Matilda Sanders

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Sent:	Friday, June 25, 2004 4:16 PM
To:	Filings@psc.state.fl.us
Cc:	Sapper,Lisa A - LGCRP; Lisa Harvey; Patty Christensen
Subject:	000121A -- CLEC Coalition Comments on Scope

ORIGINAL

Importance: High

06252004 FL
C Comments

Docket No. 000121A-TP -- In re: Investigation into the Establishment of Operations
Support system Permanent Performance Measures for Incumbent Local Exchange
Telecommunications Companies (BellSouth track)

Attached please find for electronic filing the CLEC Coalition's Comments on Scope and
Methodology of an Audit of BellSouth's Performance Assessment Plan in the above-referenced
docket. The cover letter, certificate of service and the CLEC Coalition's Comments are a
total of 23 pages. **The attached document should be considered the official version for**
purposes of the docket file.

As indicated in the cover letter, copies of the CLEC Coalition's Comments are being
distributed to parties via electronic and U.S. Mail. Thank you for your assistance in
this matter.

 <<06252004 FL CLEC Comments.pdf>>

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June 25, 2004

BY ELECTRONIC FILING

Ms. Blanca Bayó, Director
The Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

    Re: Docket No. 000121A-TP

Dear Ms. Bayó:

    Attached please find the CLEC Coalition's Comments on Scope and Methodology of an Audit of BellSouth's Performance Assessment Plan in the above-referenced docket. Pursuant to the Commission's Electronic Filing Requirements, this version should be considered the official copy for purposes of the docket file. Copies of this document will be served on all parties via U.S. Mail.

    Thank you for your assistance with this filing.

               Sincerely yours,

               s/ Tracy W. Hatch

               Tracy W. Hatch

TWH/las
Attachment
cc: Parties of Record

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the CLEC Coalition Comments on Scope and Methodology of an Audit of BellSouth's Performance Assessment Plan was served by U.S. Mail this 25th day of June 2004 to the following:

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s/ *Tracy W. Hatch*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into the Establishment)
of Operations Support System Permanent)   Docket No. 000121A-TP
Performance Measures for Incumbent)
Local Exchange Telecommunications)   Filed: June 25, 2004
Companies (BellSouth Track))

CLEC COALITION'S COMMENTS ON SCOPE AND METHODOLOGY OF AN AUDIT OF BELLSOUTH'S PERFORMANCE ASSESSMENT PLAN

I. INTRODUCTION

By its Notice issued in this docket on June 10, 2004, the Florida Public Service Commission ("FPSC") requested recommendations on "the prospective scope and methodology for completing an audit of BellSouth's Performance Assessment Plan including the Service Quality Measurement Plan for performance measurement and the Self-Effectuating Enforcement Mechanism Administrative Plan for penalty payments."[1] A workshop conducted by the Commission Staff to discuss these issues has been scheduled for July 1, 2004. The CLEC Coalition[2] hereby submits these comments and will address and discuss them in detail at the workshop.

While an earlier version of the SQM Plan has undergone a Third-Party review, the SEEM Administrative Plan has not been reviewed. Because it has been in implementation since the May 2002 data month, much data is available to assess whether the penalty payments for non-compliance are accurate. The CLEC Coalition therefore

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[1] Notice of Staff Workshop, Florida Public Service Commission, Docket No. 000121A-TP, issued June 10, 2004.
[2] The CLEC Coalition consists of AT&T of the Southern States, LLC; Birch Telcom, Inc.; DIECA Communications, Inc. d/b/a Covad Communications Co.; IDS Telcom, LLC; ITC DeltaCom, Inc; MCI; Network Telephone, Inc.; and Talk America, Inc.

recommends that the prospective audit primarily target the SEEM Administrative Plan. Specifically, the audit should determine whether remedy payments 2003 were accurate. To accomplish this, the prospective audit should cover the following key areas:

1. Documentation Review;

2. Data Validation;

3. Calculations for Benchmark Submeasures Compliance Determination;

4. Statistical Calculations for Parity Submeasures Compliance Determination;

5. Remedy Calculations;

6. Adjustments;

7. Reporting; and

8. Remedy Payments.

Each of these topics is critical to ensuring the validity of the SEEM implementation. The audit should determine whether the documentation is complete and accurate enough to ensure sound and compliant deployment of the SEEM Administrative Plan on a continuous basis. Second, the audit should confirm that the correct data is evaluated in the determination of compliance as well as the actual penalty amount. Third, the audit must affirm that the calculations comply with the formulas and methodologies ordered by the FPSC. Fourth, the legitimacy of adjustments must be verified. Last, the audit must validate precise reporting and payment of remedies.

The integrity of the SEEM plan depends on accurate implementation of multiple operations at each of these stages. As a result, the audit must have objectives designed to

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validate the implementation of these critical areas. Section II below describes the

appropriate scope of the audit. Section III discusses the methodology which should be

followed.

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II. AUDIT SCOPE

This section addresses what the audit should cover in order to validate that the

SEEM plan is implemented and operating correctly. The eight key areas previously

identified are set forth, with the specific tasks to be performed listed underneath each.

1   Documentation Review

1.1   **Verify that documentation** exists for the PMAP 4.0 and PARIS 2.0 job flows, and that it is comprehensive and detailed enough for the Production Support team to implement accurately the process from the legacy/source systems through the calculation of remedy amounts.

1.2   Verify that the documentation complies with FPSC Orders.

1.3   Verify that a process is established to manage the changes to existing SEEM documentation so that monthly notifications of changes are incorporated accurately into the existing documentation.

2   Data Validation

2.1   **Verify that the** correct transactions flow from the legacy/source systems to the **PMAP Data** Warehouse.

2.2   **Verify the accuracy** of data fields in the PMAP Data Warehouse.

2.3   **Verify that the** correct transactions flow from the PMAP Data Warehouse to the PARIS data base.

2.4   Verify the accuracy of data fields in the PARIS data base.

2.5   Verify that each transaction gets assigned to the correct PARIS submeasure.

2.6   Verify that each transaction gets assigned to the correct cell.

2.7   Verify the accuracy of the pairing of CLEC and BellSouth cells for parity submeasures.

3   Calculations for Benchmark Submeasures Compliance Determination

3.1   Verify that benchmark standards are correct.

3.2   Verify that benchmark results are computed accurately.

3.3   Verify accurate determination of compliance.

4   Statistical Calculations for Parity Submeasures Compliance Determination

4.1   Verify that modified z scores are computed accurately.

4.2 Verify that truncated z scores are computed accurately.
4.3 Verify that values for the parameter delta are calculated accurately.
4.4 Verify that balancing critical values are computed accurately.
4.5 Verify accurate determination of compliance.

5 Remedy Calculations
5.1 Verify accuracy of calculated remedy amounts (fee schedule).

6 Adjustments
6.1 **Identify the** sources of adjustments.
6.2 **Validate that** adjustments comply with Reposting Policy time frames.
6.3 **Validate the** amounts of the adjustments.
6.4 **Determine** whether any adjustments are not disclosed (absent from reports).

7 Reporting
7.1 **Verify that** all Tier I non-compliance determinations are reflected on individual **CLEC PARIS** reports and the Tier I Transmitted Payment by State Reports.
7.2 **Verify the** accuracy of dollar amounts on individual CLEC reports.
7.3 **Verify the** legitimacy of multiple months being represented on monthly Tier I **Summary** Reports.
7.4 **Validate** the accuracy of dollar amounts in the Tier II State Summary Reports.

8 Remedy Payments
8.1 **Determine whether** BellSouth's records show accurate payment amounts to CLECs.
8.2 **Determine whether** BellSouth's records show accurate payment amounts to the State of Florida.

III. AUDIT METHODOLOGY

This section sets forth each of the eight key areas and outlines the methodology to be used in performing the audit of that topic. For each, there is a description of the scope of the work to be performed, followed by the methods to be used. Scope refers to the set of CLECs, measures, months, transactions, or other items for the auditor to utilize. Methods specify the comparisons and other analyses the auditor should perform to satisfy an objective.

In places, this section calls for selection of judgment samples, to avoid unnecessary burden. When similar processes or calculations apply to hundreds or

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thousands of factor combinations (e.g., CLEC, month, and submeasure), it may not be necessary to verify an objective for every combination. A relatively small judgment sample of combinations many be sufficient to uncover problems, if chosen carefully to produce variation on the factors most likely to affect the validity of the process. When the comments call for selection of a judgment sample, they also specify factors for which the auditor should ensure variation.

This section also calls sometimes for the auditor to select random, or stratified random, samples of transactions. Specified sample sizes were chosen to limit computational efforts, while reducing the chances that non-negligible errors would be missed. The option to select a random sample does not require the auditor to do so. In some cases, the auditor may determine that it is as easy, or easier, to verify calculations on full sets of transactions as to select a random sample.

1. DOCUMENTATION REVIEW

Scope

The auditor shall obtain copies of official Florida SEEM documentation, including, but not limited to:

- the Commission Order Nos. PSC-01-1819-FOF-TP, issued September 10, 2001; PSC-02-1736-PAA-TP, issued December 10, 2002; PSC-03-0603-CO-TP, issued May 15, 2003; and PSC-03-0529-PAA-TP, issued April 22, 2003;
- any attachments to the Orders; and
- relevant documents cited in the Orders and attachments.

The auditor shall obtain copies from BellSouth of the following documentation necessary to implement or to replicate Florida SEEM:

- *Supporting Data Users Manual*;
- *SEEM Replication Manual*;
- SQM Manual;
- SEEM Administrative Plan;
- samples of Tier I and Tier II PARIS remedy reports;

- copies of PMAP Notification Reports;
- information about the timing and nature of any modifications and revisions to the SEEM implementation that occurred during 2003; and
- other printed and electronic documentation, as deemed relevant by the auditor.

Methods

1.1. Verify that documentation exists for the PMAP 4.0 and PARIS 2.0 job flows, and that it is comprehensive and detailed enough for the Production Support team to implement accurately the process from the legacy/source systems through the calculation of remedy amounts.

The auditor shall be familiar with the documentation cited above to determine whether gaps exist in the documentation needed to replicate the operations. In particular, this objective should cover:

- database dictionaries to define the variety of data elements necessary in legacy/source, RADS, PMAP, and PARIS data bases;
- documentation for the process to transition data from the legacy/source systems to the PMAP Data Warehouse and from the PMAP Warehouse to the PARIS warehouse;
- documentation for the assignment of CLEC transactions to submeasures and disaggregation cells;
- documentation to define the content of retail analogs for parity submeasures;
- documentation for the statistical calculations; and
- documentation to calculate remedy payments.

The auditor shall request from BellSouth additional documentation to fill any identified gaps. The auditor shall report to the FPSC Staff any unfilled gaps. The auditor shall include in its report a complete list of the documentation that it found relevant to its review.

1.2. Verify that the documentation complies with FPSC Orders.

The auditor shall compare documentation identified in Objective 1.1 with corresponding requirements in FSPC Orders. The auditor shall describe any deviations in its report. In addition, the auditor shall list steps in the process for which a lack of prescription requires BellSouth to use its judgment in specifying implementation.

1.3. Verify that a process is established to manage the changes to existing SEEM documentation so that monthly notifications of changes are incorporated accurately into the existing documentation.

The auditor will review, from an accuracy and completeness perspective, the process that is used to update all applicable documentation as a result of changes from the monthly notification process. The review should include whether the notifications for

change are represented in the final documentation as they were originally presented in the monthly notification. If documentation is not the same or is incomplete, the auditor should identify the discrepancy, so that BellSouth can bring the documentation current.

, The auditor will review the content of the notification changes and determine whether the documentation for software/system changes is accurate. If the documentation is not accurate or does not represent the notification change, then the auditor needs to assess the process used within BellSouth to implement changes.

The auditor should review the accuracy of the information provided in the change notification by determining whether the stated impact of the change indeed was the result once the software/system change was implemented. The auditor should evaluate the accuracy of the initial documented impact statement. However, if the documented impact statement is not correct, the auditor will need to determine what process BellSouth uses to document the actual impact to SEEM-related software/system changes. Additionally, the auditor should report the discrepancy, specifically the flaw in the current process.

2. DATA VALIDATION

Scope

Data used in the Performance Assessment Plan generally start in legacy/source systems.[3] The auditor should obtain copies of documentation[4] providing instructions on migrating transactions from legacy /source systems to PARIS.

The auditor shall identify each distinct source of data input to the PMAP 4.0 system. For this purpose, different transaction types (e.g., local service requests, service orders, or trouble tickets) are distinct sources. Within each transaction type, transactions of CLEC customers (combined across CLECs) and transactions of BellSouth customers (where applicable) constitute two distinct sources. For each data source, the auditor shall obtain data for a simple (or stratified) random sample of 400 transactions, drawn from a minimum of two months (early and late in 2003), for use in Objectives 2.1 to 2.4. Each record should include any potentially relevant fields contained in the source data.

For use with Objectives 2.5 to 2.7, the auditor and Staff shall select a judgment sample of 10 measures across the range of measure types (i.e., ordering, provisioning,

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[3] Figure 1-1 of *BellSouth Telecommunications, Inc. OSS Evaluation Project, Post – MTP/STP Performance Metrics Review, Final report, Version 1.0* (Bearing Point, June 6, 2003). This figure shows three distinct points in the process labeled as "Data Collection Point".

[4] Data used in the Performance Assessment Plan generally start in legacy/source systems. From there, data are loaded into the Regulatory Ad-Hoc Data System (RADS) on a daily basis. Each month, a snapshot of records and data fields needed to calculate SQMS is loaded into SNAP RADS. Finally, SNAP RADS data are transferred into the PMAP Data Warehouse, which serves as a source for both SQM and SEEM calculations.

maintenance & repair, etc.). For each measure, the auditor shall obtain from BellSouth data file(s) containing random samples of 1,000 CLEC transactions and 1,000 BellSouth transactions (for parity measures). The samples should include transactions from at least two months (one early and one late in 2003). Each file should include at least: SEEM submeasure, cell (for parity measures), and any factors used in determining submeasure or cell (e.g., product, dispatch status, number of circuits).

Methods

2.1. Verify that the correct transactions flow from the legacy/source systems to the PMAP Data Warehouse.

The auditor shall obtain from BellSouth an extract from the PMAP Data Warehouse that includes (at a minimum) any and all records corresponding to sampled transactions in the source data files identified above (based on a unique identifier appearing in each system). For each transaction, the auditor shall verify that: (1) the transaction appears in the PMAP Data Warehouse, if appropriate based on PMAP documentation; (2) it appears in the correct subtable(s), if applicable; and (3) that the transaction is not duplicated inappropriately. The auditor shall investigate and report any discrepancies.

2.2. Verify the accuracy of data fields in the PMAP Data Warehouse.

For each transaction traced to the PMAP Data Warehouse, the auditor shall verify that critical fields were either transferred correctly from the source data or created accurately based on values in the source data. Critical fields should include (but not necessarily be limited to): transaction or customer identifiers, CLEC identifier, key dates and times, wire center, and factors required for subsequent processing (e.g., transaction selection or disaggregation). The auditor shall investigate and report any discrepancies.

2.3. Verify that the correct transactions flow from the PMAP Data Warehouse to the PARIS data base.

The auditor shall obtain from BellSouth an extract from the PARIS Fact tables that includes (at a minimum) any and all records corresponding to sampled transactions in the source data files identified above (based on a unique identifier appearing in each system). For each transaction, the auditor shall verify that: (1) the transaction appears in PARIS Fact tables for each measure for which it meets the SEEM inclusion rules; and (2) that the transaction is not duplicated for any measure. The auditor shall investigate and report any discrepancies.

2.4. Verify the accuracy of data fields in the PARIS data base.

For each transaction traced to a PARIS Fact table, the auditor shall verify that critical fields were either transferred correctly from the PMAP Data Warehouse data or created accurately based on values in the PMAP data. Critical fields should include (but

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not necessarily be limited to): transaction or customer identifiers, CLEC identifier, the submeasure outcome, wire center, and factors required for assignment to a submeasure and/or for disaggregation. The auditor shall investigate and report any discrepancies.

2.5. *Verify that each transaction gets assigned to the correct PARIS submeasure.*

For each of the ten selected measures as specified above, the auditor shall determine the factors that define assignment of CLEC and BellSouth transactions to submeasures and verify that these assignments agree with the documentation and official submeasure descriptions. Using the samples of transactions for each measure, the auditor shall verify that equivalent transactions based on the rules are assigned consistently and accurately. The auditor shall investigate and report any discrepancies.

2.6. *Verify that each transaction gets assigned to the correct cell.*

For each of the ten selected measures that is a parity measure, the auditor shall determine the factors that define assignment of transactions to cells within a submeasure and verify that these assignments agree with the documentation. This step should be performed separately for CLEC and BellSouth transactions. Using the samples of transactions for each submeasure, the auditor shall verify that equivalent transactions based on the rules are assigned consistently and accurately. The auditor shall investigate and report any discrepancies.

2.7. *Verify the accuracy of the pairing of CLEC and BellSouth cells for parity submeasures.*

For each of the ten selected measures that is a parity measure, the auditor shall obtain a data file showing the pairing of CLEC and BellSouth cells for like-to-like comparison. For each pair of cells, the auditor shall determine and compare the levels of each defining factor for both the CLEC cell and the BellSouth cell. The auditor shall identify and report any pairings which differ on a factor other than product. For product differences, the auditor shall summarize in its report the BellSouth product(s) that are paired with each CLEC product and whether these pairings are consistent across measures and submeasures.

3. CALCULATIONS FOR BENCHMARK SUBMEASURES COMPLIANCE DETERMINATIONS

Scope

The auditor shall select a judgment sample of 30 "test sets"—combinations of submeasure/CLEC/month—for purposes of verifying Tier I calculations for benchmark measures. Calculations will be performed using all applicable CLEC transactions for the selected test sets. The test sets should encompass a variety of measures and submeasures. In order to verify implementation of the small sample benchmark tables, test sets should be split roughly evenly between cases with 30 or more and cases with fewer than 30 CLEC transactions. Test sets be drawn from at least two months—including December and one early in 2003—to isolate the impact of any modifications to the SEEM implementation.

Similarly, the auditor shall select a judgment sample of 20 Tier II test sets—combinations of submeasure/month. Calculations will be performed using all applicable CLEC transactions for the selected test sets. The test sets should encompass a variety of measures and submeasures. Test sets should be drawn from at least two months—one early and one late in 2003—to isolate the impact of any modifications to the SEEM implementation.

Methods

3.1. Verify that benchmark standards are correct.

The auditor shall obtain from BellSouth one or more data files containing the PARIS results of submeasure level calculations for the selected Tier I and Tier II benchmark test sets. Each record in these file(s) should contain fields with: the observed percentage of successful transactions; the percentage standard for the benchmark—i.e., the percentage of successes required for the submeasure to be in compliance; and SEEM's compliance determination. The auditor shall compare this percentage standard with the documented benchmark percentage standard, using the small sample benchmark tables where applicable. The auditor shall investigate and report any discrepancies.

3.2. Verify that benchmark results are computed accurately.

For each Tier I and Tier II test set, the auditor shall obtain from BellSouth a data file containing the data needed to calculate the success percentage. The auditor shall compute the percentage of successful transactions for each test set and compare it with the value in the file obtained in Objective 3.1. The auditor shall investigate and report any discrepancies.

3.3 Verify accurate determination of compliance

For each test set, the auditor shall determine whether there was compliance by comparing the observed success percentage with the appropriate standard. The auditor

shall compare these determinations with those supplied by BellSouth and report any discrepancies.

4. STATISTICAL CALCULATIONS FOR PARITY SUBMEASURES COMPLIANCE DETERMINATIONS

Scope

The auditor shall select a judgment sample of 60 "test sets"—combinations of submeasure/CLEC/month—for purposes of verifying Tier I statistical calculations for parity measures. Calculations will be performed using all applicable CLEC and BellSouth transactions for the selected test sets. The test sets should encompass a variety of submeasures, drawing from both mean and proportion measures. Because algorithms for the computation of modified Z statistics depend on CLEC sample sizes, test sets should be selected to achieve a wide variation in the number of CLEC transactions. Test sets should be drawn from at least two months—December and one early in 2003—to isolate the impact of any modifications to the SEEM implementation.

Similarly, the auditor shall select a judgment sample of 40 Tier II test sets— combinations of submeasure/month. Calculations will be performed using all applicable CLEC and BellSouth transactions for the selected test sets. The test sets should encompass a variety of submeasures, drawing from both mean and proportion measures. Test sets should be drawn from at least two months—one early and one late in 2003—to isolate the impact of any modifications to the SEEM implementation.

Methods

4.1. Verify that modified z scores are computed accurately.

For each Tier I and Tier II test set, the auditor shall obtain from BellSouth a data file (or a pair of files with CLEC and BellSouth transactions, respectively) containing the data needed to calculate modified z scores for all the cells in the test set.[5] The data files should be equivalent to the ones verified in Objectives 2.4 to 2.7. At a minimum, the data files should identify the following fields for each transaction: submeasure, CLEC vs. BellSouth, specific CLEC (for Tier I test sets), month, outcome value, relevant disaggregation factors, disaggregation cell ID, and wire center (location).

The auditor shall obtain from BellSouth one or more data files containing the PARIS results of cell level calculations for the selected Tier I and Tier II test sets. At a minimum, these files should include for each cell: the computed modified z score, a weight W_j, and expected values and variances for the modified z score under the null and alternative hypotheses.

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[5] As a practical matter, it may make sense to include data for multiple test sets in a single data file, and/or to include other transactions that the auditor would ignore when performing the statistical calculations.

Using the test data supplied by BellSouth, the auditor shall compute modified z scores for each cell, noting that the calculation method differs depending on the CLEC and BellSouth sample sizes. The auditor shall compare its modified z scores with those provided by BellSouth. Because results should agree exactly for modified z scores based on a formula or on an "exact" permutation calculation, the auditor shall investigate and report any discrepancies between BellSouth's and its own values. For modified z scores based on "approximate" calculations (1000 random permutations), results will not agree exactly even if both algorithms are correct. The auditor should investigate the pattern of differences between the two z scores to determine whether it is biased away from zero in either direction, and whether the variance of the differences is larger than would be expected by chance. The auditor shall report the results of these investigations.

For each cell in each test set, the auditor shall compute the cell weight W_j and compare it with the value supplied by BellSouth. The auditor shall investigate and report any discrepancies between BellSouth's and its own values.

4.2. Verify that truncated z scores are computed accurately.

The auditor shall obtain from BellSouth one or more data files containing the PARIS results of submeasure level calculations for the selected Tier I and Tier II test sets. At a minimum, each record in these files should include fields with values for: truncated z, the delta function, the balancing critical value, and the compliance determination.

For each test set, the auditor shall compute truncated z scores using modified z scores and weights computed by BellSouth and verified in Objective 4.1 (i.e., for the same combinations of submeasure/CLEC/month as above).[6] The auditor shall compare its computed values of truncated z with those supplied by BellSouth and shall investigate and report any discrepancies.

4.3. Verify that values for the parameter delta are calculated accurately.

For each test set, the auditor shall calculate the value of the delta function and compare its value with that supplied by BellSouth. The auditor shall investigate and report any discrepancies.

4.4. Verify that balancing critical values are computed accurately.

For each cell of each test set, the auditor shall calculate values for $E(Z_j^* \mid H_0)$, $E(Z_j^* \mid H_1)$, $\mathrm{Var}(Z_j^* \mid H_0)$, and $\mathrm{Var}(Z_j^* \mid H_1)$ and compare these values with those supplied by BellSouth. The auditor shall investigate and report any discrepancies. For each test set, the auditor shall calculate a value for the balancing critical value and compare the value with that supplied by BellSouth. The auditor shall investigate and report any discrepancies.

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[6] Starting with the auditor's calculated z scores would not allow exact comparison between the two sets of truncated z values.

4.5 Verify accurate determination of compliance.

For each test set, the auditor shall determine whether there was compliance by comparing its computed value of truncated *Z* with its computed value for the balancing critical value. The auditor shall compare these determinations with those supplied by BellSouth and report any discrepancies.

5. REMEDY CALCULATIONS

Scope

The auditor shall replicate remedy calculations for all Tier I and Tier II violations during June and December 2003.

Methods

5.1. Verify accuracy of calculated remedy amounts (fee schedule).

The auditor shall obtain from BellSouth data files identifying all Tier I and Tier II violations during 2003. For each violation in June or December, the auditor shall determine the number of consecutive months that the same submeasure has been in violation (for the same CLEC, if Tier I). Using that information and the fee category for the submeasure, the auditor shall compute the appropriate remedy amount.

The auditor shall obtain data files showing BellSouth's calculated remedy amounts for all violations in June and December. The auditor shall investigate and report any discrepancies from its own calculations.

6. ADJUSTMENTS

Scope

The auditor should acquire the documentation that specifies all adjustments for 2003. The auditor shall select stratified random samples of adjustments from the Transmitted Payment By State Reports and the Tier-2 Transmitted Payment By State Reports. For each month in 2003, the auditor shall randomly select (if applicable) two adjustments greater than $10,000 in magnitude (positive or negative) and two that are $10,000 or less in magnitude from the Transmitted Payment By State Report. For each month in 2003, the auditor shall randomly select (if applicable) one adjustment greater than $10,000 in magnitude (positive or negative) and one that is $10,000 or less in magnitude from the Tier-2 Transmitted Payment By State Report.

Methods

6.1. *Identify the sources of adjustments.*

, The auditor should determine the number of individual CLECs associated with each sampled adjustments. The auditor should identify the flaws resulting in adjustments being made. The auditor should also locate the supporting documentation providing a full description including the extent of the flaw. The auditor shall report, separately for adjustments of more and less than $10,000, the frequency of the each source as well as the distribution of the number of CLECs associated with the adjustments.

6.2. *Validate that adjustments comply with Reposting Policy time frames.*

The auditor should review the date (month/year) of the individual CLEC adjustments and should determine whether the adjustments were applied within the time interval specified in the Reposting Policy. The auditor shall report the distribution of the time from the month to which an adjustment applies until the month it is reported.

6.3. *Validate the amounts of the adjustments.*

Based on the source information in Objective 6.1, the auditor should replicate the calculation of the designated adjustment. The computed amount should be compared to the amounts reflected on either the Tier 1 or Tier 2 reports to determine the validity of the calculated amount. The computed amounts should be compared to the amount reflected on individual CLEC PARIS reports.

6.4. *Determine whether any adjustments are not disclosed (absent from reports).*

The auditor should acquire the PARIS tables reflecting adjustments. The auditor should then proceed to confirm that the sampled adjustments are specified in a PARIS report.

7. REPORTING

Scope

The auditor should acquire all PARIS reports for 2003. The auditor should select two months of reporting.

Methods

7.1. *Verify that all Tier I non-compliance determinations are reflected on individual CLEC PARIS reports and the Tier I Transmitted Payment by State Reports.*

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The auditor should acquire the PARIS table containing all the calculated payments for the month. The auditor should determine the sum of all remedy payments for each submetric within a specific state. The resulting sums should be compared against the amounts in the selected Tier I Transmitted Payment by State Report. The auditor should determine whether the calculated payments are individually reflected on each of the appropriate CLEC-specific PARIS reports.

7.2. Verify the accuracy of dollar amounts on individual CLEC reports.

The auditor should acquire the PARIS table containing all the calculated payments for the month. The auditor should randomly select 10 instances of payments from each of 10 varied (i.e. selling different products) CLECs. For the Tier I violations sampled for Objective 5.1, the auditor shall check to see whether each appears in the appropriate CLEC specific report. These amounts should be compared to the amount on the CLEC-specific reports. Any discrepancies should be reported.

7.3. Verify the legitimacy of multiple months being represented on monthly Tier-1 Summary Reports.

The auditor shall select three Transmitted Payments By State reports that contain payments for prior months. The Payment Tables should be reviewed to determine the source and the CLECs associated with the payments for those prior months entries. The auditors should review the Payment Tables for the designated months of the selected adjustment and determine whether the payment was appropriately placed on the PARIS report under review and also determine whether the payment is a duplicate, meaning that it was reflected on reports for two separate months. Any discrepancies should be reported.

7.4. Validate the accuracy of dollar amounts in the Tier II State Summary Reports

The auditor should acquire the PARIS table, containing all the calculated payments for the month and compare the sum to the amount contained on the PARIS Tier-2 Transmitted Payment By State Report. The auditor should randomly select multiple submetrics specified on Tier II State Summary Reports. For the Tier II violations sampled for Objective 5.1, the auditor shall check to see whether each appears in the appropriate Tier II report. These amounts should be compared to the amounts specified on the Tier II State Summary Reports under review. Any discrepancies should be reported.

8. REMEDY PAYMENTS

Scope

The auditor should acquire 2003 files containing payments for CLECs.

Methods

8.1. Determine whether BellSouth's records show accurate payment amounts to CLECs.

The auditor should randomly select payments for ten CLECs. The auditor should proceed to contact the CLECs to whom the selected payments were supposedly paid and confirm that they received payments for the designated months and for the specified amounts.

8.2. Determine whether BellSouth's records show accurate payment amounts to the State of Florida.

The auditor should randomly select three payments to the Commission. The auditor should compare the payment month and amount to that reflected in the Commission records.

IV. WORKSHOP PROCEDURES

The comments above outline the presentation the CLEC Coalition will make at the workshop. The CLEC Coalition will need approximately thirty minutes to review these points, followed by discussion. Presenters will be Cheryl Bursh and Dr. Robert Bell from AT&T.

V. CONCLUSION

The CLEC Coalition appreciates the opportunity to file these Comments and looks forward to further elaboration and discussion at the workshop. It is important for local competition that the SEEM plan be implemented correctly. An audit will provide oversight to ensure that outcome.

Respectfully filed this the 25th day of June 2004.

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