

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-02-1034-FOF-TP
ISSUED: July 30, 2002

The following Commissioners participated in the disposition of
this matter:

LILA A. JABER, Chairman
J. TERRY DEASON
BRAULIO L. BAEZ
MICHAEL A. PALECKI
RUDOLPH "RUDY" BRADLEY

ORDER REQUIRING IMPLEMENTATION OF END-TO-END
PROCESS FLOW, DRAFT VERSION 2.1

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.

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FPSC-COMMISSION CLERK

On December 30, 1998, BellSouth Telecommunications, Inc. (BellSouth) filed a Motion to Dismiss the Petition of the Competitive Carriers for Commission Action to Support Local Competition in BellSouth's Service Territory. BellSouth requested that we dismiss the Competitive Carriers' Petition with prejudice. On January 11, 1999, the Competitive Carriers filed their Response in Opposition to BellSouth's Motion to Dismiss. By Order No. PSC-99-0769-FOF-TP, issued April 21, 1999, we denied BellSouth's Motion to Dismiss. In addition, we denied the Competitive Carriers' request to initiate a rulemaking proceeding to establish expedited dispute resolution procedures for resolving interconnection agreement disputes. We also directed our staff to provide more specific information and rationale for our recommendation on the remainder of the Competitive Carriers' Petition.

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. We stated that the request for third-party testing (TPT) of OSS was to be addressed in these workshops. These workshops were held on May 5-6, 1999. We also ordered a formal administrative hearing to address collocation and access to loop issues, as well as costing and pricing 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 approved our staff's recommendation 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 April 3, 2002, by Order No. PSC-02-0450-PCO-TP, the Commission revised the Master Test Plan for Testing BellSouth Telecommunications, Inc.'s Operations Support System to remove the Robotag interface from testing. On June 21, 2002, KPMG Consulting published the OSS Draft Final report. The report contained several open exceptions.

On July 11, 2002, AT&T filed an alternative proposal to the BellSouth proposal addressed herein.

It is expected that this Order will assist in the resolution of one of those open issues.

JURISDICTION

Section 271(a) of the Telecommunication Act of 1996 (Act) provides that a Regional Bell Operating Company (RBOC) may not provide interLATA services except as provided in Section 271. Section 271(d) of the Act provides, in part, that prior to making a determination under Section 271, the Federal Communications Commission (FCC) shall consult with the State commission of any State that is the subject of a Section 271 application in order to verify the compliance of the RBOC with requirements of Section 271(c). In addition, Section 120.80(13)(d), Florida Statutes, provides that this Commission can employ processes and procedures as necessary in implementing the Act. Therefore, we have jurisdiction in evaluating BellSouth's OSS through third-party testing, which will enable us to consult with the FCC when BellSouth requests 271 approval from the FCC.

IMPLEMENTATION OF END-TO-END PROCESS FLOW, DRAFT VERSION 2.1

In July 2001, KPMG Consulting issued Exception 88. The exception states that the BellSouth Change Control Prioritization Process does not allow ALECs to be involved in prioritization of all change requests that impact alternative local exchange carriers (ALECs).

Change Requests originate from both external sources (ALECs, industry standards, and regulatory mandates) and internal BellSouth organizations. These Change Requests affect BellSouth's wholesale business and its ALEC customers. ALECs depend upon new functionality in the interfaces they use for increased efficiency in ordering, billing, launching of new marketing schemes and other vital business needs.

KPMG Consulting Exception 88

KPMG Consulting found that ALECs are unable to participate in the prioritization of change requests that originate from internal BellSouth organizations (Regulatory Team, Third Party Testing Team,

the LCSC, and Project Managers) that affect BellSouth's wholesale business and, consequently, the ALEC community. According to KPMG's exception, the policy of not allowing prioritization of internal change requests inhibits one of the primary objectives of the CCP, which is "to allow for mutual impact assessment and resource planning to manage and schedule changes."

Further, KPMG Consulting stated that the impact of BellSouth's Internal Change Management Prioritization Process limited the ALEC community's participation in prioritization of all change requests, including those originated by ALECs. KPMG Consulting noted that the ALEC community's lack of participation in any change requests that affect ALEC businesses could result in change requests important to the ALEC community not being developed or implemented in a timely manner.

Exception 88 remains open and cannot be satisfied until a new process that allows mutual impact assessment and mutual resource planning is implemented. We note that BellSouth has an established collaborative forum in which change control issues are addressed. To date, because of this collaborative process, BellSouth has not fully implemented a change to the external CCP process because it has not had ALEC approval. On May 2, 2002, ALECs refused to vote on any changes to this plan in the Change Control Process Improvements Workshop. Had ALECs concurred, the proposal would have been presented to all ALECs doing business with BellSouth for a vote to amend the BellSouth Change Control Process document accordingly. The ALECs participating in the forum refused to vote, apparently indicating that they want to be able to prioritize BellSouth's changes to its own systems that may affect them in conjunction with changes they propose.

BellSouth's Response to Exception 88

In its response to Exception 88, BellSouth stated that in its opinion, BellSouth's CCP has allowed ALECs to be appropriately involved in the prioritization of all ALEC-impacting change requests. However, in response to the exception, BellSouth adopted a revised and broader definition of "ALEC-affecting" to be used as systems modifications move forward. In addition, BellSouth has responded with a new proposal known as the "50/50 plan." The

referenced document has been filed as confidential, Document No. 06633-02.

At our OSS ALEC Commercial Experience Workshop on February 12, 2002, BellSouth proposed the concept of the "50/50 plan" to address KPMG Consulting and ALEC concerns. The *End-to-End Process Flow, Version 2.1* draft is based on the "50/50" release capacity plan in which, after all scheduled defects are corrected, all regulatory mandates implemented, and all needed updated industry standards are built, ALECs and BellSouth would share equally the remaining release capacity for the year. BellSouth would show ALECs the changes it had initiated (Type 4) and intended to implement. These change requests would have undergone analysis as to whether they impact ALECs or not. The Type 4 or BellSouth-initiated changes would be slotted into two BellSouth releases during the year. ALECs would prioritize their change requests (Type 5 or ALEC-initiated), and these would be slotted for implementation in two announced ALEC releases during the year.

In the current "50/50" proposal, BellSouth agrees to provide the ALECs with an estimate of total capacity at the time of prioritization. BellSouth believes that the "50/50" proposal provides a means for both the ALECs and BellSouth to prioritize changes in accordance with their respective operational considerations.

In its last response to Exception 88, BellSouth says that it has demonstrated a series of good faith efforts in the last few months to address: 1) the definition of "ALEC-affecting;" 2) the disclosure of available capacity; and 3) the desire of both parties to have their respective operational needs identified and included as part of the prioritization process.

In a July 11, 2002, filing, AT&T offered its own proposal to address Exception 88 issued by KPMG. AT&T states that:

The ALECs strenuously disagree with the concept of separate ALEC and BellSouth production releases or 'tracks.' The establishment of a separate path for BellSouth's self-initiated change requests with a guaranteed 50 percent of the forecast capacity is unwarranted, wasteful of scarce programming resources,

and counterproductive. Unified releases maximize the efficient utilization of BellSouth's programming resources. Given that the prioritization and order of implementation under the ALECs' proposal is jointly determined, it is logical that any changes thereafter should be jointly determined and, therefore, require ALEC concurrence.

AT&T further contends that:

Throughout BellSouth's proposed changes to the CCP reflected in Attachment 1, there are references to how BellSouth will manage the ALEC production releases, but not one mention of how it will manage the so-called BellSouth production releases. BellSouth states that its concept provides "parity" - "Estimated capacity for production releases is equal." However, there is nothing to suggest that a blind equal allocation of capacity has any validity. An analysis of the year 2003 capacity information that BellSouth made available beginning on May 10, 2002, reveals that it is not. In 2003, BellSouth's blind allocation has provided BellSouth with capacity beyond its own needs to the detriment of ALEC needs.

DECISION

Upon consideration, we find that BellSouth has demonstrably legitimate proprietary business needs which it must meet in order to function properly. ALECs will have visibility into the impacts of changes on the systems they use. Further, BellSouth has committed to independent third-party verification of capacity used and remaining after each new software release. This information will permit ALECs to trend resource allocation by BellSouth over time and match individual ALEC-initiated change request sizes to available capacity.

Further, we are concerned that BellSouth may miss expected performance benchmarks if AT&T's proposal is adopted. If ALECs were to prioritize only their own preferred change requests, changes needed to reach flow-through or other benchmarks might be

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delayed due to displacement of these changes by priorities ranked higher by ALECs.

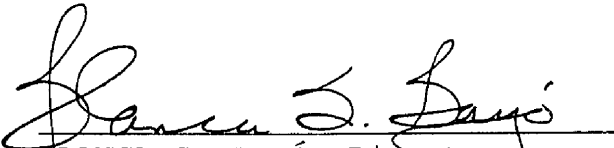
If, after 12 months, our staff discovers information that would lead us to reexamine our decision, our staff will submit a report identifying areas of concern that we may wish to revisit. Key elements of BellSouth's change control release development and implementation processes, including important meetings, service quality measurements, prioritizations, and ALEC participation will be observed during this time frame. Until then, nothing precludes ALECs and BellSouth from reaching agreement on any modification to the Change Control process.

It is therefore

ORDERED by the Florida Public Service Commission that the End-to-End Process Flow, Draft Version 2.1, proposed by BellSouth Telecommunications, Inc. shall be implemented to address Exception 88 identified in the June 21, 2002, Draft Final Operations Support Systems Report. It is further

ORDERED that these Dockets shall remain open pending review and further consideration of the Test results.

By ORDER of the Florida Public Service Commission this 30th Day of July, 2002.



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

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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.