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FasTrak DSL

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Original + 10 copies

August 28, 1997

Mr. James R. Galloway
Commission Filing Clerk
Public Utility Commission of Texas
1701 N. Congress Avenue
Austin, Texas 78701

Dear Mr. Galloway:

Re: Application of Southwestern Bell Telephone Company to Introduce an Experimental Service - FasTrak DSL, Pursuant to PUC Subst. R. §23.26

Attached for filing with the Public Utility Commission of Texas (PUC or Commission) is Southwestern Bell Telephone Company's (Southwestern Bell or Company) application to provide an experimental service, FasTrak DSL. This application is submitted for review pursuant to PUC Substantive Rule § 23.26 for New and Experimental Services. Schedules A through G are attached hereto and include new tariff sheets to be filed in Section 14 of the Company's Digital Link Service Tariff.

FasTrak DSL (Digital Subscriber Loop) is an optional dedicated point-to-point, digital data service that allows end user customers to connect their personal computer to a designated data service provider at speeds of up to 384 kilobits per second (Kbps) and 1.5 megabits per second (Mbps). FasTrak DSL is based on Asymmetrical Digital Subscriber Loop (ADSL) technology, which allows high speed data transmission over the same copper wires that provide analog voice services.

Initially, FasTrak DSL will be offered to customers served by the Fairfax, Fireside, Jollyville and Greenwood wire centers located within the Austin metropolitan exchange. The experimental service period will not exceed twelve months from the effective date of approval. Additional wire centers are expected to be added during the experimental service offering and Southwestern Bell will amend its tariffs as new wire centers are added.

The Company requests this application be administratively approved with an effective date of October 11, 1997. Should this matter be docketed, Southwestern Bell requests the proposed tariffs be granted interim approval effective October 11, 1997, and the following name be entered on the service list for the Company:

Mr. Edward L. Eckhart
General Attorney - Regulatory (Texas)
Southwestern Bell Telephone Company
1616 Guadalupe, Room 600
Austin, Texas 78701-1298
Phone: (512) 870-5709
Fax: (512) 870-3420

Acknowledgment and date of receipt of this filing are requested. Questions regarding this subject may be directed to Mr. Greg Corse at (512) 870-1378.

Sincerely,

Jon R. Loehman

Attachments

cc: Public Utility Commission of Texas, Bret Slocum, Office of Regulatory Affairs-Legal, Room 8-110 (hand delivered)
Public Utility Commission of Texas, John Costello, Office of Regulatory Affairs-Competitive Issues, Room 8-110 (hand delivered)
Public Utility Commission of Texas, Candice Clark, Office of Regulatory Affairs-Competitive Issues, Room 8-110 (hand delivered)
Public Utility Commission of Texas, Bill Magness, Office of Customer Protection, Room 7-170 (hand delivered)
Office of Public Utility Counsel, Room 9-180 (hand delivered)

Copy to: Managing Director-Regulatory
Letter File
GSC/mmc

(WORD)N:\TXTGSC\ADSL Filing\Filing\Filing Letter.doc

840.2 - Public Services Commissions/Public Utility Commission

bcc: Pat Funk
Rick King
Doug Mathes
Steve Formhals
Ruth Sears
Ron Owens
Bill Deere
Dan Poole

SCHEDULE A - DESCRIPTION OF UTILITY AND SERVICE OFFERING

A-1 Name of the LEC and its authorized representative.

Southwestern Bell Telephone Company
Mr. Edward L. Eckhart

A-2 Business phone and address, including the city, if any, and the county of the utility and its authorized representative.

Southwestern Bell Telephone Company
Mr. Edward L. Eckhart
General Attorney - Regulatory (Texas)
1616 Guadalupe, Room 600
Austin, Texas 78701
Travis County
(512) 870-5709

A-3 Commission's jurisdiction over the utility and over the subject matter of the application.

Southwestern Bell Telephone Company is regulated by the Public Utility Commission of Texas (PUC) under the terms and conditions of the Public Utility Regulatory Act of 1995 (PURA), as amended (Article 1446c-0, Vernon's Texas Civil Statutes).

Southwestern Bell's Digital Link Service Tariff has been approved by the PUC.

A-4 Statement of intent by the LEC to use the procedures established by PUC Subst. R. §23.26.

SWBT intends to use the procedures established by PUC Subst. R. §23.26, New and Experimental Services, to offer FasTrak DSL as an experimental service for a period not to exceed one year from the tariff's effective date.

A-5 Description of the proposed service and the rates, terms and conditions under which the service is proposed to be offered.

FasTrak DSL (Digital Subscriber Loop) is an optional dedicated point-to-point, digital data service that allows end user customers to connect their personal computer (PC) to a designated data service provider at speeds of up to 384 Kbps and 1.5 Mbps. The service is based on Asymmetrical Digital Subscriber Loop (ADSL) technology, which allows high speed data transmission over the same twisted pair copper wires that provide analog voice services.

The high speed data traffic rides over the customer's existing Plain Old Telephone Service (POTS) and preserves the customer's POTS service during electrical power failures. FasTrak DSL requires a data/voice (or POTS) splitter at the end user's premises and at the serving central office to separate the data and voice traffic. The POTS splitter is a passive, non-powered, band-pass device that filters signals for use by analog terminals (i.e., telephones and modems). The POTS splitter allows ringing current and other signaling to be transmitted by the analog terminal devices.

Both voice and data calls are carried simultaneously over the same copper twisted pair. Voice calls originated at the end user's premises are carried over the copper twisted pair to the serving central office. The POTS splitter located in the central office routes voice traffic to the voice switch on the public switched telephone network and completes the call. When data calls are placed, they travel the same path as voice calls to the POTS splitter. At the same POTS splitter located in the central office, data calls are routed to a Digital Subscriber Line Access Multiplexer (DSLAM) and multiplexed on to Southwestern Bell's backbone data network.

Southwestern Bell's backbone data network is based on Asynchronous Transfer Mode (ATM) technology. To complete FasTrak DSL data calls from the end user's personal computer to the designated data service provider, the data service provider must subscribe to a high capacity link to Southwestern Bell's ATM data network. This high capacity ATM link is subscribed and paid for by the data service provider, and is not a part of the FasTrak DSL service being paid for by the end user.

Possible applications for FasTrak DSL include remote office and internet access applications. Remote office applications include businesses allowing employees to work from home using FasTrak DSL to access the company's Local Area Network (LAN) from the employee's PC located at home. They also include businesses requiring high speed access to the company LAN or database from a remote branch or satellite office. Internet access applications include businesses or residence customers who desire high speed access to a designated internet service provider. All of these applications require the data service provider (corporate LAN or internet service provider) to purchase a separate link to Southwestern Bell's ATM data network.

FasTrak DSL has two serving arrangements available: FasTrak DSL 384 and FasTrak DSL 1.5.

FasTrak DSL 384

FasTrak DSL 384 provides an intralata point-to-point connection for unlimited high speed digital data transport between an end user and a data service provider at speeds of up to 384 Kbps. The downstream speed (from data service provider to end user) is up to 384 Kbps. The upstream speed (from end user to data service provider) is also up to 384 Kbps. (384 Kbps x 384 Kbps)

FasTrak DSL 384 is available to customers who live within 15,000 feet of a designated ADSL equipped wire center. However, additional technical limitations (e.g., pair gain equipment, load coils, bridge taps, etc.) may cause the service to be unavailable to customers within the 15,000 foot range.

Rates for FasTrak DSL 384 include a monthly recurring charge of \$150.00 and a non-recurring charge of \$125.00. A three month minimum billing term applies.

FasTrak 1.5

FasTrak DSL 1.5 provides an intralata point-to-point connection for unlimited high speed digital data transport between an end user and a data service provider at speeds up to 1.5 Mbps. The downstream speed (from data service provider to end user) is up to 1.5 Mbps. The upstream speed (from end user to data service provider) is up to 384 Kbps. (1.5 Mbps x 384 Kbps)

FasTrak DSL 1.5 is available to customers who live within 12,000 feet of a designated ADSL equipped wire center. However, additional technical limitations (e.g., pair gain equipment, load coils, bridge taps, etc.) may cause the service to be unavailable to customers within the 12,000 foot range.

Rates for FasTrak DSL 1.5 include a monthly recurring charge of \$250.00 and a non-recurring charge of \$125.00. A three month minimum billing term applies.

The tariffs attached as Schedule G contain the rates, terms and conditions under which this service is proposed to be offered.

A-6 The proposed effective date of the service.

SWBT requests this application to be approved effective October 11, 1997, for a period not to exceed one year from the tariff's effective date.

A-7 Statement specifying the extent of the service offering; i.e., whether it is proposed to be systemwide or only in specified exchanges.

FasTrak DSL will initially be offered to customers located in the Austin metropolitan exchange who are served by the Fairfax, Fireside, Jollyville and Greenwood wire centers. Additional wire centers are expected to be added during the experimental service offering. Southwestern Bell will amend its tariffs as new wire centers are added.

SCHEDULE B - UTILITY NOTICE

B-1 Statement detailing the type of notice, if any, the utility has provided or intends to provide to the public regarding the application.

Southwestern Bell provided direct notice to all Local Service Providers in Texas on July 23, 1997. A copy of Southwestern Bell's notification (Accessible Letter LSPTA 97-043) is attached as Schedule B, Attachment I.

Southwestern Bell also intends to provide direct notice of this application to business and residential customers located in the Austin metropolitan exchange who are served by the Fairfax, Fireside, Jollyville and Greenwood wire centers. A copy of the text of this notice is attached as Schedule B, Attachment II. An affidavit of notice will be filed with the Commission upon completion of notice.

In addition to the aforementioned notice, Southwestern Bell intends to provide information regarding the experimental service offering through various forms of advertising, trade shows and technology publications as deemed appropriate.

A copy of this application has been provided to the PUC Office of Regulatory Affairs, PUC Office of Customer Protection and the Office of Public Utility Counsel.

B-2 Brief statement explaining why the LEC's notice proposal is reasonable.

Southwestern Bell's notice is reasonable because it specifically targets the potential customers, resellers and competitors of FasTrak DSL service.

B-3 Copy of the text of the notice or the proposed notice.

A copy of Southwestern Bell's notification to all Local Service Providers in Texas (Accessible Letter LSPTA 97-043) is attached as Schedule B, Attachment I.

A copy of the text of the notice that Southwestern Bell intends to send to all business and residence customers as mentioned in B-1 above, is attached as Schedule B, Attachment II.

PUBLIC NOTICE

Dear Customer:

On August 28, 1997, Southwestern Bell Telephone Company (Southwestern Bell or Company) filed an application with the Public Utility Commission of Texas (PUC or Commission) to offer an experimental service called FasTrak DSL in Section 14 of the Company's Digital Link Service Tariff. Southwestern Bell filed its application pursuant to PUC Substantive Rule § 23.26 for new and experimental services and has been assigned Tariff Control No. XXXXX. If this application is approved, FasTrak DSL will be available for a period not to exceed one year from the effective date of the tariff. The company has requested the tariffs become effective October 11, 1997.

FasTrak DSL (Digital Subscriber Loop) is an optional dedicated point-to-point, digital data service that allows end user customers to connect their personal computer to a designated data service provider at speeds of up to 384 Kbps and 1.5 Mbps. The service is based on Asymmetrical Digital Subscriber Loop (ADSL) technology, which allows high speed data transmission over the same twisted pair copper wires that provide analog voice services.

The high speed data traffic rides over the customer's existing Plain Old Telephone Service (POTS) and preserves the customer's POTS service during electrical power failures. FasTrak DSL requires a data/voice (or POTS) splitter at the end user's premises and at the serving central office to separate the data and voice traffic. The POTS splitter is a passive, non-powered, band-pass device that filters signals for use by analog terminals (i.e., telephones and modems). The POTS splitter allows ringing current and other signaling to be transmitted by the analog terminal devices.

Both voice and data calls are carried simultaneously over the same copper twisted pair. Voice calls originated at the end user's premises are carried over the copper twisted pair to the serving central office. The POTS splitter located in the central office routes voice traffic to the voice switch on the public switched telephone network and completes the call. When data calls are placed, they travel the same path as voice calls to the POTS splitter. At the same POTS splitter located in the central office, data calls are routed to a Digital Subscriber Line Access Multiplexer (DSLAM) and multiplexed on to Southwestern Bell's backbone data network.

Southwestern Bell's backbone data network is based on Asynchronous Transfer Mode (ATM) technology. To complete data calls from the end user to its designated data service provider (corporate LAN or Internet Service Provider) requires the data service provider to subscribe to a dedicated high capacity link to Southwestern Bell's ATM data network. This link is subscribed and paid for by the data service provider.

Possible applications for FasTrak DSL include remote office and internet access applications. Remote office applications include businesses allowing employees to work

from home using FasTrak DSL to access the company's Local Area Network (LAN) from the employee's PC located at home. They also include businesses requiring high speed access to the company LAN or database from a remote branch or satellite office. Internet access applications include businesses or residence customers who desire high speed access to a designated internet service provider. All of these applications require the data service provider (corporate LAN or internet service provider) to purchase a separate link to Southwestern Bell's ATM data network.

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FasTrak DSL 384 is available to customers who live within 15,000 feet of a designated ADSL equipped wire center. However, additional technical limitations (e.g., pair gain equipment, load coils, bridge taps, etc.) may cause the service to be unavailable to customers within the 15,000 foot range.

Rates for FasTrak DSL 384 include a monthly recurring charge of \$150.00 and a non-recurring charge of \$125.00. A three month minimum billing term applies.

FasTrak 1.5

FasTrak DSL 1.5 provides an intralata point-to-point connection for unlimited high speed digital data transport between an end user and a data service provider at speeds up to 1.5 Mbps. The downstream speed (from data service provider to end user) is up to 1.5 Mbps. The upstream speed (from end user to data service provider) is up to 384 Kbps. (1.5 Mbps x 384 Kbps)

FasTrak DSL 1.5 is available to customers who live within 12,000 feet of a designated ADSL equipped wire center. However, additional technical limitations (e.g., pair gain equipment, load coils, bridge taps, etc.) may cause the service to be unavailable to customers within the 12,000 foot range.

Rates for FasTrak DSL 1.5 include a monthly recurring charge of \$250.00 and a non-recurring charge of \$125.00. A three month minimum billing term applies.

Persons who wish to comment on this application should notify the Commission by October 1, 1997. Requests for further information should be mailed to the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326, or you may call the Public Utility Commission's Office of Consumer Affairs at (512) 936-7120. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136.

SCHEDULE C - COST STUDIES

- C-1 Projections of revenues, demand and expenses demonstrating that in the second year after the service is first offered, the proposed rates will recover the long run incremental costs of the service.**

Not applicable.

- C-2 The contribution for joint and/or common costs which the rates for the service will also recover.**

A Rate/Cost Comparison is available which demonstrates that the rates are set above the long increment cost and provides contribution for joint and/or common costs. The Rate/Cost Comparison is confidential and will be made available for review subject to a protective agreement. The materials will be marked confidential and placed in a binder labeled:

Southwestern Bell Telephone Company
FasTrak DSL - Confidential Information

The Rate/Cost Comparison will be placed behind Tab 1 of the binder above.

- C-3 Capital costs related to providing the service.**

A long run incremental cost study is available which includes the capital costs related to providing the service. The cost study is confidential and will be made available for review subject to a protective agreement. The cost study will be marked confidential and be placed behind Tab 2 of the binder listed in C-2 above.

- C-4 Workpapers and supporting documentation relating to computations and assumptions contained in the application.**

The workpapers and supporting documentation are confidential and will be made available for review subject to a protective agreement. These materials are included in the cost studies referenced in C-3 above.

SCHEDULE D - LIMITED OFFERINGS

- D-1 For both new and experimental services, the exchanges in which the LEC proposes to offer such service.**

FasTrak DSL will initially be offered to customers located in the Austin metropolitan exchange who are served by the Fairfax, Fireside, Jollyville and Greenwood wire centers. Additional wire centers are expected to be added during the experimental service offering.

- D-2 Separate explanation for each exchange in which the service will not be offered as to why the LEC's facilities in that exchange do not have the technical capability to handle the service.**

Not applicable.

- D-3 Implementation plan which specifies the LEC's plans for making the new service available in the excluded exchanges within a reasonable time after receipt by the LEC of a bona fide request for the service from any customer in such exchange.**

Not applicable.

- D-4 Specification of the requirements the LEC proposes must be met for a request for the new service to be considered "bona fide."**

Not applicable.

**SCHEDULE E - REQUEST FOR MODIFICATIONS OR WAIVERS OF
REQUIREMENTS**

E-1 Requirement for which the modification or waiver is requested and the alternative requirement which the LEC proposes be adopted.

Not applicable.

E-2 Complete statement of LEC's arguments supporting the modification or waiver.

Not applicable.

SCHEDULE F - ADDITIONAL INFORMATION

F-1 Other relevant information the LEC wants considered in connection with the Commission's review of this application.

Privacy Considerations

Subst. R. §23.57(c)(2) Lost degree of privacy:

The LEC shall identify all circumstances under which a customer of the local exchange carrier may experience a lost degree of privacy as a result of the implementation of the new service or feature proposed in the application, including, but not limited to, whether a customer's name, address, or telephone number will be provided to a called party or to any other third party . . .

There are no circumstances under which a Southwestern Bell customer might experience a lost degree of privacy as a result of implementation of this service.

This service is a non-switched data service and does not result in a change in the outflow of information about the customer. (i.e., it provides does not provide the customer's name, address or telephone number to a third party)

Since no privacy issues arise as a result of this application for service, Southwestern Bell need not address the requirements of Subst. R. §23.57(b).

SCHEDULE G - TARIFF SHEETS

- G-1** **Tariff sheets proposed by the utility. The contents of such tariff sheets shall be in compliance with the requirements of PUC SUBST. R. 23.24(b), (c), (d), and (e) (relating to the Form and Filing of Tariffs).**

Attached as Schedule G, Attachment I is a tariff check sheet and the tariff sheets proposed by Southwestern Bell. These tariff sheets conform to the requirements of PUC Subst. R. §23.24(b), (c), (d), and (e) (relating to the Form and Filing of Tariffs).

TARIFF CHECK SHEET

Tariff	Section	Sheet
Digital Link Service Tariff	14	Sheet 1, Orginial
Digital Link Service Tariff	14	Sheet 2, Original
Digital Link Service Tariff	14	Sheet 3, Orginial
Digital Link Service Tariff	14	Sheet 4, Original
Digital Link Service Tariff	14	Sheet 5, Original
Digital Link Service Tariff	14	Sheet 6, Original

**AFFIDAVIT OF
GREGORY S. CORSE**

STATE OF TEXAS:
COUNTY OF TRAVIS

Before me, the undersigned authority, on this 15th day of August, 1997, personally appeared Gregory S. Corse of Southwestern Bell Telephone Company (Southwestern Bell), who, upon being duly sworn, states the following:

1. I, Gregory S. Corse, am an employee of Southwestern Bell and hold the position of Area Manager-Rate Administration. My business address is 1616 Guadalupe, Room 640, Austin, Texas.
2. I have reviewed the long-run incremental cost study for FasTrak DSL Service.
3. Based upon this review, I have determined that the rates contained in the attached tariff sheets are set above their long-run incremental cost and provide contribution toward joint and common cost.
4. Based on paragraph 3 above, the rates contained in the attached tariff sheets are not preferential, prejudicial, or discriminatory.

Gregory S. Corse

Sworn and subscribed before me on this 15th day of August, 1997.

Notary Public in and for the State of Texas

EXHIBIT A

TARIFF CONTROL/DOCKET NO. _____ PROTECTIVE ORDER

I agree to comply with and be bound by the terms and conditions of this Protective Order.

SIGNATURE:

NAME PRINTED:

TITLE:

ADDRESS:

REPRESENTING:

EMPLOYER:

DATE:
