

IURC News Release

Indiana Utility Regulatory Commission

302 West Washington Street, Room 306
Indianapolis Indiana 46204

317.232.2297 office

317.233.1982 fax

www.IN.gov/iurc

For Immediate Release

June 30, 2003

Contact: Mary Beth Fisher

IURC UPDATES LEGISLATORS ON PROGRESS OF SBC'S LONG DISTANCE REQUEST

The Indiana Utility Regulatory Commission presented a report to the legislature Friday, detailing SBC's progress in its application to provide long distance service in Indiana. The report indicated that the Commission intends to issue an order on SBC's request to enter the Indiana market by mid-July.

The report to the legislature was issued in response to Senate Concurrent Resolution 48, which requested several reports on various telecommunications issues. A report on the status of SBC's long distance application was requested by June 30, 2003. The Resolution was passed by both the House and Senate during the 2003 session.

The report provides a timeline of pertinent events in the Commission's evaluation of SBC's compliance with Section 271 of the Telecommunications Act of 1996. Section 271 sets forth a 14-point checklist that must be met in each state before Regional Bell Operating Companies (such as SBC) are allowed to provide both local and long distance services to their customers. Indiana is nearing completion of its review of the FCC's checklist.

There are still several areas of concern that need to be resolved. These areas include: completion of the performance measures audit; resolution of the concerns with SBC's billing; implementation of an adequate remedy plan; and agreement on compliance and improvement plans.

To date, three former Ameritech states (Michigan, Illinois and Ohio) have recommended that the FCC approve SBC's entry into long distance in their states.

###

Resolution 48
Report to the Indiana General Assembly by the
Indiana Utility Regulatory Commission
June 30, 2003

Purpose:

To report on the status of SBC Indiana's application to provide intrastate, interLATA (long distance) telecommunications services in Indiana as requested by SCR 48.

Current Status:

The Indiana Utility Regulatory Commission (IURC) is scheduled to vote by mid-July on an order that addresses SBC Indiana's fulfillment of the requirements to enter the local long distance market.

Timeline of Actions:

- January 17, 2003: SBC requested the IURC to order the independent auditor (BearingPoint) to issue a report and to establish a schedule for review of the final issues.
- February 7, 2003: IURC granted the motion of SBC and set a schedule for review.
- April 2, 2003: BearingPoint presented their preliminary findings and status to IURC.
- April 3, 2003: SBC's corporate auditor Ernst & Young presented their findings to IURC.
- April 16, 2003: SBC withdrew its Michigan application for long distance approval to the Federal Communications Commission (FCC) after concerns were expressed. SBC began work to resolve the issues with its billing processes and strengthen its application to pass the FCC's evaluation.
- May 12, 2003: BearingPoint submitted a final report on the operating support systems test and an update on the performance measures audit.
- May 13, 2003: Illinois Commerce Commission voted to support SBC Illinois' application to the FCC to offer long distance.
- June 6, 2003: Final proposed orders received from SBC Indiana and other parties participating in the Indiana proceeding.
- June 19, 2003: SBC Michigan refiled its application for long distance entry with the FCC.
- June 26, 2003: The Public Utility Commission in Ohio voted to support SBC Ohio's long distance bid with the FCC.

Issues Under Review:

- While substantial progress is noted, SBC has still not passed the performance measures audit that provides the necessary proof of parity between service to competitive local exchange companies and service to itself. The audit was developed as part of the master test plan, developed in a collaborative workshop, and agreed to by all parties (including SBC).
- The billing issues, which led to the withdrawal of the SBC Michigan application to the FCC, are common to all old Ameritech states in the SBC region (including Indiana). The IURC staff is currently examining SBC Michigan's refiled application and the state commission orders approving SBC Illinois and SBC Ohio's long distance applications.
- Compliance and improvement plans covering operational and systems deficiencies are being explored as a means of strengthening SBC's case for concurrence by the IURC. In addition, the implementation of an adequate remedy plan is required.