



Public Service Commission

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-M-E-M-O-R-A-N-D-U-M-

DATE: NOVEMBER 16, 2000

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMPETITIVE SERVICES (SIMMONS)
DIVISION OF ECONOMIC REGULATION (STALLCUP)
DIVISION OF LEGAL SERVICES (VACCARO)
DIVISION OF REGULATORY OVERSIGHT (HARVEY, VINSON)

RE: DOCKET NO. 981834-TP - PETITION OF COMPETITIVE CARRIERS FOR COMMISSION ACTION TO SUPPORT LOCAL COMPETITION IN BELL SOUTH TELECOMMUNICATIONS, INC.'S SERVICE TERRITORY.

DOCKET NO. 960786-TL - CONSIDERATION OF BELL SOUTH TELECOMMUNICATIONS, INC.'S ENTRY INTO INTERLATA SERVICES PURSUANT TO SECTION 271 OF THE FEDERAL TELECOMMUNICATIONS ACT OF 1996.

AGENDA: 11/28/00 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: THESE DOCKETS ARE CONSOLIDATED FOR PURPOSES OF OSS TESTING. ALTHOUGH A PANEL IS ASSIGNED TO DOCKET NO. 981834-TP, THE FULL COMMISSION SHOULD VOTE ON THE ISSUES HEREIN BECAUSE THE DOCKETS HAVE BEEN CONSOLIDATED FOR THIS PURPOSE.

FILE NAME AND LOCATION: S:\PSC\RGO\WP\981834D.RCM

ATTACHMENT NAME AND LOCATION: S:\PSC\RGO\WP\BSTMETRC*. * (MS WORD)
(Attachment I)
S:\PSC\RGO\WP\BSTBENCH.DOC (MS WORD)
(Attachment II)

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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.

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 the Commission 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, the Commission denied BellSouth's Motion to Dismiss. In addition, the Commission denied the Competitive Carriers' request to initiate a rulemaking proceeding to establish expedited dispute resolution procedures for resolving interconnection agreement disputes. The Commission also directed staff to provide more specific information and rationale for its recommendation on the remainder of the Competitive Carriers' Petition.

On May 26, 1999, the Commission 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, the Commission established a formal administrative hearing process to address unbundled network elements (UNE) pricing, including UNE combinations and deaveraged pricing of unbundled loops. The Commission also ordered that Commissioner and staff workshops on Operations Support Systems (OSS) be conducted concomitantly in an effort to resolve OSS operational issues. The Commission stated that the request for third-party testing of OSS was to be addressed in these workshops. These workshops were held on May 5-6, 1999. The Commission also ordered a formal administrative hearing to address collocation and access to loop issues, as well as costing and pricing issues.

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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, the Commission denied the motion. Upon its own motion, the Commission approved 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, the Commission 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, the Commission 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, the Commission approved the retail analogs/benchmarks and the statistical methodology that should be used during the OSS third-party testing. This recommendation updates and/or modifies the performance measures and benchmarks/analogues approved in these two previous orders.

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). That section requires, in part, that RBOCs enter into binding agreements approved under Section 252 of the Act, specifying terms and conditions under which the RBOC is providing access and interconnection to its network facilities for the network facilities of one or more competing providers of telephone service to residential and business subscribers. Therefore, this

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Commission has jurisdiction to monitor BellSouth's OSS through third party testing which will enable it to consult with the FCC when BellSouth requests 271 approval with the FCC.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve the revised interim performance metrics recommended by KPMG?

RECOMMENDATION: Yes. Staff recommends the revised interim performance metrics (Attachment I) recommended by KPMG should be approved by the Commission. (HARVEY, STALLCUP, VINSON)

STAFF ANALYSIS: In Order PSC-00-0260-PAA-TP, issued February 8, 2000, the Commission approved the initial set of interim performance metrics to be used during OSS third-party testing. These measures provide the quantitative yardstick by which the existence of nondiscrimination or parity can be detected. Since this order was issued, BellSouth has issued several revisions to its performance metrics in other jurisdictions. These revisions made by BellSouth and reviewed by KPMG appear to include corrections to the algorithms and business rules used to calculate the metrics, additional levels of detail allowing the metrics to capture BellSouth's performance on newer services like Local Number Portability (LNP) and Digital Subscriber Line (DSL), new metrics to capture BellSouth's performance on change management, as well as other clarifying information that helps to identify the exact nature of what each metric is designed to measure.

The new metrics added to the previously approved SQMs are:

- (1) CLEC LSR Information/LSR Flow-Through Matrix
- (2) LNP-Percent Rejected Service Request
- (3) LNP-Reject Interval Distribution and Average Reject Interval
- (4) LNP-Firm Order Confirmation Timeliness Interval Distribution and Firm Order Confirmation Average Interval
- (5) Coordinated Customer Conversion Hot Cut Timeliness Percent within Interval and Average Interval
- (6) LNP-Percent Missed Installation Appointments
- (7) LNP-Average Disconnect Timeliness Interval and Disconnect Timeliness Interval Distribution
- (8) LNP-Total Service Order Cycle Time
- (9) Timeliness of Change Management Notices
- (10) Average Delay Days for Change Management Notices
- (11) Timeliness of Documents Associated with Change
- (12) Average Delay Days for Documentation

Appendix B of Attachment I contains 17 additional metrics approved by the Commission in January that will be evaluated by

KPMG during the third-party test. These 17 additional metrics are measures that BellSouth is not currently reporting; however, they are of interest to the ALEC community. KPMG has agreed to investigate the feasibility of capturing these additional metrics results through its role as an ALEC during testing. KPMG may use the 17 metrics to supplement the results from BellSouth. Since January, staff and KPMG have become aware of two supplemental metrics that should be added to the original 17 metrics. Staff and KPMG believe that these two supplemental metrics will enhance KPMG's ability to evaluate BellSouth's OSS systems and should be included in Florida's third party test. The two additional measures to be added are:

1. Service Inquiry with Firm Order (Manual)
2. Percent Troubles within 7 days of a Hot Cut

The interim performance metrics listed in Attachment I contain all of the measures originally approved by the Commission in its February order, as well as the revisions and additions to the metrics. KPMG has reviewed these metrics and recommends that they be adopted for use in Florida's OSS third party test.

Based on the foregoing, staff recommends that the Commission approve the interim performance metrics as recommended by KPMG and as set forth in Attachment I.

ISSUE 2: Should the Commission approve the revised retail analogs and benchmarks?

RECOMMENDATION: Yes. Staff recommends the retail analogs and benchmarks recommended by KPMG (Attachment II) should be approved by the Commission. (HARVEY, STALLCUP, VINSON)

STAFF ANALYSIS: In Order PSC-00-0563-PAA-TP issued March 20, 2000, the Commission approved the initial set of retail analogs and benchmarks to be used during OSS third-party testing. These retail analogs and benchmarks specify the level of service BellSouth must provide to ALECs for each of the interim performance metrics in order to demonstrate nondiscriminatory access to its OSS systems. KPMG was unable to evaluate the

retail analogs and benchmarks for certain measures. Since this order was issued, additional information has become available allowing these retail analogs and benchmarks to be evaluated and revised as appropriate. The complete set of retail analogs and benchmarks are included in Attachment II. Those items that differ from the retail analogs and benchmarks previously approved by the Commission are identified by an asterisk.

Based on the foregoing, Staff recommends that the Commission approve the retail analogs and benchmarks developed by KPMG, as set forth in Attachment II.

ISSUE 3: Should the "anticipated volumes" test date specified in the BellSouth Operational Support System Third-Party Test Master Test Plan be modified?

RECOMMENDATION: Yes. The "anticipated volumes" test date should be modified from a static date of July 2001 to a date calculated based on the estimated test completion date. The recommended calculation is the estimated test completion date plus nine months. Adjustments to the volumes should only be made after a three-month slide in the test completion date. (HARVEY)

STAFF ANALYSIS: The key objective of the volume test is to determine if BellSouth is able to handle volumes in a post-271 environment. The Operational Support System master test plan was developed December 2, 1999. At that time, it was anticipated that the volume test would take place in July 2000. KPMG recommended that we use a volume forecast to be 12 months from that date. Since that time, the test has encountered delays and is currently scheduled for completion in May 2001. To use a July 2001 forecast date would be inappropriate. The purpose of the volume test is to identify the capacity and potential choke points at projected future transaction volumes. The volume test looks at the performance of BellSouth's pre-ordering, ordering, and maintenance and repair systems at projected future volumes. The date of that projection is the issue at hand. The forecasted date should be one that reflects anticipated volumes after BellSouth is granted 271 approval. Staff recommends the forecast date be modified to the estimated test completion date plus nine months. The nine months is derived based on an assumption of

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three months for 271 approval and a 6 month "ramp-up" period in ALEC volumes after FCC 271 approval is granted.

ISSUE 4: Should these dockets be closed?

RECOMMENDATION: No. Whether or not the Commission approves staff's recommendations in issues 1, 2 and 3, these dockets should remain open to address the issues raised in FCCA's Petition for Commission Action to Support Local Competition in BellSouth's Service Territory and BellSouth's compliance with Section 271 of the Act. If the Commission approves staff's recommendations, the Commission's decision on these issues will become final upon issuance of a consummating order if no person whose substantial interests are affected files a timely protest.
(VACCARO)

STAFF ANALYSIS: Whether or not the Commission approves Staff's recommendations in issues 1,2 and 3, these dockets should remain open to address the issues raised in FCCA's Petition for Commission Action to Support Local Competition in BellSouth's Service Territory and BellSouth's compliance with Section 271.