

## Bell Atlantic-New York 271 Application

October 15, 1999

“As the Act conceives it, the Bells must offer new entrants an equal opportunity to compete for local telephone service customers. And, once they have achieved this goal, the Act allows for Bell entry into the long distance markets in their respective regions.” Speech, The Race for Local Competition: A Long Distance Run, Not a Sprint, Nov. 5, 1997.

**Bell Atlantic Presentation to Assistant  
Attorney General Joel I. Klein (October 15,  
1999)**

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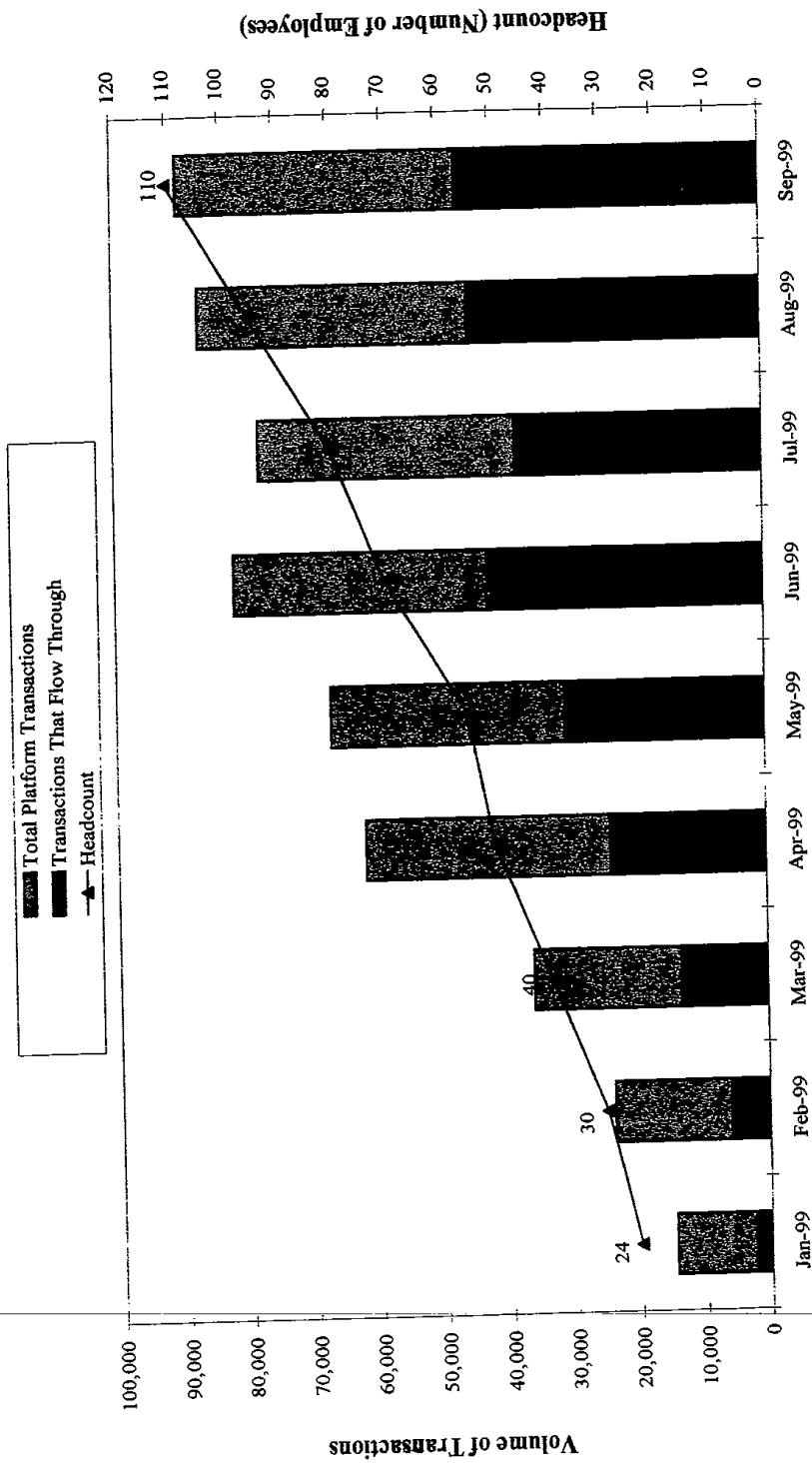
DOJ Ex. 9

## Flowthrough

- Current flowthrough is sufficient.
  - Addressed in April 1998 Pre-Filing Statement.
  - All orders come in electronically (no PacBell situations).
  - All parties, including DOJ and CLECs, agreed to a list of transactions that BA should develop the capability to flow through.
  - KPMG tested and found that more than 99% of these transactions flowed through and that BA's systems are scalable (see Application at 42, 43).
- In practice, not all the orders that BA is capable of flowing through do flow through. This is overwhelmingly because:
  - CLEC errors (30% of orders that don't flow through).
  - Certain order types are designed not to flow through, and for good reason (62% of orders that don't flow through).

Bell Atlantic Presentation to Assistant  
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**Platform Transactions That Fall Out Are Handled With A Modest Workforce That Is Easily Scalable To Meet Increased Volume**



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- At DOJ's urging, we have committed to specific flowthrough improvements and to new performance standards administered by the NY PSC.

	of completed platform orders	of all orders
Current flowthrough	67%	52%
10/99 improvements (if CLECs waive notice period)	77%	67%
end of 1999 improvements	82%	74%
2Q2000 improvements	89%	85%

- New flowthrough standards:
  - 95% for order types designed to flow through
  - 80% overall
- **Even at current flowthrough levels, we complete 99% of orders on time.** See Application at 16.

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- These numbers show the New York market is irreversibly open.
    - Presence of facilities-based competition means we have to make our own network open to competitors. Otherwise, we lose the business entirely. See Application at 57, quoting Schwartz Aff.
    - Other protections:
      - Performance Assurance Plan, administered by a very determined state commission.
      - BA needs to file other 271s to bring in GTE assets, particularly the BBN Internet backbone. That means we have to keep our record clean.
  - The next ramp up in local competition will occur when AT&T gets serious. Granting this 271 will force that.