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**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

In the Matter of )  
 )  
Joint Application by SBC Communications Inc., )  
The Ohio Bell Telephone Company, d/b/a )  
Ameritech Ohio and Southwestern Bell ) CC Docket No. \_\_\_\_\_  
Communications Services, Inc. d/b/a Ameritech )  
Long Distance for Provision of In-Region, )  
InterLATA Services in Ohio )

**AFFIDAVIT OF DEBORAH O. HERITAGE  
ON BEHALF OF AMERITECH**

**STATE OF ILLINOIS** )  
 )  
**COUNTY OF COOK** )

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STATE OF COMPETITION AFFIDAVIT**

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I, Deborah O. Heritage, being of lawful age and duly sworn upon my oath, do hereby depose and state as follows:

1. My name is Deborah O. Heritage. My title is Director–Compliance for SBC/Ameritech. My business address is 2000 W. Ameritech Center Drive, Room 4G44, Hoffman Estates, Illinois, 60196.

**PROFESSIONAL EXPERIENCE**

2. I began employment with Southwestern Bell Telephone Company (SWBT) in June 1973. During this 28-year period, I have served in numerous management positions in the Network, External Affairs and Regulatory organizations. My previous assignment with SBC prior to the move to Ameritech was as State Regulatory and Industry Relations Director in Arkansas. In this capacity, I managed the service contracts, interconnection agreements and compensation arrangements with other incumbent local exchange companies and handled the state regulatory docket issues related to these business arrangements. In 2000, I was appointed to my current position as Director-Compliance in the Long Distance Compliance organization in Ameritech. In this capacity, I assist the state regulatory organizations with Track ‘A’ filings as well as 271-related OSS and process improvements in preparation for 271 proceedings in the Ameritech region. These responsibilities include supporting the development and implementation of products, processes and related policies for competitive local exchange carriers (“CLECs”). I also represent Ameritech before regulatory bodies and in other external forums, including industry collaboratives, related to operational issues, process improvements, market conditions and the status of local exchange competition.

**PURPOSE OF AFFIDAVIT**

3. My affidavit describes the status of local exchange competition in Ohio since the enactment of the Federal Telecommunications Act of 1996 (“Act”) and demonstrates that The Ohio Bell Telephone Company, d/b/a Ameritech Ohio or Ameritech (“Ameritech”),<sup>1</sup> has met the requirements of “Track A” under 47 U.S.C. §271(c)(1)(A). This affidavit focuses specifically on CLECs, how and where they are operating in Ohio, and the market segments in which they are competing. All information is current as of June 2001, unless otherwise noted. (See Attachment A.) The information focuses on CLEC entry in Ohio, and excludes all data associated with an SBC/Ameritech affiliate.

**CLEC MARKET ENTRY IN OHIO**

4. Local competition continues to thrive in Ohio. As of July 2001, more than 145 CLECs were certified to provide local services in Ohio. (See Attachment B.) Moreover, as of July 2001, Ameritech had entered into 130 approved wireline interconnection and resale agreements in Ohio. As described in detail in Attachment C, six CLECs with approved interconnection agreements are competing providers of telephone exchange service to business and residential customers, either exclusively or predominately over their own telephone exchange facilities. These CLECs present actual commercial alternatives to Ameritech Ohio and thereby constitute “Track A” carriers in Ohio.

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<sup>1</sup> The Ohio Bell Telephone Company, an Ohio corporation, is a wholly owned subsidiary of Ameritech Corporation, which owns the former Bell operating companies in the states of Michigan, Illinois, Wisconsin, Indiana, and Ohio. Ameritech Corporation is a wholly owned subsidiary of SBC Communications, Inc. Ohio Bell offers telecommunications services and operates under the names “Ameritech” and “Ameritech Ohio” pursuant to trade name registrations with the state of Ohio.

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5. These CLECs demonstrate that the local market in Ohio is open to competition. As discussed in more detail below, Ameritech uses three conservative methods to estimate the number of lines served by facilities-based CLECs in Ohio. Two of these methods are based on the number of interconnection trunks leased by CLECs in the state, and the third is based on the CLECs' own entries in the E911 database. As Tables 1 and 2 below demonstrate, each of these methodologies, whether considered in isolation or together with CLECs' resold service, shows that CLECs are successfully taking advantage of Ohio's open local market.

**Table 1**  
**Facilities-Based CLEC Lines in**  
**Ameritech's Ohio Service Areas as of June 2001**

Method Used	Number of CLEC Access Lines in Ameritech Territory		
	Residential <sup>2</sup>	Business	Total
Interconnection Trunks 2.75:1 Ratio + UNE-P	28,233	605,892	634,125
E911 Lines + UNE-P	35,025	276,125	311,150
Interconnection Trunks 1:1 Ratio + UNE-P	22,825	226,447	249,272

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<sup>2</sup> Interconnection trunks were split using the E911 listings ratio of residential lines to business lines.

**Table 2**  
**Ohio CLEC Access Lines (Incl. Resale) – June 2001**

<b>Method Used</b>	<b>CLEC Lines</b>	<b>Estimated Market Coverage</b>
Interconnection Trunks 2.75:1 Ratio + UNE-P + Resale	706,031	15%
E911 Lines + UNE-P + Resale	383,056	9%
Interconnection Trunks 1:1 Ratio + UNE-P + Resale <sup>3</sup>	321,178	7%

6. More significant than actual market entry is the CLECs' existing addressable market opportunity in Ohio. CLECs have already installed (37) switches in Ohio, which is enough switching capacity to serve 100% of the Ameritech customers in Ohio. (See Table 4 below.) CLECs' existing collocation arrangements are in central offices that allow them to serve 93% of the business customers and 88% of the residential customers in Ameritech's serving area. (See Table 5 below.) CLECs are competing for customers, both residential and business, not only in central urban areas, but also in smaller communities such as Fremont, (pop. 17,648); Painesville, (pop. 15,699); and Ravenna, (pop. 12,069).<sup>4</sup>
7. Moreover, nearly every measure of local competition in Ohio is growing rapidly. Between June 2000 and June 2001, for example, unbundled network element (UNE) loops in Ohio grew 77%, facilities-based E911 listings grew 57%, interconnection trunks grew 32%, and operational physical collocation arrangements grew 141%. (See Attachment D.) And as experience in Texas, Kansas and Oklahoma has demonstrated, these indicators of local competition can be expected to increase even more substantially in the wake of 271 relief,

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<sup>3</sup> Ameritech believes the 1:1 line-to-trunk ratio is unrealistically conservative, especially given that the E911 database included in Table 1 (which is reported by the CLECs themselves) shows a larger market coverage than the 1:1 trunk ratio. For further explanation, see Interconnection Trunks and UNE-P section below.

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which provides the large interexchange carriers an even greater incentive to serve the local market.

8. Competitors are employing a variety of innovative technologies and deployment strategies-- including fixed wireless, cable, fiber, DSL, UNEs and resale--to provide services to the local market. CLECs are actively marketing those services. Attachment E to this affidavit contains selected articles and CLEC advertisements soliciting customers in Ohio. These advertisements further demonstrate that the Ohio local market is open, and that CLECs are actively competing with Ameritech to win customers.

**FACILITIES-BASED PROVIDERS**

9. Facilities-based carriers with interconnection agreements with Ameritech are providing service in Ohio by building their own networks, leasing UNEs from Ameritech, or combining those two approaches.
10. Table 3 below identifies 43 Ohio facilities-based carriers providing service. Twenty-four of these carriers currently appear to provide local voice service to Ohio customers. The remaining carriers appear to provide facilities-based services, such as DSL or data services. CLECs thus have demonstrated their ability to provide a variety of services to Ohio consumers. Further, as discussed later in this affidavit, CLECs currently providing data or DSL services are in no way precluded from deploying voice grade service if they choose to avail themselves of that option.

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<sup>4</sup> Based on Collocation listing data.

**\*\*\*Table 3\*\*\***  
**Facilities-Based Carriers in Ohio and**  
**Their Methods of Providing Service - as of June 2001**

Facilities-Based Provider	Use Own Facilities	Lease UNEs
@Link Network		
Adelphia Business Solutions		
Allegiance Telecom		
Alltel Communications		
AT&T		
Broadslate Networks		
Buckeye TeleSystem		
Choice One Communications		
City Signal Communications		
Commonwealth Telecom Services		
CoreComm		
Covad		
Digital Broadband		
Diversified Communication Solutions		
DSLnet		
Focal Communications		
Gabriel Communications		
Global Crossing		
ICG Communications		
Intermedia Communications		
Jato Communications		
KMC Telecom		
Level 3		
Maverix.net		
Maxcess		
McLeod USA		
Mission Networks		
Mpower Communications		
New Edge Networks		
Newpath Holdings		
NuVox (TriVergent)		
Pathnet		
Rhythms Links		
Sprint		
TallGrass Communications		
Teligent		
Time Warner		
TotaLink		
Vectris Telecom		
Williams Communication		
Winstar		
WorldCom		
XO Communications		

\* Some of the CLECs in Chart 3 above are undergoing financial reorganization.

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11. As the UNE-P chart in Attachment F indicates, several CLECs in Ohio are currently providing facilities-based service to both residential and business customers via UNE-P. These CLECs also provide service to business and residential customers through other means, such as resold lines, stand-alone UNE loops and their own facilities. As of June 2001, over 19,000 residential lines and over 9,000 business lines were being served using UNE-P. This is particularly impressive given that UNE-P is an extremely recent mode of entry for CLECs in Ohio and only began to be used in February 2001.
12. Another option of providing facilities-based service by CLECs in Ohio is the use of stand-alone UNE loops. As of June 2001, there were over 109,000 UNE loops being used by 24 CLECs to provision service in Ohio. (See Stand Alone UNE Chart in Attachment F.) The growth in stand-alone UNE loops has been significant, increasing 77% between June 2000 and June 2001. (See Attachment D.)
13. CLECs also provide service using their own networks. Ameritech does not have access to an exact accounting of access lines served by CLECs in Ohio over their own network, nor does Ameritech have access to a detailed inventory of CLEC networks. Only the CLECs themselves have access to such data. However, as set out in detail below, CLEC records in Ameritech's E911 database and CLEC interconnection trunks provide two means of conservatively estimating the number of access lines currently served by facilities-based carriers in Ohio. In addition, CLEC collocation arrangements serve to identify the number of lines potentially targeted by those carriers for service in the future. Finally, during the twelve-month period ending September 30, 2000, CLECs increased their fiber routes in metropolitan areas (Cleveland, Columbus, Toledo, Akron and Dayton) by 46% (325 additional miles) and increased the number of buildings connected to their fiber by 43%

(120 new on-net buildings).<sup>5</sup>

**E911 DATABASE & UNE-P**

14. Facilities-based CLECs that utilize their own switch(es) for providing service to their end users are responsible for directly inputting telephone numbers for those customers into the E911 database, and for designating whether the service provided to those telephone numbers is business or residential. Because facilities-based CLECs themselves are responsible for listing their customers' numbers in the E911 database, the database contains information that is not available through any other Ameritech database or system. The E911 database therefore provides a sound basis for conservatively estimating the number of local subscriber lines served by facilities-based carriers.
15. Facilities-based carriers are identified in the E911 database by a specific Company Identification (ID) Code. Among other things, this CLEC-specific ID Code allows the emergency services organization to contact the serving CLEC for emergency services, such as line interrupt and call trace. Using the CLEC's Company ID, the E911 database identifies which CLECs are providing local service and whether service to a particular telephone number has been designated as business or residential by the CLEC. Attachment F to my affidavit identifies the carriers providing facilities-based service to business and residential customers based on E911 data.
16. Standing alone, the E911 database substantially understates the total number of lines served on a facilities basis. Most significantly, a CLEC's E911 listings do not include lines that the CLEC serves by leasing Ameritech UNE switch ports or UNE-P arrangements, since

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<sup>5</sup> Executive Summary, Year 2000 Competitive Report Using the Diagnostic Method for Assessing Competition (DMAC), filed in PUCO Case No. 98-1082-TP-AMT on April 2, 2001 (hereinafter "Year 2000 Competitive

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these lines are still physically served off an Ameritech switch. To obtain a more accurate estimate of CLEC facilities-based lines, Ameritech therefore adds to the E911 listings the UNE-P arrangements that CLECs have purchased.

17. As of June 2001, the E911 database showed that CLECs were serving 281,794 lines on a facilities basis in Ohio. As of the same date, CLECs served 29,356 lines over UNE-P. Together, these measures show that CLECs were serving at least 311,150 lines on a facilities basis in Ohio as of June 2001.
18. However, even when the E911-based estimate is adjusted to include UNE-P arrangements, it still results in an overly conservative estimate of CLECs' facilities-based lines. For example, E911 listings represent only those customer lines from which outbound calls can be made. As a result, business customers such as call centers, reservationists, telemarketing centers, and Internet providers will have few of their access lines represented in the E911 database. Also, CLECs themselves may make errors in entering E911 listings, and Ameritech does not "police" those entries to ensure that they are accurate and complete. For these reasons, the listings in the E911 database provide only a conservative estimate for the number of business and residential listings served by facilities-based CLECs.

### **INTERCONNECTION TRUNKS AND UNE-P**

19. Interconnection trunks are used by facilities-based CLECs to connect their switching facilities to Ameritech's end-office or tandem switches for the purpose of passing traffic from their customers to Ameritech's customers or vice versa. Interconnection trunks, therefore, provide another means of estimating the number of customer lines served over

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the CLECs' networks. As of the end of June 2001, CLECs in Ohio had installed 219,916 interconnection trunks.

20. Communications professionals use line-to-trunk ratios to determine the number of trunks required for delivering traffic to and from telecommunications networks. US LEC Corp. states that management experience indicates the use of a 5 to 1 lines-to-trunk ratio.<sup>6</sup> In its UNE Fact Report filed with the FCC during the UNE Remand proceeding, the United States Telecom Association (USTA) noted that, based on Incumbent Local Exchange Carrier (ILEC) engineering experience, a single trunk can support up to approximately 10 facilities-based lines. However, because CLEC networks may not yet be engineered with a high level of efficiency, and because CLECs may target individual customers, such as ISPs, that require a high number of interconnection trunks, USTA conservatively estimated that CLEC trunks are serving between 2.5 and 5 facilities-based lines per trunk.<sup>7</sup>
21. Taking the very conservative approach of 2.75 lines per trunk, the total facilities-based CLEC lines served by these trunks is  $219,916 \times 2.75 = 604,769$  lines.
22. Like E911-based estimates, interconnection trunks do not include lines served by CLECs using UNE-P arrangements. UNE-P arrangements do not require interconnection trunks because the traffic need not be transported from the CLEC switch to the Ameritech switch. Consequently, it is appropriate to add the number of UNE-P lines to the line-to-trunk ratio

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<sup>6</sup> US LEC Corp. Equivalent Access Lines, <<http://www.uslec.com/equiv.htm>>, visited June 13, 2001.

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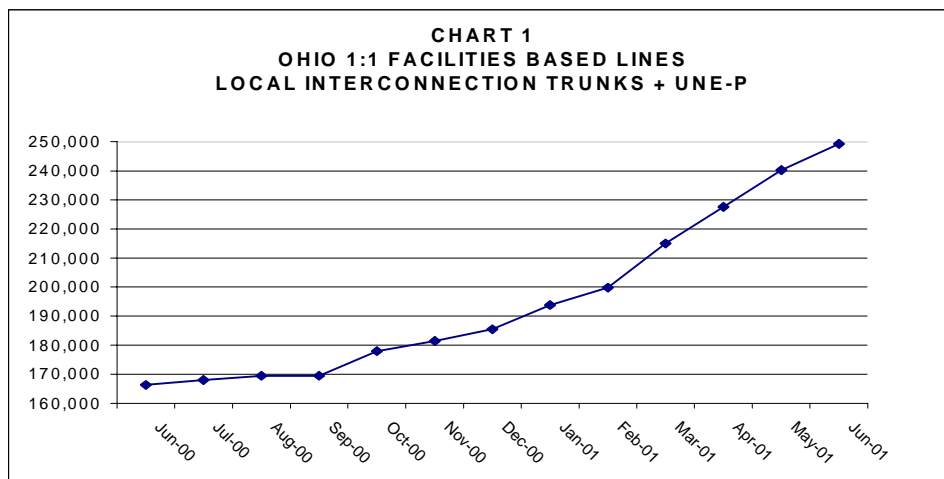
in order to estimate the access lines served by facilities-based CLECs. Because the total UNE-P lines currently served by carriers in Ohio as of the end of June 2001 is 29,356 the total facilities-based lines serviced by CLECs is an estimated 634,125.

23. As noted earlier, only the carriers themselves know the number of business and residential lines they are currently serving over their own facilities. Absent specific data from the CLECs themselves, 634,125 facilities-based lines in Ohio is a conservative estimate based on the interconnection trunks currently being utilized by CLECs.
24. In its comments on SWBT's Texas 271 filing, the Department of Justice (DOJ) disagreed with the 2.75 lines per trunk ratio used to estimate the number of access lines being served by facilities-based CLECs. The DOJ instead recommended a 1:1 ratio as a "more reasonable multiplier."<sup>8</sup> That 1:1 line-to-trunk ratio is unrealistic. Nevertheless, even the unrealistically conservative 1:1 ratio shows substantial local competition in Ohio. Chart 1 provides a graphic illustration of the growth in CLEC lines based on local interconnection trunks (at a 1:1 line ratio), plus UNE-Ps in Ohio from June 2000 through June 2001. This chart clearly demonstrates extensive competition in Ohio, as well as rapid and sustained growth.

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<sup>7</sup> See, e.g., the United States Telecom Association's UNE Fact Report filed with the FCC during the UNE Remand proceeding: "First, we can estimate CLEC lines based on the number of interconnection trunks CLECs are using. Facilities-based CLECs do not obtain trunks unless they have local lines and traffic to support and use such trunks. Based on ILEC engineering experience, a single trunk can support up to approximately 10 facilities-based lines. Since CLEC networks may not be engineered for maximum efficiency (*i.e.*, to serve the most efficient number of customers per trunk), and since CLECs disproportionately serve heavy-use Internet lines, we can conservatively assume that CLEC trunks are serving between 2.5 and 5 facilities-based lines per trunk." UNE Fact Report at III-14, attached to Comments of the United States Telecom Association, Implementation of the Local Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98 (filed May 26, 1999).

<sup>8</sup> See Comments of the United States Department of Justice at fn. 15, Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-Region InterLATA Services in Texas, CC Docket No. 00-4 (FCC filed Feb.14, 2000).



25. Regardless of whether estimates of facilities-based competition are based on E911 data or on interconnection trunks, the numbers demonstrate that customers in Ohio have a choice in local service providers, and that competing providers have established themselves as a significant and growing presence in the marketplace.

### **CLEC SWITCHES**

26. While CLEC switches are of limited utility in quantifying the exact number of customers and access lines served by CLECs, it is illuminating to consider the raw capacity contained in CLEC switch deployments. Before the advent of fiber optics, the practical distances over which copper loops operated largely determined wire center boundaries. Therefore, the number of Ameritech local switches was initially determined by this limitation.
27. Today, through the use of fiber optic networks, switches can serve customers at a much greater distance than before. In addition, remote-switching modules can operate up to 600 miles from the main switch. In today's environment, local switching is limited by capacity, not distance, and modern switches are modular, meaning that capacity can be added quickly as needed. As a result, CLECs can place a single switch in a metropolitan area and serve

the entire surrounding community. As the following table shows, the CLEC switches currently installed in Ohio have sufficient capacity to serve 100% of the access lines that Ameritech serves in the entire state of Ohio.

**Table 4<sup>9</sup>**  
**CLEC Switches in Ohio**

No. of Operational CLEC Switches in Ohio	Maximum Capacity of CLEC Switches	Ameritech Access Lines Ohio	% CLEC Access Line Coverage Based On Current Switch Placement
37	6,605,000	3,987,254	>100%

Note: The number of operational CLEC Switches is an estimate only. Additional CLEC switches may be deployed which are not counted here, and these would only further increase the raw capacity reported above. Switches above include 5ESS, Siemens EWSD, ICS2000, DMS-100/500/10 - capacities are the aggregate of manufacturer's specifications.

28. The competitive significance of CLEC switching capabilities is further revealed when the central offices in which CLECs have chosen to collocate are more closely examined, as in the next section.

### **COLLOCATION**

29. Ameritech provides collocation to facilities-based carriers. These carriers use collocation as one means of obtaining interconnection and access to unbundled network elements. The existence of collocated carriers – and the locations selected by those carriers for their collocation – therefore provide a strong indicator of both the existence of and potential for facilities-based competition.

30. Not every collocation facility is used for voice telephone service. Some are used, for example, to provide data services or private line services. Nevertheless, each collocation represents a step in the development of a competitive network by a facilities-based carrier.

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<sup>9</sup> Switch data from New Paradigm Resources – CLEC Report 2001 13<sup>th</sup> Edition.

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As of the end of June 2001, Ameritech has completed 937 physical and 75 virtual collocations.

31. As set out in Table 5 below, CLECs have chosen to collocate in Ohio wire centers that serve a large portion of the business and residential lines provided by Ameritech. Thus, through collocation, facilities-based CLECs have positioned themselves to directly compete for the vast majority of customers – both business and residential – currently served by Ameritech.

**Table 5**  
**Total Lines versus Lines in Collocation Wire Centers**  
**In Ameritech Ohio Serving Areas**

		June -01	June-01	June -01
		All Ameritech Wire Centers	Collocation Wire Centers	Percent of Total
<b>Ohio</b>	Number of Wire Centers	251	121	48%
	Access Lines			
	Business	1,222,782	1,132,704	93%
	Residence	2,764,472	2,439,511	88%
	Total	3,987,254	3,572,215	90%

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32. Taking into account only completed collocations, facilities-based CLECs are in position to serve 88% of residential access lines and 93% of the business access lines currently served by Ameritech in Ohio.
33. Several CLECs included in the calculations in Table 5 above (DSL.net, Covad, New Edge Networks, and others) provide DSL or data services in other states and are now collocated in Ohio. A CLEC's decision to enter the market through data or DSL services in no way prevents that carrier from also providing voice grade telephone service. Further, the collocation activity of these CLECs demonstrates that they are positioning themselves to be able to provide a full range of services to the majority of Ohio customers in the future.

### **RESALE PROVIDERS**

34. In addition to the previously mentioned facilities-based providers, numerous CLECs provide service in Ameritech's service territory via resale. As of September 30, 2000, CLECs were reselling Ameritech Ohio's local service in 90 percent of its wire centers.<sup>10</sup> Significantly, some CLECs providing facilities-based services to businesses (and in many cases residences) also provide resold services to residential customers, therefore demonstrating compliance with "Track A" through the existence of resold residential services.<sup>11</sup> (See Attachment F.)

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<sup>10</sup> Year 2000 Competition Report at p. 8.

<sup>11</sup> See the Kansas-Oklahoma Order, ¶ 43, fn. 101, where the FCC specifically noted that compliance with Track A requirements may be demonstrated through the existence of resold residential service.

**Table 6**  
**Resold Lines in Ameritech's Ohio Territory as of June 2001**

<b>CLEC</b>	<b>Business Lines</b>	<b>Residence Lines</b>	<b>Total</b>
Pure Resellers' Resold Lines	32,860	4,395	37,255
Facilities-based CLECs' Resold Lines	20,319	14,332	34,651
<b>Total Resale</b>	53,179	18,727	71,906

NOTE: Coin is included in Business Lines

### COMPETITIVE BENEFITS

35. According to the FCC's recent May 2001 release of *Local Telephone Competition: Status as of December 31, 2000*, the total lines reported by CLECs climbed from 8.3 million to 16.4 million between the end of 1999 and the end of 2000. In particular, the FCC confirmed what SBC has stated in this and previous 271 applications, which is that "states with long distance approval show [the] greatest competitive activity". (See Attachment G.)
36. SBC filed its Texas 271 Application with the FCC in January 2000. Approval was granted at the end of June, and SBC began offering long distance service to subscribers in Texas on July 10, 2000. The growth in local competition in Texas since this application was filed has been phenomenal.

**Table 7**  
**Growth in Competitive Indicators for Texas 271 Application**  
**January 2000 to June 2001**

<b>Growth in Competitive Indicators for Texas</b>			
<b>Competition Indicators</b>	<b>Jan-00</b>	<b>June-01</b>	<b>% Growth</b>
Facilities Based (FB) Lines Captured by FB CLECs	1,243,000	2,910,525	134%
Total Lines Captured (includes resale)	1,590,000	3,194,997	101%
Interconnection Trunks	398,000	618,288	55%
Unbundled Stand-Alone Loops	49,000	143,446	193%
UNE Loop/Port Combinations	148,000	1,210,233	718%
E911 Listings	368,327	580,173	58%

37. Table 7 above encompasses the six months immediately before the approval of SWBT's Texas 271 Application, compared to June 2001 results, and it demonstrates that significant increases in competitive activity can be expected as Ameritech moves toward and obtains long distance approval in Ohio.
38. Similar experience in the growth of competition has also been observed in Kansas and Oklahoma. Since 271 approval in each of these states, the number of lines served by facilities-based CLEC has increase 20% in Kansas and 25% in Oklahoma. Likewise, other growth indicators continued to increase, such as interconnection trunks and use of UNE loops, as the following charts indicate.

**Table 8  
Growth in Competitive Indicators for Kansas since SBC Long Distance Introduction**

<b>Growth in Competitive Indicators for Kansas</b>			
<b><i>Competition Indicators</i></b>	<b>Feb-01</b>	<b>June-01</b>	<b>% Growth</b>
Facilities Based (FB) Lines Captured by FB CLECs	151,662	182,043	20%
Total Lines Captured (includes resale)	233,100	259,614	11%
Interconnection Trunks	37,784	46,760	24%
Unbundled Stand-Alone Loops	5,785	8,390	45%
UNE Loop/Port Combinations	47,684	53,453	12%
E911 Listings	26,783	29,012	8%

**Table 9  
Growth in Competitive Indicators for Oklahoma since SBC Long Distance Introduction**

<b>Growth in Competitive Indicators for Oklahoma</b>			
<b><i>Competition Indicators</i></b>	<b>Feb-01</b>	<b>June-01</b>	<b>% Growth</b>
Facilities Based (FB) Lines Captured by FB CLECs	142,536	177,813	25%
Total Lines Captured (includes resale)	193,717	227,100	17%
Interconnection Trunks	45,404	55,556	22%
Unbundled Stand-Alone Loops	5,765	7,397	28%
UNE Loop/Port Combinations	17,566	25,034	43%
E911 Listings	70,931	82,696	17%

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These results are further evidence that competition in the post-271 approval environment continues to prosper, or even accelerates.

39. Subsequent to the approval of the Texas application, Texas joined New York as the only states where AT&T Local One Rate<sup>sm</sup> promotional services are offered. This plan – bundling local and long distance into one package offering – was promoted through direct mail and telemarketing in Austin, Dallas, Houston, San Antonio and south Texas, offering 60 minutes of free long distance to consumers as an incentive to choose AT&T Local One Rate for local and long distance service. Significantly, the AT&T Consumer Sales & Services Contacts for AT&T Local Service list only two alternatives: New York – AT&T Local One Rate, and Texas – AT&T Local One Rate. No other states are apparently given these promotional alternatives; they are available only in selected states where the incumbent Bell Operating Company has been given access to AT&T’s long distance marketplace.<sup>12</sup>
40. In addition, the FCC Report on Competition dated May 21, 2001 shows that CLECs captured 20% of the market in the State of New York and 12% of the market in Texas. As the FCC summarized, “CLEC market share in New York and Texas (the two states that had 271 approval during the reporting period ending in December 2000) are over 135% and 45% higher than the national average, respectively.”<sup>13</sup>

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<sup>12</sup> Three web pages may be consulted for this information: AT&T, *AT&T Consumer Services*, <http://www.att.com/help/callus/home/>.; AT&T, *Introducing AT&T Local Service for New York*, [http://www.att.com/local\\_service/ny/](http://www.att.com/local_service/ny/).; and AT&T, *AT&T local One rate<sup>sm</sup> Texas*, [http://www.att.com/local\\_service/tx/html](http://www.att.com/local_service/tx/html)>. It is no coincidence that the AT&T Local One Rate promotion began in New York shortly before the FCC granted Bell Atlantic permission to offer long distance in New York. As of May 7, 2001, this promotional offering was still available in Texas and New York.

<sup>13</sup> Local Telephone Competition: Status as of December 31, 2000, May 2001 at FCC-State Link, Recent Releases, [http://www.fcc.gov/Bureaus/Common\\_Carrier/Reports/FCC-State\\_Link/recent.html](http://www.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/recent.html). Attachment G includes the FCC press release summarizing the contents of this report.

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41. In July, coincident with SBC's entry into the Texas long distance market, AT&T also reduced its long distance rates in Texas (offered through the Texas One Rate Plan) by greater than 50% -- from 15¢ a minute to 7¢ a minute. In addition, in a Wall Street Journal article on November 30, 2000,<sup>14</sup> AT&T is cited as launching a separate promotion (excerpted below):

<b>AT&amp;T to Offer Free Cable Telephony In Campaign to Hit Subscriber Goals</b>
AT&T Corp., scrambling to meet a year-end promise to Wall Street to sign up thousands of new cable-telephony customers, plans to offer as many as five months of free local and long-distance service to people who subscribe. The new marketing campaign, which is expected to begin in a number of big cities on Friday, is aimed at boosting the number of AT&T consumers for "cable telephony," industry parlance for phone service over cable-TV lines. The campaign offers free installation and as many as five months of free local and long-distance phone service.

42. WorldCom responded to SWBT's Texas 271 approval with the introduction of three new rate plans: MCI WorldCom 7¢ Anytime; 9¢ Anytime; and WorldCom Weekends. Effective September 7, 2000, WorldCom also began offering different options (the One Company Advantage 200 and One Company Advantage 7 plans) to Texas customers for bundling local, local toll and long distance calling, as well as discounts on calling features.
43. Birch responded to SBC's entry into long distance in Kansas and Oklahoma by expanding its services in those states. In its April 24, 2001 news release, Birch announced that "it will offer local and long-distance to residential customers in its existing markets throughout the three states" and "new residential customers will be served using the unbundled network element platform. UNE-P enables the company to lease network elements from

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<sup>14</sup> D. Solomon, *AT&T to Offer Free Cable Telephony in Campaign to Hit Subscriber Goals*, Wall Street Journal at A3 (Aug. 30, 2000).

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Southwestern Bell, package them into customized, Birch-branded services, and then offer them to customers at discounts.”<sup>15</sup>

44. These examples represent only a sample of the competitive alternatives available to consumers in Texas, Oklahoma and Kansas today as a result of the approval of SBC’s 271 applications. Experience shows that opening the long distance market in Ohio will further attract competition in both the local and long distance markets, to the significant advantage of consumers.

## CONCLUSION

45. The evidence is clear that in Ohio, utilizing Ameritech’s interconnection agreements, there is “one or more unaffiliated competing providers of telephone exchange service...to residential and business subscribers.”<sup>16</sup> Numerous CLECs provide these services either exclusively or predominantly over their own facilities. These competitors have enlisted a wide variety of technologies to deploy networks and make services available to consumers in the majority of the communities in Ohio. They present actual commercial alternatives for both residential and business customers.<sup>17</sup> The “Track A” provisions of the Act have been satisfied.
46. Moreover, the benefits to consumers from additional long distance competition are evident and pervasive, and Ameritech should be permitted to enter the long distance market in Ohio to bring additional competitive choices and benefits to Ohio consumers.
47. This concludes my affidavit.

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<sup>15</sup> Birch Telecom news release dated April 24<sup>th</sup> 2001 <<http://www.birch.com/newsreleases/042001.shtml>>

<sup>16</sup> 1996 Telecom Act; 47 U.S.C. §271(c)(1)(A).

<sup>17</sup> According to the FCC’s *Local Telephone Competition: Status as of December 31, 2000* publication issued in May 2001, and as reported by the CLECs that responded to the FCC, 26% of the lines provided to Ohio residential and small business customers were provided by CLECs as of December 31, 2000.

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The information contained in this affidavit is true and correct to the best of my knowledge and belief.

Executed on \_\_\_\_\_, 2001

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Deborah O. Heritage  
Director – Compliance for SBC/Ameritech

STATE OF ILLINOIS  
COUNTY OF COOK

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2001.

\_\_\_\_\_  
Notary Public

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