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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into the establishment	)	Docket No. 000121-TP
of operations support systems permanent	)	
performance measures for incumbent local	)	
exchange telecommunications companies.	)	
	)	Filed: April 7, 2000

AT&T's Supplemental Comments

AT&T Communications of the Southern States, Inc. ("AT&T"), hereby files its

supplemental comments to the permanent performance measures workshop held by the Florida

Public Service Commission ("Commission") on March 30, 2000, as follows:

A.   AUTHORITY:

At this time, AT&T has no additional comments regarding the Commission's

authority to set and enforce performance standards.

B.   ADMINISTRATIVE:

Performance measures are vitally important to opening the local market and ensuring

nondiscriminatory access to LEC services and facilities, as required under the

Telecommunications Act of 1996. Therefore the Commission should proceed

promptly by setting performance measures for BellSouth, followed by separate

proceedings to set performance measures for GTE and Sprint. Performance measures

should be set for other LECs upon petition by any affected party. At a minimum, the

Commission must offer the opportunity for hearing.

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C. ESTABLISHMENT OF STANDARDS:

1. Should the Commission set performance standards that apply to an ILEC's aggregate level of performance across all ALECs, to individual ALECs, or to both?

   AT&T's Response: Both. Standards for both individual ALECs and the aggregate should be identical.

2. Should standards be set at the statewide ILEC level or at some lower geographic level?

   AT&T's Response: Standards should be set at some lower disaggregated level if ILEC performance may vary by geography. As an example, order completion intervals in rural areas may be significantly different than in metropolitan areas. Consolidating the actual provisioning intervals for the rural and metropolitan installations will clearly mask discrimination.

3. For which wholesale functions should standards be set? How should wholesale offerings be grouped for purposes of setting standards?

   AT&T's Response: It is essential that a plan be developed to measure the ILECs performance for all the OSS categories including the following:

   - Pre-Ordering
   - Ordering
   - Provisioning
   - Maintenance & Repair
   - Network Performance
   - Operator Services & Directory Assistance
   - Service Center Availability
   - Billing
   - Collocation
   - Databases
   - Change Management

Disaggregation must be consistent with the overall requirement of ensuring

meaningful comparisons that do not obscure performance results differences.

Meaningful disaggregation such as the following is needed to detect disparity:

- Interface Type (pre-ordering, billing,maintenance & repair measures)
- Dispatch & Non-Dispatch (provisioning and maintenance & repair measures)
- Volume (ordering, provisioning, maintenance & repair measures (a) 1-5 lines, (b) 6-14 lines, (c) 15+ lines)
- Product Type (ordering, provisioning, and maintenance & repair measures)
- Geographic (all measures)
- Company (all measures)
- Center (OS/DA, ordering & maintenance service center measures)
- Query Type (pre-ordering and maintenance & repair measures)
- Service Order Activity (ordering and provisioning measures)

Groupings should be set at a level where like-to-like comparisons can be made.

D. MONITORING PERFORMANCE STANDARDS:

1. Should the Commission review ILEC performance on a monthly, quarterly, or some other basis?

AT&T's Response: Performance should be viewed on a monthly basis.

Performance should not only be viewed for the current month, but performance

for the last 3 months should be analyzed to determine if performance violations

are chronic.

2. What types of periodic performance reports should an ILEC be required to file with the Commission?

AT&T's Response: The performance reports should include the performance

results associated with all measures. Results reporting should include ALEC

specific, ALEC aggregate, ILEC retail, and ILEC affiliates. Summary reports,

which convey the outcome of comparisons to performance standards, should

specify compliance or non-compliance for each submeasure. Raw data

supporting the performance reports should be provided pursuant to mutually

acceptable format, protocol and transmission media.

3. Should an ILEC have to meet each individual standard in order to be viewed
in compliance? If not, what approach should be used to determine
compliance?

AT&T's Response: Yes. Compliance should be determined on a submeasure

basis.

E.   PENALTIES FOR NON-COMPLIANCE:

1. Are penalties for non-compliance appropriate?

AT&T's Response: Yes. It is well recognized that a meaningful system of self-

enforcing consequences for discriminatory ILEC performance is critically

important to the protection of the public's interest and the rapid and sustainable

development of a competitive local telecommunications market. ILECs have

strong business incentives and means to maintain their current monopolies

through the delivery of inadequate and unlawful levels of operations support for

ALECs. Thus, an appropriate system of self-enforcing consequences is absolutely

necessary to assure that the competitive local telecommunications markets

envisioned by the 1996 Act will be able to develop and and survive.

2. How should penalties for non-compliance be determined?

AT&T's Response: The general approach to the application of consequences that

AT&T recommends involves two separate evaluations: (1) the quality of support

delivered to each individual ALEC, and (2) the quality of support delivered to the

ALEC industry in the aggregate. Monetary consequences in the former situation would be payable to the affected ALEC; in the latter, they would be payable to the governmental agency as regulatory fines.

Any system of consequences payable to the ALECs should be based on a comprehensive set of performance measurements and an assessment of results that rests upon sound statistical procedures that judge whether the ILEC's measured performance (sufficiently disaggregated[1] to assure that performance is accurately compared) reflects nondiscriminatory performance. Quantitative tools[2] should be employed to evaluate if the performance actually delivered by the ILEC is nondiscriminatory, based upon a stated statistical test.[3] If the ILEC's performance falls short of the identified retail analog, the statistical tool should support making a classification regarding "severity." In order to provide incentives to maintain on-going performance at the stated level, consequences should be greater for more "severe" failures. A separate determination would be based upon the ILEC's performance over time. As an example, three consecutive failures for the same measurement should constitute a "chronic" failure. Consequences for chronic failures should be no less than those that are applied when a severe failure occurs in an individual month.

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[1] Disaggregation is primarily intended to separate the data collected into homogenous sets where the parameters affecting delivered performance in each data set are identical. For example, it would be inappropriate to compare the performance for a ALEC operating in a highly urban environment to the statewide result for an ILEC if the customer density was a factor influencing the measured performance (for example, mean time to repair)

[2] See: Local Competition Users Group – Statistical Tests for Local Service Parity, February 6. 1998, Version 1.0 for documentation of the calculation and use of the modified z-statistic. See Statistical Techniques For The Analysis And Comparison Of Performance Measurement Data 9, Louisiana Public Service Commission, Docket No. U-22252, October 15, 1999 for documentation on balancing critical value.

[3] As stated earlier, statistical procedures are employed for evaluating individual ALEC performance results in comparison to a retail analog. Statistical tools should *not* be used to evaluate ALEC performance in comparison to a benchmark. Nevertheless, statistical procedures are employed for evaluating whether the total number of

As with measurements where results are compared to analogous performance of the ILEC, escalating consequences should be applicable to performance misses for measurements where a benchmark serves as the performance standard. In such case, the escalation of the consequence for severity logically would be based on worsening performance in comparison to the established benchmark. The escalation for chronic failures would be consistent with that for measurements with retail analogs.

Application of consequences should be immediate and payment of consequences should likewise be due immediately -- no further regulatory or judicial action should be required.

In addition to consequences that are based on the quality of support delivered to individual ALECs, regulatory bodies need to take action to prevent backsliding that is so pervasive that it affects the operation of the competitive market in general. Clearly, the consequences applicable under individual ALEC contractual provisions will not likely be sufficient, either on an individual or cumulative basis, to neutralize economic benefits of maintaining monopoly control of the local market place. Thus, regulatory consequences (referred to as tier II consequences) are required in addition to consequences payable by the incumbent to an individual ALEC (tier I consequences). Fortunately, the same measurements and measurement results used to evaluate the support an ILEC delivers to individual ALECs can be used to evaluate the quality of support provided to the ALEC industry. For tier II consequences, the data for individual

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measurements failing (whether for an individual ALEC or the aggregation of ALECs) exceeds that expected due to random variation.
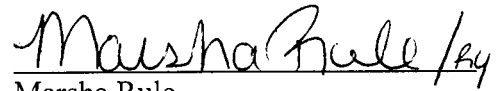
ALECs is aggregated across all ALECs for each reported measurement. Analysis of aggregated ALEC data focuses upon how many measurements failed (regardless of the severity) in the report month, at the aggregate level. Consequences apply when a conclusion is reached that the number of aggregate measurements that fail for the month (and in consecutive months) goes beyond that expected to occur due solely to random variation.

There is more than one method that can be used to calculate appropriate ILEC consequences at an industry level. The key need is that the combined impact of the Tier I and Tier II consequence provide a sufficient incentive that (1) the incumbent not permit performance to deteriorate to a level that performance failures occur and (2) should performance failures occur, that incentive exists to quickly correct the situation. As a result, Tier II consequences can and should be much more substantial than tier I consequences. One basis for tier II consequence is to tie the amount to the number of access lines in service within the ILEC's operating territory.

AT&T commends the Commission and Staff on their decision to investigate permanent performance measures for incumbent local telecommunications companies' operator support systems.

Respectfully submitted this 7th day of April, 2000.

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CERTIFICATE OF SERVICE
DOCKET NO. 000121-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished

via U.S. Mail to the following parties of record on this 7th day of February, 2000:

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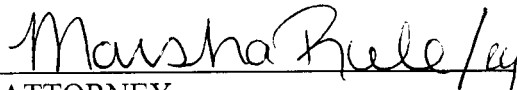150 S. Monroe Street, Suite 400
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