large
19 number of systems and it includes OSS systems,
20 just other systems. There are other system
21 outages that aren't reported in this performance
22 measure.

1 Q. And the Vantive system is operated by SBC?

2 MR. KEVIN GRAY: Correct.

3 Q. And so it's their staff who make this
4 assignment of an outage with the characteristics
5 that it's CLEC affecting or not.

6 MR. KEVIN GRAY: From a component perspective,
7 correct.

8 Q. Great, thank you. That's it for our
9 follow up.

10 MR. JOHN KERN: Do you want to continue with
11 your questions. I think you left off on 89 and
12 we will go for about an hour at which time I
13 think staff would be next.

14 BY MR. TIMOTHY CONNOLLY:

15 Q. Before continuing on to 89 I would like to
16 take a step back and ask you to turn to 56, 57
17 and 58 and actually starting with 57. You
18 acknowledge that for PM 55.3, that there were 0
19 retail transactions in the test pool. Can you
20 explain what 1081 transactions were comprised of
21 that are in 55.3?

22 MR. BRIAN HORST: This is another item that we

1 changed when we issued this report. The
2 population should be 541. Properly included is
3 39, the properly excluded should be 502,
4 exceptions 0, error rate 0.

5 Q. So you will recast this table?

6 MR. BRIAN HORST: Yes.

7 MR. REIDY: Please let him get the question
8 out, especially with the court reporter over
9 here, let him get the question out and then go
10 ahead and answer. Thank you.

11 BY MR. TIMOTHY CONNOLLY:

12 Q. You are going to recast the table on Pages
13 7 and 8 of Appendix B or Attachment B to your
14 supplemental report?

15 MR. BRIAN HORST: Yes.

16 Q. And that would also require changes to the
17 total numbers that would apply to that table that
18 is on Page 8 also; is that right?

19 MR. BRIAN HORST: That's right.

20 Q. Do you have information now that tells us
21 how many of those lines are going to be changed?
22 I don't need to know exactly which ones you are

1 going to change, but roughly how many are going
2 to be changed to reflect these different
3 transactions?

4 MR. BRIAN HORST: On this table we planned on
5 changing five lines, 55.3, 75, 78, Wisconsin 9
6 and CLEC Wisconsin 11. And the total.

7 Q. That makes sense to me. Are there other
8 tables that will change in Appendix B that you
9 are aware of now?

10 MR. BRIAN HORST: There is one other table that
11 will change. Under billing on Page 21 of
12 Appendix B for PM 18, the total number of
13 transactions tested is 140 instead of 100. And
14 the properly included number is 140 instead of
15 100.

16 MR. REIDY: On my copy, at least, it's Pages 19
17 and 20 that have billing. I just want to make
18 sure that we are talking about the same thing.
19 So could you give us that again, please.

20 MR. BRIAN HORST: For PM 18 in the billing
21 section, the total number of transactions tested
22 was 140, instead of 100. And the properly

1 included was 140 instead of 100.

2 BY MR. TIMOTHY CONNOLLY:

3 Q. The provisioning table updates, Brian,
4 were to reflect the removal of the, I guess
5 incorrectly calculated total transactions where
6 you had retail volume in there that upon your
7 review the retail volumes came out so you reduced
8 the total tested; is that right?

9 MR. BRIAN HORST: That's correct.

10 Q. What's the source for --

11 MR. BRIAN HORST: For PM 55.3.

12 Q. For 55.3. Yes. What gives -- what's the
13 source of the additional 40 test transactions in
14 PM 18?

15 MR. BRIAN HORST: The additional test
16 transactions for PM 18 were Illinois specific
17 tests that were performed on that measurement
18 that when we summarized our transaction testing
19 weren't included on this Appendix.

20 Q. Okay. If we could continue then going
21 forward, and I'm going to skip a few because of
22 we are concerned about time. I would like to ask

1 you to turn first to AT&T 90. And our question
2 there is what are the exception letters that are
3 referred to in the SBC response?

4 MS. ANDREA AUGUST: I can address that. The
5 exception letter -- the accessible letters which
6 should be included because they are modifications
7 to final requirements. And this is an approved
8 exception according to the business rules. So
9 they are accessible letters but they should be an
10 exception, that's why we referred to them as
11 exception letters.

12 Q. An exception to what?

13 MS. ANDREA AUGUST: Exclusion, I'm sorry.
14 Exclusion for the business rules. They should
15 not be reported results.

16 Q. But what are the exception letters that
17 are being excluded?

18 MS. ANDREA AUGUST: It's an accessible letter
19 that should be excluded from the reported results
20 because they are modifications to final
21 requirements. They are not a final accessible
22 letter, it's a modification.

1 Q. These are for change management
2 announcements that SBC communicates to the
3 CLEC's. And are you saying that when those
4 involve changes to final requirements, those
5 notices are excluded from PM MI 15 calculations?

6 MS. ANDREA AUGUST: Yes. The modifications to
7 final requirements, only the modifications, not
8 the final letter.

9 Q. The accessible letter that contains the
10 announcement of those final release requirements,
11 that letter is excluded from the measurement of
12 PM MI 15?

13 MS. ANDREA AUGUST: No, only if it's a
14 modification. It's the modification to the
15 change, not the modification to a system.

16 Q. Let me just make sure I understand. There
17 is a process for SBC to announce changes to
18 interfaces. And they use an accessible letter to
19 announce that change and then they make available
20 to the CLEC's the technical specifications and
21 documentation about those changes.

22 And subsequent to that, they may make

1 additional announcements that the previously
2 reported changes are being modified to some
3 extent. Is that second type of notice what you
4 are suggesting is the exclusion in MI 15?

5 MS. ANDREA AUGUST: That is my understanding.

6 Q. Can I ask you please to turn to AT&T
7 Question 91. Mr. Kern, your Honor, we may need
8 to go in camera for this next module. We have a
9 reference that we need to make to one of the
10 documents, because there is a function on one
11 page that we are not quite sure we understand.

12 JUDGE MORAN: Can you hold that off to the end
13 or is it impossible?

14 MR. TIMOTHY CONNOLLY: Certainly can.

15 JUDGE MORAN: Because we already have one other
16 question. I don't want to go in and out. If I
17 can put them all together.

18 MR. REIDY: We will go to those questions 15
19 minutes before the end of our time period.

20 JUDGE MORAN: Great.

21 MR. REIDY: So at 9:45.

22 JUDGE MORAN: So 91 is put over.

1 BY MR. TIMOTHY CONNOLLY:

2 Q. Could I ask you to go to 92, please.

3 MR. BRAD SHEPPARD: Response to 92, the
4 business rules were interpreted literally as
5 printed. If SBC Ameritech was not following the
6 literal interpretation of the business rules,
7 then an interpretation was noted in Attachment B
8 to our compliance report.

9 The Company's interpretation for PM 15
10 relates to whether bills transmitted by means
11 other than other than BDT or EDI should be
12 included in the results. Our transaction testing
13 of EDI bills was to determine if the bills
14 contained totaling, formatting, content or syntax
15 errors as stated in the business rules.

16 Q. Thank you. 93.

17 MR. BRAD SHEPPARD: 93 is same as above, same
18 answer.

19 Q. And 94?

20 MR. BRAD SHEPPARD: The business rules were
21 interpreted literally as printed. If SBC was not
22 following the literal interpretation of the

1 business rules then an exception was noted,
2 interpretation disclosed, in our findings.

3 Q. We'll skip 95. And as you to turn to 96.

4 MR. BRAD SHEPPARD: Data which was utilized for
5 PM 19 testing was taken from the Mainframe Stat
6 Files, which are utilized to build the reports
7 utilized to report for this measure. The
8 following critical fields are contained within
9 these files, state, ACNA, days late, number of
10 usage files per days late and total usage files
11 sent.

12 E&Y obtained the Mainframe State Files
13 in plain text format from Ameritech RBS
14 personnel.

15 Q. Is it your understanding that Ameritech
16 calculates that days late entry?

17 MR. BRAD SHEPPARD: It's -- I believe it's a
18 derived field, meaning the Mainframe when it
19 sends out the file and such it prints those on
20 there, onto the file.

21 Q. On the SBC Ameritech file they have
22 calculated what the usage files per days late

1 entry is; is that right? I may not have captured
2 exactly the name of that data element.

3 MR. BRAD SHEPPARD: I believe that's accurate.

4 Q. But you didn't check that calculation?

5 MR. BRAD SHEPPARD: Actually we did confirm
6 that they are within the time limit on the
7 business rules by taking -- I don't have the
8 business rules in front of me, I can get them
9 out.

10 We actually did the calculations as
11 well. We took the cycle date and we also checked
12 to see when it was sent, if it was within six
13 days it met the business rules and was not an
14 exception.

15 Q. And the cycle date is a part of what
16 source data?

17 MR. BRAD SHEPPARD: The cycle date was the date
18 that the usage day ends. It's the date we stop
19 the clock, I guess you would say. And I believe
20 that would have come from -- I would have to go
21 back and check to be sure, I don't want to say.

22 Q. What relationship do these records that

1 you are looking at, the source data, have with
2 AMA detail recorded at the SBC Ameritech switch?

3 MR. BRAD SHEPPARD: I would have to check, I
4 don't know.

5 Q. It's my understanding that the measurement
6 of daily usage fee time limits deals with how
7 many days elapse from the time that a call is
8 recorded for a CLEC, to the time that the data is
9 provided to the CLEC. Is that your
10 understanding?

11 MR. BRAD SHEPPARD: No, because a CLEC usage
12 falls within cycles, meaning there is not -- if I
13 made a call on one day, that doesn't necessarily
14 mean we are going to send the file that day
15 because they may not fall -- there may be 20
16 cycles within a month, therefore we are not going
17 to send a file every day. I don't have the
18 specific number of cycles for what you are
19 speaking of, though.

20 Q. The definition -- do you have this
21 business rule for PM 19?

22 MR. BRAD SHEPPARD: Right in front of me.

1 Q. Its definition is usage information is
2 sent to the CLEC's on a daily basis. This usage
3 data must be sent to the CLEC within six work
4 days in order to be considered timely. So that's
5 what I was understanding to be the time from when
6 the call is recorded for the CLEC to the time
7 that the CLEC is provided with those call details
8 by SBC Ameritech.

9 MR. BRAD SHEPPARD: If you look in the business
10 rules further down, it says cycle date is the day
11 that the file is sent to the CLEC.

12 Q. Right, so we would subtract the date of
13 the call from the cycle date to understand what
14 the interval was, the interval that elapsed from
15 the time that the call was recorded to the time
16 the call was delivered.

17 MR. BRAD SHEPPARD: The time the cycle date
18 ended to the time it was...

19 Q. My understanding is that you subtract the
20 date of the call from the cycle date, that's the
21 number of days that have elapsed between the time
22 that the call was made and the time the call

1 record is provided to the CLEC for billing. Is
2 that your understanding?

3 MR. BRAD SHEPPARD: No. Perhaps we should give
4 this back to you in writing and give you a full
5 recount of our procedures.

6 Q. What I'm looking at is how did you verify
7 that the usage files per days late calculation
8 was accurate, what did you use to calculate that,
9 verify that calculation.

10 MR. BRAD SHEPPARD: We'll get back to you.

11 Q. In AT&T Question 97, I'm trying to
12 understand the difference between a detailed code
13 review and the code review as it is used in your
14 supplemental report.

15 Note 11 on Page 20 of my Appendix B to
16 your supplemental report says you employed
17 detailed code review measures and I don't know
18 what those are contrasted with the code reviews
19 that you talked about in the body of your report.

20 MR. KEVIN GRAY: Right, the detail -- I mean
21 it's basically the same thing, so detailed code
22 review and code review is the same thing. We

1 followed the same procedures, they are
2 interchangeable.

3 Q. Thank you. AT&T Question 99, please.

4 MR. BRIAN HORST: Our report does not contain
5 the referenced item as an exception.

6 Q. AT&T 102, please, Brian.

7 MR. BRIAN HORST: The types of orders that
8 ended up in exceptions there were 8 DB loops
9 without test access, there was a BRI loop with
10 test access, and there was also orders with DS1
11 with test access. There was DSL loop without
12 line sharing. Those were the products.

13 In terms of the corrective action, the
14 Company updated the SAS code logic to remove the
15 requirement for start and end days to fall into
16 the same month and is now including records with
17 end dates that fall outside of the reported
18 month. ER's 1416, 1417, and 1418 were issued to
19 address these errors and they were implemented in
20 September of 2002.

21 Q. Thank you. Asking you to turn please to
22 AT&T Question 104.

1 MR. BRIAN HORST: What we can do is provide you
2 this attachment, similar to the one we provided
3 in Michigan, it describes what sites we visited,
4 what we did when we were there.

5 Q. A modified Appendix C with additional data
6 on it?

7 MR. BRIAN HORST: Yes.

8 Q. That would be great. And that would
9 address AT&T 104, 105, 106, 107 and 108?

10 MR. BRIAN HORST: In terms of 106 and 107, in
11 the past we have not provided names and titles of
12 SBC Ameritech staff.

13 MR. REIDY: Is it information that was not
14 recorded by Ernst and Young?

15 MR. BRIAN HORST: No, the information we have
16 we just typically don't provide client contacts.

17 MR. REIDY: We're not asking for client
18 contacts, we are asking for these particular site
19 visits -- I mean, would it be possible to
20 identify, you know, generically the personnel?
21 In other words, for example, we talked about the
22 ICS transaction director or whatever yesterday,

1 is it possible that we could get --

2 MR. BRIAN HORST: Generically.

3 MR. DAN DOLAN: You mean the employee category?

4 MR. REIDY: Yeah, titles basically, employee
5 names. Thank you.

6 BY MR. TIMOTHY CONNOLLY:

7 Q. AT&T 109, please.

8 MR. REIDY: May we go off the record for just
9 one moment.

10 JUDGE MORAN: Sure.

11 (Whereupon, there was an
12 off-the-record discussion.)

13 MR. BRIAN HORST: In terms of the change
14 control methodology E&Y observed, once a change
15 in the performance measurement process is deemed
16 necessary, an enhancement request is created. If
17 a change in the programming code is necessary,
18 then a CR or a change request is created. Once
19 the ER and CR are approved, then the CR is given
20 to the appropriate IT organization to make the
21 change in the programming code.

22 As progress is made on the change, the

1 ER is updated for the progress. Once the
2 programming change is made and tested, then the
3 change is approved to be implemented into
4 production.

5 Q. Did you examine these activities of the ER
6 process and the CR process, did you examine those
7 -- you examined those as practiced, as you saw
8 these activities going on, and the ER's got
9 written and CR's got written and so forth?

10 MR. BRIAN HORST: Yes.

11 Q. Were those practiced according to the
12 design of the process?

13 MR. BRIAN HORST: In terms of what design?

14 Q. The design of the ER process?

15 MR. BRIAN HORST: The scope of our engagement
16 was not to report on the change control of every
17 company. We examined changes to systems to
18 determine if they had any impact on March, April
19 and May 2002 results. And then in terms of
20 corrective action, we would certainly look at the
21 corrective action that was implemented and we
22 looked at the CR's and we looked at the revised

1 codes to make sure that the change that had been
2 implemented was working effectively.

3 Q. So if the -- so as ER's and CR's began to
4 devolve as a result of your audit findings?

5 MR. DAN DOLAN: Not just our audit findings,
6 Tim, it's also a result of BearingPoint's
7 activities as well. So there are ER's being
8 generated for a lot of those activities as well.
9 I'm just trying to make sure you guys -- it
10 wasn't just our audit that generated the --

11 Q. I believe I do understand that. I'm
12 trying to get a handle on what did you -- when
13 you were watching the ER's get implemented, as we
14 talked about which ones they are and so forth,
15 you are focusing on the ones that evolved from
16 your audit.

17 In order to do your compliance testing,
18 you are looking at changes to the systems and
19 procedures that are responsive to your audit
20 findings?

21 MR. BRIAN HORST: Yes.

22 Q. Now, when you saw the ER's and the CR's

1 begin to work through all the associated
2 activities that programmers start programming,
3 and analysts start analyzing, and all those
4 activities start going, you are looking at the
5 SBC people doing those activities. Maybe not
6 over their shoulder, but you are seeing the
7 product?

8 MR. BRIAN HORST: Yeah, we are testing the
9 final implementation of that code. And we are --
10 I would say we are testing in more detail the
11 code that was put in place and reviewing the code
12 and then we are doing transaction testing. We
13 weren't relying on the change control process to
14 necessarily rely on that control and not do the
15 actual testing.

16 Q. So you didn't see the prioritization
17 process, for example, that nominated ER 950 for
18 PM 7 and 8, how that got on the list of
19 activities to do during whatever month that had
20 been implemented?

21 MR. BRIAN HORST: No. To my knowledge that is
22 not something we looked at.

1 Q. Is it your understanding that there is a
2 prioritization process or a selection process of
3 some sort?

4 MR. KEVIN GRAY: There is a process, but again
5 we didn't test that process. We would basically
6 test the end result, the implementation of those
7 ER's as they impacted the fixes for the report.

8 Q. So whatever went on to get ER 950, which
9 just happened to be one that I turned to in my
10 document, whatever went on to get that one at its
11 position in the hierarchy of things to do, you
12 didn't look at how that happened or what those
13 processes are that affect ER's and CR's?

14 MR. KEVIN GRAY: Correct.

15 Q. Could I ask you to turn, please, to AT&T
16 Question 115?

17 MR. BRIAN HORST: Our review of restatements
18 occur from May 2002 through the January 6th, 2003
19 posting. Our focus on those restatements was to
20 determine whether they impacted March, April or
21 May 2002 results. And it was not to focus on the
22 communication of those results.

1 Q. You didn't start work in May, though, you
2 started working with the May results that were
3 being provided to you?

4 MR. BRIAN HORST: What is your question?

5 Q. I was trying to clarify whether you
6 started work in May on restatements for prior
7 periods or you started with --

8 MR. BRIAN HORST: No, what we're clarifying
9 here is the first time March results would have
10 been restated would have been May 5th. So we
11 looked at May 5th restatements through November
12 2002.

13 Q. January of 2003?

14 MR. BRIAN HORST: Thank you, yes.

15 Q. How about AT&T Question 116, please.

16 MR. BRIAN HORST: The scope of our engagement
17 was to test the accuracy and completeness of
18 performance measurements in accordance with the
19 business rules for the period March, April and
20 May of 2002. If the PM's were not posted
21 correctly originally, this was reported as an
22 exception in our compliance report.

1 If restatements were made we did test
2 that the process/program code change was made and
3 classify these exceptions as restatements in our
4 report. Our engagement was not designed to test
5 that CLEC's were notified of restatements and as
6 such we have not tested such notification or
7 reported on such notification in our compliance
8 report.

9 Q. Thank you. 117, please.

10 MR. BRIAN HORST: Same answer as 116.

11 Q. AT&T 119, please.

12 MR. BRIAN HORST: Question relates to the date
13 E&Y advised SBC Ameritech of Interpretation 24.
14 This was an item included on our issues list.
15 I'm not sure the exact date it was communicated
16 the first time. The issue relates to Illinois
17 only.

18 Q. Do you have the date in your documentation
19 in your office, or some other location?

20 MR. BRIAN HORST: Not to my knowledge, no.

21 Q. And how about AT&T 120.

22 MR. BRIAN HORST: AT&T 120 relates to actually

1 a BearingPointe observation that we reviewed.
2 And we became aware of it sometime in the January
3 time frame.

4 Q. January 2003?

5 MR. BRIAN HORST: 2003 for this report, that's
6 when we were reviewing all those BearingPointe
7 observations.

8 Q. SBC gave you access to all of the -- to
9 the BearingPointe observations, exceptions, and
10 SBC's responses to those?

11 MR. BRIAN HORST: Yes, we had access on the
12 website.

13 Q. In addition to the website material, for
14 observations and exceptions with BearingPointe,
15 there are data requests that BearingPointe makes
16 to SBC Ameritech and responses provided to those
17 by SBC Ameritech. What access did you have to
18 those documents?

19 MR. BRIAN HORST: To the extent we requested
20 them we had full access.

21 Q. AT&T Question 121, please.

22 MR. BRIAN HORST: For 121 and 122, we will

1 respond in writing to those.

2 Q. Okay, thank you.

3 MR. REIDY: Your Honor, we would like to go in
4 camera now for some of our confidential
5 questions.

6 JUDGE MORAN: Okay, that's fine. There are
7 questions being posted and answers that may
8 contain some confidential matters so we are going
9 to into in camera record at this point. And you
10 can proceed. Is anybody here that has not signed
11 the proprietary agreement?

12 MR. ORTLIEB: Your Honor, Mark Ortlieb on
13 behalf of SBC Ameritech, we are satisfied that
14 everyone in the room has either signed the
15 necessary agreements or the paperwork is in
16 process, so we can proceed.

17 JUDGE MORAN: Okay, thank you.

18 (Whereupon the following
19 proceedings were had in camera.)

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