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July 24, 2002

VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of Records and Reporting
Betty Easley Conference Center
4075 Esplanade Way
Tallahassee, Florida 32399-0870

Re: Docket No.: 960786B-TL and 981834-TP

Dear Ms. Bayo:

On behalf of DIECA Communications Company d/b/a Covad Communications Company (Covad), enclosed for filing and distribution are the original and 15 copies of the following:

- Covad Communications Company's Comments: KPMG Consulting's Draft Final Report, BellSouth OSS Evaluation.

Please acknowledge receipt of the above on the extra copy and return the stamped copy to me. Thank you for your assistance.

Sincerely,

Vicki Gordon Kaufman

Vicki Gordon Kaufman

VGK/bae
Enclosure

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of BellSouth Telecommunications, Inc.'s entry into interLATA services pursuant to Section 271 of the Federal Telecommunications Act of 1996. (Third Party OSS Testing)	DOCKET NO. 960786B-TL
In re: Petition of Competitive Carriers for Commission action to support local competition in BellSouth Telecommunications, Inc.'s service territory.	DOCKET NO. 981834-TP FILED: July 24, 2002

COVAD COMMUNICATIONS COMPANY'S COMMENTS: KPMG CONSULTING'S DRAFT FINAL REPORT, BELLSOUTH OSS EVALUATION

I. INTRODUCTION

DIECA Communications, Inc. d/b/a/ Covad Communications Company ("Covad") would like to thank the Florida Public Service Commission and the Florida Staff for its dedication in shepherding this massive testing program to near-completion. During the testing, BellSouth has corrected many problems identified by KPMG, and, as a result, BellSouth's OSS is in far better shape than it was eighteen months ago. Unfortunately, much is left to be done both in problem areas identified by KPMG as well as in areas that KPMG's testing missed entirely either through oversight or through design. When the remaining defects identified by KPMG are examined side-by-side with those defects that KPMG failed to identify, it becomes apparent both that there were fundamental flaws in the testing and that the testing reveals other serious flaws in BellSouth's systems that should prevent it from gaining the 271 approval that it seeks. The most significant of the remaining problems will be discussed in turn.

II. BELLSOUTH'S LINE SHARING OSS DEFECTS

Line Shared Loops are the principle means by which Covad delivers DSL services to residential customers. Without this UNE, it would be virtually impossible from an economic standpoint for Covad or any other ALEC to provide DSL services at an affordable price for residential use BellSouth, of course, is an extensive user of line sharing technology itself, and this technology has enabled it to rapidly deploy DSL throughout the region. By using the high frequency portion of the local voice loop, BellSouth has been able to add more than 620,000 customers to its network and projects that number to grow to 1.1 million by the end of the year [1] Comparing the quality of the OSS that BellSouth provides for the use of ALECs to the OSS capabilities that it enjoys for its retail customers provides a unique window into its practices because in this area, more than any other, BellSouth and the ALECs are providing the same service over the same population of loops. In other words, whether or not BellSouth discriminates in this area can be determined not by the use of an analog to BellSouth's retail services but by direct comparison to BellSouth's retail OSS. Despite KPMG's report that BellSouth has "satisfied" criteria regarding the accuracy of its Firm Order Commitments and similar measures, it is apparent that limitations in KMPG's testing methodology led it to overlook several serious flaws in BellSouth's OSS, flaws that put ALECs at a competitive disadvantage.

A. KPMG Did Not Properly Evaluate the Impact of BellSouth's Failure to Return Pseudo Circuit Numbers with FOCs for Line Shared Loops[2]

Although BellSouth has a fully mechanized ordering process for itself, it has proven unable or unwilling to provide the same level of flow-through mechanization for the ordering of

[1] BellSouth press release dated January 3, 2002 (available at http://bellsouthcorp.com/proactive/newsroom/release.vtml?id=38723)

[2] See generally, Workshop Transcript at pp 25-28

Line Shared Loops by ALECs. Equally unfortunate is the fact that KPMG's flawed methodology caused it to largely ignore the two serious errors in BellSouth's OSS that have a major anti-competitive impact on ALECs. The first of these errors involves the inability of BellSouth's automated systems to return information to Covad that would allow us to validate BellSouth's billing practices. Covad places orders for Line Shared Loops by submitting a Local Service Request (LSR) to BellSouth. BellSouth responds to the LSR with a Firm Order Commitment (FOC) that contains a variety of information that Covad uses to track the order and—eventually—reconcile the bills that BellSouth generates.

One critical piece of information that should be returned with the FOC, but is not, is the pseudo circuit number When BellSouth sends Covad a bill that contains—among its thousands and thousands of entries—the charges for a single line shared loop serving one of Covad's customers, those charges will be identified only by the pseudo circuit number. If Covad does not have that number, it is impossible to determine if we are being billed properly. To solve this defect in BellSouth's OSS, Covad is forced to stop the flow-through process of the order, manually access the FOC, use information contained on the FOC to manually access BellSouth's CSOTS database, extract the pseudo circuit number from that database, manually input the pseudo circuit number on the Covad order, then manually complete and close the order.[3]

Because, as will be discussed in more detail below, manual handling of an order is very expensive, this defect places Covad at a significant competitive disadvantage In order to provide consumers and small businesses with innovative, cost-effective DSL service offerings,

[3] BellSouth does return a circuit number with the FOC for all of its "designed" loops, so it cannot argue that this is a superfluous part of the ordering process. Further, it is difficult to believe that ALECs are expected to pay BellSouth's unwarranted and unnecessary "design" costs just to get the information necessary to validate BellSouth's billing practices. This would be akin to making a purchase at a department store only to be told that it would cost you extra to find out what the department store was planning to charge your credit card.

Covad has automated its processes to the greatest extent possible, thereby minimizing human intervention and maximizing the savings and the quality of service that we can pass on to our customers. By forcing us to manually handle defects that BellSouth does not incur itself, BellSouth is discriminating against Covad. But this is by no means where the problem stops.

Thus far, despite the fact that BellSouth has complete flow-through mechanization for its retail line sharing orders, it has refused to even commit to a date on which it will solve this costly defect for Covad and other ALECs This is true even though Covad has attempted to use the BellSouth Change Control process to have the defect fixed: as will be discussed in detail below, on January 18, 2002, Covad submitted Change Request 621 to BellSouth specifically requesting that this serious defect be corrected Today, six months later, BellSouth has yet to even schedule its repair.

KPMG admits that it was aware of this problem, and, in fact, the persistence of the problem and BellSouth's refusal to fix it contributed significantly to BellSouth's "Not Satisfied" rating on criteria PPR 1-6,[4] which deals with BellSouth's refusal to follow the Change Control process properly. KPMG did not, however, consider the defect to be "significant enough to cause a not satisfied result"[5] for those criteria relating to the performance of BellSouth's OSS in the ordering and provisioning of Line Shared Loops on the grounds that KPMG was able to validate its bills using a manual workaround.[6] Why it is that KPMG found it reasonable to be forced to resort to a fully manual process just to get the information necessary to validate its bills is unclear, but it seems reasonable to assume that the fact that KPMG never actually had to pay any bills probably contributed to this serious oversight.

[4] Workshop Transcript, pp. 25-27.
[5] Id. at p. 26, ll. 10-11.
[6] Id. at p. 27, ll. 26-27

Based on this KPMG oversight, the Commission should reject the "satisfied" ratings given to BellSouth on TVV2-4-3, TVV2-5-1, and TVV2-6-3 because BellSouth's continuing failure to provide a pseudo circuit number to Florida ALECs means that the FOCs that are being returned are incomplete, inaccurate, and, therefore, untimely. Covad is aware that KPMG argues that the question of FOC timeliness is separate from questions of its accuracy, but this artificial distinction should not fool the Commission about what is actually happening to ALEC Line Shared Loop FOCs: every single one of them is returned by BellSouth with a serious error that cannot be remedied by the ALEC without resorting to an expensive manual process that BellSouth is never forced to use. KPMG may think this is fine, but the ALEC community most certainly does not.

B. KPMG Did Not Properly Evaluate the Impact of BellSouth's OSS Defect that Causes It to Begin Billing Covad Before Provisioning a Line Shared Loop[7]

The second major defect with BellSouth's OSS for the ordering of Line Shared Loops arises from the fact that when a Line Shared Loop order is placed, BellSouth creates two separate orders internally, one that goes to its billing department and one that goes to the Central Office where the Line Shared Loop is actually provisioned Unfortunately, BellSouth does not relate these two orders internally. The billing order is generally completed within 24 hours, and, once this has happened, BellSouth deems the order complete and begins to bill for the circuit. The order, however, ***is not*** complete, and many negative consequences flow from this.[8] KPMG admits that it was "aware" of this problem, but further admits that its testing was not designed in a way that could have measured the defect.[9]

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[7] See generally, id at pp. 28-31.
[8] See generally, id at pp. 29-30.
[9] Id. at pp. 30-31.

First, and most obviously, Covad should not have to pay for a circuit that BellSouth has not provisioned BellSouth must fix this process so that the billing cycle does not begin until the work in the Central Office has been completed and the loop has actually been delivered to Covad. Second, BellSouth's premature showing of a "completed" order in its billing system can prove quite expensive to Covad in other ways. For example, take a typical situation where a Covad customer places a Line Sharing Order Even before the order is complete, Covad checks BellSouth's databases to ensure that the technical parameters for the requested Line Shared Loop will support the service. Assuming that the answer to this question is positive, Covad then places the order electronically with BellSouth which generates—as noted above—a billing order and a work order. The billing order completes in about 24 hours and BellSouth improperly begins to bill Covad for the loop. When BellSouth personnel in the Central Office attempt to complete the order, however, they discover that BellSouth's LFACS database contained inaccurate information and the loop actually requires conditioning before it will be able to support DSL service.

Under these circumstances, if BellSouth had not "completed" the billing portion of the loop order, Covad would be able to modify the order and request that the loop be conditioned. Instead, Covad is forced to place a Disconnect Order on the loop even though it was never connected in the first place This is a much more expensive and time-consuming process than a simple order modification, and this is an added expense that BellSouth itself would never incur under similar circumstances. But this is not where the trouble ends.

Based on the information in BellSouth's databases and the Firm Order Commitment that it returns to Covad after an order has been placed, Covad has given its customer an indication as to when he or she can expect service to begin. Suddenly, however, this window has been

lengthened dramatically because now, in addition to needing to condition the loop, Covad has to first wait for BellSouth to process the unneeded disconnect order, and only then can the order be placed for loop conditioning This cumbersome process leads to dissatisfied customers, and, again, this is not a hardship that BellSouth's own customers would be subjected to. In short, BellSouth's inability to take the simple step of delivering the loop before "completing" the billing portion of the order, costs Covad money and the good will of its customers. Both of these problems are caused solely by a BellSouth OSS defect.

Again, Covad has attempted to get this defect resolved, but to no avail. Covad submitted Change Request 779 on May 9, 2002, but BellSouth has yet to provide a date as to when this serious defect is going to be repaired.

Because KPMG did not perform billing testing in a way that would have caught this billing problem[10] and because KPMG's pseudo-ALEC did not actually have any customers, this serious defect was completely ignored by the testing. This is unacceptable, and the Commission should reject the "satisfied" ratings given to BellSouth on PPR13-2-2, TVV11-2-8, and TVV11-2-23. Quite simply, no argument can be made that a process that always overcharges ALECs for Line Shared Loops is proper in any way, and the Commission should dismiss KPMG's assertions to the contrary.

C. KPMG Did Not Evaluate BellSouth's Performance In Light of BellSouth's Contractual Obligations

Covad's Interconnection Agreement with BellSouth requires the delivery of Line Shared Loops within three days.[11] Despite this, BellSouth continues to deliver Line Shared Loops in

[10] Id.
[11] Covad-BellSouth Interconnection Agreement, p. 92, ¶ 2.11.2.13.

Florida, on average, in 4.02 days.[12] This one day difference in provisioning intervals significantly impacts Covad's ability to serve its customers with the speed and efficiency that they expect, yet KPMG admits that it only tested whether BellSouth was meeting provisioning intervals described in KPMG's own Interconnection Agreement.[13] Not surprisingly, BellSouth apparently met the intervals described in the Interconnection Agreement of the pseudo-ALEC that was testing it on behalf of the Commission—KPMG—while continuing to ignore the intervals required of it in Interconnection Agreements of real ALECs attempting to compete with it for the same customers.

III. BELLSOUTH'S ONGOING CHANGE CONTROL PROBLEMS

In order to demonstrate that it is providing nondiscriminatory access to its OSS, BellSouth must first demonstrate that it "has deployed the necessary systems and personnel to provide sufficient access to each of the necessary OSS functions and . . . is adequately assisting competing carriers to understand how to implement and use all of the OSS functions available to them."[14] Only by showing that it adequately assists competing carriers to use available OSS functions can BellSouth prove that it offers an efficient competitor a meaningful opportunity to compete.[15] As part of this demonstration, the Federal Communications Commission ("FCC") gives substantial consideration to the existence of an adequate change management process and evidence that the BOC has adhered to this process over time.[16] The FCC has concluded that, without a functional change management process in place, a BOC can impose substantial costs on competing carriers simply by making changes to its systems and interfaces without providing

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[12] BellSouth PMAP data, Provisioning Interval for Line Shared Loops (average of data from January-April, 2002). The provisioning interval (taking into account both loops requiring dispatch and those not requiring dispatch), the interval in January was 3.40 days; in February, 3.42 days; in March, 5.21 days; and in April, 4.04 days.
[13] Workshop Transcript, p. 31, ll. 8-24.
[14] *Bell Atlantic New York Order* 15 FCC Rcd at 3999, ¶ 102.
[15] *Id.* at 3999-4000, ¶ 102
[16] *Id* at 4000, ¶ 102.

adequate testing opportunities and accurate and timely notice and documentation of the changes.[17]

The fundamental problems with this process in Florida are well-documented by KPMG in "not satisfied" criteria PPR1-3, PPR1-4, PPR1-6, PPR1-8, and, secondarily, the "not satisfied" criteria relating to BellSouth's software interface deployment, PPR5-2, PPR 5-3, and PPR5-17. BellSouth retains veto power over the Change Control agenda, is entirely unsupervised by regulators, and operates without penalty for delaying, denying outright, or degrading competitive ALEC access to needed OSS or other changes.[18] A perfect example of this, and of BellSouth's in-your-face brand of discrimination, is provided by Covad's efforts to simply get BellSouth to solve the problem described above regarding BellSouth's OSS error that denies Florida ALECs the information needed to verify BellSouth's bills. As will be apparent from this example, BellSouth's behavior in correcting OSS problems is dramatically different for itself than for ALECs: it fixes problems it considers important, but refuses to fix the same problems in the systems that affect ALECs.

As previously mentioned, BellSouth's Line Shared Loop OSS has a defect that prevents it from returning information to Covad necessary for the verification of BellSouth's bills As a result, Covad is forced to resort to an expensive and time-consuming manual process to gather this necessary information Covad has taken extensive steps to attempt to get this problem solved, but to no avail. On January 18, 2002, Covad submitted Change Request 621-FTTF36 to BellSouth specifically requesting that this serious defect be corrected According to BellSouth

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[17] *Id.* at 4000, ¶ 103.

[18] See also, Exception 88, opened on July 1, 2001. KPMG found that the BellSouth's change control process "does not allow CLECs to be involved in prioritization of all CLEC-impacting change requests." Amazingly, a year later and near the end of the testing, this exception remains open See KPMG Draft Final Report, Version 1.0, Test Reference PPR1-6, pp. RMI-18 through 20 (available at http://www.psc.state.fl.us/industry/telecomm/oss/oss.cfm).

procedures, after Covad submitted the change request, the request then had to be identified as either a "Defect"—meaning a problem with BellSouth's OSS that needed to be repaired—or a "Feature Enhancement" which is a functionality that an ALEC wants but is not actually required. Despite the fact that BellSouth's failure to provide the pseudo circuit number amounts to denying Covad the information needed to check if BellSouth bills it fairly, it took BellSouth ***four months*** just to decide how to ***classify*** the problem: on May 17, 2002, it finally declared that its failure to provide the pseudo circuit number was, indeed, a Defect in its OSS. Now, two more months have passed, and BellSouth has thus far refused to even provide a date as to when it may get around to fixing it. Its treatment of a similar defect for which it opened a Change Request itself has been remarkably different.

On May 3, 2002, BellSouth opened Change Request 766 to deal with a precisely analogous defect in its Local Number Portability (LNP) interface, a defect that prevented circuit numbers from being provided in responses to orders for certain non-designed services. ***Within a week, BellSouth classified the defect and set a schedule for the defect to be fixed. For the defect identified by Covad, however, nearly six months have passed, and BellSouth has yet to even schedule its repair.*** In short: BellSouth fixes problems that concern BellSouth and ignores problems that effect the ALECs.

KPMG has recognized this problem, stating during the workshop that BellSouth's abysmal handling of this OSS defect resulted in the "not satisfied" rating for criteria PPR1-6 [19] This simple fact provides the Commission with a valuable window into BellSouth's thinking about the importance of this testing: in many ways, it simply does not care. This is a strong statement, but it is supported by strong evidence: Exception 123 was opened early this year to

[19] Workshop Transcript, p. 27, ll 17-19

document BellSouth's inability to properly classify defects, yet BellSouth has apparently failed to make any effort to correct the problem. The only explanation for this is that BellSouth does not want or intend to fix the problem. This is unacceptable, and the Commission, relying on the plethora of "not satisfied" criteria surrounding BellSouth's OSS, should reject its long distance application.

IV. KPMG's FAILURE TO EVALUATE THE UNBUNDLED COPPER LOOP — NON-DESIGNED

The UCL-ND is a plain copper loop over which Covad can provide its customers with various DSL services. BellSouth began offering this loop more than a year ago in response to the concerns of Covad and various state commissions regarding BellSouth's expensive and unnecessary "design services" that it performs on DSL-capable loops. The UCL-ND loop is less expensive than the BellSouth xDSL loops because it does not go through the BellSouth "design process." Unfortunately, the early promise of this loop has been squandered by BellSouth's refusal to mechanize it and its apparent inability to provision it properly (discussed in more detail below) Equally unfortunate is the fact that KPMG did not test this loop at all [20] Had it done the proper testing of this loop, KPMG would have been made aware of numerous problems that the Commission should take into account in evaluating BellSouth's long distance application.

Despite the fact that BellSouth has offered this loop for more than a year, ordering it is still a fully manual process, and a date for final mechanization is unknown. *Partial* mechanization of this loop was supposed to occur on July 13, 2002, but this has already been delayed until August 24-25, 2002. BellSouth also claims that full mechanization of this loop will occur in its December 2002 software releases. Based on its past experience, there is no way to know if BellSouth will actually adhere to this schedule, and, as set forth in detail below, the

[20] Id. at p. 33, ll. 5-16.

manual processes associated with this loop are expensive, inaccurate, and present a competitive disadvantage to Covad and other ALECs.

BellSouth's provisioning problems with the UCL-ND Loop are even worse. In fact, its performance on this loop has been so bad that Covad has been forced to stop ordering the loop entirely in every state in the BellSouth region except Florida, and we continue to order it in Florida only for the purpose of giving BellSouth the opportunity to fix it. BellSouth has proven incapable of properly provisioning this loop in accordance with its own processes and its Interconnection Agreement with Covad. As a result, the UCL-ND loop has cost Covad far more in trouble ticket charges, man-hours and personnel frustration than any purported cost savings. Now, more than a year after the UCL-ND was introduced, Covad still cannot consistently order and receive a timely, functional loop.

BellSouth's own records speak directly to its dismal performance on this loop Of 50 UCL-ND orders in January 2002, Covad data showed that BellSouth failed to properly provision 38 of those orders. After investigating, BellSouth admitted that of the 30 orders it believed were timely delivered, BellSouth had failed to follow process and notify Covad that the order was closed on 7 orders. BellSouth further admitted that 10 of the 50 orders were nonfunctional at turn-up. Thus, BellSouth's own data showed that more than 17 out of 50 orders were improperly provisioned. Irrespective of which set of data is used, serious process and provisioning problems clearly exist with this loop.

Further, when BellSouth does manage to provision the loop, it cannot fix subsequent problems with it at anywhere near an acceptable level. An analysis of January-March, 2002, data reveals that 43% of Covad's orders that require trouble tickets, require more than one trouble ticket to resolve whatever problem there is with the loop. Moreover, even excluding

BellSouth's failure to provide demarcation point information, 9% of Covad UCL-ND orders cannot be turned up on dispatch because of BellSouth loop issues.

BellSouth's refusal to provide demarcation information on this loop is the second major problem with BellSouth's performance. In addition to its provisioning problems and despite Covad's continuous efforts to resolve this issue, BellSouth is still refusing to provide demarcation point information in accordance with its Interconnection Agreement with Covad Since Covad orders UCL-ND loops for business customers, the loops are often to office buildings that may have multiple phone closets and thousands of lines. Demarcation point information enables Covad's technicians to learn where BellSouth has dropped the loop, so that Covad can perform the remaining work to get a customer into service. Without demarcation point information, Covad technicians are forced to play blind man's bluff, searching basements, multiple phone closets and attempting to find the proverbial needle in a haystack.

Covad and BellSouth clearly understood the importance of transferring this information from BellSouth to Covad, and that's why the following language was put in the Interconnection Agreement:

> Where a technician is dispatched to provision a loop, the BellSouth technician shall tag a circuit for identification purposes Where a technician is not dispatched by BellSouth, BellSouth will provide sufficient information to Covad to enable Covad to locate the circuit being provisioned.

(Interconnection Agreement, Attachment 2, § 2.1.17.9.3) Thus, irrespective of whether BellSouth dispatches a technician, BellSouth is obligated to provide information to Covad sufficient to allow Covad to locate the circuit being provisioned. Covad has attempted to have this problem solved, but to no avail.

When this problem first arose, BellSouth suggested that Covad order joint acceptance testing on the UCL-ND loops for the purpose of obtaining demarcation point information As an

interim measure designed to get our customers into service, Covad was willing to do this while BellSouth devised a permanent solution. This step, however, adds another $50-$100 to the Covad loop price, and Covad cannot continue to pay an extra fee to get BellSouth to meet its pre-existing contractual obligations.

Then, in April, Covad wrote to BellSouth informing BellSouth that we would be opening trouble tickets in advance of the Covad truck to obtain demarcation point information where BellSouth did not provide it, and we spoke with BellSouth personnel to inform BellSouth of this process and to ask for help working toward a better solution for both companies BellSouth has not responded to either of these requests, and it is now refusing to open a trouble ticket to obtain demarcation point information. Again, this unilateral action on BellSouth's part directly violates its contractual obligations and is yet another illustration of its refusal to even attempt to develop a workable solution to this operational problem.

This problem will never be solved unless BellSouth commits itself to finding a solution. First, BellSouth must identify a high-ranking operations officer to be responsible for resolution of these problems. Second, BellSouth should be required to perform joint testing before it closes a trouble ticket to ensure that multiple tickets are not required to solve a single problem. As mentioned above, Covad data shows that 45% of our UCL-ND orders had trouble tickets and of those orders requiring trouble tickets, 43% had multiple tickets This clearly indicates BellSouth's failure to properly address troubles on these loops in the first instance As a result of this egregious track record, Covad has already asked BellSouth to participate in Joint Acceptance Testing before closing trouble tickets, but BellSouth has refused. BellSouth's performance illustrates why such testing is essential. Finally, BellSouth must develop some process to provide Covad with demarcation point information on every UCL-ND loop ordered This is required by

the Interconnection Agreement, and BellSouth's failure to provide such information is a clear violation of that contract and its obligation to provide Covad with nondiscriminatory access to loops.

KPMG did not test anything associated with this loop Consequently, none of the problems set forth above have been documented by an independent, third party test. Nevertheless, some of the difficulties BellSouth experiences in provisioning this loop properly are certainly the result of the heavily manual processes that ALECs are forced to use in ordering it. The problems with manual processes are well-documented in KPMG's study and are set forth in detail below. We believe that all of these problems apply to the UCL-ND loop.

V. BELLSOUTH'S ONGOING POOR PERFORMANCE IN MANUAL PROCESSES

Manual OSS processes are responsible for several problems aside from the bare fact that by their very existence, they demonstrate BellSouth's discrimination against Covad and other ALECs. Not only is it more expensive to do business with manual processes (due to manual order service charges and the increased cost to Covad of having to handle orders manually), but it is hugely inefficient. The lack of electronic ordering capabilities and OSS defects for these loops means that Covad must, for UCL-ND and xDSL loops with conditioning, submit the loop order manually (and, where necessary, manually supplement, cancel, disconnect or change it).

The basic difficulty with manual OSS processes, as opposed to mechanized process, is illustrated by a comparison of KPMG's experience as set forth in TVV2-5-1 and TVV2-5-4, the former being the criteria measuring BellSouth's fully mechanized EDI system for providing accurate Firm Order Commitments (FOCs) and the latter being its fully manual system for performing the same function. A cursory analysis of TVV2-5-1 reveals that BellSouth's fully

mechanized system is very accurate, providing accurate FOCs at a percentage nearing 100%.[21] An examination of other criteria involving fully mechanized processes such at TVV2-4-3, also reveals that in a fully mechanized environment, problems with the system are quickly identified and resolved, and once a problem is fixed, it stays fixed. This high level of performance is due to the fact that in a fully mechanized system, human intervention and human mistakes are minimized, problems in the system are due to easily identified and repaired software and hardware problems, and once a software or hardware fix it put in place, it is in place permanently and will not degrade over time.

Compare this to KPMG's experience with the fully manual processes described in TVV2-5-4. First, BellSouth's mechanized system provided what KPMG deemed to be accurate FOCs at a rate of greater than 99% BellSouth's manual system, on the other hand, started out operating at an 72.09% rate, and then swung violently up and down between 68.52% and, once, 96.67% When TVV2-5-4 is analyzed, it becomes apparent that these wild accuracy swings are caused by several factors First, to keep the accuracy high, almost constant personnel training is required; in general, employees who had just been trained achieved accuracy rates of over 90%, while three weeks later these employees could only muster accuracy rates in the region of 75%. Second, a "fix" only lasts as long as the employees remember their training, unlike a software or hardware fix that is for the life of the system, retraining eventually wears off. In short, not only are manual processes harder to fix, but once they are fixed, they do not stay that way. Third, even when it is operating at its very best, manual processes come no where near the accuracy of mechanized processes. And, finally, BellSouth's scores are unlikely to remain in the range they were at the end of the test because with the conclusion of the test BellSouth will lose any

[21] As noted above, this is KPMG's measurement and does not take into account the fact that, as described above, each and every FOC for a Line Shared Loop order is returned to the ALEC without a pseudo circuit number.

incentive that it may have had to perform the continual retraining that it took to get a "satisfied" rating on this criteria.

If BellSouth provided a checklist-compliant OSS capability, Covad would not have to deal with these cumbersome and expensive manual processes and the mountain of faxes, phone calls, separate systems, and errors that go with them. Rather, Covad would have a seamless, end-to-end automated transaction that would save time and money By refusing to implement a fully-functional automated OSS, BellSouth is making a perverse, yet understandable, business decision. Conducting the unbundled loop ordering process manually adds to BellSouth's own cost of doing business (additional headcount at the LCSC, if nothing else) At the same time, competitors are deterred from operating in the BellSouth territory because of the high cost of submitting wholesale orders. Simply put, it is more expensive for Covad to place orders in BellSouth's territory compared to other territories, and it is more difficult to track the progress of orders. The lack of automated OSS functionality ripples across Covad's entire business operation, raising Covad's cost of doing business and hindering its ability to provide superior customer service to its end-users.

VI. CONCLUSION

KPMG's testing revealed many flaws in BellSouth's OSS and provisioning practices, some of which BellSouth has repaired In other areas, however, KPMG missed testing the process in place for entire loops or found that BellSouth had failed to satisfy the testing criteria. It is into these areas that the Commission should shine a spotlight, and when it does so, it will find that those areas where KPMG did not test or where BellSouth failed that test are, in fact, quite severe. BellSouth is fond of stating that it "satisfied" some percentage or other of the test criteria, but the Commission should not be fooled by this bit of sophistry. Many of the criteria

evaluate nothing more than whether BellSouth has written down a process for doing various tasks. If the Commission looks to those portions of the test that actually measure BellSouth's performance rather than its statements describing how it ought to perform, it becomes quickly apparent that BellSouth is continuing to discriminate against Florida ALECs. Its petition should be denied.

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d/b/a/ Covad Communications Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Covad Communications Company's Comments. KPMG Consulting's Draft Final Report, BellSouth OSS Evaluation has been furnished by (*) hand delivery or by U. S. Mail on this 24th day of July, 2002, to the following:

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