

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  
ORDER NO. PSC-01-2373-FOF-TP  
ISSUED: December 7, 2001

The following Commissioners participated in the disposition of  
this matter:

E. LEON JACOBS, JR., Chairman  
J. TERRY DEASON  
LILA A. JABER  
BRAULIO L. BAEZ  
MICHAEL A. PALECKI

ORDER DENYING AT&T'S MOTION REQUESTING INVESTIGATION INTO  
BELLSOUTH TELECOMMUNICATIONS INC.'S CONDUCT IN PROCESSING CERTAIN  
LOCAL SERVICE REQUESTS AND RETIRING OF KEY OSS SYSTEMS

BY THE COMMISSION:

CASE BACKGROUND

On December 10, 1998, the Florida Competitive Carriers  
Association (FCCA), the Telecommunications Resellers, Inc. (TRA),  
AT&T Communications of the Southern States, Inc. (AT&T), MCImetro  
Access Transmission Services, LLC (MCImetro), Worldcom  
Technologies, Inc. (Worldcom), the Competitive Telecommunications  
Association (Comptel), MGC Communications, Inc. (MGC), and  
Intermedia Communications Inc. (Intermedia) (collectively,  
"Competitive Carriers") filed their Petition of Competitive  
Carriers for Commission Action to Support Local Competition in  
BellSouth's Service Territory.

DOCUMENT NUMBER-DATE

15322 DEC-78

FPSC-COMMISSION CLERK

On May 26, 1999, we issued Order No. PSC-99-1078-PCO-TP, which granted, in part, and denied, in part, the petition of the Florida Competitive Carriers' Association to support local competition in BellSouth's service territory. Specifically, we established a formal administrative hearing process to address unbundled network elements (UNE) pricing, including UNE combinations and deaveraged pricing of unbundled loops. We also ordered that Commissioner and staff workshops on Operations Support Systems (OSS) be conducted concomitantly in an effort to resolve OSS operational issues.

On May 28, 1999, FCCA and AT&T filed a Motion for Independent Third-Party Testing of BellSouth's OSS. BellSouth filed its Response to this Motion by the FCCA and AT&T on June 16, 1999. That same day, FCCA and AT&T filed a Supplement to the Motion for Third-Party Testing. On June 17, 1999, ACI Corp. (ACI) filed a Motion to Expand the Scope of Independent Third-Party Testing. On June 28, 1999, BellSouth responded to the Supplement filed by FCCA and AT&T. On June 29, 1999, BellSouth responded to ACI's Motion to Expand the Scope of Independent Third-Party Testing. By Order No. PSC-99-1568-PAA-TP, issued August 9, 1999, we denied the motion. Upon our own motion, we decided to proceed with Phase I of third-party testing of BellSouth's OSS. Phase I of third-party testing required a third party, in this case KPMG Consulting LLC, to develop a Master Test Plan (MTP) that would identify the specific testing activities necessary to demonstrate nondiscriminatory access and parity of BellSouth's systems and processes.

By Order No. PSC-00-0104-PAA-TP, issued January 11, 2000, we approved the KPMG MTP and initiated Phase II of third-party testing of BellSouth's OSS. On February 8, 2000, by Order No. PSC-00-0260-PAA-TP, we approved interim performance metrics to be used during the course of testing to assess the level of service BellSouth is providing to ALECs. By Order No. PSC-00-0563-PAA-TP, issued March 20, 2000, we approved the retail analogs/benchmarks and the statistical methodology that should be used during the OSS third-party testing.

By Order No. PSC-00-2451-PAA-TP, issued December 20, 2000, we approved revised interim performance metrics, benchmarks and retail analogs to be used during the third-party OSS testing. The revised interim metrics were ordered to address several changes made to BellSouth's initial set of interim metrics approved by Order No.

PSC-00-0260-PAA-TP. The revised interim metrics included corrections to the business rules used to calculate the metrics and additional levels of detail allowing the metrics to capture BellSouth's performance on newer services such as Local Number Portability (LNP). Since Order No. PSC-00-2451-PAA-TP, BellSouth has issued additional changes to its revised interim metrics in other jurisdictions. By Order No. PSC-01-1428-PAA-TL, issued July 3, 2001, we approved additional changes to update metrics and retail analogs and provide additional levels of disaggregation.

On September 5, 2001, AT&T notified our staff of concerns that had arisen in other states regarding BellSouth's allegedly preferential treatment at its Local Carrier Service Centers (LCSCs) of local service requests (LSRs) from certain ALECs, including KPMG Consulting. They indicated that these same concerns may be at work in the Florida test, such that the OSS test results in Florida might be tainted. Upon notification of AT&T's concerns, our staff immediately obtained the work papers referenced by AT&T from the other state, and informally investigated the allegations through discussions with BellSouth and KPMG. The results of staff's investigation were shared with AT&T on September 12 and September 14, 2001. On September 18, 2001, AT&T Communications of the Southern States, Inc., AT&T Broadband Phone of Florida, LLC and TCG South Florida, Inc. (collectively "AT&T") filed a Motion Requesting Investigation into BellSouth Telecommunications Inc.'s Conduct in Processing Certain Local Service Requests and Retiring of Key OSS Systems. On October 1, 2001, BellSouth filed its Response to AT&T's Motion.

## ARGUMENTS

### AT&T

#### A. Preferential Treatment Allegations

In its Motion, AT&T requests that we investigate whether or not concerns raised in other states regarding discriminatory preferential treatment of LSRs from KPMG have had any impact on the Florida OSS Test. AT&T asserts that through its discovery efforts in Section 271 proceedings in North and South Carolina, it discovered that BellSouth provided discriminatory preferential treatment in processing certain local service requests (LSRs). .

AT&T states that pursuant to Section 252(c)(3) of the Act and Section 364.16(3), Florida Statutes, BellSouth has an obligation to provide ALECS with nondiscriminatory access to network elements including BellSouth's OSS. AT&T states that discriminatory treatment by BellSouth potentially taints the OSS test underway in Florida.

AT&T indicates that with respect to the Florida OSS test, BellSouth has not at any time informed ALECs of BellSouth's discriminatory preferential treatment at its LCSCs during the OSS test. AT&T explains that it did not learn of BellSouth's preferential treatment at BellSouth LCSCs (Local Carrier Service Centers) until AT&T obtained discovery documents in North Carolina on August 8, 2001, regarding a regionality study performed by PWC of BellSouth's OSS. AT&T contends that BellSouth admitted that LSRs in certain states were given discriminatory preferential treatment. AT&T believes that LSRs submitted by KPMG as part of Florida's OSS test were affected by the practice of preferential treatment. AT&T states that subsequently, BellSouth represented to PriceWaterhouse Coopers (PWC) that it had ceased this practice in one of the LCSCs and that this practice would be discontinued in the other LCSC immediately.

#### B. Replacement of OSS Systems

AT&T also requests that we investigate whether BellSouth has plans to replace many key OSS systems over the next eighteen months with new systems, without advising the ALEC community of the critical changes. In the North Carolina 271 proceeding, AT&T states that it learned that BellSouth had made plans to replace many of its key OSS with new systems. AT&T asserts that several of BellSouth's OSS systems tested during the OSS test are scheduled to be phased out by the end of 2001 and that many others are scheduled to be replaced by the end of 2002. AT&T states that BellSouth has no intention of notifying ALECs of this OSS transition plan through the change control process or otherwise. Therefore, AT&T asserts that we should investigate BellSouth's OSS replacement plan to determine what impact it may have on OSS test.

BellSouth

A. Preferential Treatment Allegations

In its Response, BellSouth asserts that in mid-2000, this Commission and the Georgia Public Service Commission (GPSC) adopted standards to be used in connection with the OSS test in these states. In order to meet the standards established by this Commission and the GPSC, BellSouth states that it took steps to increase the workforce in the LCSC. BellSouth explains that in order to meet benchmarks that had been established in Florida and Georgia, for a short period of time, priority was given to all LSRs submitted manually from these states in at least one of BellSouth's LCSCs. The priority for manual LSRs from Florida and Georgia was started in the August-September 2000, time frame and ended in the April 2001, time frame. BellSouth explains that LSRs were prioritized by the benchmarks established by the state commissions.

BellSouth contends that this priority given was utilized until additional representatives could be hired and trained to handle the increased workload of the expedited regulatory standards. BellSouth asserts that once additional representatives were hired and trained that this priority process was discontinued. BellSouth contends that performance data compiled on Reject Timeliness and FOC Timeliness does not indicate that preferential treatment has had any adverse effect on the OSS test. Further, BellSouth states that the disaggregated categories with significant volumes reveal that for the period January through March of 2001, BellSouth's performance has been consistent across all nine states. BellSouth believes that even if AT&T's allegations are true, which it believes is not correct, any disparity in performance would have ended in April of 2001. BellSouth contends that this practice ended before the time frame in which BellSouth began to compile data for consideration of its compliance with Section 271.

B. Replacement of OSS Systems

BellSouth asserts that AT&T's contention that we should investigate BellSouth's conduct in the OSS test because it plans to replace certain systems is unfounded. BellSouth states that it should be allowed to assess its systems to determine whether the systems need upgrading or replacement. Further, BellSouth alleges

that it has not attempted to hide its plans to upgrade its systems. BellSouth states that AT&T has known about the existence of its plans for several months. BellSouth contends that with regard to ALEC notification, the Change Control Process (CCP) provides that BellSouth is required to notify ALECs of the "ALEC Affecting Changes" related to certain interfaces. BellSouth states that although AT&T contends that BellSouth was required to provide notice of the changes, none of the systems discussed at the South Carolina hearing are subject to change control.

### ANALYSIS

#### A. Preferential Treatment Allegations

According to documents obtained by our staff prior to the filing of AT&T's Motion, from April through July of 2001, PWC was hired by BellSouth to provide an attestation as to whether BellSouth's operational support systems used to provide preordering and ordering functions to ALECs are regional in nature. The notes from PWC's investigation were provided to AT&T pursuant to discovery requests in the North Carolina proceeding in late August 2001. This discovery request for PWC interview notes is the basis for AT&T's assertion that the Florida OSS test results may not be reliable.

Our staff conducted an informal investigation of the allegations. Additional information was obtained from both KPMG and BellSouth. On September 5, 2001, AT&T distributed a pleading it had filed in Tennessee where AT&T alleged that the OSS test results in Florida were tainted. These allegations were based on documents obtained during the 271 proceedings in North Carolina and South Carolina. We note that AT&T made these allegations about the Florida test in Tennessee without attempting to gain the facts from this Commission, or KPMG. Upon notification of AT&T's concerns, our staff immediately obtained the work papers referenced in the Tennessee filing and informally investigated the allegations through discussions with BellSouth and KPMG. The results of staff's investigation were shared with AT&T on September 12 and September 14, 2001. AT&T filed its Motion Requesting Investigation into BellSouth's conduct on September 18, 2001. We also note that a similar motion was filed by AT&T with the Georgia Commission on

September 11, 2001, involving the same allegations regarding the Georgia test.

During our staff's evaluation, two issues were identified from the PWC work papers, which might raise concern as to whether the Florida test was impacted. The first issue relates to the PWC interviews with the Birmingham Resale Order Department and the Birmingham UNE Order Department. In those interviews, PWC determined that a higher processing priority was being given to Florida and Georgia manual orders. PWC closed this issue on May 1, 2001, upon reviewing documentation that supports a change in the process to eliminate priority processing for Florida and Georgia UNE and resale manual orders. Our staff determined that this priority processing did not have any impact on the Florida OSS Test since orders for the OSS test were not processed in the Birmingham LCSC or the Birmingham UNE Order Department.

The second issue related to the PWC interviews conducted with the Atlanta Complex Order Department. In those interviews, PWC determined that a higher processing priority may have been given to manual third-party testing orders. PWC closed the issue on May 1, 2001, upon reviewing documentation that supports a change in BellSouth processes to stress First In, First Out processing only. KPMG did not begin sending orders for the Florida third-party test until mid-March 2001. This issue of preferential treatment was remedied by April 2001. Therefore, for the Florida OSS test, this situation may have existed, but only for a period of 45 days. During the 45 days in March and April, approximately 100 orders were sent by KPMG to BellSouth for manual processing. Of those 100 orders, only 50 were sent to the Complex Order Department, which is the focus of this PWC issue.

Our staff concluded that there were approximately three observations/exceptions relating to manual orders placed by KPMG during this 45-day period. BellSouth failed the timeliness criteria relating to these orders. Therefore, it does not appear that BellSouth succeeded in giving more timely service to the OSS testing orders if that was their intent. We note that all three of these observations/exceptions remain open today and are currently being retested. Finally, only 62% of manual transaction testing has been completed at the time of this filing. The orders that were placed in March and April of 2001 are a very small portion of

the whole manual test. The total number of orders cannot be discussed at this time in order to protect test blindness. These issues raised by PWC were resolved to their satisfaction and the final attestation was published by PWC on May 16, 2001.

#### B. Replacement of OSS Systems

Our staff also informally investigated the issue regarding BellSouth's plans to replace key OSS prior to this filing ever being made. Staff reviewed the testimony in the South Carolina proceeding and additionally reviewed the document in question, which BellSouth has asserted is confidential. We believe and, in fact, expect that from a business perspective, BellSouth would proactively review and evaluate its support systems on a regular basis in order to determine which systems need modification or replacement. Apparently, BellSouth has done this and created a planning document with a list of systems and potential retirement dates.

BellSouth's obligation to inform the ALECs of BellSouth retirements is specified in the Change Control Process. The Change Control Process, Version 2.6 issued September 10, 2001, states the following on page 56:

As active interfaces are retired, BellSouth will notify the CLECs through the Change Control Process and post a CLEC Notification Letter to the web six (6) months prior to the retirement of the interface. BellSouth will have the discretion to provide shorter notifications (30-60 days) on interfaces that are not actively used and/or have low volumes. BellSouth will consider a CLEC's ability to transition from an interface before it is scheduled for retirement. BellSouth will ensure that its transition to another interface does not negatively impact a CLEC's business.

BellSouth will only retire interfaces if an interface is not being used, or if BellSouth has a replacement for an interface that provides equal or better functionality for the CLEC than the existing interface.



According to the Change Control Process manual, this document was developed jointly by representatives from both BellSouth and ALECs.

Page 15 of the Change Control Process (CCP) states that this process covers ALEC-affecting changes for the following interfaces: LENS, EDI, TAG, TAFI, ECTA, and CSOTS. The CCP defines ALEC-affecting changes as any change that requires the ALECs to modify the way they operate or to rewrite system code.

We believe that the document in question is not authoritative or correct since BellSouth has failed to meet the retirement dates reflected for the year 2001. There has been no claim of harm to AT&T or other ALECs. AT&T does not allege that any of the retirements contemplated in the document in question have occurred. As such, there has been no failure on the part of BellSouth to properly notify ALECs.

If BellSouth is contemplating a change to or retirement of an interface that affects ALECs, we fully expect that BellSouth would comply with the documented Change Control policies and procedures that require ALEC notification. Additionally, we would also expect BellSouth to comply with Change Control objectives that call for mutual impact assessment and resource planning to manage schedule changes.

#### DECISION

Our staff has investigated AT&T's allegation that BellSouth's preferential treatment of certain LSRs had an adverse impact on the Florida OSS test. We have concluded that the impact to the Florida test is nonexistent. We believe that BellSouth's timeliness failures make it evident that BellSouth did not skew the FPSC tests results and that if preferential treatment occurred, it was only for a very limited time early in the testing process. We find that there is no reason for concern that the results of the Florida OSS test may lack integrity or be tainted.

Furthermore, despite AT&T's allegation that BellSouth was required to and failed to notify the ALECs of its plans to retire and replace certain OSS systems, AT&T has not shown that BellSouth was required to provide this notification. We find that BellSouth's obligation to inform the ALECs of BellSouth's

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retirements of OSS systems is specified in the Change Control Process. According to the Change Control Process, we find that BellSouth is clearly required to notify ALECs of ALEC-affecting changes relating to LENS, EDI, TAG, TAFI, ECFA and CSOTS. However, none of these systems have been retired. Accordingly, AT&T's Motion to Investigate the OSS Testing is denied.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that AT&T Broadband Phone of Florida, LLC and TCG South Florida, Inc.'s Motion Requesting Investigation into BellSouth Telecommunications Inc.'s Conduct in Processing Certain Local Service Requests and Retiring of Key OSS Systems is hereby denied. It is further

ORDERED that these dockets shall remain open pending the outcome of the Third Party OSS Testing.

By ORDER of the Florida Public Service Commission this 7th day of December, 2001.

BLANCA S. BAYÓ, Director  
Division of the Commission Clerk  
and Administrative Services

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records and Hearing  
Services

( S E A L )

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.