

XI. Billing, Clearinghouse, and Recording Issues:**A. Billing Issues****1. Billing Format:**

AT&T Billing 1: *Should SBC have the unilateral ability to discontinue industry standard billing format?*

SBC MO: *Is it appropriate for a 251 agreement to address billing for products and services that are not offered pursuant to Section 251 and are not contained within the 251 agreement?*

Discussion:

SBC states that the agreement language should be limited to addressing billing only for UNEs that are available through the agreement. SBC Missouri further states that it does not seek the right to unilaterally discontinue the industry standard billing format.

AT&T opposes SBC's language arguing that the language would give SBC the unilateral ability to disrupt the existing billing format and processes upon which the Parties rely. AT&T states that it has expended considerable resources to achieve industry standards, both to derive them and to implement them. AT&T argues that once the Parties have implemented industry standards for billing of products and services under this Agreement, they should be required to maintain that method for those products and services absent agreement of the Parties to diverge from those standard practices. AT&T claims that a deviation can lead to costly and time-consuming manual processing and that standards are implemented to address a community of needs among carriers.

AT&T argues that there is no reason why SBC cannot bill "non-UNE" products and services in the CABS billing format. Currently, SBC bills many non-UNE items (e.g., traditional special and switched access services) utilizing the CABS BOS format.

SBC Missouri replies that its proposal makes clear that the billing requirements for UNEs only apply to network elements that must be unbundled pursuant to FCC Orders.¹ According to SBC, limiting the agreement to available UNEs is logical and necessary because the definition of a UNE may change. If an item becomes a non-UNE, then it is no longer subject to the agreement, and the terms and conditions of the agreement will no longer apply.²

Decision:

The Arbitrator is persuaded by AT&T's argument. SBC did not clearly articulate any reason why these items would not be able to remain under CABS. Thus, the Arbitrator determines that there is not a persuasive reason to alter the status quo.

2. Call Detail Information:

AT&T Billing 2: *Should SBC Missouri be required to correlate its recorded data to the Call Usage Record Daily Usage File sent to AT&T; and should it similarly be required to correlate its recorded data to the bill it sends to AT&T for the calls which generate those records?*

SBC MO: *Should SBC Missouri be required to provide process mapping of DUF call detail information to bill structure?*

Discussion:

A Daily Usage File ("DUF") contains call records associated with originating or terminating traffic on a particular telephone line associated with UNE-P customers. For

¹ The proposed language that is opposed by AT&T is in bold as follows: Those billing items that are billed today in accordance with CABS Billing Output Specifications (BOS) format will remain billed in CABS BOS format **unless the FCC or State Commission rules that the billing item is no longer a UNE and the resultant service is altered in a manner that renders it incompatible with continued CABS billing. At that point, SBC Missouri would make a determination on whether the item would remain in CABS billing system.**

² Smith Direct, pp. 76-78.

AT&T's UNE-P customers, which are served using SBC's switch, SBC records all call data. SBC then provides call data in the DUF it provides to AT&T.

AT&T states that in order to validate UNE-P billings from SBC, AT&T needs to know how SBC derives billed amounts from the call detail records it captures for the UNE-P calls. According to AT&T, this can be accomplished by mapping the Automatic Message Accounting ("AMA") data, or the copy of the AMA data contained in the DUF, to the UNE-P bill. SBC argues that AT&T's proposed language would require SBC to build a validation process specifically for AT&T creating a multitude of logistical, technical, operational, and feasibility problems, without any corresponding benefits to the parties.³

AT&T claims its proposal should not be burdensome. The facts show, however, that the format of the DUF bill does not correlate to the format of the CABS bill or the information contained in the CABS bill. The format of the DUF bill is the Electronic Message Interface ("EMI") format, which was created for Resale CLECs and later UNE-P CLECs to obtain usage data necessary to bill end users. DUF bills are sent on a daily basis. CABS bills, on the other hand, are prepared on a monthly basis and are prepared in an entirely different format.

SBC argues that the mapping requested by AT&T would not be useful in validating the CABS bill to all records on the DUF. SBC also argues that Industry documentation for each EMI field already documents and refers to the corresponding AMA fields and values from which the EMI field information is derived. Ultimately SBC does not want to provide to AT&T its "billing rules and logic" which SSBC considers to be proprietary.

³ Read Direct, pp. 3-4.

SBC has made available to AT&T and all other CLECs all the information needed to map the EMI to CABS in the form of the online “SBC Daily Usage File User Guide” which identifies the information about which records are on the DUF file and the call-flows which identify the type of record that will be on the DUF for that call scenario and the rate elements that will be billed in CABS for that call scenario.

Decision:

It is absolutely necessary for AT&T to be able to validate the billing records from SBC. Being able to validate the billing records, however, should not come at the expense of turning over proprietary codes and algorithms if it can be avoided.

AT&T wants SBC to do the work of taking every record that SBC provides on a daily DUF out of one process and to tell AT&T if that is a record that appeared on the bill created by another process at some other point during the month. SBC claims that it would be extremely difficult to determine which records from the DUF made it into any particular CABS bill. In addition, AT&T can verify CABS bills with other information that is currently available.

SBC has persuaded the Arbitrator that the industry forum is the better place to request this information. AT&T has not proven that requiring SBC to turn over proprietary “billing rules and logic” and creating this billing map would even produce information useful for the purpose AT&T claims. Thus, the Arbitrator finds in favor of SBC on this issue. As suggested in SBC’s brief, SBC and AT&T should work cooperatively within the industry to resolve any bill validation process issues that remain.

3. Third-party Carrier Billing Issues:

AT&T/SBC MO Billing 3a: *Should SBC Missouri be required to provide to AT&T the OCN or CIC, as appropriate, of 3rd party originating carriers when AT&T is terminating calls as an unbundled switch user of SBC Missouri?*

AT&T/SBC MO Billing 3b: *Should SBC Missouri be billed on a default basis when it fails to provide the 3rd party originating carrier OCN or CIC, as appropriate, to AT&T when AT&T is terminating calls as the unbundled switch user?*

AT&T IC 3d: *If either AT&T or SBC, as the transit provider, fails to transit the necessary carrier identification for the terminating party to bill the originating carrier, may the terminating carrier bill the transit provider?*

MCIIm RC 10: *Should SBC Missouri be required to provide MCIIm with call records for traffic MCIIm terminates on SBC Missouri's network to end-user's customers of third-party UNE-P providers?*

SBC MO: *What are the appropriate records SBC Missouri will provide MCIIm to bill inter-carrier compensation to a third party telecommunications provider using SBC Missouri's local switching on a wholesale basis.*

Discussion:

In the recent Kansas Arbitration, the Arbitrator agreed that SBC Missouri cannot always identify the originator of a call without OCN and refused to allow SBC Missouri asset transiting carrier to be default billed for that traffic: "with respect to transit traffic, it seems unreasonable to allow AT&T to bill SBC Missouri for all traffic without OCN. SBC Missouri's position is adopted with the understanding that SBC Missouri will assist AT&T identifying the originating carrier."⁴

SBC has stated that it is certainly willing to provide OCN or CIC "where technically feasible," SBC cannot, however, provide that information to AT&T or MCIIm when it is not available to SBC. Specifically to identify traffic that originates from a third party telecommunications carrier to which SBC provides local switching on a wholesale

⁴ Kansas Phase II Arbitration Award, p. 30.

basis, SBC states that it will provide the terminating category 11-01-XX records when the carrier uses terminating recordings to bill inter-carrier compensation. Such records will contain the OCN of the responsible LEC that originated the calls that the CLEC may use to bill such originating carrier for minutes of use terminating on the CLEC's network.

AT&T and MCI's language also gives them the right, on a default basis, to bill SBC as the originating carrier when OCN or CIC data is not available in the recorded information (e.g., when the originating carrier is a CLEC working out of another ILEC's switch). Such default billing is inconsistent with the Multiple Exchange Carrier Access Billing ("MECAB") guidelines. The Commission's new Enhanced Records Exchange Rule also codifies a business relationship under which "the originating carrier, not the transiting carrier, is responsible for payment of call termination."⁵

The 1996 Act also imposes the reciprocal compensation obligation on the originating carrier, and contemplates that all local exchange carriers will establish reciprocal compensation arrangements for the transport and termination of telecommunications.⁶ If AT&T and MCI do not establish such an arrangement with the originating carrier, they cannot shift that carrier's obligation to SBC.

Decision:

Each of the parties takes their language to an extreme. AT&T and MCI want to default bill SBC for calls without OCN, thus requiring SBC as the transiting carrier to compensate AT&T and MCI for other parties' originated traffic even though SBC is not at fault for failing to provide the identifiers. SBC's language, on the other hand, fails to

⁵ Read Direct, pp. 11-13; Read Rebuttal, pp. 4-5 (quoting the MoPSC's Order of Rulemaking Adopting 4 CSR 240-29.040 at p. 5).

⁶ See, 47 U.S.C. §§ 251(b)(5).

provide AT&T with the CIC in any circumstance at all, even though for an IXC-carried call, it has been a long-established industry standard that the official recording company will identify for the terminating carrier the CIC of the IXC to be billed.

The Arbitrator finds that SBC should not be responsible as the transiting carrier for traffic that does not have an OCN. The 1996 Act and the Commission's new rule on Enhancer Records Exchange⁷ require the originating carrier to be responsible for compensation. Thus, the Arbitrator finds that SBC's language is adopted. SBC is, however, directed to assist in good faith AT&T and MCI where possible in identifying the originating carrier.

B. Clearinghouse Issues

1. Should the ICA include terms and conditions for certain billing and collection arrangements relating to resale?

AT&T Billing 4a: Should the ICA include terms and conditions for billing and collection arrangements between the Parties for end user calls involving alternative billing mechanisms for resale services?

Discussion:

Alternately Billed Services ("ABS") calls are calls billed to a telephone number other than the number from which the call was made. There are basically three types of ABS calls: collect calls, calls billed to third number, and calling card calls. Collect calls are over 90% of ABS calls. ABS calls originate on and are recorded by the network of one LEC but are billable to an end-user of another LEC. When an ABS call is made, the recording carrier is not the carrier of record for the end user to whom the call is billable. In order for

⁷ 4 CSR 240-26.040

the recording carrier to be paid, therefore, it is necessary for the recording carrier and the end user's carrier to exchange billing records.⁸

Decision:

AT&T's proposed language attempts to include resale traffic under the parties' 13-state ABS Agreement. AT&T, however, appears to have withdrawn this proposal.⁹ Thus, the Arbitrator finds that AT&T's language should not be included.

2. Should the ICA include terms and conditions for certain billing and collection arrangements relating to facilities-based services?

AT&T Billing 4b: Should the ICA include terms and conditions for billing and collection arrangements between the Parties for end user calls involving alternative billing arrangements for facilities based services?

Discussion:

SBC proposes that settlements for facility-based ABS traffic be handled pursuant to the terms and conditions of Attachment 20: Clearinghouse, because that process has been in place and working well for years. AT&T does not propose any additional terms and conditions but rather proposes language that would require a separate agreement.

Decision:

SBC's proposed Attachment 20: Clearinghouse ("CH") is the same as what is contained in the M2A, and reflects a settlement process that has been used for AT&T's facility-based ABS calls for many years in Missouri.¹⁰ The clearinghouse process is an industry-wide process used by SBC and all the other LECs in Missouri (including other

⁸ Smith Direct, pp. 78-79.

⁹ Guepe Direct, p. 31; See also, AT&T's Position, Attachment 28: Comprehensive Billing, Final Joint DPL, Issue 4, p. 8 of 10.

¹⁰ Smith Direct, p. 83.

facility-based CLECs) to settle all intraLATA toll ABS calls in the state. This process has worked very well since the late 1980's and AT&T has failed to identify any specific problems with this well-established system.

The Arbitrator finds that SBC's language should be adopted. If the Commission approved AT&T's proposal, no settlement process would be in place in Missouri for the exchange of records to settle facility-based ABS calls.¹¹ It would be inappropriate to leave such a void.

3. Should the Agreement include Attachment 20: NICS?

AT&T Billing 4c: *Should the Agreement include Attachment 20: NICS?*

Discussion:

Attachment 20: NICS addresses the settlement of alternatively billed calls earned in the same region. SBC believes Attachment 20: NICS is applicable to SBC Midwest only (Illinois, Indiana, Ohio, Michigan and Wisconsin) and does not apply to CLECs operating in Missouri.

Decision:

As noted under AT&T Billing Issue 4b, Attachment 20: Clearinghouse incorporates the standard process used by the industry in Missouri to handle settlements between facility-based carriers on ABS traffic. Without such an arrangement, disagreement and litigation among the parties are certain to arise, as monies between the facility-based providers would not be appropriately and timely settled.¹² As stated above, the Arbitrator adopts SBC's language referring to Attachment 20: Clearinghouse.

¹¹ Smith Direct, pp. 82-84.

¹² Smith Rebuttal, p. 39.

C. Recording Issues

1.

CC/SBC MO Recording 1: *Must Recording services be provided on a reciprocal basis?*

CC Recording 2: *Must Recording services be provided on a reciprocal basis?*

SBC MO Recording 2: *Should the Recording Appendix apply when the CLEC is performing the Recording function?*

CC/SBC MO Recording 4: *Should the Recording Appendix apply when the CLEC is performing the Recording function?*

Discussion:

Attachment 24: Recording sets forth the terms and conditions under which SBC will provide recording, message processing and message detail services. The CLEC Coalition proposes that the terms under which SBC provides such services to the CLECs remain as they are currently in the agreed-to language of the Kansas Agreement ("K2A"). SBC has proposed a new "reciprocal" arrangement that would require that such services be provided on a reciprocal, no-charge basis.

The CLECs argue that SBC's proposal would cause a CLEC, when it is the recording company, to provide SBC Missouri with detail that, in most instances, SBC already possesses. CLECs state that they should not be expected to expend their resources and needlessly incur unnecessary costs without remuneration from SBC when the current process is functioning well.

SBC's proposed language attempts to provide that the parties have the same responsibilities to record and create the required records on IXC traffic that enters the LEC to LEC network through their respective facilities. SBC claims this is consistent with the MECAB guidelines and the Commission's new Enhanced Record Exchange Rule.

SBC further argues that under the industry developed and accepted MECAB guidelines, the facility-based CLEC is often the official recording company (e.g., when it is the end office company for originating 1+ traffic).¹³

Decision:

The Arbitrator is persuaded that SBC's proposal would cause a CLEC, when it is the recording company, to provide SBC Missouri with detail that, in most instances, SBC already possesses. It is unreasonable to require the CLECs to expend resources and incur unnecessary costs without remuneration from SBC when the current process is functioning well. The Arbitrator finds that the language of the CLEC Coalition should be adopted.

2. Meet Point Billing:

CC/SBC MO Recording 3: *Should the recording appendix be updated to reflect the current billing arrangement for the exchange of AURs for IXC meet point billing?*

MCIIm RC 13: *What billing arrangements should apply to 251(b)(5) Traffic, ISP Bound Traffic, and IntraLATA Interexchange Traffic?*

SBC MO: *Is it appropriate to address a delivery process for Meet Point Billing access usage records in relation to IntraLATA toll traffic compensation?*

Discussion:

Attachment 24: Recording sets forth the terms and conditions under which SBC will provide recording, message processing and message detail services. The CLEC Coalition proposes that the terms under which SBC provides such services to the CLECs remain as they are currently in the agreed-to language of the Kansas Agreement ("K2A"). SBC has proposed a new "reciprocal" arrangement that would require that such services be provided on a reciprocal, no-charge basis.

¹³ Read Direct, p. 8.

The CLEC Coalition argues that SBC's proposed language is unclear concerning as to whether a CLEC can be required to be the recording company. The CLECs argue that they should not be required to be the recording company as this is a function that SBC currently performs and for which they pay SBC.

MCIm argues that compensation for termination of intraLATA interexchange toll traffic carried by third party IXC's should be subject to the same treatment as meet point billing and special and switched access traffic, that the parties have agreed to in section 11 of this appendix.

SBC argues that its proposed language reflects the current billing arrangement for exchange of Access Usage Records ("AURs")¹⁴ for IXC meet point billing, because it is consistent with MECAB guidelines and the Commission's new Enhanced Record Exchange Rule. SBC also argues that MCIm's proposed language which references "summarized originating minutes of use" should be rejected because it is out of date with industry standards.

According to SBC, the MECAB document was updated, effective August 31, 2002, to reflect the changes made through Ordering and Billing Forum ("OBF") Issue 2056, to processes and related terminology in the document (e.g., processes relating to the Subsequent Billing Company and Summary Usage Records ("SURs") no longer apply).

Decision:

Although SBC claims that its proposal with regard to the CLEC Coalition would make the Agreement clearer, SBC's proposed language is unclear concerning whether a

¹⁴ The AUR is the standard Ordering and Billing Forum ("OBF") Electronic Message Interface ("EMI") records required to be created on originating and terminating IXC traffic. The specific format of these records is Category 11. These are the same records the new Missouri Enhanced Records Exchange Rule requires to be created and exchanged between carriers in Missouri. These records are generally used by LECs and CLECs to bill switched access charges to IXCs. (Read Direct, p. 8; Read T. 1019-1022.)

CLEC can be required to be the recording company. Requiring the CLEC to “give back” to SBC records that SBC has generated would result in unnecessary duplication of records and would unreasonably drive up the CLEC’s costs. Furthermore, SBC has not provided a persuasive reason to shift the burden of this service to the CLEC, nor has SBC sought such a change in other states. For these reasons, the Arbitrator is persuaded that the CLEC Coalition language should be adopted.

With regard to MCIm, the Arbitrator finds that MCIm’s language in this section is out-of-date. This modified MECAB document, which is currently in use in Missouri, should be reflected in the Recording Appendix to the ICA so that it remains consistent with current industry standards, and all recording requirements are clear and understood by parties. Thus, the Arbitrator adopts SBC’s language with regard to the MCIm Agreement.