BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into the establishment of operations support systems permanent performance measures for incumbent local exchange telecommunications companies.	DOCKET NO. 000121-TP ORDER NO. PSC-01-1819-FOF-TP ISSUED: September 10, 2001

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FINAL ORDER REQUIRING PERFORMANCE ASSESSMENT PLAN

BY THE COMMISSION:

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LIST OF ACRONYMS

Act: The Federal Communications Commission Telecommunications Act of 1996

ALEC: Alternative Local Exchange Company

ARMIS: Automated Reporting Management Information System

ASR: Access Service Request

BFR: Bona Fide Request

BOC: Bell Operating Company

BRC: Business Repair Center

BST: BellSouth Telecommunications Company, Inc.

CSOTS: CLEC Service Order Tracking System

DSL: Digital Subscriber Line

DUF: Daily Usage File

ECTA: Electronic Communications Trouble Administration

EEL: Extended Enhanced Loop

FOC: Firm Order Confirmation

FPSC: Florida Public Service Commission

HDSL: High Speed Digital Subscriber Loop/Line

ILEC: Incumbant Local Exchange Company

IS: Interconnection Services

KPMG: KMPG Consulting Inc.

LCSC: Local Carrier Service Center

LERG: Local Exchange Routing Guide

LIDB: Line Information Database

LNP: Local Number Portability

LON: Local Order Numbering

LRN: Location Routing Number

LSR: Local Service Request

NXX: Prefix portion of a telephone number

OSDA: Operator Services Directory Assistance

OSS: Operations Support Systems

PAP: Performance Assessment Plan

PF: Pending Facilities

PMAP: Performance Measurement Analysis Platform

PSC: Public Service Commission

PSIMS: Product/Service Order Inventory Management System

RNS: Regional Negotiation System

ROS: Regional Ordering System

SQM: Service Quality Measures

SEEM: Self-Effectuating Enforcement Mechanism

SOCS: Service Order Control System

SWBT: Southwestern Bell Telephone

TAFI: Trouble Analysis Facilitation Interface

TSOCT: Total Service Order Cycle Time

UCL: Unbundled Copper Link

UNE: Unbundled Network Element

VSEEM: Voluntary Self-Effectuating Enforcement Mechanism

I. BACKGROUND

We opened this docket to develop permanent performance metrics for the ongoing evaluation of operations support systems (OSS) provided for alternative local exchange carriers' (ALECs) use by incumbent local exchange carriers (ILECs). Associated with the performance metrics is a monitoring and enforcement program that is to ensure that ALECs receive nondiscriminatory access to the ILEC's OSS. Performance monitoring is necessary to ensure that ILECs are meeting their obligation to provide unbundled access, interconnection and resale to ALECs in a nondiscriminatory manner. Additionally, it establishes a standard against which ALECs and this Commission can measure performance over time to detect and correct any degradation of service provided to ALECs.

This docket consists of three phases. Phase I began with workshops conducted by our staff with members of the ALEC and ILEC communities. These workshops were held on March 30, 2000, August 8, 2000, and December 13, 2000. The purpose of Phase I was to

determine and resolve any policy and legal issues in this matter. Phase II will involve establishing permanent metrics for BellSouth Telecommunications, Inc. (BellSouth), including a specific monitoring and enforcement program. The procedural requirements and dates set forth in the Order Establishing Procedure pertain to Phases I and II. The performance assessment plan resulting from Phases I and II will apply to BellSouth only. An administrative hearing for Phases I and II was held on April 25-27, 2001. At the completion of Phase II, we will begin Phase III of this docket, which will entail the establishment of performance metrics and a performance monitoring and evaluation program for the other Florida ILECs.

By Order No. PSC-01-1097-PCO-TP, issued May 8, 2001, all parties were granted a two-week extension to file post hearing briefs. The ALEC Coalition filed a post-hearing brief on behalf of AT&T Communications of the Southern States, Inc. (AT&T); MCImetro Access Transmission Services, LLC; MCI WorldCom Communications, Inc., (WorldCom); DIECA Communications Company d/b/a Covad Communications Company (Covad); Mpower Communications Corp. (Mpower); e.spire Communications, Inc. (e.spire); and ITC^DeltaCom Communications, Inc. (ITC^DeltaCom). The Florida Cable Telecommunications Association (FCTA) also filed a post-hearing brief but did not take a position on any issue. We have considered the FCTA argument and basic position in its brief. We note that KMC Telecom Inc. (KMC), Time Warner Telecom of Florida, L.P. (Time Warner), and IDS Telecom LLC (IDS) did not file post-hearing briefs. Therefore, pursuant to the terms of the Prehearing Order, those parties have waived all issues.

COMMISSION JURISDICTION

We are vested with jurisdiction over this matter pursuant to Sections 364.01(3) and (4)(g), Florida Statutes. Pursuant to Section 364.01 (3), Florida Statutes, the Florida Legislature has found that regulatory oversight is necessary for the development of fair and effective competition in the telecommunications industry. To that end, Section 364.01 (4) (g), Florida Statutes, provides, in part, that this Commission shall exercise its exclusive jurisdiction in order to ensure that all providers of telecommunication service are treated fairly by preventing anticompetitive behavior. Furthermore, it is noted that the FCC has encouraged the states to implement performance metrics and

monitoring for purposes of evaluating the status of competition under the Telecommunications Act of 1996.

II. USE OF KPMG'S REVIEW OF BELLSOUTH PERFORMANCE MEASURES AND SUGGESTED NEEDS

This Section addresses how KPMG's review of BellSouth's Performance Measures and suggested modifications will be incorporated into the Performance Assessment Plan.

We find it appropriate to approve the following stipulation which was agreed to by BellSouth, AT&T, e.spire, FCTA, WorldCom, KMC, Covad, Mpower, Z-tel, Time Warner and IDS:

> Any appropriate modifications shall be addressed as part of the next performance assessment plan review cycle. This review shall occur approximately six months after completion of this proceeding.

III. SERVICE QUALITY MEASURES TO BE REPORTED

The service quality measures monitor nondiscrimination in Operation Support Systems provided to ALECs. Therefore, it is important that the metrics capture all key aspects of ILEC service while avoiding redundant and unimportant metrics. The terms measure and metric are synonymous have been used interchangeably throughout this Order. The major measurement categories are preordering, ordering, provisioning, maintenance and repair, and billing. In addition, the following categories are also included: operator service and directory assistance, database information, E911, trunk group performance, collocation, and change management.

Arguments

BellSouth's Service Quality Measurements (SQMs) are designed to evaluate the quality of service delivered to BellSouth's wholesale and retail customers. BellSouth witness Coon states that the appropriate service quality measures to be reported by BellSouth are attached to his testimony in DAC-1. Witness Coon states that BellSouth measurements are the result of more than two years of work with direction provided by several state commissions and the FCC and input provided by various ALECs. Witness Coon also states that more than 87 ALECs currently have agreements with

BellSouth in Florida that include the SQMs proposed by BellSouth. BellSouth believes "[t]he SQMs are more than adequate to allow the Florida Public Service Commission and the ALECs to monitor BellSouth's performance and to determine that nondiscriminatory access to BellSouth's Operations Support Systems (OSSs) is being provided to ALECs in Florida."

BellSouth's witness Coon states that the BellSouth SQM document is a comprehensive and detailed description of BellSouth Service Quality Measurements. Witness Coon explains the SQMs are divided into eleven sections, each one representing a different group of measurements relating to a specific portion of BellSouth's Operations Support Systems. "The end result is eleven sections totaling 71 measurement categories."

ALEC witness Kinard believes that a performance measurement plan needs to be comprehensive because significant gaps in coverage can make it extraordinarily difficult and time-consuming to detect and deter below parity performance. Witness Kinard states that when an area of BellSouth's performance is not covered by a metric, the primary tool available to an ALEC to remedy poor performance is an action to enforce the party's interconnection agreement. Witness Kinard continues that enforcement actions based upon disparate treatment can be uphill battles because the ALEC must prove that BellSouth is providing better service to itself, its customers or its affiliates than to the ALEC. To make the case, the ALEC must somehow obtain accurate interval BellSouth information concerning the services it provides to itself, its customers or its affiliates. Even if this can be done, witness Kinard says an enforcement case can take far too long for an ALEC attempting to solve an immediate problem affecting its business. According to witness Kinard, "[c]omprehensive performance metrics therefore go hand-in-hand with the potential for broad scale entry into the local market."

ALEC witness Kinard states that measurements should cover all problems that can and have arisen through real market experience with:

(A) Service delivery methods such as resale and individual unbundled network elements (such as loops or transport), UNE combinations (such as

enhanced extended loop and platform), and facilities interconnection.

(B) Products and processes such as coordinated conversions, various flavors of xDSL and line sharing and line splitting services, local number portability, loop acceptance testing and loop conditioning.

(C) Retail-wholesale relationships management such as operational support systems speed and connectivity, help desk responsiveness, database update accuracy and timeliness, and change management processes, and software error correction timeliness.

(D) Provisioning status notices such as acknowledgments, confirmations, rejections, completion notices, jeopardy notices and loss notices.

(E) Maintenance responsiveness and capability in resolving customer trouble reports.

(F) Billing accuracy and completeness for the end user customer and the ALECs.

DECISION

In order to more clearly ascertain where the proposed differences are in relation to the various proposed SQMs, we have prepared Attachment 1. This attachment identifies the number of metrics by category proposed by BellSouth compared to the metrics proposed by the joint ALEC Coalition. BellSouth has proposed 71 measures, and the joint ALEC Coalition proposal contains 94 measures.

The following is a list of the 23 metrics, listed by category, that the ALEC Coalition is requesting in addition to those that BellSouth has proposed in this proceeding.

Ordering

1. Call Abandonment Rate (Ordering and Maintenance)
2. Percent Order Accuracy

Provisioning

3. Percent Successful xDSL Loops Cooperatively Tested
4. Percent Completion/Attempts without a Notice or with less than 24 Hours Notice
5. Percent of Orders Canceled or Supplemented at the Request of the ILEC
6. Percent Customers Restored to ILEC
7. Mean Time to Restore Customer to the ILEC
8. Percent Completion of Timely Loop Modification
9. Percent of Hot Cuts Not Working as Initially Provisioned
10. Percent On Time Hot Cut Performance

Maintenance & Repair

11. Mean Jeopardy Interval for Maintenance & Trouble Handling

Billing

12. Percent Billing Errors Corrected in X Days
13. Percent on Time Mechanized Invoice Delivery

Trunk Group Performance

14. Timeliness of Response for BST to ALEC Trunks
15. Percent Response to Requests for BST to ALEC Trunks Provided within 7 Days
16. Percent Negative Responses to Requests for BST to ALEC Trunks

Bona Fide Request (BFR) Process

17. Percentage of Requests Processed within 30 Business Days
18. Percentage of Quotes Provided for Authorized BFRs/Special Requests within X (30, 60, 90) Days

Change Management

19. ILEC vs CLEC Changes Made

Software Issues

20. Percent Software Certification Failures
21. Software Problem Resolution Timeliness

22. Software Problem Resolution Average Delay Days

Commitment Responsiveness

23. Percent on Time Response Commitments for Contracts, Business Rules and Telephone Calls

We will briefly discuss the merits of each of the 23 additional ALEC metrics proposed below.

A. Ordering

1. Call Abandonment Rate

At the hearing, Mpower witness Iacino testified that "Mpower experiences excessively long hold times when calling the LCSC." The ALEC Coalition further asserts that "Mpower testimony regarding long hold times may indicate a need for a call abandonment measurement to capture those calls where the ALEC gives up in frustration." BellSouth responds that the metrics "Speed of Answering in the Ordering Center and Average Answer Time-Repair Center measure the average time a customer is in queue when calling the ordering and repair center."

We agree with BellSouth and find that the Call Abandonment Rate metric would not be an effective measure because of the ability of the ALECs to affect the outcome by choosing to abandon the call. The record reflects that calls may be abandoned for a number of reasons, not all of which are under BellSouth's control. BellSouth should not be held responsible for metrics that do not reflect its performance. We find that the existing measure of Average Speed to Answer Calls is an adequate measure to address the ALECs concerns.

2. Percent Order Accuracy

ALEC witness Kinard states that this measure is needed in Florida "to ensure that BellSouth provisions an order the way it was entered or faxed by the ALEC." BellSouth witness Coon contends that BellSouth's existing measurements of Percent Provisioning Troubles within 30 days of Service Order Activity and Invoice Accuracy are reflective of the accuracy of BellSouth order

completions. We agree with the ALECs that this metric may provide useful information regarding the accuracy of orders.

B. Provisioning

3. Percent Successful xDSL Loops Cooperatively Tested

ALEC witness Kinard testifies that BellSouth should measure the percentage of successful xDSL loops cooperatively tested. Witness Kinard says this metric would capture how often an xDSL loop that is not working is delivered to the ALEC. BellSouth witness Coon stated that this measure is already captured through BellSouth's Measure P-7 Cooperative Acceptance Testing-Percent of xDSL Loops Tested. At the hearing, whether BellSouth's current metric was measuring only successful tests or measuring all tests conducted was debated. BellSouth witness Coon clarified that this measure was in fact the same as the measure the ALECs were requesting. BellSouth stated that it would be willing to make adjustments to its proposed SQMs to ensure that it was clear that the loop had to be successful from both the ALEC and the ILEC points of view. We find such clarification necessary. Accordingly, the following changes shall be made: (1) In the Definition Portion, the following sentence shall be added "A loop will be considered successfully cooperatively tested when both the ALEC and ILEC representatives agree that the loop has passed the cooperative testing"; and (2) In the SEEM Analog/Benchmark, the phrase "95 percent of Lines Tested" shall be replaced with "95 percent of Lines Tested Successfully Passing Cooperative Testing."

4. Percent Completion/Attempts Without a Notice or With Less Than 24 Hours Notice

Witness Kinard argues that "[m]issed or late confirmations make ALECs look disorganized since they have to scramble to meet the due date or are caught off guard by service delivery to their customer." BellSouth witness Coon states that while this metric was approved in Georgia, it does not capture any information about the level of service BellSouth provides to the ALEC. Witness Coon argues that BellSouth has "five separate provisioning measurements (Provisioning P1-P5) that deal with order completion interval, held orders and completion notices." BellSouth believes that this measure would penalize BellSouth when the ALEC asked for an expedited installation of less than three days (which resulted in

the manual handling of the order) and when BellSouth took 48 hours to return the FOC to the ALEC. In this situation, the FOC would have been returned in the allowed time and the order would have been worked on the exact date requested by the ALEC. However, because less than 24 hours separated the FOC and the time the order was worked, a penalty would be charged.

We are not convinced by BellSouth's argument and find that this measure shall be included. An exclusion for expedited orders can be included in the Business Rules to alleviate BellSouth's concern.

5. *Percent of Orders Canceled or Supplemented at the Request of the ILEC*

ALEC witness Kinard states that this metric, which was adopted in New York, captures instances when ALECs do not extend the due date voluntarily but rather at the request of BellSouth in order to adjust for BellSouth-caused failures to complete the order. "When an ALEC agrees to supplement the order at BellSouth's request, what would have been a missed due date is now assigned a new due date in the future." BellSouth witness Coon testified that "the focus of BellSouth's activities is on complying with meeting the due dates on the original order, not on asking the ALEC to supplement or cancel the order." Witness Coon continued that this measurement is not necessary because if BellSouth did ask for a supplementary order, it "could and in no doubt would have a bona fide reason for asking for a supplementary order."

We find that justifiable reasons for requesting supplements may exist and that these requests may be in the best interest of the ALEC. Therefore, we find that this metric is not appropriate at this time. However, our staff will review the reasons for cancellation and the need for this metric during the six month review.

6. *Percent Customers Restored to ILEC*
7. *Mean Time to Restore Customer to the ILEC*

ALEC witness Kinard states that these two metrics are necessary because they measure both "the speed of restoring service to BellSouth when a customer conversion fails and the percent of accurate port-backs to BellSouth when necessary." BellSouth

witness Coon argues that these measures relate to customers who were going to be switched to the ALECs but who were not because of a problem in the porting process. Witness Coon states that "[t]he measures would record the time that lapsed before the customer is returned to service with BellSouth and the percentage of customers that are returned" for these reasons. Witness Coon states that it would be impossible to draw any meaningful conclusions from these measurements. According to witness Coon, the porting may fail because of something the ALEC did or failed to do, furthermore, there are existing measures in place to quantify problems in the "hot cut" process. These existing measures include Coordinated Customer Conversions-Average Recovery Time and Hot Cut Timeliness.

We find these two proposed measures, Percent Customer Restored to ILEC and Mean Time to Restore Customer to the ILEC would not provide meaningful data since the porting problems may occur as a result of an ALEC action. As a result, these metrics shall not be adopted at this time.

8. Percent Completion of Timely Loop Modification

ALEC witness Kinard affirms that some loops require modification or conditioning before they can be used to provide a customer with xDSL service. According to witness Kinard, this metric measures BellSouth's timeliness in making needed modifications or performing the necessary deconditioning. Covad witness Allen emphasizes the need for a metric or a level of disaggregation for loop provisioning where conditioning is required. Witness Coon asserts that BellSouth has added DSL level disaggregation to its existing and new measures. Witness Coon believes that the process for handling orders with loop conditioning was being modified so that this measurement is addressed by BellSouth provisioning measurements, such as Order Completion Interval and Percent Missed Installation Appointments. At the hearing, witness Coon could not give a firm date as to when the process would be modified.

We agree that BellSouth has adequate disaggregation in the Order Completion Interval metric to address the ALEC concerns. However, the Missed Installation Appointments Interval does not contain this same level of disaggregation for orders with and without conditioning. We find this disaggregation useful. As an alternative to the disaggregation for loop conditioning for Percent

Missed Installation Appointments, BellSouth shall establish a separate measurement for loop conditioning.

9. Percent of Hot Cuts Not Working as Initially Provisioned

ALEC witness Kinard asserts that this measure captures instances when loops are provisioned on time but are not working. According to witness Kinard, often ALECs cannot log a trouble report until the order is completed in the ILEC's billing system, which may take may hours or days. Witness Kinard contends that these provisioning troubles are undetectable by BellSouth's current performance measures. Witness Coon's response is that BellSouth is adding a new hot cut measurement, Percent Troubles within 7 Days of a Completed Service Order. Witness Coon says that an ALEC can report a trouble as soon as the service order is completed—they do not have to wait until the order is completed in the ILEC billing system.

Upon consideration, we find that the measure proposed by the ALECs would be redundant to the Percent Troubles Within 7 days of a Completed Service Order metric.

10. Percent On-Time Hot Cut Performance

According to witness Kinard, customers must not be subjected to unscheduled service disruptions because of lengthy or uncoordinated cut overs of loops. An early cut of facilities can cause the customer to lose service, and a late cut translation often means the customer cannot receive all calls or certain incoming calls. Either is harmful to customers and to the ALECs' reputations.

Although BellSouth has proposed a similar measure, under its proposal, BellSouth is considered to have met its metric if the cut over starts within 15 minutes of the scheduled start time. Under the ALEC Coalition's proposal, BellSouth is measured by whether it is started and completed within the specific cut over window. Upon consideration, we find that this metric is adequately covered by the BellSouth metrics Coordinated Customer Conversion Hot Cut Timeliness and the Coordinated Customer Conversion Interval.

C. Maintenance & Repair

11. Mean Jeopardy Interval for Maintenance & Trouble Handling

Witness Kinard asserts that this measure is similar to the metric for jeopardies in provisioning. If BellSouth makes an appointment to repair a service and then finds it cannot make that appointment, the ALEC should be given a notice. Witness Kinard states that the notice would provide the ALEC an opportunity to contact its customers in order to reschedule the appointment and to minimize inconvenience. BellSouth witness Coon's testimony does not address the merits of this metric.

We find that sufficient notification of repair status changes, including possible jeopardies, are available to ALECs through TAFI and ECTA repair interfaces and the CWINS Center. TAFI and ECTA provide electronic notification of recent status changes and intermediate status codes to describe repair activities and problems encountered. Manual repair status reports are also available by calling the CWINS center. Conditions jeopardizing repair completion, such as missed repair appointments, no access to customer premises, modifications to pending reports, and no available facilities can be individually monitored by ALECs in current repair metrics, or through updated status reports and intermediate status codes. As a result, we find that this metric is unnecessary at this time.

D. Billing

12. Percent Billing Errors Corrected in X Days

Witness Kinard testified at hearing that delays in providing adjustments to carrier bills or correct daily usage feed errors can harm the ALEC and its customers. Errors that do not get corrected promptly either lead to the ALECs holding up charges or passing on the wrong charges to the customer. Witness Kinard contends that the current invoice accuracy measure does not capture whether errors are corrected within a reasonable time. BellSouth witness Coon states that BellSouth currently provides measurements that address this issue in the B-1 Invoice Accuracy metric. In addition, BellSouth conducts monthly audits by the Billing Verification Group that evaluate samples of bills for accuracy and

compliance. BellSouth believes that the measures provide adequate information to assess BellSouth's billing processes.

We find that this proposed metric would capture how quickly BellSouth corrects errors. While there are existing measures to capture billing timeliness and billing accuracy, none of the measures capture how quickly errors are fixed. We agree that this metric shall be added.

13. Percent on Time Mechanized Invoice Delivery

ALEC witness Kinard states that "[n]ot only do the charges on the bills need to be correct and complete, but also that the formatting must follow appropriate industry standards for electronic processing in the ALECs' systems. Without properly mechanized bills, ALECs may be forced to reconcile boxes of paper bills for charges that cannot be accepted or audited by their electronic systems." BellSouth witness Coon states that BellSouth's Mean Time to Deliver Invoices metric addresses this issue.

We agree with BellSouth that the Mean Time to Deliver Invoices metric proposed by BellSouth captures the intent of the metric proposed by the ALECs. We find both metrics unnecessary. The metric proposed by BellSouth is adequate. If ALECs would like to propose replacing the BellSouth metric with the ALEC proposed metric, this could be considered during the six-month review period. We find that the Mean Time to Deliver Invoices metric is more useful for parity evaluation purposes.

E. Trunk Group Performance

14. Timeliness of Response for BST to CLEC Trunks
15. Percent Response to Requests for BST to ALEC Trunks Provided within 7 Days
16. Percent Negative Responses to Requests for BST to ALEC Trunks

Witness Kinard states in her direct testimony that "ALECs cannot expand without adequate trunk capacity inbound from the ILEC as well as outbound to the ILEC. ILEC delays in providing reciprocal trunks or delays in providing ALECs a due date for such trunks force ALECs to delay installing new customers." According to witness Kinard, the "Mean Time to Provide Response measurement

is key when comparing service to affiliates in response to trunk requests. The Percent Responses to Requests for BellSouth-to-ALEC Trunks Provided Within 7 Days metric measures the response standard proposed by ALECs to be achieved 95 percent of the time. The Percent Negative Response to Request for BellSouth-to-ALEC trunks metric would allow tracking of BellSouth rejections of ALEC requests for more capacity."

BellSouth witness Coon contends that "[t]he primary focus of these measurements is to determine whether there is sufficient trunking capacity from the BellSouth network to the ALEC switch when traffic is increased substantially, such as might occur when an Internet Service Provider is switched to the ALEC. Each of these measures purports to measure responses to requests by ALECs for trunking. Since BellSouth has no way of knowing when this is going to occur, it hardly seems fair to have a measurement related to BellSouth success in meeting unanticipated demand." Witness Coon suggests that "[t]he best solution is not to have another set of metrics but to require accurate forecasts by the ALECs of traffic requirements."

We find these metrics unnecessary at this time because the record shows that the number of trunk requests by ALECs on a monthly basis is extremely low. ALECs should be responsible for actively monitoring their requests and following up on a case-by-case basis.

F. BFR Process

17. Percentage of Requests Processed within 30 Business Days
18. Percentage of Quotes Provided for Authorized BFRs/Special Requests within X (30, 60, 90) Days

The Georgia Commission ordered BellSouth to add measurements to the SQMs reflecting both the percentage of Bona Fide Request (BFRs) processed within thirty days and the percentage of quotes provided for Bona Fide Requests within certain intervals. Witness Kinard states that these measures should be included in the Florida metrics since they were ordered in Georgia. "While BellSouth could report its performance with respect to Bona Fide Requests on a manual basis," according to witness Coon, he believes "it is impossible to draw any conclusions about BellSouth's performance based upon a limited number of transactions." "[D]uring the period

of January 2000 through October 2000, BellSouth received only seven BFRs from ALECs across the entire region." We agree with BellSouth and find these two metrics unnecessary. Additionally, witness Kinard agreed that these metrics could wait for a later date for implementation of this measure. We find these two metrics provide limited information and shall not be captured.

G. Change Management

19. ILEC vs CLEC Changes Made

Witness Kinard states that this measure is necessary because "BellSouth has not yet included a metric in its SQM that tracks whether BellSouth responds fairly to ALEC requests for changes and new functionalities on its interfaces." Witness Kinard testified that "[w]hile ALECs prioritize the change requests, BellSouth implements these changes whenever it chooses and ignores the ALEC prioritization. Therefore, according to witness Kinard, "the Commission needs to order BellSouth to measure the percentage of BellSouth changes made versus the number of ALEC changes made to determine whether ALEC requests are being handled in a fair and equitable manner." BellSouth witness Coon testified that this measure would not prove useful. Witness Coon states that the "change control process has a method of escalating any disputes about whether a proposed change was property rejected." According to witness Coon, the measurement would tell us nothing about the relative merits or demerits of any proposal.

We agree with this assertion. BellSouth could be penalized for making changes when they are in the best interest of the ALEC. Because of the potential disincentive of this metric, this metric shall not be adopted.

H. Software Issues

20. Percent Software Certification Failures
21. Software Problem Resolution Timeliness
22. Software Problem Resolution Average Delay Days

ALEC witness Kinard believes that the metric *Percent Software Certification Failures* will provide ALECs with "some assurance that BellSouth will sufficiently test software before a system is rolled out. ALECs need to be sure that their existing systems will still

function when BellSouth introduces software upgrades." According to witness Kinard, the other two software metrics measure how quickly BellSouth fixes software errors caused by changes to an existing interface. The Average Delay Day measure captures the degree to which the problem is allowed to continue. Witness Kinard states that the Georgia, Texas and New York plans have such a metric. BellSouth witness Coon believes that the testing arrangements made available with any software update are adequate to resolve these issues before the software is loaded. Witness Coon continues that "the change management process is more suitable for establishing methods and procedures for software updates."

We find that none of these three metrics are necessary at this time. BellSouth's business processes currently include software testing. The purpose of testing is to find and correct errors. We find that BellSouth shall not be penalized for errors found in testing. We find no valid reason for monitoring these numbers. We have not seen any evidence presented in this case that software problem resolution is an issue with BellSouth's performance that would necessitate the need for metrics.

I. Commitment Responsiveness

23. *Percent on Time Response Commitments for Contracts, Business Rules and Telephone Calls*

ALEC witness Kinard believes that this metric will capture how quickly BellSouth representatives resolve problems. According to witness Kinard, an ALEC "should not have to wait days for BellSouth to respond to a problem that has stalled production of orders for the ALEC." BellSouth witness Coon argues that "this measure would be dependent upon a completely manual process of tracking the responsiveness of BellSouth service representatives." We agree that this measure would be labor intensive to capture and because of the imprecise collecting results, this metric shall not be adopted at this time.

Attachment 3 to this Order, which is attached and incorporated in this Order by reference, delineates a summary of which metrics are proposed by BellSouth, which are proposed by the ALECs and which are approved by this Commission.

All 71 proposed BellSouth metrics shall be adopted as part of the Florida SQMs. Additionally, the following four metrics shall be included in the Florida SQMs:

Percent Order Accuracy
Percent Completion/Attempts without a Notice or with less than 24 Hours Notice
Percent Completion of Timely Loop Modification
Percent Billing Errors Corrected in X Days

ATTACHMENT 1

Number of Proposed Metrics by Category		
OSS Category	**BellSouth**	**ALECs**
Preordering	6	6
Ordering	15	17
Provisioning	15	23
Maintenance & Repair	7	8
Billing	8	10
OS/DA	4	4
Database Update	3	3
E911	3	3
Trunk Group Performance	2	5
Collocation	3	3
Change Management/Interface Outages	5	6
Software Issues	0	3
BFR Process	0	2
Commitment Responsiveness	0	1
Totals	71	94

ATTACHMENT 2

ANALYSIS OF PROPOSED SQMS				
	Measure	**BST-FL Proposed**	**ALEC Proposed**	**Commission Approved**
	Preordering			
OSS-2	OSS Interface Availability (Preordering/Ordering)	X	X	X
OSS-1	Average Response Time for OSS Preorder Interfaces & Response Interval	X	X	X
OSS-3	Interface Availability (M&R)	X	X	X
OSS-4	Response Interval (M&R)	X	X	X
PO-1	Loop Makeup Inquiry (Manual)	X	X	X
PO-2	Loop Makeup Inquiry (Electronic: TAG and LENS)	X	X	X
	Ordering			
O-1	Acknowledgment Timeliness (Electronic)	X	X	X
O-2	Acknowledgment Completeness (Fully Mechanized, Partially Mechanized & Total Mechanized)	X	X	X
O-3	Percent Order Flow Through (Summary)	X	X	X
O-4	Percent Order Flow Through (Detail)	X	X	X
O-5	Flow-through Error Analysis	X	X	X
O-6	CLEC LSR Information - LSR Flow-Through Matrix	X	X	X
O-7	Percent Rejected Service Request (Mechanized, Partially Mechanized & Non-Mechanized)	X	X	X
O-8	Reject Interval	X	X	X
O-9	Firm Order Confirmation Timeliness (Mechanized, Partially Mechanized & Non-Mechanized)	X	X	X
O-10	Service Inquiry with LSR Firm Order Confirmation (FOC) Response Time (Manual)	X	X	X
O-11	Firm Order Confirmation and Reject Response Completeness	X	X	X
O-12	Speed of Answer in Ordering Center	X	X	X
O-13	LNP - Percent Rejected Service Request	X	X	X

ANALYSIS OF PROPOSED SQMS				
	Measure	**BST-FL Proposed**	**ALEC Proposed**	**Commission Approved**
O-14	LNP - Reject Interval Distribution & Average Reject Interval	X	X	X
O-15	LNP - FOC Timeliness Interval Distribution & FOC Average Interval	X	X	X
	Call Abandonment Rate		X	
	Percent Order Accuracy		X	X
	Provisioning			
P-1	Mean Held Order Interval	X	X	X
P-2	Percent Orders given Jeopardy Notice (Electronic)	X	X	X
P-2	Average Jeopardy Notice Interval (Electronic)	X	X	X
P-3	Percent Missed Installation Appointments	X	X	X
P-4	Order Completion Interval	X	X	X
P-5	Average Completion Notice Interval (Electronic)	X	X	X
P-6	Coordinated Customer Conversions Interval	X	X	X
P-6A	Coordinated Customer Conversions Hot Cut Timeliness % within Interval & Average Interval	X	X	X
P-6B	Coordinated Customer Conversions - Average Recovery Time	X	X	X
P-6C	Coordinated Customer Conversions - % Provisioning Troubles Received Within 7 Days of a Completed Service Order	X	X	X
P-7	Cooperative Acceptance Testing(% xDSL Loops Tested)	X	X	X
P-8	% Provisioning Troubles within 30 days	X	X	X
P-9	Total Service Order Cycle Time	X	X	X
P-10	LNP - Percent Missed Installation Appointments	X	X	X
P-11	LNP - Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution	X	X	X
P-12	LNP - TSOCT	X	X	X

ANALYSIS OF PROPOSED SQMS				
	Measure	**BST-FL Proposed**	**ALEC Proposed**	**Commission Approved**
	% Completions/Attempts w/o notice or w/Less Than 24 Hr Notice		X	X
	Percent of Orders Canceled or Supplemented at Request of ILEC		X	
	% Customer Restored to ILEC		X	
	% Completion of Timely Loop Modification		X	X
	Mean Time to Restore Customer to the ILEC		X	
	Percent of Hot Cuts Not Working as Initially Provisioned		X	
	xDSL Successfully Tested		X	
	Maintenance & Repair			
M&R-1	Missed Repair Appointments	X	X	X
M&R-2	Customer Trouble Report Rate	X	X	X
M&R-3	Maintenance Average Duration	X	X	X
M&R-4	% Repeat Troubles within 30 days	X	X	X
M&R-5	Out of Service > 24 hours	X	X	X
M&R-6	Average Answer Time - Repair Center	X	X	X
M&R-7	Mean Time to Notify CLEC of Network Outages (M&R)	X	X	X
	Mean Jeopardy Interval for Maintenance & Trouble Handling		X	
	Billing			
B-1	Invoice Accuracy	X	X	X
B-2	Mean Time to Deliver Invoices	X	X	X
B-3	Usage Data Delivery Accuracy	X	X	X
B-4	Usage Data Delivery Completeness	X	X	X
B-5	Usage Data Delivery Timeliness	X	X	X
B-6	Mean Time to Deliver Usage	X	X	X
B-7	Recurring Charge Completeness	X	X	X

ANALYSIS OF PROPOSED SQMS				
	Measure	**BST-FL Proposed**	**ALEC Proposed**	**Commission Approved**
B-8	Non-Recurring Charge Completeness	X	X	X
	% Billing Errors Corrected in X Days		X	X
	% on Time Mechanized Invoice Delivery		X	
	OS/DA			
OS-1	Average Speed to Answer (OS)	X	X	X
OS-2	% Answered in "X" Seconds (OS)	X	X	X
DA-1	Average Speed to Answer (DA)	X	X	X
DA-2	% Answered in "X" Seconds (DA)	X	X	X
	[illegible]			
D-1	Average Update Interval for DA Database for Facility Based CLECs	X	X	X
D-2	Percentage DA Database Accuracy For Manual Updates	X	X	X
D-3	Percent NXXs loaded and Tested by/or prior to the LERG effective date	X	X	X
	[illegible]			
E-1	Timeliness	X	X	X
E-2	Accuracy	X	X	X
E-3	Mean Interval	X	X	X
	Commitment Responsiveness			
	% on Time Response Commitments for Contracts, Business Rules and Telephone Calls		X	
	Trunk Group Performance			
TGP-1	Trunk Group Performance - Aggregate	X	X	X
TGP-2	Trunk Group Performance - Specific	X	X	X
	Timeliness of Response for BST to CLEC Trunks		X	
	% Responses to Requests for BST to ALEC Trunks Provided within 7 Days		X	

ANALYSIS OF PROPOSED SQMS				
	Measure	**BST-FL Proposed**	**ALEC Proposed**	**Commission Approved**
	% Negative Responses to Requests for BST to ALEC Trunks		X	
	Collocation			
C-1	Average Response Time	X	X	X
C-2	Average Arrangement Time	X	X	X
C-3	% of Due Dates Missed	X	X	X
	Bona Fide/Special Request Process (BFRs)			
	Percentage of Requests Processed within 30 Business Days		X	
	Percentage of Quotes Provided for Authorized BFRs/Special Requests Within X (10,30,90) Days		X	
	Change Management/Interface Outages			
CM-1	Timeliness of Change Management Notices	X	X	X
CM-2	Average Delay Days for Change Management Notices	X	X	X
CM-3	Timeliness of Documents Associated with Change	X	X	X
CM-4	Average Delay Days for Documentation	X	X	X
CM-5	Average Notice of Interface Outage	X	X	X
	ILEC vs CLEC Changes Made		X	
	Software Issues			
	Software Problem Resolution Timeliness		X	
	% Software Certification Failures		X	
	Software Problem Resolution Average Delay Days		X	
TOTAL		**71**	**94**	**75**

IV. BUSINESS RULES, EXCLUSIONS, CALCULATIONS, AND LEVELS OF DISAGGREGATION AND PERFORMANCE STANDARDS

In this Section, we address the specific business rules, calculations, disaggregation and standards for the metrics that will be used to ascertain whether BellSouth is providing Operation Support System service at parity. Each of the metrics must be documented in detail so that it is clear what is being measured, how it is being measured and what is excluded from the measurement. Sufficient metric disaggregation is necessary so that like-to-like comparison can be made. Additionally, a performance standard in the form of a benchmark or an analog must also be identified.

Arguments

BellSouth and the ALECs both frame this issue around two distinct questions. The first involves the appropriate business rules, exclusions, calculations and standards for each measurement. The second, much larger, issue has to do with the level of disaggregation that should be included in the plan. Generally when we use the term business rules for purposes of this Order, we are including business rules, exclusions and calculations in one category. The arguments presented below will therefore address three areas: business rules, disaggregation and standards.

BellSouth's Exhibit 16 presents BellSouth's recommendation as to appropriate business rules, exclusions, calculations, levels of disaggregation and performance standards for each measurement. The BellSouth recommendations are included in the BellSouth Service Quality Measurement (SQM) Plan. The ALEC Exhibit 14 presents the ALEC Coalition's recommendation pertaining to business rule changes, levels of disaggregation and performance standards.

A. Business Rules

ALEC witness Kinard asserts that "business rules are the heart of every measure. The Business rules state the start and stop time of each metric and provide details necessary to describe processes in between. The rules on how the data will be collected for ALECs and for BellSouth are also included. Witness Kinard states that "the business rules need to be detailed enough that a third party can use them to recreate BellSouth's performance measure reports using BellSouth's raw data. According to witness Kinard, "[t]hey

also must be structured to ensure that BellSouth discrimination is not being masked." Composite Exhibit 14, KK-1 describes over 120 individual issues or disputes the ALEC Coalition has with BellSouth's SQMs.

Witness Coon claims that witness Kinard's analysis is based on an older SQM plan than what was filed in Florida and that the version of the SQM filed in this docket address a number of witness Kinard's concerns. As for other comments, to the extent they are still relevant to the current SQM plan, witness Coon states that the BellSouth Business rules are clear, concise and appropriate.

Witness Coon argues that the changes advocated by witness Kinard "are similar to changes that BellSouth and a coalition of ALECs discussed extensively in the generic performance measurement dockets in Louisiana and Georgia for the past two years. Many of the ALECs participating in those dockets are the same ALECs involved in this generic proceeding in Florida." Witness Coon states that Kinard is "simply rehashing old issues and offering no substantive reason why BellSouth business rules should be changed."

B. Disaggregation

In its brief, BellSouth suggests that "[t]he issue of the appropriate level of disaggregation is, with the possible exception of penalty amounts and the system to apply penalties, the single issue of greatest practical importance to this docket. In principle, both parties agree that the measurement categories should be broken down to a level so that there are meaningful direct comparisons between the performance BellSouth gives its customers and that provided to ALECs and their customers."

"BellSouth proposed measurements are disaggregated into 1200 submetrics, according to a methodology that is described in detail in DAC-4." "BellSouth believes that the level of disaggregation it proposes (which is comparable to what was adopted in Georgia and Louisiana) is more than adequate to make meaningful comparisons for the purpose of determining whether BellSouth is providing service at parity."

In his testimony, witness Coon gave a specific example of how the "overzealous disaggregation" proposed by the ALECs would affect one particular measure, Mean Held Order and Distribution Interval.

The ALECs proposed that this category be disaggregated by 41 types of products, 13 levels of geography, three levels of volume, and three levels of dispatch status. Thus, to determine the number of submeasures that would result from the disaggregation proposed by the ALECs, one would have to multiply 41 times 13 times three times three, for a total of 4,797 submeasures for the single measurement of Mean Held Order and Distribution Interval. Much time was spent in depositions and the hearing attempting to ascertain the number of submetrics the ALECs are proposing. Witness Bursh states in her deposition that she had calculated the number of submetrics and concluded there are exactly 10,000. At the time of the hearing, however, she admitted that her analysis was wrong, and the ALECs stipulated to this effect. Witness Coon attempted to estimate the number of submetrics in the ALEC proposal and he estimated there would be approximately 75,000. Witness Kinard readily admitted she had no idea how many submetrics there are in the ALEC plan.

The ALEC Coalition proposes that this Commission require BellSouth to provide a level of disaggregation such that deficiencies in BellSouth's performance can neither be masked nor ignored. Disaggregation should be required by geography, interface type, preorder query type, product, service order activity, volume category, trouble type, trunk design and type (for trunk blockage measurements), maintenance and repair query type and collocation category. Not every disaggregation category would apply to every measurement in the ALEC proposal, but many (if not most) measurements would have multiple types of disaggregation applied to them. Composite Exhibit 14, KK-2 provided in depth details regarding the levels of disaggregation proposed by the ALECs.

According to the ALECs, "aggregating multiple product offerings together, particularly offerings that have different standards, provides an inaccurate view of BellSouth's performance. BellSouth's poor performance on some measurements would be masked due to aggregation with other measures that show adequate performance."

According to witness Kinard, the levels of disaggregation should cover all of the products ALECs purchase when there is large-scale entry in both the residential and business markets, including the popular xDSL services. Witness Kinard states that to be effective in measuring BellSouth's performance, the reporting should categorize the information by product type to identify with

specificity the services provided by BellSouth. Examples of product disaggregation include resale, UNEs and trunks broken down by residential and business customer where appropriate. Further disaggregation for resale and UNEs include DS1s and DS3s, separating BRI ISDN from PRI ISDN. Unbundled loop types, such as analog voice-grade loops, digital loops, ADSL loops, HDSL loops, UCLs, and xDSL loops should be disaggregated because BellSouth's performance will vary for each loop type. Also, UNE-Platform needs to be reported separately because this product combines a loop with switching and transport and is different than just ordering a loop without the switching and transport.

The ALEC Coalition rebuttal testimony highlighted additional areas of concern regarding BellSouth's proposed disaggregation levels. According to witness Kinard, provisioning and repair measures should be divided into three categories: 1) switched-based orders; 2) central office or "dispatch in" orders; and 3) field work or "dispatch out" orders. According to witness Kinard, other key examples of BellSouth's inappropriate loop disaggregation include the following items. First, DS1 loops should not be included with DS3 loops because BellSouth has different intervals for DS1 and DS3 loops. Second, various types of xDSL services should be disaggregated to detect discrimination in the ALECs' chosen mode of service delivery of problems in checking facilities for certain types of DSL products. Third, line splitting should be disaggregated from line sharing in order to detect discrimination when the ILEC is not the voice provider of the loop.

Testimony from e.spire shows "that disaggregated reporting for Special Access to Enhanced Extended Loop conversions are required for the ordering and provisioning metrics to capture problems it has run into in migrating between the two BellSouth services." Although e.spire submitted data to BellSouth nearly one year ago, BellSouth has not processed e.spire's orders. According to e.spire, "[t]his delay runs counter to the FCC's recognition that 'the process by which special access circuits are converted to unbundled loop-transport combinations should be simple and accomplished without delay.'" citing Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket 96-98, Supplemental Order on Clarification, 15, FCC Rcd 9578 para.30.

According to BellSouth,

> [i]f the impossibility of the ALEC plan were not enough reason to reject it, there is also the fact that it is conceptually flawed. There is no question but that more disaggregation will result in smaller numbers of events that are captured in each submeasure. Both Ms.Kinard and Ms. Bursh testified that for many of the submeasurement categories proposed by the ALECs there would be no activity in a given month. Likewise, witness Kinard admitted that even when there is activity, some submetrics would likely capture as few as one, two, or three events. As Dr. Ford, a witness for Z-Tel, testified, generally speaking, smaller sample sizes result in a lower level of statistical confidence in any test performed on the samples. In other words (as Dr .Ford also admitted), the smaller the sample size, the less sure one can be from a statistical standpoint that the occurrence of a particular event is attributable to something other than random chance. Thus, more disaggregation would result in smaller samples, which as a general proposition, would raise the possibility that BellSouth is being adjudged as providing service at something less than parity, when any observed disparity is actually nothing more than a random occurrence.

According to BellSouth's brief, "BellSouth has proposed a reasonable plan that is calculated to accomplish the task that performance measurement plans are supposed to do, detect discriminatory performance." According to BellSouth, the ALEC plan "is impossible to implement, impossible to monitor and calculated only to prevent BellSouth from obtaining interLATA relief in Florida."

Standards

Witness Kinard testified that

> a retail analog is a service or function that BellSouth provides for itself, its customers or its affiliates that is analogous to a service or function that BellSouth provides to ALECs. When a BellSouth retail analog exists, BellSouth performance for itself, its customers and its affiliates should be compared to its performance

> for ALECs to determine if BellSouth is meeting the Act's parity requirement. If no retail analog exists, BellSouth's performance must be gauged by a performance standard, also known as a benchmark. A benchmark is a set level of performance, such as provisioning a particular UNE 95 percent of the time within three days.
>
> According to witness Kinard:
>
> Benchmarks should be based on the level of performance that can be expected to offer an efficient carrier a meaningful opportunity to compete. Benchmarks cannot be based simply on BellSouth's historical performance - [because] BellSouth has provided a certain level of service to ALECs in the past does not mean that level of service provides ALECs a meaningful opportunity to compete or to even meet Florida's end user standards.
>
> Choosing a retail analog that is dissimilar to the service or product being measured can make discriminatory performance look like parity. If a slow process is chosen on the retail side, it masks poor performance on the wholesale side.

The benchmarks and analogs proposed by witness Kinard were included in testimony. The ALEC Coalition takes issue with those BellSouth proposed benchmarks that are below the 95 percent or higher thresholds that have been set in other states, such as New York and Texas, for most metrics except for call center and OSDA answer times. Often, the intervals themselves are set below those adopted in other states. According to the ALEC Coalition, this Commission should require BellSouth to meet the 95 percent or higher thresholds to foster competition as was done in New York and Texas.

> In its brief, the ALECs state:
>
> In some instances, BellSouth has proposed measures without retail analogs or benchmarks, in what it terms "diagnostic." For some measures, ALECs do not disagree, but for some, the ALECs believe the Commission should establish a benchmark. For example, BellSouth has proposed the metric O-12, Speed of Answer in the Ordering

> Center, which measures the average time an ALEC is in queue at the Local Carrier Service Center (LCSC), sometimes with customers on the line. Because BellSouth has decided to label it "diagnostic" there is no performance standard that BellSouth is held accountable for meeting. Mpower testified that it generally experiences excessively long hold times when calling into the LCSC trying to clarify the BellSouth business rules it is required to follow. Often Mpower is put on hold when it calls the LCSC from 20 minutes to over 90 minutes. There is no reason for this metric to be diagnostic: the Commission should adopt the ALECs' proposed benchmark of 95 percent in 20 seconds and 100 percent in 30 seconds.
>
> Furthermore, with respect to benchmarks for xDSL loop delivery, BellSouth has proposed that it be given seven business days from issuance of the FOC (for loops without conditioning) and 14 business days from issuance of the FOC (for loops with conditioning).

In their brief, the ALECs contend that BellSouth's measurement will not capture its performance of conditioning at all.

> For loops without conditioning, BellSouth is actually asking for two days longer to deliver a loop than it promises in its product and services guide. BellSouth performance will improve only when this Commission orders that performance to improve. For example, Mr. Latham admitted that BellSouth only began offering to perform conditioning in 14 days after the Georgia Commission ordered that benchmark. Mr. Latham admitted that BellSouth could deliver a loop in five days, but had never tried to deliver one in three days, although it was technically feasible to do so. Moreover, Mr. Latham testified that he was not aware that BellSouth was proposing seven business day for the provisioning plus 48 hours for issuance of a FOC, for a total interval of nine business days. BellSouth fails to justify this excessive interval, while admitting it can provision loops in a shorter period and that it should be working to improve loop delivery intervals.

The ALECs believe that "[n]o improvement will happen until the Commission orders a reasonable xDSL loop interval of three or five days with conditioning."

According to witness Kinard, "the standard interval for migrations from special access to EELs should be 95 percent within ten days from receipt of an error-free request for conversion." E.spire also proposes a new submeasure that could measure how quickly BellSouth changes billing rates from special access to EELs charges. The ALECs proposed benchmark for this measure is 95 percent within 30 days from the receipt of an error-free order.

Witness Coon notes that witness Kinard simply presents her analogs and benchmarks without any critical analysis to support the conclusions she has reached. BellSouth witness Coon notes that its recommendations regarding benchmarks and analogs are a result of several years works and have been conformed to the results reached in Georgia. While BellSouth agrees with the principle that simply having another state approve something does not necessarily mean it is appropriate for Florida to approve, the fact that Georgia has approved these analogs and benchmarks should bear some weight.

DECISION

Business Rules

We analyzed the proposed BellSouth SQM as well as the specific changes requested by the ALEC Coalition. Our analysis and findings regarding the changes to the specific business rules requested by the ALEC Coalition are shown in Attachment 3.

Disaggregation

In addition to the changes to the business rules discussed above, the ALECs are requesting extensive additions to the levels of disaggregation. We agree that the measurement categories should be broken down to a level so that there are meaningful direct comparisons between performance BellSouth gives its customers and that provided to ALECs and their customers. The varying domains, such as preordering, ordering, provisioning, and maintenance and repair will have differing level of disaggregation. Below we will discuss our general opinion by domain. Attachment 4 is our

analysis of the disaggregation for each metric as proposed by BellSouth for informational purposes.

For the OSS or preordering domain, it is important that ALECs have constant access to applications and systems in a expedient manner. The metrics in the OSS domain address system response times and interface availability. We find that generally the metrics contained in this domain shall be disaggregated by legacy system or application accessed. In some cases, it will also be appropriate to capture results to preorder inquiries in time intervals. We have analyzed each level of disaggregation for the preordering domain metric as proposed by BellSouth and find that the disaggregation is generally appropriate as summarized in Attachment 4.

The purpose of the ordering metrics is to provide information to ALECs regarding the status of an order submitted to BellSouth. The majority of the ordering metrics are measuring a time interval and will be measured against benchmarks rather than retail analogs. When appropriate we find it is necessary to disaggregate by level of mechanization used to send an order. For example, an order sent over an electronic interface can be rejected in a relatively short time frame compared to an order that is sent via fax machine. For those metrics that measure a time interval, we find it appropriate to disaggregate by time frame. In some cases, when ordering metrics it is also necessary to disaggregate by product type to discern if an individual product is being discriminated against in the ordering process. We find the level of disaggregation for each of the ordering metrics specified in Attachment 4 is appropriate.

The provisioning metrics capture the amount of time it takes BellSouth to provision orders. BellSouth's proposal for provisioning metrics generally includes disaggregation by product, volume, level of mechanization and dispatch status. We find this level of disaggregation appropriate for provision metrics, as summarized in Attachment 4.

The purpose of the maintenance and repair metrics is to show a variety of activities, such as missed appointment, trouble rate, and duration of trouble reports. Generally, maintenance and repair metrics will be disaggregated by product and dispatch status. We find this level of disaggregation appropriate for this type of metric, as shown in Attachment 4.

We find that disaggregation by geography within the state of Florida for provisioning metrics or maintenance and repair metrics, as proposed by the ALECs, is not appropriate at this time. This level of disaggregation would add a level of complexity to the performance measure plan that would hinder initial implementation.

We find that the plan's initial purpose is to discern whether discrimination is occurring in the state of Florida on an aggregate basis. If this Commission would like to expand the plan to be able to ascertain if discrimination is occurring in selected areas within the state, that modification could be made at a later date. Currently all BellSouth metrics are reported at the state and/or the BellSouth regional level.

We partially agree with the ALEC Coalition and are requiring some modification of disaggregation at the product level. We find that BellSouth shall disaggregate line splitting from line sharing in order to detect discrimination when the ILEC is not the voice provider of the loop and that EELs shall be a separate category.

We disagree that product disaggregation should include 41 products as proposed by the ALECs. We find disaggregation to all 41 products would be inappropriate at this time because of the lack of apparent activity in many of the categories. BellSouth has proposed approximately 20 levels of product disaggregation. We are requiring approximately 19-24 levels of product disaggregation depending on the domain. Attachment 5 shows the general categories of disaggregation for each metric by BellSouth and approved by us.

We approve the following Ordering product disaggregation:

Resale - Residence
Resale - Business
Resale - Design (Special)
Resale PBX
Resale Centrex
Resale ISDN
2W Analog Loop Design
2W Analog Loop Non-Design
2W Analog Loop w/LNP Design
2W Analog Loop w/LNP Non-Design
UNE Digital Loop < DS1
UNE Digital Loop ≥ DS1

UNE xDSL (ADSL, HDSL, UCL)
Line Sharing
Line Splitting
Standalone LNP
Switch Ports
Loop + Port Combinations
Local Transport
UNE Other Non-Design
UNE Other Design
EELs
Local Interconnection Trunks

We approve the following Provisioning product disaggregation:

Resale Residence
Resale Business
Resale Design
Resale PBX
Resale Centrex
Resale ISDN
Standalone LNP
2W Analog Loop Design
2W Analog Loop Non-Design
- Dispatch
- Non-Dispatch (Dispatch In)

2W Analog Loop w/LNP Design
2W Analog Loop w/LNP Non-Design
- Dispatch
- Non-Dispatch (Dispatch In)

UNE Digital Loop < DS1
UNE Digital Loop ≥DS1
UNE Loop+ Port Combinations
- Dispatch Out
- Non-Dispatch
- Dispatch In
- Switch-Based

UNE Switch ports
UNE Combo Other
- Dispatch
- Non-Dispatch (Dispatch In)

UNE xDSL (HDSL, ADSL and UCL)
UNE xDSL (HDSL, ADSL and UCL)
w/o conditioning (P-4 only)

UNE xDSL (HDSL, ADSL and UCL)
with conditioning (P-4 only)
UNE ISDN
UNE Line Sharing
UNE Line Splitting
UNE Other Design
UNE Other Non - Design
EELs
Local Transport (Unbundled Interoffice Transport)
Local Interconnection Trunks

We approve the following Maintenance and Repair product disaggregation:

Resale Residence
Resale Business
Resale Design
Resale PBX
Resale Centrex
Resale ISDN
Standalone LNP (Not Available in Maintenance)
2W Analog Loop Design
2W Analog Loop Non - Design
UNE Loop + Port Combinations
UNE Switch ports
UNE Combo Other
UNE XDSL (HDSL, ADSL and UCL)
UNE ISDN
UNE Line Sharing
UNE Other Design
UNE Other Non - Design
Local Interconnection Trunks
Local Transport (Unbundled Interoffice Transport)

Standards

The approved standards are displayed in Attachment 5.

We hereby adopt the BellSouth business rules, disaggregation and standards as proposed, with the exception of the changes reflected in Attachments 3, 4 and 5.

ATTACHMENT 3

BellSouth Measurement	ALEC Proposed Changes to Business Rules, Standards and Disaggregation	Commission Approved
	Preordering	
OSS-1. Average Response Time and Response Interval (Preordering)	**Definition:** The measurement time should begin when BellSouth receives the query from the ALEC and should end when BellSouth returns a response to the ALEC interface. BellSouth should be accountable for the period of time in which the query and its response are in its possession.	The date/time stamp shall begin when BellSouth receives a query at the BellSouth Gateway and shall end when the query is transmitted from the BellSouth Gateway.
	Business Rules: (1) BellSouth should exclude syntactically incorrect queries from the measure. The query type measurements should show how long it takes to return valid query information that is useful to the ALEC. Responses to invalid queries could come more quickly than a response to a valid query, thus diluting the results in terms of how quickly ALECs receive the information sought through a syntactically correct query. (2) BellSouth should not be allowed to drag its feet in measuring new query types and new interfaces. It should agree to report on such new queries and interfaces within six to eight weeks after they go into production.	BellSouth shall exclude syntactically incorrect queries from this measure. We find that change control is the appropriate forum for this concern.
	Disaggregation: BellSouth must capture all interfaces used, including PSIMS, and it must measure the speed of rejected queries and the number of queries receiving time outs to capture all pre-order response time issues of concern to ALECs. Numerous time outs and slow rejects, as well as the speed of other query responses, can add up and cause a customers to become frustrated while the ALEC is trying to sign them up to new service.	We find that BellSouth is currently capturing all interfaces used including P/SIMS. We have excluded syntactically incorrect queries, and therefore it is not necessary to measure the time of the rejection.
	Standard: The ALECs suggest parity with retail.	The appropriate benchmark for this measure is parity + 2 seconds. This benchmark is subject to a timing study being conducted by KPMG.
OSS-2. Interface Availability (Pre-Ordering)	**Definition:** BellSouth's definition should be expanded to include all interfaces, not just legacy systems. It is of no use to a ALEC if the legacy system is up, but the interface needed to access it is down.	It appears that all ALEC interfaces are included in DAC 1 Exhibit 16 with the exception of **Robotag.** BellSouth shall clarify language to include Robotag. The business rules shall

BellSouth Measurement	ALEC Proposed Changes to Business Rules, Standards and Disaggregation	Commission Approved
	Business Rules: BellSouth's tortured and unsubstantiated business rules place severe limitations on what is considered an outage. All such exclusions should be eliminated from this measure. **Data Retained:** BellSouth should be required to post its own scheduled hours of OSS availability on its web-site as it currently does for ALEC OSS availability.	be revised to reduce limitations on what is considered an outage. DAC-1 Exhibit 16 reflects that reporting for RNS/ROS are under development.

BellSouth Measurement	ALEC Proposed Changes to Business Rules, Standards and Disaggregation	Commission Approved
OSS-3. Interface Availability (Maintenance & Repair)	**Disaggregation:** BellSouth needs to disaggregate by all its OSS Systems. If any route to that OSS varies, then each interface route should be reported separately. Data Retained: BellSouth should be required to post its own scheduled hours of OSS availability on its web-site as it currently does for ALEC OSS availability. BellSouth also must not do system maintenance more often in ALEC prime operational hours: 5 to 9 p.m. versus its own prime hours: 9 to 5 p.m.	Only relevant M&R interfaces shall be included since this is M&R interface measure availability. We find BellSouth's proposed level of reporting appropriate. BellSouth shall post its own scheduled hours of OSS availability. DAC-1 reflects that the BellSouth TAFI availability will be reported on the interconnection website. BellSouth shall not schedule normal maintenance during the hours of 8a.m.-9p.m. M-F.
OSS-4 Response Interval (Maintenance & Repair)	No change proposed	
PO-1 Loop Makeup - Response Time - Manual	**Disaggregation:** BellSouth does not disaggregate by type of loop. **Standard:** Its proposed benchmark of 3 business days is more lenient than the ALEC proposed 72 hour interval.	Disaggregation by loop type is not necessary for this metric. The benchmark of 3 business days is appropriate.
PO-2: Loop Makeup - Response Time - Electronic	**Standard:** BellSouth proposes a benchmark of 90% in 5 minutes for now, with reassessment after 6 months. The Georgia Commission ordered a short-term benchmark of 90% within 5 minutes, and a benchmark after six months of 95% within 1 minute. At the least, this approach should be adopted. Better yet, the benchmark of 95% within 1 minute should be adopted immediately. Moreover, BellSouth should be required to provide this information (and meet this standard) via EDI as well as TAG.	The appropriate benchmark shall be 95% in 1 minute. EDI is not a pre-ordering system and therefore is not applicable in this measure.
Ordering		
O-1: Acknowledgment Message	**Business Rules:** The following BellSouth business rule needs to be clarified: "If more than one ALEC uses the same ordering	BellSouth shall clarify the business rule.

BellSouth Measurement	ALEC Proposed Changes to Business Rules, Standards and Disaggregation	Commission Approved
Timeliness	center, an Acknowledgment Message will be returned to the `Aggregator', however, BellSouth will not be able to determine which specific ALEC this message represented." Obtaining individual results is vital to ALECs. This issue is especially critical as this measure is a proposed Tier 1 measure in BellSouth's remedy plan. **Standard:** BellSouth proposes a of 90% within 30 minutes at first for EDI (moving to 95% within 30 minutes after six months) and 95% within 30 minutes for TAG. The benchmark should be 98% within 15 minutes for both EDI and TAG immediately. The ALEC intervals are generous in that the acknowledgment response is part of the transmission "handshake" and should normally be returned in seconds from receipt of an order.	A benchmark of 95% ≤ 30 minutes is appropriate

BellSouth Measurement	ALEC Proposed Changes to Business Rules, Standards and Disaggregation	Commission Approved
O-3. Percent Flow-through Service Requests (Summary) O-4. Percent Flow-through Service Requests (Detail) O-5. Flow-through Error Analysis	**Exclusions:** BellSouth's SQM should not exclude orders that fall to manual, through no fault of the ALEC, from the metric. It may measure whether the orders it has designed to flow through actually do, but it should also show the whole story on what orders have not yet been designed to flow through. The purpose of this measure should be to measure the percent flow-through capability of BellSouth's ordering systems. ALECs cannot improve the flow-through of error free orders, only BellSouth can. Therefore, it should be held accountable for its decision not to provide flow-through. Further, BellSouth is obligated to provide parity service. As it has provided no evidence that such orders fall out for manual processing for its retail operation, it should not be allowed to exclude such orders from its flow-through calculation for ALECs. At a minimum, the Commission should establish a timely sunset provision on this exclusion to cause BellSouth to improve its flow-through performance. Fall out from errors occurring in SOCS should be included in the metrics, as should all fall out resulting from BellSouth system issues. **Standard:** BellSouth's benchmarks may be appropriate if total flow through is being measured, but if only orders designed to flow through as BellSouth currently proposes are counted then the benchmark should be a strict 98%. ALECs propose that both total and achieved/designed flow through performance should be measured.	BellSouth shall produce separate results with and without manual fallout. The appropriate benchmarks for total flow through are: Residence 95% Business 90% UNE 85% LNP 85%
O-7 Percent Rejected Service Requests	**Business Rules:** BellSouth must identify all errors in orders in parallel, rather than catching and sending back each error one at a time. BellSouth's current serial process of rejecting orders extends the time for ALECs finally getting an order accepted.	The order edit routines at BellSouth are appropriate and consistent with those in other jurisdictions.
O-8. Reject Interval	**Business Rules:** BellSouth's business rules and formula should be changed to require BellSouth to calculate this measure as follows. The measured interval should end upon delivery by BellSouth of a response to the ALEC interface. BellSouth should measure the entire interval up to the point that it returns the rejected LSR to the ALEC. BellSouth should be accountable for the time in which the rejection is in its possession. For non-mechanized orders, BellSouth	We agree and find that the business rules proposed by BellSouth require a date/time stamp in the ALEC interface (EDI, LENS or TAG). Previously the date/time stamp was in LEO. We find that BellSouth is using the date/time

BellSouth Measurement	AT&T Proposed Changes to Business Rules, Standards and Disaggregation	Commission Approved
	indicates that it is using LON, its order tracking system for non-mechanized orders. Again, BellSouth provides no justification and the ALECs request that BellSouth be required to use the actual stop time from the fax server as it uses the date/time stamp from the fax for the receipt of the order. Further, when a ALEC uses multiple OSS interfaces the reject interval should be measured for each one. Different interfaces can produce different rejection intervals, and disaggregated monitoring of such differences are needed. **Standard:** BellSouth's intervals for partially mechanized orders are too long. Such rejections should be received in 5 hours not 48. Totally manual orders may have a longer 24 hour interval. These intervals should include trunks. BellSouth's proposed trunk rejection intervals—4 days—are too long to wait to learn that its order had not even been initiated yet.	stamp that reflects the time the rejection is automatically sent back to the ALECs via LON. LON automatically sends a fax to the ALEC. We disagrees with disaggregation of this interval by interface. We agree and find that the benchmark for partially mechanized shall be 95% ≤ 10 hours. The non-mechanized benchmark shall be 95% ≤ 24 hours. The benchmark for trunks 95% ≤ 24 hours.
O-9. Firm Order Confirmation Timeliness	**Business Rules:** BellSouth's business rules and formula should be changed to require BellSouth to calculate this measure as follows: The measured interval should end upon delivery by BellSouth of a response to the ALEC interface. For non-mechanized orders, BellSouth indicates that it is using LON, its order tracking system for non-mechanized orders. Again, BellSouth provides no justification and the ALECs request that BellSouth be required to use the actual stop time from the fax server as it uses the date/time stamp from the fax for the receipt of the order. Also, if ALECs order inbound BellSouth to ALEC trunks through ASRs, the confirmation of those ASRs should be included in this metric. ALECs also have proposed a separate measure to capture how quickly BellSouth responds to inbound trunk requests whether made through ASRs to which BellSouth sends a confirmation or by a Trunk Group Service Request to which BellSouth responds by sending an ASR. Either as part of the confirmation or a separate metric, measurement of the time it takes BellSouth to respond is critical to monitor. ALECs often wait long times for ILECs to send	We agree and find that BellSouth's proposed business rules state that the date/time stamp is captured in EDI, LENS, and TAG. We agree and find that BellSouth is using the date/time stamp that reflects the time the rejection is automatically sent back to the ALECs via LON. LON automatically sends a fax to the ALEC. We agree and find that the BellSouth proposal in DAC-1 Exhibit 6 addresses the measurement of local interconnection trunks. Interconnection trunks are specified in the business rules and a separate benchmark has been established for this level of disaggregation.

BellSouth Measurement	ALEC Proposed Changes to Business Rules, Standards and Disaggregation	Commission Approved
	the ASRs when capacity is inadequate to carry calls from ILEC customers to ALEC customers. ALECs seek to have adequate inbound trunk capacity in place before adding new customers that would cause blocking for new and existing customers. Current trunking measurements do not capture this missing response time on inbound trunks. BellSouth also should confirm facilities availability for all orders, not just trunks, before issuing a confirmation. If ALECs cannot depend on the due date given them then confirmations are useless. Too often in BellSouth territory ALECs receive confirmations immediately followed by notice that the order is being held for facilities. Facilities checks should be a standard requirement for all orders. **Standard:** While BellSouth and ALECs agree the interval for confirmation of fully mechanized or flow through orders, BellSouth has proposed extremely long intervals for confirming partially mechanized and trunk orders. BellSouth should establish intervals of five hours for partially mechanized orders, similar to the intervals agreed to by SBC's Pacific Bell and Ameritech affiliates. SWBT has a five hour confirmation interval for all electronic orders. Manual orders, including trunk orders should be confirmed in 24 hours.	We agree that BellSouth shall conduct electronic facilities checks to ensure due dates delivered in FOCs can be relied on. The benchmark for non-mechanized shall be 95% $\leq$ 24 hours. Partial Mechanized 95% $\leq$ 10 hours. Trunk orders shall be 95% $\leq$ 36 hours.

BellSouth Measurement	ALEC Proposed Changes to Business Rules, Standards and Disaggregation	Commission Approved
O-10: Service Inquiry With LSR Firm Order Confirmation (FOC) Response Time Manual	**Standard:** The benchmark for this metric should combine the interval for Manual Loop Qualification with the appropriate FOC interval. At most, the benchmark should be 95% in 3 days for electronic orders and 4 days for manual orders.	We have no evidence to support a change at this time. This is a new metric and the benchmark is 95% $\leq$ 5 business days.
O-11: Firm Order Confirmation and Reject Response Completeness	**Business Rules:** BellSouth should include partially and non-mechanized orders.	We agree that partially and non-mechanized orders shall be included in this metric.
O-12: Speed of Answer in Ordering Center	**Standard:** This metric should not be diagnostic. The benchmark should be 95% in 20 seconds and 100% in 30 seconds.	We agree there shall be a standard for this measure. The standard shall be parity with. retail.
O-12 Speed of Answer (Ordering Center)	**Disaggregation:** The reports should be by each help desk center the ALECs call into as each may have different answering times.	We disagree with this level of disaggregation.
O-13 LNP Percent Rejected Service Requests	**Exclusions:** BellSouth should not be allowed to exclude non-mechanized orders.	We agree and find that BellSouth has eliminated this exclusion in the proposed business rules.
O-14 LNP Reject Interval Distribution and Average Reject Interval	**Exclusions:** BellSouth should not be allowed to exclude non-mechanized orders from this measure.	We agree and find that BellSouth has eliminated this exclusion in the proposed business rules.
	Business Rules: BellSouth's business rules for the start and stop times for this measure are unclear. BellSouth should be accountable for the LSR while it is in its possession and should change its business rules to reflect that it uses the date/time stamps in EDI, LENS and TAG to measure this interval.	We agree and find that BellSouth shall change the business rules to reflect the use of date/time stamp in the EDI, LENS and TAG gateway.
	Standards: BellSouth has proposed extremely long intervals for returning partially mechanized orders. BellSouth should establish intervals of five hours for partially mechanized orders, similar to the intervals agreed to by SBC's Pacific Bell and Ameritech affiliates.	We partially agree and find that the benchmark for partially mechanized shall be 95% $\leq$ 10 hours and find that the non-mechanized benchmark shall be revised to 95% $\leq$ 24 hours.

BellSouth Measurement	ALEC Proposed Changes to Business Rules, Standards and Disaggregation	Commission Approved
O-15 LNP Firm Order Confirmation Timeliness Interval Distribution and Firm Order Confirmation Average Interval	**Exclusions:** BellSouth should not be allowed to exclude non-mechanized orders from this measure. **Business Rules:** BellSouth's business rules for the start and stop times for this measure are unclear. BellSouth should be accountable for the LSR while it is in its possession and should change its business rules to reflect that it uses the date/time stamps in EDI, LENS and TAG to measure this interval. **Standards:** BellSouth has proposed extremely long intervals for returning partially mechanized orders. BellSouth should establish intervals of five hours for partially mechanized orders, similar to the intervals agreed to by SBC's Pacific Bell and Ameritech affiliates. SWBT has a five hour return interval for all electronic orders. Manual orders should be returned in 24 hours.	We agree and find that BellSouth shall not exclude non-mechanized from reporting. DAC-1 reflects that non-mechanized is "under development". We agree and find that BellSouth shall change the business rules to reflect the use of date/time stamp in EDI, LENS and TAG. We agree and find that the benchmark shall be partially mechanized. 95% ≤ 10 hours and the non-mechanized benchmark shall be revised to 95% ≤ 24 hours.
Provisioning		
P-1 Mean Held Order Interval and Distribution Intervals	**Business Rules and Calculations:** BellSouth's approach to this measure is fatally flawed in that it allows any held order which is closed prior to the end of the month to be excluded from this calculation. Therefore an order could be held on the 1st of the month, and not be released until the 29th, but not appear in this report. BellSouth should be required to report the average delay of all orders held for lack of facilities past the due date. **Disaggregation:** ALECs need to see how many orders are held by all products, including the various xDSL-capable loops with and without conditioning, line-sharing and splitting requests, etc. The results should also be disaggregated by the reason for the hold: "facilities," "load," and "other" at the very least.	We agree and find that BellSouth shall capture all orders held past due dates, not only those open at the close of the reporting period. We agree and note that BellSouth currently includes the level of disaggregation in DAC-1. Hold reason data is currently captured in raw data. ALECs can use the raw data to investigate any specific concerns. We find that disaggregation by hold reason is not appropriate.
P-2 Average Jeopardy Notice Interval and Percentage of Orders Given	**Business Rules:** ALECs need to have an equivalent opportunity to plan with customers for situations where an order appears to be in jeopardy as does BellSouth. Therefore, if any BellSouth representative can check on the status of the order, then ALECs need access to that same information sent through	We find that ALEC have the opportunity to check the status of any order through CSOTS. We are unclear what the ALECs are requesting here.

Jeopardy Notices	electronic or manual notices as requested. **Calculation:** The calculation should be based on the orders placed in jeopardy not just those orders sent jeopardy notices. To calculate the metric as proposed by BellSouth would understate any problem in ALECs not receiving notices on orders that are going to be missed.	We disagree and find that this measure is capturing notices. We are unsure how "orders placed in jeopardy" would be determined. If an order is placed in jeopardy, a notice is provided to ALECs.
P-3 Percent Missed Installation Appointments	**Business Rules:** Disconnect and From orders should be disaggregated and reported separately, rather than be excluded as BellSouth proposes. ALECs need to see that their requests to disconnect customers from service are timely as well. This will help avoid billing disputes with the terminated customer. **Business Rules:** The due date on any firm order confirmation followed by a notice of facilities hold status should be considered a missed appointment, because BellSouth should have checked facilities before issuing the confirmation. (See e.spire testimony.) **Business Rules/Calculation:** BellSouth includes only misses of the original due date. Therefore, if an appointment is rescheduled, and also missed, BellSouth does not report it. This is misleading and can mask discriminatory behavior. BellSouth should be required to report on all its missed appointments. **Calculation:** The denominator is also incorrect. BellSouth uses the number of orders completed in the reporting period, but it should use the number of orders due in the reporting period. Orders could and likely would be completed in one month, but not due until the next month, and should not be included. **Business Rules:** This measure should be changed to include time, when time specific appointments are ordered by the ALEC. This measure should evaluate the level of service ALECs are paying for and to which BellSouth is committing, i.e. if the appointment is time specific, the measurement should be time specific. **Disaggregation:** ALECs need to see how many orders are held by all products, including the various xDSL-capable loops with and without conditioning, line-sharing and splitting requests, etc.	We disagree. This measurement was intended to focus on installation appointments. We see no justification for changing the exclusion of Disconnect and From orders. We find that missed appointments caused by pending facilities are calculated in the missed installation appointment metric currently if the pending facilities extend beyond the due date. We agree that subsequent missed appointment shall be included in the calculation of this metric. We disagree and find that the appropriate denominator is orders completed in the reporting period. We agree that Missed Installation Appointment shall be modified to capture time specific appointments when the specific time is missed. We partially agree and find that the level of disaggregation proposed by BellSouth which include xDSL and line sharing is appropriate.

P-4. Average Completion Interval (OCI) Interval Distribution	**Business Rules:** Disconnect and From as well as expedite orders should be disaggregated and reported separately, rather than be excluded as BellSouth proposes. These usually are very short intervals that can skew total results, but ALECs need to know the speed at which disconnect and expedite orders are being met.	We disagree with any change to the exclusions for this metric.
	Business Rules: BellSouth should be required to modify its business rules and calculation to reflect the appropriate interval. The appropriate starting point for this measure is when BellSouth receives a valid LSR and the appropriate ending point is when a completion notice is sent to the ALEC. Both the New York and Texas performance measures plans begins this interval with the date that a valid service request is received, not when the order is entered into the SOC system as proposed by BellSouth. BellSouth's approach eliminates what could be considerable time from the interval, particularly for non-flow through orders. BellSouth is in control of that time, not the ALEC, and should be accountable for it.	We partially agree with this proposal. The interval shall begin when the FOC is generated, as BellSouth proposed, and conclude when a completion notice is sent to the ALEC.
	Disaggregation: Orders designated "pending facilities" should be a level of disaggregation, as well as the other proposed levels of disaggregation in KK-2. ALECs need to see if BellSouth's orders designated as pending facilities get completed at a faster pace than ALEC orders that were pending facilities.	We disagree that this level of disaggregation is needed at this time.
	ALECs need to see disaggregation by the various xDSL-capable loops, line-sharing and splitting requests, etc. As mentioned above, information on whether these products also include conditioning should be a level of disaggregation. ALECs need to see if they are receiving line conditioning on orders in a non-discriminatory fashion.	We partially agree with this proposal and find that BellSouth currently includes adequate xDSL and Line Sharing disaggregation in its proposal.
	Disaggregation: BellSouth should be required to report its provisioning measures that have a parity standard by type of work performed. BellSouth currently reports by dispatch and non-dispatch. However, this is causing misleading results as BellSouth combines central office and field work in the dispatch category BellSouth should be required to report by non-dispatch, dispatch in (or CO work), and dispatch out (or field work).	We agree that BellSouth shall disaggregate provisioning metrics as shown in Attachment 5.
	Instead of excluding orders with intervals	We disagree that BellSouth should disaggregate for later than offered due dates.

	later than the offered interval, they should be disaggregated and reported separately.	
P-4: Average Completion Interval	**Standard:** BellSouth's proposed intervals for xDSL with and without conditioning are too long. Interval for conditioning should be no more than 5 days.	We find the standards for xDSL with and without loop condition of 7 and 14 days are too long. The standard shall be 5 and 12 days respectively.
P-5. Average Completion Notice Interval	**Exclusions:** BellSouth should be required to remove its exclusion of non-mechanized and partially mechanized orders.	We agree and find that the BellSouth SQM proposal for this measure has removed the exclusion for both Non-Mechanized and Partially Mechanized.
	Disconnections and From orders should be included in the measurement but reported separately to track performance,	We disagree with removing this exclusion and creating a separate level of disaggregation.
	BellSouth should be required to modify its business rules and calculation formula to indicate the measured interval ends upon delivery by BellSouth of a notice of completion to the ALEC interface (LENS, EDI, or TAG) or, if manual, the date/time stamp from the fax machine or server. BellSouth should be accountable for the time in which the completion information is in its possession.	We agree and find that the BellSouth SQM proposal for this measure has included an end time stamp of when the notice is transmitted to the ALEC interface. The end time stamp for non-mechanized orders should be the time stamp from the fax machine or server via LON.
	Standard: Completion notices need to be delivered promptly after actual physical work completion so ALECs know when they own new customers and must respond to their needs. If the retail analog selected operates at the interval stated by BellSouth in collaborative (an hour to an hour and a half) that is acceptable but most completion notices need to be delivered at least one hour after work completion.	We agree and find parity with retail appropriate.
P-6 Coordinated Customer Conversion Interval	**Exclusions:** Cancelled orders should be included to capture all the hot cut activity (even those attempts that prompt the customer to cancel the order) in the metric.	We find that this is an inappropriate measure for capturing order cancellations. We find that cancelled orders shall be excluded.
	Standard: BellSouth's interval represents a flawed calculation that does not depict the actual performance on each individual cut. In any event, BellSouth's 15 minutes per loop is excessive and even the ALEC's standard is generous considering it should not take more than 5 minutes per loop for conversion.	We find that 95% ≤ 15 minutes is appropriate at this time.

P6-A Coordinated Customer Conversions Hot Cut Timeliness % within Interval and Average Interval	**Exclusions:** Cancelled orders should be included to capture all the hot cut activity (even those attempts that prompt the customer to cancel the order) in the metric.	We find that cancelled orders should be excluded from this metric.
	Business Rules: The ALECs request that this measurement be modified to include the entire hot cut interval or replaced with the hot cut timeliness measure requested by the ALECs in my direct testimony. It is important that not only the start time of the cut, but the entire interval, including acceptance testing with the ALEC be included in this measure.	We agree and find that BellSouth has included a notification provision in its proposed SQM for this metric.
	Business Rules: Metric should be clarified to make clear that an early cut would be included as a missed appointment if cut was restarted within original window. Thirty minute buffer is excessive.	We disagree that + or - 15 minutes of schedule start time is excessive.
	The loop should not be considered delivered until BellSouth and the ALEC have checked whether electrical continuity exists. Customers will not tolerate timely delivery of non-working loops.	Acceptance testing results are captured in the BellSouth proposed metric P-7.
	Disaggregation: Particularly with the advent of line sharing and splitting, disaggregation by all the types of digital and xDSL loops offered by BellSouth is critical to detect problem areas with hot cuts.	We disagree that product disaggregation to the extent proposed is needed at this time.
	Standard: The benchmark should be 95% completed within cut over window. BellSouth only appears to be measuring whether the cut started on time, but does not measure whether it finished within the cut over window proposed by the ALECs.	We find the benchmark of 95% + or - 15 minutes is appropriate.

P6-B: Coordinated Customer Conversions - Average Recovery Time	**Exclusions:** Only verified end user and ALEC caused reasons should be excluded. (i.e. the ALEC has to agree). **Business Rules:** Outages during and before the cut are included, not just those that can be reported after order completion through maintenance systems. BellSouth may separate out the later group of restorals and measure them as a disaggregation of Maintenance Average Duration with the same benchmark if it prefers. **Standard:** The benchmark should be 98% in 1 hour and 100% in 2 hours. These outages were caused by BellSouth's cut-over errors and, thus, should be easy for it to diagnose and resolve.	We agree that exclusions relating to end-user and ALEC-caused reasons shall require ALEC agreement. We disagree with the ALEC proposal to disaggregate Maintenance Average Duration further. We have no evidence on which to support the assertion that the benchmark should be 98% in 1 hour. Since this is a new metric, we find that the benchmark shall be established at the 6-month review period.
P-6C: Coordinated Customer Conversions- % Provisioning Troubles Received W/i 7 days of a Completed Service Order	**Standard:** The benchmark should be 1%, not 5 % as BellSouth proposes.	We have no evidence on which to support the assertion that the benchmark should be 1% versus 5%. We find that the benchmark for the measure shall be reevaluated at the 6-month review period.

P-7: Cooperative Acceptance Testing - % of xDSL Loops Tested	**Exclusions:** BellSouth should report the number of exclusions (ALEC caused failures monthly) so ALECs can determine whether or not their reports match up. **Definition:** The following change should be made: (1) In the Definition Portion, add "A loop will be considered successfully cooperatively tested when both the ALEC and ILEC representatives agree that the loop has passed the cooperative testing" and (2) In the SEEM Analog/Benchmark, replace "95 percent of Lines Tested" with "95 percent of Lines Tested Successfully Passing Cooperative Testing." **Standard:** The benchmark should be 99.5%.	We agree that the number of exclusions shall be captured in the raw data so that ALECs can verify accuracy. BellSouth agreed at hearing to further define that successful testing means successful to both the ALEC and BellSouth We have no evidence to support an increase to the benchmark at this time.
P-8 Percent Provisioning Troubles within 30 days of Service Order Completion	**Business Rules:** The metric should include all trouble reports arising from the same order. A customer may experience several service disruptions related to provisioning problems and each should count as a provisioning trouble.	We disagree and find that BellSouth is currently capturing the troubles appropriately. The first trouble is captured as a Provisioning Trouble within 30 day of service Order Completion. Subsequent Troubles are captured in the repeat troubles within 30 days metric. We find this appropriate.
P-9 Total Service Order Cycle Time (TSOCT)	ALECs did not analyze this measure.	
P-10 LNP Percent Missed Installation Appointments	See missed appointment issues in P-3 above. **Exclusions:** The measure should be modified to include non-mechanized orders. The Commission should not allow BellSouth to discriminate against ALECs who place orders via non-mechanized means.	See P-3 above We agree and find that BellSouth has eliminated the non-mechanized exclusion in the SQM Proposal for this measure in DAC-1, Exhibit 16.
P-11 LNP Disconnect Timeliness Interval	**Business Rules:** BellSouth should be required to actually perform the disconnect activity before completing the service order in SOCs. **Exclusions:** BellSouth should be required to include non-mechanized orders. See comments in measure above.	We agree and find that the BellSouth-proposed SQM for this metric reflects this proposal. We agree and find that BellSouth has eliminated the non-mechanized exclusion in the SQM proposal for this measure in DAC-1, Exhibit 16.

Maintenance and Repair		
MR-1 Missed Repair Appointments	**Exclusions:** BellSouth may exclude customer provided or ALEC equipment troubles from the metric but it should report the number of exclusions monthly. **Business Rules:** The end time should be when the ALEC receives notice that the service is restored. This will enable the ALEC to notify BellSouth promptly if it disagrees that the service has been restored.	We disagree at this time. Causes for Missed Repair Appointments are included in the data retained and ALECs have the capability of investigating the problem when necessary. We disagree. This metric measures missed appointments. For analog purposes it is necessary that this comparability be maintained.
MR-2 Customer Trouble Report Rate	See MR-1 above. **Standard:** The standard should be parity or no worse than the end user standard in Florida. Otherwise ALECs will not be able to meet the end user standard.	See response to MR-1 above. We agree and find that parity is the standard proposed by BellSouth in DAC-1, Exhibit 16.
MR-3 Maintenance Average Duration	**Exclusions:** Customer and ALEC equipment troubles may be excluded but should be reported separately for the reasons stated in MR-1. BellSouth also should not exclude troubles that have lasted more than 10 days. **Business Rules:** The trouble report should not be considered closed or service restored until the ALEC is given notice. "Restore" means to return to the normally expected operating parameters for the service and verification by the ALEC that the service has been restored. ALECs must be able to verify when informed that the trouble is closed that service has been restored to the customer. This will reduce the number of repeat trouble reports for services that were prematurely closed by BellSouth, but the ALEC customer's service is still impaired. **Disaggregation:** All maintenance metrics should be disaggregated by trouble type so ALECs can ascertain the specific types of problems (Central Office, Loop, etc.) where they may not be receiving parity service. This also protects BellSouth as dispatch troubles generally take longer than central office troubles and could make the metric look out of parity only because the ALEC had more dispatch troubles. So such disaggregation is particularly crucial for trouble duration.	See response to MR-1 above. Trouble reports greater than 10 days have to be removed from exclusion in the BellSouth SQM proposed in DAC-1, Exhibit 16. We disagree. This metric measures duration of troubles. For analog purposes it is necessary that this comparability be maintained. We disagree that disaggregating by trouble type is necessary and find that this is excessive disaggregation. However, ALECs can analyze their results by disposition and cause code by reviewing the raw data. BellSouth is currently disaggregating by dispatch for this measure.

	Business Rules: BellSouth should clarify what it means by a "correct" repair request and how an ALEC is informed that reporting of trouble is incorrect .	We agree that this clarification would be useful.
MR-4 Percent Repeat Troubles in 30 Days	**Business Rules:** Customer and ALEC equipment trouble exclusions should be reported separately (See MR-1). **Calculation:** The denominator for the metric should be all repeat troubles received in the month, rather than all troubles closed. Using BellSouth's calculation could understate the problem for a month in which numerous troubles have not been closed by the end of the month. **Standard:** The standard should be parity or no worse than the state's end user standard. Otherwise the ALEC could not meet that standard.	See MR-1 response We disagree that the denominator should be changed. We agree and BellSouth'S proposed standard is parity.
MR-6 Average Answer Time (Repair Center)	**Disaggregation:** If there is more than one maintenance center, then the results of both centers should be shown separately to monitor each center's performance. **Standard:** 95% calls should be answered in 20 seconds, and 100% in 30 seconds to ensure prompt taking of trouble reports. In no case, should the answer time be worse than the end user requirement. Benchmark should be the better of parity or at least the end user standard.	We find the proposed level of disaggregation adequate. BellSouth currently disaggregate between the UNE center and the BRC repair center for ALECs. We find that parity is the appropriate standard as proposed in BellSouth DAC-1, Exhibit 16.
MR-7: Mean Time to Notify CLEC of Network Outages	**Standard:** Parity by design needs to be confirmed by KPMG, If confirmed, no metric is needed, just information on how to get the same notices at the same time as BellSouth.	Parity by design will be confirmed by KPMG during the OSS test.
B-1. Invoice Accuracy	**Business Rule:** Invoice accuracy should not be based on adjustment dollars, as BellSouth is in control of whether or not it grants an adjustment, and is therefore in control of the outcomes of this measurement.	We agree that this measure presents problems; however, no evidence has been provided to correct the deficiencies in the measure. We propose adding the number of bills and bill adjustments to the current metric.

B-2. Mean Time to Deliver Invoices	**Calculation:** This measure should be modified to be based on percent invoices received on time, or the Commission should adopt the Percent On-Time Mechanized Local Service Invoice Delivery measure recommended by the ALECs. **Exclusions:** Bills rejected because of BellSouth formatting or content errors should be included.	We disagree with modifying this measure. We agree that this exclusion shall be eliminated.
B-3 Usage Data Delivery Accuracy	**Calculation:** ALECs believe the metric should reflect the number of records not data packs delivered accurately. This is more in line with how accuracy has been calculated in the past for usage data..	We agree that the measure shall be modified to reflect records rather than data packs
B-6 Mean Time to Deliver Usage	**Business Rule:** ALECs believe that the measurement should begin with the generation of data by the ALEC retail customer or ALEC access customer (by the AMA recording equipment associated with the ALEC switch.). This will ensure that all usage (local and associated access) are covered by this metric.	We find that the BellSouth measure shall be modified to reflect differences between date data is mailed and date data is generated by customer/Total record volume delivery
	OSDA	
OS-1 OS/DA Speed to Answer Performance/ Average Speed to Answer	**Exclusions:** BellSouth should not exclude call abandonment times. The customers likely abandoned the call because of lengthy waits for a response and such time should be included in the metric calculation. **Standard:** ALECs propose that 95% of calls be answered in 10 seconds. The metric would have to be changed from an average measure to a Percent in 10 Seconds to suit this benchmark. Otherwise the benchmark needs to be restates as an acceptable average. In no case, should the standard be worse than the end user standard for answering such calls, as the ALECs need to meet the end user standard. ALECs want third-parity verification of BellSouth's claims that this measure is parity by design.	We agree and find that the BellSouth SQM proposed for this metric does not exclude calls that are abandoned. The time at which a call is abandoned is captured. We find that this metric is appropriate as proposed by BellSouth and is parity by design. We find that this will be confirmed by the OSS Third-Party Test.

OS-2 OS/DA Speed to Answer Performance/Percent Answered in X Seconds	**Business Rules:** ALECs propose that OS/DA performance be measured with a single metric, but disaggregated for OS and DA.	We find the BellSouth proposed method for capturing metric appropriate.
E911		
E-1 E911 Timeliness E-2 E911 Accuracy E-3 E911 Mean Interval	**Standard:** ALECs have no changes to these measures but want third-parity verification of BellSouth's claims that its E911 update processes are parity by design.	Parity by design will be validated in the OSS Third-Party Test.
Trunk Group Performance		
TGP-1 Trunk Group Performance - Aggregate	**Business Rules:** ALECs are seeking the inclusion of 911 trunks in this measure along with the OS/DA trunks that BellSouth has agreed to add. **Disaggregation:** BellSouth must disaggregate reporting by trunk type and design type. Combining trunks built to different blocking standards can hide blocking problems. **Standards:** The measure should be based on parity in not exceeding the various blocking design levels. See KK-3.	We are unclear what the ALECs are proposing.
TGP-2 Trunk Group Performance - ALEC Specific	See TGP-1.	See TGP-1.
Collocation		
C-1 Collocation Average Response Time	**Standards:** ALECs propose to change metric to a proportion and set standard at 95% in 10 calendar days.	We disagree. The standard established for this measure resulted from a previous docket.
C-2. Collocation Average Arrangement Time	**Business Rule:** Further, a collocation should not be considered complete until the ALEC accepts the collocation and associated cable assignment information is provided. This definition has been adopted in New York and other states in the Verizon region. **Disaggregation:** Disaggregation needs to also include Remote collocations and separate out the augment types by differing intervals (i.e. 90 day physical augment from 45-day physical augment) for reporting average intervals.	We agree and find that the appropriate language shall be added. We find the current level of disaggregation appropriate.
C-3 Collocation Percent Due Dates Missed	**Standard:** Due to control BellSouth has over the committed due date and the long standard intervals, ALECs recommend that no misses should be allowed.	We find a benchmark of 95% on time would be appropriate. Texas uses this same standard.

Database Update Information		
D-1: Average Database Update Interval	**Standard:** Parity by design needs to be confirmed by KPMG.	Parity by design will be validated in the OSS Third-Party Test.
D-3: Percent NXXs and LRNs Loaded by LERG Effective Date	**Business Rules:** BellSouth's business rules should not define the interval by the completion of initial interconnection trunk groups when that happens after the LERG effective date. Otherwise, BellSouth could delay delivery of trunks to cover late LERG updates. The LERG effective date should be the end time in all cases.	We disagree that a change is needed.
Change Management		
CM-1 Timeliness of Change Management Notices	**Business Rules:** Business rules do not state whether ALECs receive both notice and documentation within specified time before implementation. **Disaggregation:** Need to disaggregate by notice type (i.e. BellSouth initiated, ALEC initiated, industry forum, regulatory or emergency, for example) **Standards:** Standards in underlying change management process are unclear and reporting on website does not match business rules in the metrics.	We find that this proposal is addressed in CM-3. We disagree and find that disaggregation by notice type is unnecessary. We find that the benchmark for this measure shall be 98% on time.
CM-2 Average Delay Days for Change Management Notices	(See Above.) **Standards:** Benchmark should be 95% in 5 days. For 30 days it should be a shorter delay day interval of no more than 3 days.	We agree that the proposed benchmark of 95% in 5 days is appropriate.
CM-3 Timeliness of Documents Associated with Change	(See Above.) **Exclusions:** BellSouth's proposed exclusion for dates that slip less than 30 days "for reasons outside BellSouth control" is too broad. **Standard:** A Five day interval for documentation changes is too short for ALECs to be able to implement changes. ALECs recommend 30 days for documentation changes, unless it is for error correction, which should be provided within the five day time frame. Further, if the documentation is associated with software changes, 90 days or more is needed for major releases.	BellSouth shall further clarify this statement. We find that the benchmark shall be 98% on time.
CM-4 Average Delay Days for Documentation	**Standard:** Benchmark should be 98% in 5 days.	We find the benchmark of 95% ≤ 5 days appropriate.

CM-5: Notification of CLEC Interface Outages	**Business Rules:** BellSouth should explain how it verifies outage and the interval between first notice of outage and verification. If this interval is long, the notice could be delayed and still appear to be on time because of "verification" condition.	We disagree that any change is needed to this metric at this time.

ATTACHMENT 4

Level of Disaggregation by Metric									
No.	Measure	Interface	Product	Volume	Time Interval	Dispatch Status	Geography State	Geography Region	Mechanization
Pre-Ordering									
OSS-1	Average Response Time for OSS Pre-Order Interfaces & Response Interval	X			X			X	
OSS-2	OSS Interface Availability (All Systems)	X						X	
OSS-3	Interface Availability (M&R)	X						X	
OSS-4	Response Interval (M&R)	X			X			X	
PO-1	Loop Makeup Inquiry (Manual)				X		X	X	
PO-2	Loop Makeup Inquiry (Electronic:EDI, TAG and LENS)				X		X	X	
Ordering									
O-1	Acknowledgment Timeliness (Electronic)	X			X			X	
O-2	Acknowledgment Completeness (Fully Mechanized, Partially Mechanized & Total Mechanized)	X						X	
O-3/4	Percent Order Flow Through (Summary & Detail)	X	X					X	X
O-5	Flow-through Error Analysis								
O-6	CLEC LSR Information - LSR Flow-Through Matrix	X	X						
O-7	Percent Rejected Service Request (Fully mechanized, Partially Mechanized & Non-Mechanized)		X				X	X	X

Level of Disaggregation by Metric									
No.	Measure	Interface	Product	Volume	Time Interval	Dispatch Status	Geography State	Geography Region	Mechanization
O-8	Reject Interval		X		X		X	X	X
O-9	Firm Order Confirmation Timeliness (Fully mechanized, Partially Mechanized & Non-Mechanized)		X		X		X	X	X
O-10	Service Inquiry with LSR Firm Order Confirmation (FOC) Response Time (Manual)				X		X	X	
O-11	Firm Order Confirmation and Reject Response Completeness		X				X	X	X
O-12	Speed of Answer in Ordering Center							X	
O-13	LNP - Percent Rejected Service Request		X				X	X	X
O-14	LNP - Reject Interval Distribution & Average Reject Interval		X		X		X	X	X
O-15	LNP - FOC Timeliness Interval Distribution & FOC Average Interval		X		X		X	X	X
	Percent Order Accuracy								
Provisioning									
P-1	Mean Held Order Interval		X	X	X		X	X	
P-2	Average Jeopardy Notice Interval (Electronic) & % Orders Given Jeopardy Notice		X				X	X	X
P-3	Percent Missed Installation Appointments		X	X		X	X	X	

Level of Disaggregation by Metric									
No.	Measure	Interface	Product	Volume	Time Interval	Dispatch Status	Geography State	Geography Region	Mechanization
P-4	Order Completion Interval		X	X	X	X	X	X	
P-5	Average Completion Notice Interval (Electronic)		X		X	X	X	X	X
P-6C	Coordinated Customer Conversions - % Provisioning Troubles Received Within 7 Days of a Completed Service Order		X			X	X	X	
P-6	Coordinated Customer Conversions Interval		X		X		X	X	
P-6A	Coordinated Customer Conversions Hot Cut Timeliness % within Interval & Average Interval		X		X		X	X	
P-6B	Coordinated Customer Conversions - Average Recovery Time		X				X	X	
P-7	Cooperative Acceptance Testing(% xDSL Loops Successfully Tested)		X				X	X	
P-8	% Provisioning Troubles within 30 days		X	X		X	X	X	
P-9	Total Service Order Cycle Time		X	X	X	X	X	X	X
P-10	LNP - Percent Missed Installation Appointments		X	X		X	X	X	

Level of Disaggregation by Metric									
No.	Measure	Interface	Product	Volume	Time Interval	Dispatch Status	Geography State	Geography Region	Mechanization
P-11	LNP - Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution		X		X		X	X	
P-12	LNP - TSOCT		X		X	X	X	X	X
	% Completions/ Attempts w/o notice or w/Less Than 24 Hr Notice								
	% Completion of timely loop modification								
Maintenance & Repair									
M&R-1	Missed Repair Appointments		X			X	X	X	
M&R-2	Customer Trouble Report Rate		X			X	X	X	
M&R-3	Maintenance Average Duration		X			X	X	X	
M&R-4	% Repeat Troubles within 30 days		X			X	X	X	
M&R-5	Out of Service > 24 hours		X			X	X	X	
M&R-6	Average Answer Time - Repair Center							X	
M&R-7	Mean Time to Notify CLEC of Network Outages (M&R)						X	X	
Billing									
B-1	Invoice Accuracy		X				X	X	
B-2	Mean Time to Deliver Invoices		X				X	X	
B-3	Usage Data Delivery Accuracy							X	
B-4	Usage Data Delivery Completeness							X	
B-5	Usage Data Delivery Timeliness							X	

Level of Disaggregation by Metric									
No.	Measure	Interface	Product	Volume	Time Interval	Dispatch Status	Geography State	Geography Region	Mechanization
B-6	Mean Time to Deliver Usage							X	
B-7	Recurring Charge Completeness		X					X	
B-8	Non-Recurring Charge Completeness		X					X	
	% Billing Errors Corrected in X Days								
OS/DA									
OS-1	Average Speed to Answer (OS)						X		
OS-2	% Answered in "X" Seconds (OS)						X		
DA-1	Average Speed to Answer (DA)						X		
DA-2	% Answered in "X" Seconds (DA)						X		
Database Update Information									
D-1	Average Update Interval for DA Database for Facility Based CLECs						X		
D-2	Percentage DA Database Accuracy For Manual Updates						X		
D-3	Percent NXXs loaded and Tested by/or prior to the LERG effective date							X	
E911									
E-1	Timeliness						X	X	
E-2	Accuracy						X	X	
E-3	Mean Interval				X		X	X	
Trunk Group Performance									
TGP-1	Trunk Group Performance - Aggregate				X		X		

Level of Disaggregation by Metric									
No.	Measure	Interface	Product	Volume	Time Interval	Dispatch Status	Geography State	Geography Region	Mechanization
TGP-2	Trunk Group Performance - Specific				X		X		
	Collocation								
C-1	Average Response Time		X				X		
C-2	Average Arrangement Time		X				X		
C-3	% of Due Dates Missed		X				X		
	Change Management/Interface Outages								
CM-1	Timeliness of Change Management Notices							X	
CM-2	Average Delay Days for Change Management Notices							X	
CM-3	Timeliness of Documents Associated with Change							X	
CM-4	Average Delay Days for Documentation							X	
CM-5	Average Notice of Interface Outage	X						X	

Attachment 5

Service Quality Measures
Disaggregation and Standards

No.	Measure	BellSouth Proposed		Commission Approved	
		Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
	Preordering				
OSS-1	Average Response Time and Response Interval (Pre-Ordering)	Region	Parity + 4 Seconds	Region	Parity + 2 Seconds
OSS-2	Interface Availability (Pre-Ordering)	Region	≥ 99.5%	Region	≥ 99.5%
OSS-3	Interface Availability (Maintenance & Repair)	Region	≥ 99.5%	Region	≥ 99.5%
OSS-4	Response Interval (Maintenance & Repair)	Region	Parity	Region	Parity
PO-1	Loop Make Up - Average Response Time - Manual	Loops	95% in 3 Business Days	Loops	95% in 3 Business Days
PO-2	Loop Make Up - Average Response Time - Electronic	Loops	90% in 5 Minutes (Reassess after 6 mos - new system)	Loops	95% in 1 Minute
	Ordering				
O-1	Acknowledgment Message Timeliness	EDI TAG	90% w/i 30 Mins (6mos - 95% w/i 30 Mins) 95% within 30 Minutes	EDI TAG	95% ≤ 30 Minutes 95% ≤ 30 Minutes
O-2	Acknowledgment Message Completeness	EDI TAG	100%	EDI TAG	100%
O-3	Percent Flow-through Service Requests (Summary)	Residence Business UNE LNP	95% 90% 85% 85%	Residence Business UNE LNP	95% 90% 85% 85%
O-4	Percent Flow-through Service Requests (Detail)	Residence Business UNE LNP	95% 90% 85% 85%	Residence Business UNE LNP	95% 90% 85% 85%
O-5	Flow-through Error Analysis	N/A	N/A	N/A	N/A
O-6	CLEC LSR Information LSR Flow-Through Matrix	N/A	N/A	N/A	N/A
O-7	Percent Rejected Service Requests	Resale Residence Resale Business Resale Design (Special) Resale PBX Resale Centrex Resale ISDN LNP Standalone 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port	Diagnostic	Resale Residence Resale Business Resale Design (Special) Resale PBX Resale Centrex Resale ISDN LNP Standalone 2w Analog Loop Design 2w Analog Loop Non-Design 2w Analog Loop w/LNP Design 2w Analog Loop w/LNP Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port	Diagnostic

Service Quality Measures
Disaggregation and Standards

No.	Measure	BellSouth Proposed		Commission Approved	
		Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
		Combinations Switch Ports UNE xDSL (ADSL, HDSL, UCL) Line Sharing Local Interoffice Transport Local Interconnection Trunks		Combinations Switch Ports UNE xDSL (ADSL, HDSL, UCL) Line Sharing Local Interoffice Transport Local Interconnection Trunks UNE Combo Other UNE ISDN Line Splitting UNE Other Non-Design UNE Other Design EELS	
O-8	Reject Interval	Resale Residence Resale Business Resale Design (Special) Resale PBX Resale Centrex Resale ISDN LNP Standalone 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations Switch Ports UNE xDSL (ADSL, HDSL, UCL) Line Sharing Local Interoffice Transport Local Interconnection Trunks	Fully Mechanized: 97% within 1 Hour Partially Mechanized: 85% within 18 Hours in 3 Months 85% within 10 Hours in 6 Months Non-Mechanized: 85% within 24 Hours	Resale Residence Resale Business Resale Design (Special) Resale PBX Resale Centrex Resale ISDN LNP Standalone 2w Analog Loop Design 2w Analog Loop Non-Design 2w Analog Loop w/LNP Design 2w Analog Loop w/LNP Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations Switch Ports UNE xDSL (ADSL, HDSL, UCL) Line Sharing Local Interoffice Transport Local Interconnection Trunks UNE Combo Other UNE ISDN Line Splitting UNE Other Non-Design UNE Other Design EELS	Fully Mechanized: 97% ≤ 1 Hour Partially Mechanized: 95% ≤ 10 Hours Non-Mechanized: 95% ≤ 24 Hours 95% ≤ 36 Hours
O-9	Firm Order Confirmation Timeliness	Resale Residence Resale Business Resale Design (Special) Resale PBX Resale Centrex Resale ISDN LNP Standalone 2w Analog Loop Design 2w Analog Loop Non-Design	Fully Mechanized: 95% within 3 Hours Partially Mechanized: 85% within 18 Hours in 3 Months 85% within 10 Hours in 6 Months	Resale Residence Resale Business Resale Design (Special) Resale PBX Resale Centrex Resale ISDN LNP Standalone 2w Analog Loop Design 2w Analog Loop Non-Design	Fully Mechanized: 95% ≤ 3 Hours Partial Mechanized: 95% ≤ 10 Hours Non-Mechanized: 95% ≤ 24 Hours

Service Quality Measures
Disaggregation and Standards

No.	Measure	BellSouth Proposed		Commission Approved	
		Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
			Non-Mechanized: 85% within 36 Hours	2w Analog Loop w/LNP Design 2w Analog Loop w/LNP Non-Design	
		UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations Switch Ports UNE xDSL (ADSL, HDSL, UCL) Line Sharing Local Interoffice Transport Local Interconnection Trunks	85% within 4 Days	UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations Switch Ports UNE xDSL (ADSL, HDSL, UCL) Line Sharing Local Interoffice Transport Local Interconnection Trunks UNE Combo Other UNE ISDN Line Splitting UNE Other Non-Design UNE Other Design EELS	95% ≤ 48 Hours
O-10	Service Inquiry with LSR Firm Order Confirmation (FOC) - Response Time Manual	xDSL (includes UNE unbundled ADSL, HDSL and UNE Unbundled Copper Loops) Unbundled Interoffice Transport	95% Returned within 5 Business Days	xDSL (includes UNE unbundled ADSL, HDSL and UNE Unbundled Copper Loops) Unbundled Interoffice Transport	95% Returned ≤ 5 Business Days
O-11	FOC and Reject Response Completeness	Resale Residence Resale Business Resale Design (Special) Resale PBX Resale Centrex Resale ISDN LNP Standalone 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations Switch Ports UNE xDSL (ADSL, HDSL, UCL) Line Sharing Local Interoffice Transport Local Interconnection Trunks	95% Returned	Resale Residence Resale Business Resale Design (Special) Resale PBX Resale Centrex Resale ISDN LNP Standalone 2w Analog Loop Design 2w Analog Loop Non-Design 2w Analog Loop w/LNP Design 2w Analog Loop w/LNP Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations Switch Ports UNE xDSL (ADSL, HDSL, UCL) Line Sharing Local Interoffice Transport Local Interconnection Trunks UNE Combo Other UNE ISDN	95% Returned

Service Quality Measures
Disaggregation and Standards

No.	Measure	BellSouth Proposed		Commission Approved	
		Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
				Line Splitting UNE Other Non-Design UNE Other Design EELS	
O-12	Speed of Answer in Ordering Center	CLEC - Local Carrier Service Center BellSouth - Business Service Center - Residence Service Center	Diagnostic	CLEC - Local Carrier Service Center BellSouth - Business Service Center - Residence Service Center	Parity with Retail
O-13	LNP-Percent Rejected Service Request	LNP UNE Loop with LNP	Diagnostic	LNP UNE Loop with LNP	Diagnostic
O-14	LNP-Reject Interval Distribution & Average Reject Internal	LNP UNE Loop with LNP	Fully Mechanized: 97% within 1 Hour Partially Mechanized: 85% ≤ 18 Hours Non-Mechanized: 85% < 24 Hours	LNP UNE Loop with LNP	Fully Mechanized: 97% ≤ 1 Hour Partially Mechanized: 95% ≤ 10 Hours Non-Mechanized: 95% ≤ 24 Hours
O-15	LNP-Firm Order Confirmation Timeliness Interval Distribution & Firm Order Confirmation Average Interval	LNP UNE Loop with LNP	Fully Mechanized: 95% within 3 Hours Partially Mechanized: 85% ≤ 18 Hours (10 hours after 6 months) Non-Mechanized: 85% < 36 Hours	LNP UNE Loop with LNP	Fully Mechanized: 95% within 3 Hours Partially Mechanized: 95% ≤ 10 Hours Non-Mechanized: 95% ≤ 24 Hours
		Provisioning			
P-1	Mean Held Order Interval & Distribution Intervals	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res and Bus (POTS) Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Digital Loop< DS1 Retail Digital Loop≥ DS1 Retail Res and Bus Retail Res and	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design -Dispatch -Non-Dispatch 2w Analog Loop w/LNP Design 2w Analog Loop w/LNP Non-Design -Dispatch -Non-Dispatch UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations -Dispatch out -Non-Dispatch -Dispatch in -Switch-based UNE Switch Ports	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res and Bus (POTS) Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Digital Loop< DS1 Retail Digital Loop≥ DS1 Retail Res and Bus

Service Quality Measures
Disaggregation and Standards

No.	Measure	BellSouth Proposed		Commission Approved	
		Disaggregation	**Analog/Benchmark**	**Disaggregation**	**Analog/Benchmark**
		UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN (includes UDC) UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail	UNE Combo Other -Dispatch -Non-Dispatch UNE xDSL (ADSL, HDSL, UCL) UNE ISDN (includes UDC) UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks UNE Line Splitting UNE Other Non-Design UNE Other Design EELs	Retail Res and Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail TBD Retail Res and Bus Retail Design TBD
P-2	Average Jeopardy Notice	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN (includes UDC) UNE Line Sharing Local Transport	95% ≥ 48 Hours	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design -Dispatch -Non-Dispatch 2w Analog Loop w/LNP Design 2w Analog Loop w/LNP Non-Design -Dispatch -Non-Dispatch UNE Digital Loop< DS1 UNE Digital Loop≥ DS1 UNE Loop + Port Combinations -Dispatch out -Non-Dispatch -Dispatch in -Switch-based UNE Switch Ports UNE Combo Other -Dispatch -Non-Dispatch UNE xDSL (ADSL, HDSL, UCL) UNE ISDN (includes UDC) UNE Line Sharing Local Transport	95% ≥ 48 Hours

Service Quality Measures
Disaggregation and Standards

No.	Measure	BellSouth Proposed		Commission Approved	
		Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
		(Unbundled Interoffice Transport) Local Interconnection Trunks		(Unbundled Interoffice Transport) Local Interconnection Trunks UNE Line Splitting UNE Other Non-Design UNE Other Design EELs	
P-2	Percentage of Orders Given Jeopardy Notices	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN (includes UDC) UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res & Bus (POTS) Retail Res & Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res & Bus and Design Disp. ADSL provided to Retail Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design -Dispatch -Non-Dispatch 2w Analog Loop w/LNP Design 2w Analog Loop w/LNP Non-Design -Dispatch -Non-Dispatch UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations -Dispatch out -Non-Dispatch -Dispatch in -Switch-based UNE Switch Ports UNE Combo Other -Dispatch -Non-Dispatch UNE xDSL (ADSL, HDSL, UCL) UNE ISDN (includes UDC) UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks UNE Line Splitting UNE Other Non-Design UNE Other Design EELs	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res & Bus (POTS) Retail Res & Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Digital Loop< DS1 Retail Digital Loop≥ DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res & Bus and Design Disp. ADSL provided to Retail Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail TBD

Service Quality Measures
Disaggregation and Standards

No.	Measure	BellSouth Proposed		Commission Approved	
		Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
P-3	Percent Missed Installation Appointments	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN (includes UDC) UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res and Bus (POTS) Retail Res& Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res & Bus and Design Disp. ADSL provided to Retail Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design -Dispatch -Non-Dispatch 2w Analog Loop w/LNP Design 2w Analog Loop w/LNP Non-Design -Dispatch -Non-Dispatch UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations -Dispatch out -Non-Dispatch -Dispatch in -Switch-based UNE Switch Ports UNE Combo Other -Dispatch -Non-Dispatch UNE xDSL (ADSL, HDSL, UCL) UNE ISDN (includes UDC) UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks UNE Line Splitting UNE Other Non-Design UNE Other Design EELs	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res and Bus (POTS) Retail Res& Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res & Bus and Design Disp. ADSL provided to Retail Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail TBD Retail Res and Bus Retail Design TBD
P-4	Average Completion Interval (OCI) & Order Completion Interval Distribution	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN

Service Quality Measures
Disaggregation and Standards

No.	Measure	BellSouth Proposed		Commission Approved	
		Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
		LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE xDSL (ADSL, HDSL, UCL) UNE ISDN (includes UDC) UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail Res & Bus (POTS) Retail Res& Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res and Bus and Design Disp. 7 Days w/o conditioning 14 Days w/ conditioning Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail	LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design -Dispatch -Non-Dispatch 2w Analog Loop w/LNP Design 2w Analog Loop w/LNP Non-Design -Dispatch -Non-Dispatch UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations -Dispatch out -Non-Dispatch -Dispatch in -Switch-based UNE Switch Ports UNE Combo Other -Dispatch -Non-Dispatch UNE xDSL (ADSL, HDSL, UCL) UNE xDSL (ADSL, HDSL, UCL) UNE ISDN (includes UDC) UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks UNE Line Splitting UNE Other Non-Design UNE Other Design EELs	Retail Res & Bus (POTS) Retail Res& Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res & Bus and Design Disp. 5 Days w/o conditioning 12 Days w/conditioning Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail TBD Retail Res and Bus Retail Design TBD
P-5	Average Completion Notice Interval	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res & Bus (POTS) Retail Res& Bus Dispatch Retail Res and Bus (POTS excluding switch	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design -Dispatch -Non-Dispatch	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res & Bus (POTS) Retail Res& Bus Dispatch Retail Res and Bus (POTS excluding switch

Service Quality Measures
Disaggregation and Standards

No.	Measure	BellSouth Proposed		Commission Approved	
		Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
			based orders)	2w Analog Loop w/LNP Design	based orders)
				2w Analog Loop w/LNP Non-Design	Retail Res and Bus Dispatch
				-Dispatch	Retail Res and Bus (POTS excluding switch based orders)
		UNE Digital Loop < DS1		-Non-Dispatch	
		UNE Digital Loop ≥ DS1	Retail Digital Loop <DS1	UNE Digital Loop < DS1	
		UNE Loop + Port Combinations	Retail Digital Loop ≥DS1	UNE Digital Loop ≥ DS1	Retail Digital Loop <DS1
			Retail Res and Bus	UNE Loop + Port Combinations	Retail Digital Loop ≥DS1
				-Dispatch out	Retail Res and Bus
				-Non-Dispatch	
				-Dispatch in	
		UNE Switch Ports		-Switch-based	
		UNE Combo Other		UNE Switch Ports	
				UNE Combo Other	
				-Dispatch	
		UNE xDSL (ADSL, HDSL, UCL)	Retail Res & Bus (POTS)	-Non-Dispatch	
		UNE ISDN (includes UDC)	Retail Res and Bus and Design Disp.	UNE xDSL (ADSL, HDSL, UCL)	Retail Res & Bus (POTS)
		UNE Line Sharing		UNE ISDN (includes UDC)	Retail Res and Bus and Design Disp.
		Local Transport (Unbundled Interoffice Transport)	ADSL provided to Retail	UNE Line Sharing	
				Local Transport (Unbundled Interoffice Transport)	ADSL provided to Retail
			Retail ISDN - BRI		Retail ISDN - BRI
		Local Interconnection Trunks	ADSL provided to Retail	Local Interconnection Trunks	ADSL provided to Retail
			Retail DS1 and DS3 Interoffice	UNE Line Splitting	Retail DS1 and DS3 Interoffice
			Parity with Retail	UNE Other Non-Design	Parity with Retail
				UNE Other Design EELs	TBD
					Retail Res and Bus
					Retail Design
					TBD
P-6	Coordinated Customer Conversions Interval	Unbundled Loops w INP	95% ≤ 15 Minutes	Unbundled Loops w INP	95% ≤ 15 Minutes
		Unbundled Loops w LNP	95% ≤ 15 Minutes	Unbundled Loops w LNP	95% ≤ 15 Minutes
P-6A	Coordinated Customer Conversions Hot Cut Timeliness % within Interval and Average Interval	SL1 Time Specific	95% + or - 15 minutes of Scheduled Start Time	SL1 Time Specific	95% + or - 15 minutes of Scheduled Start Time
		SL1 Non Time Specific		SL1 Non Time Specific	
		SL2 Time Specific		SL2 Time Specific	
		SL2 Non Time Specific		SL2 Non Time Specific	
		SL1 IDLC	95% w/in 4 Hour window	SL1 IDLC	95% w/in 4 Hour window
		SL2 IDLC	95% w/in 4 Hour window	SL2 IDLC	95% w/in 4 Hour window
P-6B	Coordinated Customer Conversions - Average Recovery Time	Unbundled Loops w/ INP	Diagnostic	Unbundled Loops w/ INP	Diagnostic
		Unbundled Loops w/LNP	Diagnostic	Unbundled Loops w/LNP	Diagnostic
P-6C	Coordinated Customer Conversions - % Provisioning Troubles Received W/i 7 days of a	UNE Loop Design	≤ 5%	UNE Loop Design	≤ 5%
		UNE Loop Non-Design Dispatch/Non-Dispatch		UNE Loop Non-Design Dispatch/Non-Dispatch	

Service Quality Measures
Disaggregation and Standards

No.	Measure	BellSouth Proposed		Commission Approved	
		Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
	completed Service Order				
P-7	Cooperative Acceptance Testing - % of xDSL Loops Tested	UNE xDSL - ADSL - HDSL - UCL - OTHER	95% of Lines Tested	UNE xDSL - ADSL - HDSL - UCL - OTHER	95% of Lines Successfully Tested
P-8	% Provisioning Troubles within 30 days of Service Order Completion	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN (includes UDC) UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res & Bus (POTS) Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design -Dispatch -Non-Dispatch 2w Analog Loop w/LNP Design 2w Analog Loop w/LNP Non-Design -Dispatch -Non-Dispatch UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations -Dispatch out -Non-Dispatch -Dispatch in -Switch-based UNE Switch Ports UNE Combo Other -Dispatch -Non-Dispatch UNE xDSL (ADSL, HDSL, UCL) UNE ISDN (includes UDC) UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks UNE Line Splitting UNE Other Non-Design UNE Other Design EELs	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res & Bus (POTS) Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail TBD Retail Res and Bus Retail Design TBD
P-9	Total Service Order Cycle Time (TSOCT)	Resale Residence Resale Business Resale Design	Diagnostic	Resale Residence Resale Business Resale Design	Diagnostic

Service Quality Measures
Disaggregation and Standards

No.	Measure	BellSouth Proposed		Commission Approved	
		Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
		Resale PBX Resale Centrex Resale ISDN LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN (includes UDC) UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks		Resale PBX Resale Centrex Resale ISDN LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design -Dispatch -Non-Dispatch 2w Analog Loop w/LNP Design 2w Analog Loop w/LNP Non-Design -Dispatch -Non-Dispatch UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations -Dispatch out -Non-Dispatch -Dispatch in -Switch-based UNE Switch Ports UNE Combo Other -Dispatch -Non-Dispatch UNE xDSL (ADSL, HDSL, UCL) UNE ISDN (includes UDC) UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks UNE Line Splitting UNE Other Non-Design UNE Other Design EELs	
P-10	LNP -Percent Missed Installation Appointments	LNP	95% Due Dates Met	LNP	95% Due Dates Met
P-11	LNP-Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution	LNP	95% < 15 Minutes	LNP	95% < 15 Minutes
P-12	LNP-Total Service Order Cycle Time	LNP	Diagnostic	LNP	TBD
M&R-1	Missed Repair Appointments	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN

Service Quality Measures
Disaggregation and Standards

No.	Measure	BellSouth Proposed		Commission Approved	
		Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
		2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail Res& Bus Dispatch Retail Res & Bus (POTS excluding switch based features) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail	2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail Res& Bus Dispatch Retail Res & Bus (POTS excluding switch based features) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail
M&R-2	Customer Trouble Report Rate	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based features) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based features) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail
M&R-3	Maintenance Average Duration	Resale Residence Resale Business Resale Design	Retail Residence Retail Business Retail Design	Resale Residence Resale Business Resale Design	Retail Residence Retail Business Retail Design

Service Quality Measures
Disaggregation and Standards

No.	Measure	BellSouth Proposed		Commission Approved	
		Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
		Resale PBX Resale Centrex Resale ISDN 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail PBX Retail Centrex Retail ISDN Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based features) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail	Resale PBX Resale Centrex Resale ISDN 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail PBX Retail Centrex Retail ISDN Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based features) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail
M&R-4	Percent Repeated Troubles w/i 30 days	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based features) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based features) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail

Service Quality Measures
Disaggregation and Standards

No.	Measure	BellSouth Proposed		Commission Approved	
		Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
M&R-5	Out of Service > 24 Hours	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based features) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based features) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN - BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail
M&R-6	Average Answer Time - Repair Centers	Region	Parity with Retail	Region	Parity with Retail
M&R-7	Meantime to Notify CLEC of Network Outages	BellSouth Aggregate CLEC Aggregate CLEC Specific	Parity by Design	BellSouth Aggregate CLEC Aggregate CLEC Specific	Parity by Design
		Billing			
B-1	Invoice Accuracy	Resale UNE Interconnection	Parity with BST Retail Aggregate	Resale UNE Interconnection	Parity with BST Retail Aggregate
B-2	Mean Time to Deliver Invoices	Resale UNE Interconnection	CRIS-based invoices will be released for delivery w/i six (6) business days CABS-based invoices will be released for delivery w/i eight (8) calendar days CLEC Average Delivery Intervals for both CRIS and CABS invoices are comparable to BellSouth Average delivery for both systems.	Resale UNE Interconnection	CRIS-based invoices will be released for delivery w/i six (6) business days CABS-based invoices will be released for delivery w/i eight (8) calendar days CLEC Average Delivery Intervals for both CRIS and CABS invoices are comparable to BellSouth Average delivery for both systems.
B-3	Usage Data Delivery Accuracy	Region	Parity with Retail	State, Region	Parity with Retail

Service Quality Measures
Disaggregation and Standards

No.	Measure	BellSouth Proposed		Commission Approved	
		Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
B-4	Usage Data Delivery Completeness	Region	Parity with Retail	Region	Parity with Retail
B-5	Usage Data Delivery Timeliness	Region	Parity with Retail	Region	Parity with Retail
B-6	Mean Time to Deliver Usage	Region	Parity with Retail	Region	Parity with Retail
B-7	Recurring Charge Completeness	Resale UNE Interconnection	Parity 90% 90%	Resale UNE Interconnection	Parity 90% 90%
B-8	Non-Recurring Charge Completeness	Resale UNE Interconnection	Parity 90% 90%	Resale UNE Interconnection	Parity 90% 90%
	OSDA				
OS-1	Speed to Answer Performance/Average Speed to Answer (Toll)	None	Parity by Design	None	Parity by Design
OS-2	Speed to Answer Performance/Percent Answered within "X" Seconds (Toll)	None	Parity by Design	None	Parity by Design
DA-1	Speed to Answer Performance/Average Speed to Answer (DA)	None	Parity by Design	None	Parity by Design
DA-2	DA-2. Speed to Answer Performance/Percent Answered within "X" Seconds (DA)	None	Parity by Design	None	Parity by Design
	Database Update				
D-1	Database Update - Interval and Average Interval	LIDB Directory Listing Directory Assistance	Parity by Design	LIDB Directory Listing Directory Assistance	Parity by Design
D-2	Database Update - % Accuracy	LIDB Directory Listing	95% Accurate 95% Accurate	LIDB Directory Listing	95% Accurate 95% Accurate
D-3	NXX and LRNs Loaded by LERG Effective Date	Region	100% by LERG effective date	Region	100% by LERG effective date
	E911				
E-1	Timeliness	None	Parity by Design	None	Parity by Design
E-2	Accuracy	None	Parity by Design	None	Parity by Design
E-3	Mean Interval	None	Parity by Design	None	Parity by Design
	Trunk Group Performance				
TGP-1	Trunk Group Performance-Aggregate	CLEC Aggregate BellSouth Aggregate	Any 2 hour period in 24 hours where CLEC blockage exceeds BellSouth blockage by more than 0.5% using trunk groups 1,3,4,5,10, 16 for CLECs and 9 for BellSouth	CLEC Aggregate BellSouth Aggregate	Any 2 hour period in 24 hours where CLEC blockage exceeds BellSouth blockage by more than 0.5% using trunk groups 1,3,4,5,10, 16 for CLECs and 9 for BellSouth
TGP-2	Trunk Group Performance-CLEC Specific	CLEC Trunk Group BellSouth Trunk Group	Any 2 hour period in 24 hours where CLEC blockage exceeds BellSouth blockage by more than 0.5% using trunk groups 1,3,4,5,10, 16 for CLECs and 9 for BellSouth	CLEC Trunk Group BellSouth Trunk Group	Any 2 hour period in 24 hours where CLEC blockage exceeds BellSouth blockage by more than 0.5% using trunk groups 1,3,4,5,10, 16 for CLECs and 9 for BellSouth

Service Quality Measures Disaggregation and Standards					
		BellSouth Proposed		Commission Approved	
No.	Measure	Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
		Collocation			
C-1	Average Response Time	Virtual - Initial Virtual - Augment Physical Caged - Initial Physical Caged - Augment Physical Cageless - Initial Physical Cageless - Augment	Virtual-15 Calendar Days Physical Caged - 15 Calendar Days Physical Cageless - 15 Calendar Days	Virtual - Initial Virtual - Augment Physical Caged - Initial Physical Caged - Augment Physical Cageless - Initial Physical Cageless - Augment	Virtual-15 Calendar Days Physical Caged - 15 Calendar Days Physical Cageless - 15 Calendar Days
C-2	Average Arrangement Time	Virtual - Initial Virtual - Augment Physical Caged - Initial Physical Caged - Augment Physical Cageless - Initial Physical Cageless - Augment	Virtual-60 Calendar Days Virtual - Augment - 45 Calendar Days (w/o Space Increase) Virtual - Augment- 60 Calendar Days (with Space Increase) Physical Caged - 90 Calendar Days (Ordinary) Physical Caged - Augment - 45 Calendar Days (w/o Space Increase) Physical Caged - Augment - 90 Calendar Days (with Space Increase) Physical Cageless - 90 Calendar Days Physical Cageless - Augment - 45 Calendar Days (w/o Space Increase) Physical Cageless - Augment - 90 Calendar Days (with Space Increase)	Virtual - Initial Virtual - Augment Physical Caged - Initial Physical Caged - Augment Physical Cageless - Initial Physical Cageless - Augment	Virtual-60 Calendar Days Virtual - Augment - 45 Calendar Days (w/o Space Increase) Virtual - Augment- 60 Calendar Days (with Space Increase) Physical Caged - 90 Calendar Days (Ordinary) Physical Caged - Augment - 45 Calendar Days (w/o Space Increase) Physical Caged - Augment - 90 Calendar Days (with Space Increase) Physical Cageless - 90 Calendar Days Physical Cageless - Augment - 45 Calendar Days (w/o Space Increase) Physical Cageless - Augment - 90 Calendar Days (with Space Increase)
C-3	Percent of Due Dates Missed	Virtual - Initial Virtual - Augment Virtual - Combined Physical Caged - Initial Physical Caged - Augment Physical Cageless - Initial Physical Cageless - Augment	≥ 90% on Time	Virtual - Initial Virtual - Augment Virtual - Combined Physical Caged - Initial Physical Caged - Augment Physical Cageless - Initial Physical Cageless - Augment	≥ 95% on Time
		Change Management			
CM-1	Timeliness of Change Management Notices	Region	95% ≥ 30 days of Release	Region	98% on Time
CM-2	Average Delay Days for Change	Region	90% ≤ 8 Days	Region	≤ 5 Days

Service Quality Measures Disaggregation and Standards					
		BellSouth Proposed		Commission Approved	
No.	Measure	Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
	Management Notices				
CM-3	Timeliness of Documents Associated with Change	Region	95% ≥ 30 days if new features coding is req. 95% ≥ 5 days for documentation defects, corrections or clarifications	Region	98% on Time
CM-4	Average Delay Days for Documentation	Region	90% ≤ 8 Days	Region	95% ≤ 5 Days
CM-5	Notification of Interface Outages	By interface type for all interfaces accesses by CLECs	97% in 15 Minutes	By interface type for all interfaces accesses by CLECs	97% ≤ 15 Minutes
	New Metrics Approved by this Commission				
	Percent Order Accuracy	Not Proposed	Not Proposed	Resale Residence Resale Business Resale Design (Specials) UNE Specials (design) UNE (non-design) Local Interconnection Trunks	95% Accurate
	Percent Completion Attempts w/o a Notice or < 24 hours Notice	Not Proposed	Not Proposed	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design -Dispatch -Non-Dispatch 2w Analog Loop w/LNP Design 2w Analog Loop w/LNP Non-Design -Dispatch -Non-Dispatch UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations -Dispatch out -Non-Dispatch -Dispatch in -Switch-based UNE Switch Ports UNE Combo Other -Dispatch -Non-Dispatch UNE xDSL (ADSL, HDSL, UCL) UNE ISDN (includes UDC) UNE Line Sharing Local Transport	≤ 5%

Service Quality Measures Disaggregation and Standards					
		BellSouth Proposed		Commission Approved	
No.	Measure	Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
	Percent Completion of Timely Loop Modification	Not Proposed	Not Proposed	N/A	95% ≤ 5 Business Days
	Percent Billing Errors Correct in X Days	Not Proposed	Not Proposed	Carrier Bill DUF	Diagnostic
				(Unbundled Interoffice Transport) Local Interconnection Trunks	

V. ENFORCEMENT MEASURES FOR TIER 1 AND TIER 2

Herein, we address which measures should be included in the enforcement portion of the Florida Performance Assessment Plan. The enforcement measures are those to which penalties are applied if BellSouth fails to meet the performance standards as set by this Commission. We find that an effective enforcement plan is one that contains clearly articulated, predetermined measures and standards that encompass a comprehensive range of carrier-to-carrier performance.

Arguments

Witness Coon states that BellSouth's proposed enforcement plan generally includes key measures in areas that affect customers. The measurement set was patterned after those used in New York and Texas. According to witness Coon, BellSouth took the approach, as ordered by those Commissions, of assigning penalties only to measurements that are most "customer impacting." Applying this standard, witness Coon states that BellSouth proposes to pay Tier 1 penalties for 57 specifically identified measures. The enforcement measures are detailed in DAC-1 and summarized in DAC-5, Exhibit 16.

BellSouth believes there are several specific factors that make the proposed smaller number of Tier 1 and Tier 2 measures appropriate. The factors correspond to six categories of measurements for which penalties are not proposed. Specifically, they include the following:

1. Aggregation of Measures. Although there may be some usefulness in disaggregating measurements to a fairly granular level for purposes of making comparisons, this level of disaggregation is not always appropriate when penalties are applied. An example is xDSL services. Various xDSL services are provided over copper wires. The different services are distinguishable based upon the electronics installed by the ALEC. Given the similarity of these products, BellSouth has aggregated them together for the purpose of determining whether remedy payments are warranted. This aggregation is also appropriate to avoid the

inherent unreliability of small samples (discussed earlier), in other words, to ensure meaningful comparisons.

2. Diagnostic Measurements. There are a number of measurements included because they provide information to ALECs, but a failure to meet these measurements really has no effect on the customer. An example of this type of measurement is Percent Rejected Service Requests. This measurement could help an ALEC determine whether its service representatives are completing and issuing local service requests properly, but it does not truly reflect BellSouth's performance.

3. Method of Submission. For some measurements (reject interval, for example), BellSouth's SQM disaggregates the measure by method of submission, in other words, fully mechanized, partially mechanized and non-mechanized. In BellSouth's remedy plan, however, only the measurement for fully mechanized submission has an attendant penalty, since this is the measurement category in which virtually all activity will occur.

4. Parity by Design Measures. Certain measures are categorized as parity by design. An example of this would be the E911 measures in Exhibit DAC-1. A parity by design measure occurs when BellSouth orders and ALEC orders are processed in a way that makes it impossible for BellSouth to distinguish between the two. In these instances, discrimination is just not possible.

5. Correlated Measures. In some instances, measurements are correlated, so that the failure of one measure will also result in the failure of a second measure. BellSouth does not believe that it is appropriate to pay multiple penalties for a single failure. Therefore, it proposed that only a single penalty be associated with any measures that are correlated

6. Regional Measures. Some of BellSouth's measurements are regional in nature. Since BellSouth's OSS systems are regional, measurements such as OSS Average Response time and Response Interval and OSS Interface Availability would apply regionally, i.e., to the ALEC industry as a whole. Since the point of Tier 1 penalties is to provide penalty payments to particular affected ALECs, it makes no sense to have a penalty for a measurement that, if failed, will affect the entire ALEC industry.

In its brief, BellSouth states that the ALEC plan "stands in dramatic contrast to that of BellSouth." BellSouth states, "[t]he ALEC plan appears in every detail to have been designed to generate incredible penalties. First, the ALEC plan has a penalty associated with every single submetric."

BellSouth alleges that:

The number of submetrics in the ALECs' plan is somewhere between 100,000 and several million, which means that the ALECs' plan could require 100,000 or more penalty payments every month. Further, the ALECs' penalty plan provides for BellSouth to pay penalties any time it misses a measurement in the given month, regardless of the number of transactions that are captured by that measurement. Finally, the penalty to be paid can, based on the severity of the failure, be as much as $25,000. Taken together, these factors (i.e., 100,000 plus measurements and a penalty of up to $25,000 for the failure of each and every one) could result in the potential for BellSouth to pay penalties every month in amounts that are truly staggering.

BellSouth further notes that:

The massive penalties that could attach to each of the ALECs' proposed measurements bear no relationship to the damage that would be suffered by the ALECs. There is not a shred of evidence in the record that the ALECs made any attempt at all to actually tie the amounts of the penalties proposed to the damages incurred. For

example, all parties agree that there are certain diagnostic measures in the plan. As stated previously, BellSouth does not believe there should be a penalty associated with these measures [some of which measure ALECs' performance as much as they do BellSouth's]. Nevertheless, the ALEC plan assesses penalties when measures of this sort are failed.

As the ALEC witnesses admitted:

> The degree of disaggregation they propose will result in many measurement categories with no activity whatsoever in a given month and many more with only slight activity. Further, in the submeasurement categories with a very small volume of activity, <u>any failure</u> would appear to result in a penalty. In her deposition, witness Bursh states that if a particular submeasurement captures only one event in a month and BellSouth fails to provide service at parity in this one incident, a payment will be assessed. At the time of the hearing, however, Ms. Bursh claimed that this would not occur because of the way the model treats small sample sizes. Instead, she contends that the model operates so that a single failure can never prompt a penalty. When she was referred specifically to the document attached to her testimony that deals with small sample sizes; however it became apparent that this document did not support her testimony. The document to which she referred showed that, in the context of measurements that utilize the benchmark, the benchmarks are adjusted downward if there are small sample sizes. The document attached to her testimony, however, showed no adjustment for sample sizes of less than four, only a footnote that states that 'the table can be expanded to include all possible data sizes from 1 upward.' There is absolutely nothing in this document that says that BellSouth

> will not be penalized if a measurement captures a single failed event.

According to BellSouth, its plan is patterned after the plans utilized in Texas and New York in that penalties are assigned only to certain key measures. BellSouth maintains that the Louisiana and Georgia plans do the same. In each instance, the selection of key measures has entailed winnowing out those measurements that are less critical and that, therefore, should not have associated penalties.

On behalf of the ALECs, witness Bursh claims to apply the same standard. According to BellSouth, "if this is indeed true, then the ALECs' method of applying this standard is novel, to say the least. As Ms. Bursh testified, 'in the ALEC plan, because the submeasures monitor key areas of ALEC and BellSouth activity, all submeasures proposed by the ALECs are included in the determination of remedy payments.' In other words, all 100,000 plus submeasures in the ALEC plan are simply assumed to be important enough to justify a penalty."

The ALECs do not believe that the BellSouth-proposed enforcement measures encompass a comprehensive range of carrier-to-carrier performance. The ALECs' position is that all submeasures proposed by the ALEC Coalition should be included in both Tier 1 and Tier 2 of the enforcement plan. Witness Bursh testified that the ALECs' plan measures "cover the full panoply of BellSouth's activities that ALECs must rely upon in order to deliver retail service offerings in the local market place." The ALECs believe that "every submeasure is designed to identify and measure a key area of activity that affects ALEC and BellSouth customers, and consequently, the development of competition in Florida's local telecommunications markets." In the ALEC plan, because the submeasures monitor "key areas" of performance, all submeasures proposed by the ALECs are included in the determination of remedy payments.

In addition, the ALEC witnesses distinguished the FCC New York BellAtlantic Order that appears to support BellSouth's position that an enforcement plan should not include all measures. In its BellAtlantic Order, the FCC stated that the measures the New York Commission selected for inclusion in its remedy plan were sufficient. The ALECs' position is that the FCC

did not exclude the possibility that, in a different circumstance, an appropriate enforcement plan should include all measures.

Witness Bursh testified that the measures in BellSouth's SEEM remedy plan and BellSouth SQM were unilaterally selected by BellSouth without any direct input from the ALEC community. Moreover, witness Kinard alleges that BellSouth has unilaterally made its determination of the measures that are "key" ALEC customer-impacting measures. Witness Bursh argues that, while BellSouth has been ordered to include certain measures requested by ALECs in its SQM, BellSouth has not requested, and has even ignored, input from the ALECs regarding the measures that should be included in its SQM and SEEM remedy plans. The ALEC Coalition stated that the measures in BellSouth's SEEM remedy plan do not encompass a comprehensive range of carrier-to-carrier performance.

Specifically, the ALECs argue that BellSouth's SEEM remedy plan is far more narrow than its SQM plan. According to witness Kinard, the SEEM remedy plan contains only a small subset of the measures BellSouth proposes to report on for this Commission. As an example, witness Coon acknowledges that FOC Timeliness is a key measure for ALECs. Nevertheless, the ALECs claim BellSouth excluded FOC Timeliness from Tier 1 of SEEM.

Additionally, the ALECs argue that SEEM does not specify LNP-FOC Timeliness or LNP Reject Interval as enforcement measures. According to witness Bursh, for many facilities-based ALECs, LNP orders are critical aspect of their business. Without a FOC, ALECs cannot provide customers with an expected date of service. According to witness Bursh, BellSouth can hinder an individual ALEC's ability to provide its customers with timely notice of service without a consequence to BellSouth.

The ALEC coalition points out that many other measures are omitted from the BellSouth remedy plan. According to witness Bursh, BellSouth has inappropriately excluded the following metrics from Tier 1 consequences:

1. Invoice Accuracy
2. Mean Time to Deliver Invoices
3. Usage Data Delivery Accuracy

4. Reject Interval
5. FOC Timeliness
6. Acknowledgment Message Timeliness-EDI
7. Acknowledgment Message Timeliness-TAG
8. Acknowledgment Message Completeness-EDI
9. Acknowledgment Message Completeness-TAG

ALEC witness Bursh testified that the BellSouth SEEM remedy plan omits measures that are critical to assuring nondiscrimination. Any remedy plan must cover all forms of operational support required by the Act. Both blatant (directly and immediately customer observable) and subtle discrimination (ALEC operational support) will ultimately impact customers. Due to the many omitted measures, BellSouth's SEEM remedy plan does hinder sanctions for noncompliance.

DECISION

Attachment 6, which is incorporated herein, shows the metrics that BellSouth proposes to include in the enforcement plan and the metrics that we find shall be included. The ALECs' position is that all metrics and all levels of disaggregation should be included. We do not agree with the ALECs' position because the FCC has previously indicated that enforcement plans do not need to include all measures. We agree with BellSouth in that there are several factors, such as parity by design, correlation and the regional nature of measures, that make a smaller set of metrics appropriate.

We have made special note of the specific metrics that are identified in witness Bursh's testimony as being inappropriately omitted from Tier 1. We agree that Invoice Accuracy and Mean Time to Deliver Invoices shall be included as Tier 1 metrics. We also agree that Reject Interval and FOC Timeliness and the corresponding LNP metrics shall be included as Tier 1 metrics. We also find that the Acknowledgment Message Timeliness and Acknowledgment Message Completeness metrics shall be included as Tier 1 metrics. Additionally, Out of Service > 24 Hours has been included as both a Tier 1 and a Tier 2 metric.

We find that the enforcement metrics established herein, represent a comprehensive set of metrics that will adequately evaluate the most critical areas of carrier-to-carrier

performance. We are establishing 24 Tier 1 metrics and 34 Tier 2 metrics compared to the BellSouth proposed 15 and 31 respectively.

Of the 24 Tier 1 metrics approved herein, seven cover the ordering domain, eight cover the provisioning domain, five are from the Maintenance and Repair domain, and two are from the billing domain. These domains are the most critical aspect of OSS performance. Other Tier 1 metrics include Trunk Group Performance and Collocation.

The 34 Tier 2 metrics are comprised of five preordering metrics and eight ordering metrics. Additionally, there are nine Tier 2 provisioning metrics, five maintenance and repair metrics, and three billing metrics. In addition to these major domains, there are Tier 2 metrics covering Trunk Group Performance, Collocation and Change Management.

We find that there are many factors which must be considered when determining whether a metric should be included as an enforcement mechanism. In order to make this determination, we looked at whether the metric is customer-impacting or if the metric is critical to ALECs in providing quality service in a timely manner. Other factors include whether the measure was diagnostic, correlated, parity by design, and quality of the metric. To evaluate whether a metric should specifically be included in Tier 1 or Tier 2, we considered regional versus individual ALEC reporting capability.

We find that the metrics displayed in the "Commission Approved" column in Attachment 6 shall be included in the Florida Performance Assessment Plan as Tier 1 and Tier 2 enforcement metrics.

ATTACHMENT 6

BellSouth Proposed Enforcement Mechanisms					
		BellSouth Proposed Enforcement Measures		Commission Approved Enforcement Measures	
No.	Measure	Tier 1	Tier 2	Tier 1	Tier 2
	Preordering				
OSS-1	Average Response Time for OSS Pre-Order Interfaces & Response Interval		x		x
OSS-2	OSS Interface Availability (All Systems)		x		x
OSS-3	Interface Availability (M&R)		x		x
OSS-4	Response Interval (M&R)				x
PO-1	Loop Makeup Inquiry (Manual)		x		x
PO-2	Loop Makeup Inquiry (Electronic: TAG and LENS)		x		x
	Ordering				
O-1	Acknowledgment Timeliness (Electronic)		x	x	x
O-2	Acknowledgment Completeness (Fully Mechanized, Partially Mechanized & Total Mechanized)		x	x	x
O-3/4	Percent Order Flow Through (Summary & Detail)		x		x
O-5	Flow-through Error Analysis				
O-6	CLEC LSR Information - LSR Flow-Through Matrix				
O-7	Percent Rejected Service Request (Fully Mechanized, Partially Mechanized & Non-Mechanized)				
O-8	Reject Interval		x	x	x
O-9	Firm Order Confirmation Timeliness (Fully Mechanized, Partially Mechanized & Non-Mechanized)		x	x	x

BellSouth Proposed Enforcement Mechanisms					
		BellSouth Proposed Enforcement Measures		Commission Approved Enforcement Measures	
No.	Measure	Tier 1	Tier 2	Tier 1	Tier 2
O-10	Service Inquiry with LSR Firm Order Confirmation (FOC) Response Time (Manual)				
O-11	Firm Order Confirmation and Reject Response Completeness	x	x	x	x
O-12	Speed of Answer in Ordering Center				x
O-13	LNP - Percent Rejected Service Request				
O-14	LNP - Reject Interval Distribution & Average Reject Interval			x	x
O-15	LNP - FOC Timeliness Interval Distribution & FOC Average Interval			x	x
	Percent Order Accuracy				
Provisioning					
P-1	Mean Held Order Interval				
P-2	Average Jeopardy Notice Interval (Electronic)				
P-2	Percent Orders given Jeopardy Notice (Electronic)				
P-3	Percent Missed Installation Appointments	x	x	x	x
P-4	Order Completion Interval	x	x	x	x
P-5	Average Completion Notice Interval (Electronic)				
P-6	Coordinated Customer Conversions Interval	x	x	x	x
P-6A	Coordinated Customer Conversions Hot Cut Timeliness % within Interval & Average Interval	x	x	x	x
P-6B	Coordinated Customer Conversions - Average Recovery Time				

BellSouth Proposed Enforcement Mechanisms					
		BellSouth Proposed Enforcement Measures		Commission Approved Enforcement Measures	
No.	Measure	Tier 1	Tier 2	Tier 1	Tier 2
P-6C	Coordinated Customer Conversions - % Provisioning Troubles Received Within 7 Days of a Completed Service Order	x	x	x	x
P-7	% Successful xDSL loops cooperatively tested		x	x	x
P-8	% Provisioning Troubles within 30 days	x	x	x	x
P-9	Total Service Order Cycle Time				
P-10	LNP - Percent Missed Installation Appointments	x	x	x	x
P-11	LNP - Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution	x	x		
P-12	LNP - TSOCT				
	% Completions/Attempts w/o notice or w/Less Than 24 Hr Notice				
	% Completion of Timely Loop Modification				
Maintenance & Repair					
M&R-1	Missed Repair Appointments	x	x	x	x
M&R-2	Customer Trouble Report Rate	x	x	x	x
M&R-3	Maintenance Average Duration	x	x	x	x
M&r-4	% Repeat Troubles within 30 days	x	x	x	x
M&R-5	Out of Service > 24 hours			x	x
M&R-6	Average Answer Time - Repair Center				
M&R-7	Mean Time to Notify CLEC of Network Outages (M&R)				
Billing					
B-1	Invoice Accuracy		x	x	x

BellSouth Proposed Enforcement Mechanisms					
		BellSouth Proposed Enforcement Measures		Commission Approved Enforcement Measures	
No.	Measure	Tier 1	Tier 2	Tier 1	Tier 2
B-2	Mean Time to Deliver Invoices		x	x	x
B-3	Usage Data Delivery Accuracy		x		x
B-4	Usage Data Delivery Completeness				
B-5	Usage Data Delivery Timeliness				
B-6	Mean Time to Deliver Usage				
B-7	Recurring Charge Completeness				
B-8	Non-Recurring Charge Completeness				
	% Billing Errors Corrected in X Days				
OS/DA					
OS-1	Average Speed to Answer (OS)				
OS-2	% Answered in "X" Seconds (OS)				
DA-1	Average Speed to Answer (DA)				
DA-2	% Answered in "X" Seconds (DA)				
Database Update Information					
D-1	Average Update Interval for DA Database for Facility Based CLECs				
D-2	Percentage DA Database Accuracy For Manual Updates				
D-3	Percent NXXs loaded and Tested by/or prior to the LERG effective date				
E911					
E-1	Timeliness				
E-2	Accuracy				
E-3	Mean Interval				
Trunk Group Performance					
TGP-1	Trunk Group Performance - Aggregate		x		x

BellSouth Proposed Enforcement Mechanisms					
		BellSouth Proposed Enforcement Measures		Commission Approved Enforcement Measures	
No.	Measure	Tier 1	Tier 2	Tier 1	Tier 2
TGP-2	Trunk Group Performance - Specific	x		x	
	Collocation				
C-1	Average Response Time				
C-2	Average Arrangement Time				
C-3	% of Due Dates Missed	x	x	x	x
	Bona Fide/Special Request Process (BFRs)				
	Percentage of Requests Processed within 30 Business Days				
	Percentage of Quotes Provided for Authorized BFRs/Special Requests Within X (10,30,90) Days				
	Change Management/Interface Outages				
CM-1	Timeliness of Change Management Notices		x		x
CM-2	Average Delay Days for Change Management Notices				
CM-3	Timeliness of Documents Associated with Change		x		x
CM-4	Average Delay Days for Documentation				
CM-5	Average Notice of Interface Outage				
	TOTAL	**15**	**31**	**24**	**34**

VI. LEVEL OF DISAGGREGATION

This issue identifies what the appropriate levels of disaggregation are for purposes of the enforcement mechanism.

Arguments

BellSouth witness Coon testified that the appropriate level of disaggregation for compliance reporting is shown in Exhibit 16, DAC-4. Witness Coon argues that in the SEEM disaggregation, there is recognition that the products are different, but when BellSouth aggregated them to determine the penalty, they are grouped to make the statistical determination and to determine the appropriate penalty.

The ALEC Coalition proposes that disaggregation be required by interface type, preorder query type, product, volume category, work activity type, trouble type, trunk design and type (for trunk blockage measurements), maintenance and repair query type and collocation category to allow for like to like comparisons.

Witness Bursh argues that disaggregation is critical to an effective remedy plan because it prevents poor performance in one area from being obscured by being lumped together with dissimilar performance data. The ALECs specify that in the SEEM remedy plan, BellSouth aggregates all UNE loops together even though the processes (i.e. interval) for various loops, such as ADSL or analogs loops, may differ. For example, the interval for one DS1 Loop is 23 days and the interval for one two wire Analog Loops is four days. Witness Bursh testified that this is a critical failing of SEEM.

Specifically, the ALECs' concern is that, while there are 20 levels of disaggregation for Order Completion Interval measure in the BellSouth SQM, there are only eight levels of disaggregation for the same measure in SEEM. Similarly Reject Interval has 17 level of product disaggregation in the BellSouth SQM, however in the SEEM remedy plan, BellSouth is proposing one level of disaggregation.

The ALECs argue that BellSouth proposes to rely upon overly-aggregated results. Such aggregation masks differences and makes

detection on interior performance less likely. As discussed earlier, insufficient product disaggregation will allow BellSouth to mask discrimination and, thereby, influence the type and pace of developing competition. Witness Bursh states that in the SEEM remedy plan, discrimination of high-revenue or volume products, such as DS1s or DS3s, can easily be concealed given that they are consolidated with a dissimilar high volume product such as analog loops.

Achieving an appropriate level of disaggregation is important because measurements and reporting frequently occur only at this level. However, it is also important that the disaggregation not be so granular and so detailed so as to completely obfuscate performance. Using one analogy, one would not view an artist's painting by focusing only on the individual brush strokes. Yet the ALECs' proposal does just that by taking the comparison point at which BellSouth's performance is evaluated to extremes. According to witness Coon, the ALECs' plan includes approximately 75,000 submeasures, compared to approximately 1200 submeasures in BellSouth's plan. The level of disaggregation in the two plans principally accounts for this difference.

DECISION

Disaggregation is the process of breaking down performance data into sufficiently specific categories or dimensions so that like-to-like comparisons can be made. In order to compare BellSouth's performance for its own retail customers to its performance for ALECs', it is necessary for a UNE analog loop product to be compared to an analog at BellSouth that is equivalent. Disaggregation is important to an effective remedy plan because it prevents poor performance in one area from being combined with dissimilar performance data. For example comparing provisioning work that is dispatched for BellSouth to provision work that is not dispatched for ALECs may mask discriminatory performance, as would comparing mechanized processes for the ALECs to a manual process for BellSouth.

BellSouth has proposed disaggregation at a more granular level for reporting and pass/failure determination purposes than for penalty assessment. For reporting purposes, BellSouth proposes approximately 19 levels of product disaggregation.

However, the BellSouth SEEM methodology for determining penalties re-aggregates various product categories. BellSouth is proposing only seven levels of product disaggregation for penalty determination. We find that this product reaggregation is inappropriate for penalty determination. There are eight metrics included in this Order to which product disaggregation is applicable. We find BellSouth product disaggregation for compliance purposes shall match what it has recommended, and we have approved, for product reporting purposes.

In addition to the changes to product disaggregation, we find that for two BellSouth-proposed measures the company only pay penalties in the "fully mechanized" category of disaggregation. We find that the penalties for these two metrics, O-8 Reject Interval and O-11 FOC and Reject Response Completeness not be limited to fully mechanized. Penalties shall be paid for failures in partially mechanized and non-mechanized categories as well.

BellSouth's proposed disaggregation for penalty determination purposes is that specified in Attachment 7. This attachment which is incorporated in this Order, also contains our approved level of disaggregation. We estimate there would be over 825 levels of disaggregation for compliance reporting and penalties for Tier 1 and over 875 total levels of disaggregation for compliance reporting and penalties for Tier 2. Herein, we approve more detailed reporting of product and mechanization disaggregation than that proposed by BellSouth. We also approve product disaggregation. This order includes disaggregation by interface, system, volume, time interval, dispatch status and mechanization for metrics where appropriate.

ATTACHMENT 7

Enforcement Measures Disaggregation and Standards					
		BellSouth Proposed		Commission Approved	
No.	Measure	Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
		Preordering			
OSS-1	Average Response Time and Response Interval	Region	Percent Response Received within 6.3 seconds: > 95%	Interface System Region	Parity + 2 seconds
OSS-2	Interface Availability (Pre-Ordering)	Region	≥ 99.5%	Region	≥ 99.5%
OSS-3	Interface Availability (Maintenance & Repair)	Region	≥ 99.5%	Region	≥ 99.5%
OSS-4	Response Interval (Maintenance and Repair)	Region	Parity	Region	Parity
PO-1	Loop Make Up – Average Response Time – Manual	Loops	95% in 3 Business Days	Loops	95% in 3 Business Days
PO-2	Loop Make Up – Average Response Time – Electronic	Loops	90% in 5 Minutes	Loops	95% in 1 Minutes
		Ordering			
O-1	Acknowledgment Message Timeliness	EDI TAG	90% w/i 30 Mins (6 mos – 95% within 30 Minutes) 95% within 30 Minutes	EDI TAG	95% ≤ 30 Minutes
O-2	Acknowledgment Message Completeness	EDI TAG	100%	EDI TAG	100%
O-3	Percent Flow-through Service Requests (Summary)	 Residence Business UNE LNP	 95% 90% 85% 85%	Total & Achieved Residence Business UNE LNP	 95% 90% 85% 85%
O-8	Reject Interval	Fully Mechanized	97% within 1 Hour	Fully Mechanized Partially Mechanized Non-Mechanized Local Interconnection Trunks	97% ≤ 1 Hour 95% ≤ 10 Hours 95% ≤ 24 Hours 95% ≤ 36 Hours
O-9	Firm Order Confirmation Timeliness	Mechanized Partially Mechanized Non-Mechanized Local Interconnection Trunks	95% ≤ 3 Hour 85% w/i 18 Hrs (in 3 mos) 85% w/i 10 Hrs (in 6 mos) 85% < 36 Hours 95% within 10 days	Fully Mechanized Partially Mechanized Non-Mechanized Local Interconnection Trunks	95% ≤ 3 Hours 95% ≤ 10 Hours 95% ≤ 24 Hours 95% ≤ 48 Hours
O-11	FOC and Reject Response Completeness	Fully Mechanized	95% Returned	Fully Mechanized Partially Mechanized Non Mechanized Local Interconnection Trunks	95% Returned
O-12	Speed of Answer in Ordering Center	CLEC-Local Carrier Service Center BellSouth -Business Service Center -Residence Service Center	Diagnostic	CLEC-Local Carrier Service Center BellSouth -Business Service Center -Residence Service Center	Parity with Retail
O-14	LNP-Reject Interval Distribution & Average Reject Interval	Not Proposed	Not Proposed	LNP UNE Loop with LNP	Fully Mechanized: 97% ≤ 1 Hour Partially Mechanized: 95% ≤ 10 Hours Non-Mechanized: 95% ≤ 24 Hours

Enforcement Measures Disaggregation and Standards					
		BellSouth Proposed		Commission Approved	
No.	**Measure**	**Disaggregation**	**Analog/Benchmark**	**Disaggregation**	**Analog/Benchmark**
O-15	LNP-Firm Order Confirmation	Not Proposed	Not Proposed	LNP UNE Loop with LNP	Fully Mechanized: 95% ≤ 3 Hours Partially Mechanized: 95% ≤ 10 Hours Non-Mechanized: 95% ≤ 24 Hours
			Provisioning		
P-3	Percent Missed Installation Appointments	Resale POTS Resale Design UNE Loop & Port Combos UNE Loops UNE xDSL UNE Line Sharing Local Interconnection Trunks	Retail Residence and Business (POTS) Retail Design Retail Residence and Business Retail Residence and Business Dispatch ADSL Provided to Retail ADSL Provided to Retail Parity with Retail	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design -Dispatch -Non-Dispatch 2w Analog Loop w/LNP Design 2w Analog Loop w/LNP Non-Design -Dispatch -Non-Dispatch UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations -Dispatch out -Non-Dispatch -Dispatch in -Switch-based UNE Switch Ports UNE Combo Other -Dispatch -Non-Dispatch UNE xDSL (ADSL, HDSL, UCL) UNE ISDN (includes UDC) UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks UNE Line Splitting UNE Other Non-Design UNE Other Design EELs	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res and Bus (POTS) Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Digital Loop< DS1 Retail Digital Loop≥DS1 Retail Res and Bus Retail Res and Bus **(POTS)** Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN – BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail TBD Retail Res and Bus Retail Design TBD

Enforcement Measures Disaggregation and Standards					
		BellSouth Proposed		Commission Approved	
No.	Measure	Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
P-4	Average Completion Interval (OCI) & Order Completion Interval Distribution	Resale POTS Resale Design UNE Loop & Port Combos UNE Loops UNE xDSL UNE xDSL UNE Line Sharing Local Interconnection Trunks	Retail Residence and Business (POTS) Retail Design Retail Residence and Business Retail Residence and Business Dispatch 7 Days w/o Conditioning 14 Days w Conditioning ADSL Provided to Retail Parity with Retail	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design -Dispatch -Non-Dispatch 2w Analog Loop w/LNP Design 2w Analog Loop w/LNP Non-Design -Dispatch -Non-Dispatch UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations -Dispatch out -Non-Dispatch -Dispatch in -Switch-based UNE Switch Ports UNE Combo Other -Dispatch -Non-Dispatch UNE xDSL (ADSL, HDSL, UCL) UNE ISDN (includes UDC) UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks UNE Line Splitting UNE Other Non-Design UNE Other Design EELs	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res and Bus (POTS) Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Digital Loop< DS1 Retail Digital Loop≥DS1 Retail Res and Bus Retail Res and Bus (POTS) Retail Res and Bus and Design Disp. 5 Days w/o Conditioning 12 Days w/Conditioning Retail ISDN – BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail TBD Retail Res and Bus Retail Design TBD
P-6	Coordinated Customer Conversions Interval	Unbundled Loops	95% ≤ 15 Minutes	Unbundled Loops	95% ≤ 15 Minutes
P-6A	Coordinated Customer Conversions Hot Cut Timeliness % within Interval and Average Interval	UNE Loops SL1 IDLC SL2 IDLC	95% + or – 15 minutes of Scheduled Start Time 95% w/in 4 Hour window 95% w/in 4 Hour window	SL1 Time Specific SL1 Non Time Specific SL2 Time Specific SL2 Non Time Specific SL1 IDLC	95% + or – 15 minutes of Scheduled Start Time 95% w/in 4 Hour window 95% w/in 4 Hour window

Enforcement Measures Disaggregation and Standards					
		BellSouth Proposed		Commission Approved	
No.	Measure	Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
				SL2 IDLC	

Enforcement Measures Disaggregation and Standards					
		BellSouth Proposed		Commission Approved	
No.	Measure	Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
P-6C	Coordinated Customer Conversions – % Provisioning Troubles Received W/in 7 days of a completed Service Order	UNE Loops	≤ 5%	UNE Loops Design UNE Loops Non-Design Dispatch/Non-Dispatch	≤ 5%
P-7	Cooperative Acceptance Testing - % of xDSL Loops Tested	UNE xDSL	95% of Lines Tested	UNE xDSL -ADSL -HDSL -UCL -Other	95% of Lines Successfully Tested
P-8	% Provisioning Troubles w/in 30 days of Service Order Completion	Resale POTS Resale Design UNE Loop & Port Combos UNE Loops UNE xDSL UNE Line Sharing Local Interconnection Trunks	Retail Residence and Business (POTS) Retail Design Retail Residence and Business Retail Residence and Business Dispatch ADSL Provided to Retail ADSL Provided to Retail Parity with Retail	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN LNP (Standalone) 2w Analog Loop Design 2w Analog Loop Non-Design -Dispatch -Non-Dispatch 2w Analog Loop w/LNP Design 2w Analog Loop w/LNP Non-Design -Dispatch -Non-Dispatch UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations -Dispatch out -Non-Dispatch -Dispatch in -Switch-based UNE Switch Ports UNE Combo Other -Dispatch -Non-Dispatch UNE xDSL (ADSL, HDSL, UCL) UNE ISDN (includes UDC) UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks UNE Line Splitting UNE Other Non-Design UNE Other Design EELs	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res and Bus (POTS) Retail Res& Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Res and Bus Dispatch Retail Res and Bus (POTS excluding switch based orders) Retail Digital Loop< DS1 Retail Digital Loop≥DS1 Retail Res and Bus Retail Res and Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN – BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail TBD Retail Res and Bus Retail Design TBD
P-10	LNP – Percent Missed Installation Appointments	LNP	95% of Due Dates Met	LNP	95% of Due Dates Met

Enforcement Measures Disaggregation and Standards					
		BellSouth Proposed		Commission Approved	
No.	Measure	Disaggregation	Analog/Benchmark	Disaggregation	Analog/Benchmark
		Maintenance and Repair			
M&R-1	Missed Repair Appointments	Resale POTS Resale Design UNE Loop & Port Combos UNE Loops UNE xDSL UNE Line Sharing Local Interconnection Trunks	Retail Residence and Business (POTS) Retail Design Retail Residence and Business Retail Residence and Business Dispatch ADSL Provided to Retail ADSL Provided to Retail Parity with Retail	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res& Bus Dispatch Retail Res & Bus (POTS excluding switch based features) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN – BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail
M&R-2	Customer Trouble Report Rate	Resale POTS Resale Design UNE Loop & Port Combos UNE Loops UNE xDSL UNE Line Sharing Local Interconnection Trunks	Retail Residence and Business (POTS) Retail Design Retail Residence and Business Retail Residence and Business Dispatch ADSL Provided to Retail ADSL Provided to Retail Parity with Retail	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res& Bus Dispatch Retail Res & Bus (POTS excluding switch based features) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN – BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail

Enforcement Measures Disaggregation and Standards					
		BellSouth Proposed		Commission Approved	
No.	**Measure**	**Disaggregation**	**Analog/Benchmark**	**Disaggregation**	**Analog/Benchmark**
M&R-3	Maintenance Average Duration	Resale POTS Resale Design UNE Loop & Port Combos UNE Loops UNE xDSL UNE Line Sharing Local Interconnection Trunks	Retail Residence and Business (POTS) Retail Design Retail Residence and Business Retail Residence and Business Dispatch ADSL Provided to Retail ADSL Provided to Retail Parity with Retail	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res& Bus Dispatch Retail Res & Bus (POTS excluding switch based features) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN – BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail
M&R-4	Percent Repeat Troubles w/i 30 days	Resale POTS Resale Design UNE Loop & Port Combos UNE Loops UNE xDSL UNE Line Sharing Local Interconnection Trunks	Retail Residence and Business (POTS) Retail Design Retail Residence and Business Retail Residence and Business Dispatch ADSL Provided to Retail ADSL Provided to Retail Parity with Retail	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res & Bus Dispatch Retail Res & Bus (POTS excluding switch based features) Retail Digital Loop <DS1 Retail Digital Loop ≥ DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN – BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail

Enforcement Measures Disaggregation and Standards					
		BellSouth Proposed		Commission Approved	
No.	**Measure**	**Disaggregation**	**Analog/Benchmark**	**Disaggregation**	**Analog/Benchmark**
M&R 5	Out of Service > 24 Hours	Not Proposed	Not Proposed	Resale Residence Resale Business Resale Design Resale PBX Resale Centrex Resale ISDN 2w Analog Loop Design 2w Analog Loop Non-Design UNE Digital Loop < DS1 UNE Digital Loop ≥ DS1 UNE Loop + Port Combinations UNE Switch Ports UNE Combo Other UNE xDSL (ADSL, HDSL, UCL) UNE ISDN UNE Line Sharing Local Transport (Unbundled Interoffice Transport) Local Interconnection Trunks	Retail Residence Retail Business Retail Design Retail PBX Retail Centrex Retail ISDN Retail Res & Bus Dispatch Retail Res & Bus (POTS excluding switch based features) Retail Digital Loop <DS1 Retail Digital Loop ≥DS1 Retail Res and Bus Retail Res & Bus (POTS) Retail Res and Bus and Design Disp. ADSL provided to Retail Retail ISDN – BRI ADSL provided to Retail Retail DS1 and DS3 Interoffice Parity with Retail
Billing					
B-1	Invoice Accuracy	CLEC State BellSouth State	Parity with Retail	CLEC State BellSouth State	Parity with Retail
B-2	Mean Time to Deliver Invoices	CLEC State - CRIS - CABS BellSouth State	Parity with Retail	CLEC State - CRIS - CABS BellSouth State	Parity with Retail
B-3	Usage Data Delivery Accuracy	CLEC State BellSouth State	Parity with Retail	CLEC State BellSouth State	Parity with Retail
Trunk Group Performance					
TGP-1	Trunk Group Performance-Aggregate	CLEC aggregate BellSouth aggregate	Any 2 hour period in 24 hours where CLEC blockage exceeds BellSouth blockage by more than 0.5% using trunk groups 1,3,4,5,10, 16 for CLECs and 9 for BellSouth	CLEC aggregate BellSouth aggregate	Any 2 hour period in 24 hours where CLEC blockage exceeds BellSouth blockage by more than 0.5% using trunk groups 1,3,4,5,10, 16 for CLECs and 9 for BellSouth
TGP-2	Trunk Group Performance-CLEC Specific	CLEC Trunk Group BellSouth Trunk Group	Any 2 hour period in 24 hours where CLEC blockage exceeds BellSouth blockage by more than 0.5% using trunk groups 1,3,4,5,10, 16 for CLECs and 9 for	CLEC Trunk Group BellSouth Trunk Group	Any 2 hour period in 24 hours where CLEC blockage exceeds BellSouth blockage by more than 0.5% using trunk groups 1,3,4,5,10, 16

Enforcement Measures Disaggregation and Standards					
		BellSouth Proposed		Commission Approved	
No.	Measure	Disaggregation	Analog/Benchmark BellSouth	Disaggregation	Analog/Benchmark for CLECs and 9 for BellSouth
Collocation					
C-3	Percent of Due Dates Missed	All Collocation Arrangements	≥ 90% on Time	All Collocation Arrangements	≥ 95% on Time
Change Management					
CM-1	Timeliness of Change Management Notices	Region	95% ≥ 30 days of Release	Region	98% On Time
CM-3	Timeliness of Documents Associated with Change	Region	95% ≥ 30 days of the change	Region	98% On Time

VII. PERFORMANCE DATA AND REPORTS AVAILABLE TO ALECs

In this Section, we address what performance data and reports need to be made accessible by BellSouth to the ALECs. BellSouth asserts that it should provide the SQM results and raw data that supports the PMAP results. The ALECs suggest providing additional information, such as information on BellSouth's affiliates' results, services and facilities provided to carriers, as well as a manual to interpret raw data and a single point of contact available to answer the ALECs' questions.

Arguments

BellSouth witness Coon states that the appropriate performance data and reports to be made available to the ALECs are identified in the BellSouth SQM. The BellSouth SQM specifically identifies a "Report Structure" section which indicates key dimensions of each report for each measure.

In its brief, BellSouth states that:

> [T]here is no compelling reason to provide raw data for every one of the measures and that to do so is simply not possible. As to the former point, the raw data that is derived from PMAP (which is available on BellSouth's Web site) will, as Mr. Coon testified, "include the most critical ordering, provisioning, and maintenance and repair measurements in which ALECs generally are interested, including, but not limited to, FOC Timeliness, Reject Interval, Percent Missed Installation Appointments, Average Completion Interval, Order Completion Interval Distribution, Missed Repair Appointments, Customer Trouble Report Rate and Maintenance Averaged [sic] Duration." Thus, BellSouth is willing and able to produce the raw data that underlies the most important reports.

BellSouth states that it does not have the capability to make available electronically the raw data that is used to generate performance reports outside of PMAP, such as raw data for regional reports that are not (and cannot) be separated by the ALEC (e.g., Speed of Answer in the Maintenance Center). These measurements reflect the time that a call, in effect, waits

in line before it is answered by a BellSouth representative. The work centers that receive the calls are regional, and hundreds of thousands of calls are received each month from throughout the entire region. As Mr. Coon states, "although each call is individually timed and the averages for the month are posted in the SQM reports, it is not possible to electronically identify each and every ALEC call underlying these SQM reports."

The ALEC Coalition stated:

> BellSouth should provide ALECs with performance data and reports that include BellSouth's provision of:
>
> 1. Services to BellSouth's retail customers in aggregate;
> 2. Services and facilities provided to any BellSouth local exchange affiliate purchasing interconnection, unbundled network elements or resale;
> 3. Services and facilities provided to carriers purchasing interconnection, unbundled network elements or resale in the aggregate; and
> 4. Services and facilities provided to individual carriers purchasing interconnection, unbundled network elements or resale.

According to the ALEC Coalition the reports should reflect the outcome of statistical procedures applied to each submeasure for which a parity determination will be made. Benchmark results should also be reported, according to the Coalition.

According to the ALECs, BellSouth is currently not providing access to the raw data underlying a number of measures such as the following:

Ordering

- LNP Percent Rejected Interval Service Requests Totally Mechanized
- LNP Percent Rejected Interval Service Requests Partially Mechanized
- LNP Percent Rejected Interval Service Requests Fully Mechanized

- LNP Reject Interval Service Requests Totally Mechanized
- LNP Reject Interval Service Requests Partially Mechanized
- LNP Reject Interval Service Requests Fully Mechanized
- LNP Firm Order Confirmation Totally Mechanized
- LNP Firm Order Confirmation Partially Mechanized
- LNP Firm Order Confirmation Fully Mechanized

Provisioning

- LNP Total Order Cycle Time Mechanized
- LNP Total Order Cycle Time Mechanized with Appointment Codes
- LNP Percent Missed Installation Appointments
- LNP Disconnects

Billing

- Invoice accuracy CLEC (Region)
- Mean Time to Deliver Invoices CLEC (Region)
- Usage Data Delivery Accuracy CLEC
- Usage Timeliness & Completeness CLEC

For many facilities-based ALECs, LNP orders are a critical aspect of their business. By not providing access to LNP raw data, BellSouth prohibits ALECs from validating its reported performance. According to the ALEC Brief, an effective remedy plan should provide performance reports and the supporting raw data for all measures in the plan. BellSouth's SEEM does not.

DECISION

We find that BellSouth shall make performance data and reports available to individual ALECs and to this Commission on its Interconnection Services Web site. ALECs need access to this information in order to ascertain problems they may be causing themselves or performance problems they may be experiencing from BellSouth. We need this information to ascertain whether, from an aggregate standpoint, BellSouth is providing service at parity to ALECs in the state of Florida. Each report shall contain the information specified in the BellSouth SQM "Report Structure"

section. We also agree that BellSouth shall provide electronic access to the Performance Monitoring and Analysis Platform raw data underlying the performance measures. Additionally, we find that BellSouth shall provide detailed instructions regarding access to the reports and to the raw data, as well as the nature of the format of the data provided on the Web site to provide guidance to CLECs.

We are concerned with the fact that raw data is not available for the LNP and Billing measures. We agree with the ALECs that the lack of this information prevents ALECs from validating reported performance. We understand and acknowledge that BellSouth does not currently have the capability for providing access to the raw data for these measures. The record is silent on why some measures are included in PMAP while others are not. We encourage BellSouth to consider incorporating these measures into PMAP if at all possible. Additionally, this issue can be revisited during the six-month review period to determine if additional changes should be made.

VIII. LOCATION, TIMING, AND FORMAT OF PERFORMANCE DATA AND REPORTS

Here, we address the specific requirements of reporting performance data and reports to the ALECs. The term "requirements" is further defined as the location, timing, and format in which the information is made available.

Arguments

BellSouth states that all parties agree that it is appropriate for the reports to be published electronically on the BellSouth Website. According to BellSouth, the disputed aspect of this issue concerns the time frame for providing this information. BellSouth has committed to posting the reports by the 30th day after the month in which the reported activity takes place.

Witness Coon strongly objects to posting by the 20th day of the following month for these reports. He believes that, with the large number of ALECs in Florida, there would be such a large number of reports to be generated that BellSouth would not be able to meet the proposed deadlines. Witness Coon states that

the 30th of the month is far more reasonable. Witness Coon states there are approximately 155 ALECs operating in Florida. Further, there are 105 ALEC-specific reports included in the BellSouth SQMs and 129 reports that reflect BellSouth/ALEC aggregate reports. Thus, to determine the maximum amount of reporting that might be due in any month would require multiplying the 155 ALECs times 105 reports (16,275 reports) and adding the 129 aggregate reports, which would total 16,404 reports. Further, raw data would have to be produced for many of the reports, as described previously. According to the BellSouth brief, given the magnitude of the reporting that must be done by BellSouth, combined with the fact that BellSouth makes every effort to validate the data before it is reported, BellSouth submits that posting a report by the 30th day of the month is the most reasonable of the proposals that have been made.

Witness Bursh agrees with BellSouth witness Coon that the performance data and reports should be available to the ALECs on an internet Website. Witness Bursh also states that the performance data should be provided in a format that can readily be utilized by standard database management tools such as Excel, Access, or Oracle.

DECISION

As to the format of the reports, the parties appear to agree that it is appropriate for the reports to be published electronically on BellSouth's Interconnection Services Website in a format that can readily be utilized by standard database management tools such as Excel, Access, or Oracle. The disputed aspect of this issue concerns the time frame for providing this information.

We agree with BellSouth that the reports shall be posted as soon as possible after the month ends but no later than by the 30th day of the month after the activity is incurred. We agree with BellSouth that generating and posting the number of reports required per the BellSouth proposal (1,404 reports plus raw data) will be time consuming and may require until the 30th of the month following the activity.

IX. LEGAL AUTHORITY

A Performance Assessment Plan consists of several parts, all of which require our authority to implement. An effective Performance Assessment Plan consists of a set of comprehensive, adequately defined measures, benchmarks and analogs, and an appropriate remedy plan. While not clearly addressed in the briefs, there does not appear to be any dispute regarding our authority to implement measures, benchmarks, and analogs. Therefore, we will address this issue first. Next, we will discuss our authority to enforce the performance measures and the parties' arguments on our authority to implement a self-executing remedy plan. A self-executing remedy plan includes the Tier 1 and Tier 2 enforcement mechanisms discussed by the parties herein, and the automatic penalties discussed below. We will also discuss whether we would be improperly delegating our enforcement of the performance measures.

A. Authority to Implement Measures and Benchmarks

Both Chapter 364, Florida Statutes, as amended in 1995, and the Telecommunications Act of 1996 mandate the opening of local telecommunications markets to competition. Both statutes require incumbent local exchange companies to provide access to and interconnection with their facilities to competitive carriers. Both statutes contemplate a central role for the state commission in implementing these requirements. Both statutes authorize state commission review and authority over interconnection agreements between incumbents and competitors.

Section 47 U.S.C. §252 authorizes a state commission to approve negotiated interconnection agreements and arbitrate agreements where negotiations fail. Section 47 U.S.C. §252(b)(4)(c), provides that the state commission shall resolve arbitrated interconnection issues by imposing appropriate conditions as required, to implement the substantive interconnection provisions of the Act. Section 252 also requires that the state commission approve all negotiated and arbitrated agreements. Section 251(d)(3), Preservation of State Access Regulations, states that:

> In prescribing and enforcing regulations to implement the requirements of this section, the Commission shall

> not preclude the enforcement of any regulation, order, or policy of a state commission that –
>
> (A) establishes access and interconnection obligations of local exchange carriers;
> (B) is consistent with the requirements of this section;
> and
> (C) does not substantially prevent implementation of the requirements of this section and the purposes of this part.

Thus, state laws implementing interconnection agreements are not preempted by federal law if they are consistent with the 1996 Act. Section 364.162, Florida Statutes, authorizes us to set nondiscriminatory rates, terms, and conditions of interconnection. See also Section 364.19, Florida Statutes, (stating that "[t]he commission may regulate, by reasonable rules, the terms of telecommunications service contracts between telecommunications companies and their patrons.") In this proceeding, the appropriate terms to encourage non-discriminatory access are adequately defined measures, benchmarks and analogs. Consequently, we have the authority under state and federal law to implement the measures, benchmarks, and analogs contained in this Order.

B. Authority to Enforce

1. Payments to ALECs

Arguments

In her direct testimony, BellSouth witness Cox agrees with witness Stallcup's opinion on our authority to order monetary damages and that the parties would have to enter a voluntary agreement before we could approve a Tier 1 enforcement mechanism. Witness Cox states that "BellSouth is willing to voluntarily submit to the self-effectuating enforcement mechanism described in witness Coon's testimony, provided the metrics are appropriate."

Witness Cox recognizes that BellSouth cannot obtain authority to provide inter-LATA service unless the FCC

determines, with input from this Commission, that BellSouth is providing nondiscriminatory access to all ALECs in Florida. Upon cross-examination, witness Cox admitted that the FCC "is going to want to see an enforcement plan." However, BellSouth is "hopeful that throughout this process we can come up with one we can all live with."

In its brief, BellSouth argued that we lack the ability to impose a "self executing remedy plan" (i.e. requiring BellSouth to pay penalties when it fails to meet the plan's measurements) without BellSouth's consent. BellSouth states that the Act does not give us the explicit authority to order automatic penalties akin to liquidated damages. Moreover, BellSouth believes that our reluctance to impose automatic penalties in the context of interconnection agreements undercuts any argument that the authority to impose automatic penalties is implicitly granted by Section 251. BellSouth states that our findings in the BellSouth and AT&T arbitrations that automatic, or self-effectuating, penalties are tantamount to liquidated damages, which we do not have the authority to order under state law, would have settled the argument but for the decision in MCI Telecommunications Corp. v. BellSouth Telecommunications, Inc., 112 F. Supp 2d 1286 (U.S.D.C., No. D. FL, 2000).

In MCI, the court considered whether a provision for damages must be included in the interconnection agreement between the parties. The court found that "if a compensation provision were truly required by the Telecommunications Act and could be adopted in some form without imposing on the Florida Commission an unconstitutional burden . . . then any contrary Florida law obviously would not preclude adoption of such a provision." Id. at 1298. The court held that we must consider anything that a party raises in an arbitration. However, the court noted that "nothing in this Order should be read as an indication that the Telecommunications Act imposes on state Commissions an obligation to perform any enforcement role requested by the parties, or that Congress lawfully could impose any such obligation on state commissions." Id.

In its brief, BellSouth states that "the Court did not identify any state law that actually provides the authority to order a liquidated damages provision/enforcement mechanism/penalty."

While BellSouth agrees with witness Stallcup's understanding of the law, BellSouth believes that the statements within the Proposal – "failure to comply with the plan will be deemed to be an admission of willful violation of the Commission rules" – assumes that BellSouth will agree to all penalties proposed by our staff and/or approved by us, which BellSouth clearly has not done. While this is not an issue if we adopt BellSouth's Plan, BellSouth states it will not reject any reasonable self-effectuating remedy proposal, even if it deviates from that which BellSouth has already consented. Meanwhile, the ALECs have proposed a plan that is a virtual "cash machine," to which BellSouth cannot agree.

In their brief, the ALECs state that this Commission has the authority to order the implementation of a self-executing remedy plan under the Telecommunications Act of 1996, with or without BellSouth's consent. The ALECs cite to an Order of the Pennsylvania Commission, in which that Commission found that "[its] implementation of performance measures and standards is a legitimate exercise of this Commission's authority to ensure that BA-PA fulfills Section 251 obligations." Likewise, the ALECs argue, that our adoption of a self-executing remedy plan is simply an exercise of our authority to enforce Section 251.

The ALECs argue that because our authority to adopt a self-effectuating remedy plan is delegated to us by the Act, "under the Supremacy Clause, any contrary Florida law would not preclude adoption of such a plan." "Further, this Commission has recognized its authority to implement such policies on a generic basis rather than in individual arbitrations." See Order No. PSC-99-1078-PCO-TP, issued May 26, 1999, in Docket No. 981834-TP MCI, 112 F. Supp. 2d at 1286. See also In re: Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996, Docket No. 99-00430, Interim Order of Arbitration Award, p. 12 (August 11, 2000)(TRA [Tennessee Regulatory Authority] concludes it has authority to arbitrate enforcement mechanisms).

The ALECs contend that because we must ensure nondiscriminatory treatment pursuant to Section 251, we must require BellSouth to implement a self-effectuating remedy plan now, not after BellSouth meets the criteria for Section 271 approval. As the Georgia Public Service Commission points out, a

remedies plan not only helps to avoid backsliding, but also enables more rapid development of competition, and encourages BellSouth to provide nondiscriminatory service during the critical early stages, while providing some compensation to CLECs for additional costs they incur when BellSouth's performance falls short. In re: Performance Measurements for Telecommunications Interconnection, Unbundling and Resale, Docket No. 7892-U, Order, p. 22 (Oct 3, 2000).

DECISION

We find it unnecessary to determine at this time whether or not we have authority to enforce payments to ALECs under this plan, or otherwise approve a self-effectuating plan containing such payments, because it appears that BellSouth is willing to implement such a plan, as long as it is reasonable. A problem only arises if BellSouth contends that any plan approved by us is unreasonable. Only then would we need to make a determination on this issue. Thus, we refrain from making a determination on this aspect of our authority at this time. If the reasonableness of ALEC payments under a plan approved by us is contested, we will make a determination based on the state of the law at the time our authority is actually contested when, perhaps, some level of clarity will have been reached[1].

While our authority in this area is not yet settled and need not be reached at this time, we note that spirited and informative arguments were put forth by both sides regarding our jurisdiction. Of particular note are the implications of the decision in MCI Telecommunications Corp. v. BellSouth Telecommunications, Inc., 112 F. Supp 2d 1286 (U.S.D.C., No. D. FL, 2000), wherein the Court decided that we can arbitrate and adopt such provisions, but noted that, "[n]othing in this order should be read as an indication that the Telecommunications Act

[1]As noted by Judge Hinkle in MCI Telecomms. Corp. v. BellSouth Telecomms., Inc. and reiterated in AT&T Communications of the Southern States, Inc., Plaintiff, v. BellSouth Telecommunications, Inc., et al., Defendants. 122 F. Supp 2d 1305 (N.D. Fla. 2000):

> The rapidly evolving judicial, administrative and technological developments in the telecommunications field render the task of the Florida Commission (and this court on review) somewhat akin to shooting at a moving target, one whose movements are neither constant nor predictable.

imposes on state commissions an obligation to perform any enforcement role requested by the parties, or that Congress lawfully could impose any such obligation on state commissions." Id. at fn. 16. Thus, the Court did not directly address whether or not we could enforce such provisions, although we had argued that we could not under Southern Bell Tel. and Tel. Co. v. Mobile America Corp., 291 So. 2d 199 (Fla. 1974).

We also emphasize that payments to the ALECs are a crucial aspect of the plan. As stated by the Georgia Public Service Commission, such a plan enables competition to develop more rapidly, and will encourage BellSouth to provide nondiscriminatory service during the critical early stages, while providing compensation to the CLECs for additional costs that they occur when BellSouth's performance falls short. In re: Performance Measurements for Telecommunications Interconnection, Unbundling and Resale, Docket No. 7892-U, Order, p. 22 (Oct. 3, 2000). Such goals are in line with the Florida Legislature's mandate to encourage competition through the flexible regulatory treatment of providers and ensure that all providers are treated fairly, by preventing anticompetitive behavior and eliminating unnecessary regulatory restraint. Sections 364.01(4)(b) and (g), Florida Statutes. Thus, it is arguable that payments to ALECs under our plan do not even fall within the realm of "liquidated damages" as contemplated by the Mobile America court, but, instead, are simply a mechanism to level the competitive playing field when BellSouth does not, or cannot, meet the benchmarks.

2. Penalties

Arguments

At the hearing, Commission staff witness Stallcup testified that it was his "understanding that we do not have the authority to receive penalty payments absent a finding of a willful violation of a Commission order, rule, or statute." Normally, violations are determined through a "show cause" proceeding which provides an opportunity for the party "to present a case as to why it should not be fined for the alleged violation."

To avoid lengthy "show cause" proceedings and to make the Tier 2 enforcement mechanism self-effectuating, witness Stallcup proposes that BellSouth agree that any failure to provide

compliant service under Tier 2 would constitute a willful violation of the final order resulting from this docket. He also testified that "[i]n addition, the agreement would obligate BellSouth to remit any penalties resulting from Tier 2 to the Florida Public Service Commission for deposit in the State's General Revenue Fund."

While BellSouth agrees with witness Stallcup's understanding of the law, BellSouth believes that the statements within the Proposal — "failure to comply with the plan will be deemed to be an admission of willful violation of the Commission rules" — assumes that BellSouth will agree to all penalties proposed by Commission staff, which BellSouth clearly has not done. While this is not an issue if we adopt BellSouth's Plan, BellSouth states that it will not reject any reasonable self-effectuating remedy proposal, even if it deviates from that which BellSouth has already consented. Meanwhile, BellSouth argues that the ALECs have proposed a plan that is a virtual "cash machine," to which BellSouth cannot agree.

As for the ALECs, as stated above, they believe that because our authority to adopt a self-effectuating remedy plan is delegated to it by the Act, "under the Supremacy Clause, any contrary Florida law would not preclude adoption of such a plan."

DECISION

We find that our power to penalize BellSouth for failure to comply with implemented benchmarks is set forth in Section 364.285, Florida Statutes. Section 364.285, Florida Statutes, provides, in part, that

> (1) The commission shall have the power to impose upon any entity subject to its jurisdiction under this chapter which is found to have refused to comply with or to have willfully violated any lawful rule or order of the commission or any provision of this chapter a penalty for each offense of not more than $25,000, which penalty shall be fixed, imposed, and collected by the commission; or the commission may, for any such violation, amend, suspend, or revoke any certificate issued by it.

Thus, we clearly have jurisdiction to impose penalties for failure to comply with benchmarks set and approved by this Commission.

The next question then becomes whether we can implement a mechanism whereby a finding of willful violation of the benchmarks and the appropriate penalty are self-effectuating, thereby, eliminating the need for a Show Cause proceeding. We find that a failure to comply with the permanent performance measures contained within any plan adopted by this Commission may be deemed to constitute a prima facia showing that the company has violated an order of this Commission. It could then be argued that this initial showing would constitute a finding of willful noncompliance allowing for the imposition of the appropriate penalties. However, we find that in order to comply with the requirements of due process, it is necessary to provide BellSouth with an opportunity to respond and/or provide a defense prior to the date upon which any penalty payment would become due. As set forth in Miami-Dade County v. Reyes, 772 So. 2d 24 (Fla. 3rd DCA 2000):

> While "the concepts of due process in an administrative proceeding are less stringent than in a judicial proceeding, they nonetheless apply. Id. at 29 (citing A.J. v. State, Dep't. of HRS, 630 So. 2d 1187, 1189 (Fla. 2d DCA 1994)).
>
> Nevertheless, the Florida Supreme Court has found that:
>
> First, "procedural due process in the administrative setting does not always require application of the judicial model." Dixon v. Love, 431 U.S. 105, 115, 97 S. Ct. 1723, 1729, 52 L. Ed. 2d 172 (1977). Thus the formalities requisite in judicial proceedings are not necessary in order to meet due process requirements in the administrative process.

Hadley v. Dept. of Administration, 411 So. 2d 184, 187-188(Fla. 1982). Further explanation of the requirements of due process is set forth in Rucker v. City of Ocala, 684 So. 2d 836 (Fla. 1st DCA 1996):

> To qualify under due process standards, the opportunity to be heard must be meaningful, full and fair, and not merely colorable or illusive. Sokolowski, 439 So. 2d at 934 ("To qualify under due process standards, the opportunity to be heard must be meaningful."). . . . See also Neff v. Adler, 416 So. 2d 1240, 1242-43 (Fla. 4th DCA 1982)("The fundamentals of procedural due process are (1) a hearing (2) before an impartial decision-maker, after (3) fair notice of the charges and allegations, (4) with an opportunity to present one's own case."). Nevertheless, "the manner in which due process protections apply vary with the character of the interests and the nature of the process involved." Real Property, 588 So. 2d at 960. "There is no single, inflexible test by which courts determine whether the requirements of procedural due process have been met." Id.

Based on the above analysis, we find that self-effectuating Tier 2 penalties can be implemented by us, as long as BellSouth is given a meaningful opportunity to respond and/or defend itself in a Section 120.57, Florida Statutes, hearing, before any penalty is assessed by the mechanism.

> In order to provide an adequate clear point of entry the notice does not have to track any particular language or recite statutory provisions verbatim, so long as it clearly informs the affected party of its rights and the time limits.

Florida League of Cities v. Administration Comm., 586 So. 2d 397 (Fla. 1st DCA 1991); Capital Copy Inc. v. University of Florida, 526 So.2d 988 (Fla. 1st DCA 1988); Lamar Advertising Co. v. Department of Transportation, 523 So.2d 712 (Fla. 1st DCA 1988).

We emphasize that the Florida Leagues of Cities case seems directly on point on this issue. In that case, two local governments failed to submit their growth management plans to the Administration Commission on time. As a result, they were fined and denied hearings. The Commission's sanctions policy was challenged as a violation of due process, an unadopted rule, and an unlawful delegation of authority. The court determined that the policy did not fit the definition of a rule under Section

120.52(16), Florida Statutes, and that it did not constitute an unlawful delegation of authority. However, the court did determine that the policy did not provide a sufficient point of entry for those subject to the policy to request a hearing, stating that, "[u]ntil proceedings are had satisfying section 120.57, or an opportunity for them is clearly offered and waived, there can be no agency action affecting the substantial interests of a person." Florida League of Cities, 586 So. 2d at 413. Under our mechanism, BellSouth will have full notice of the charges against it if it fails to comply with a benchmark, and it will have the opportunity to present its case to us. We find that the opportunity to request a hearing under the plan is sufficient to meet the due process requirements in accordance with the cited cases.

We note that we were initially concerned about our ability to delegate our enforcement authority in this area, because of "the rule that in the absence of statutory authority, a public officer can not delegate his powers, even with the approval of the court." State v. Inter-American Center Authority, 84 So. 2d 9, 13-14 (Fla. 1955).[2] However, we find that the facts of this case do not constitute a delegation of authority. In the cases addressing improper delegation of authority by an agency, the agency was actually delegating its decision-making authority. In this instance, we are establishing the benchmarks and analogs. We are also establishing a self-effectuating penalty mechanism. No decision will be made by BellSouth. BellSouth will have no discretion as to which benchmarks will be enforced, nor will it decide how much it will pay for failing to meet those benchmarks (although it will have the opportunity to avoid incurring penalties by meeting those benchmarks). Any problems arising from the Performance Assessment Plan will be addressed solely by us. Consequently, we will not be delegating any of our authority, much less doing so improperly. See also Florida League of Cities v. Administration Comm., 586 So. 2d 397 (Fla. 1st DCA

[2]This principle was further explained in an opinion of the Attorney General which stated that "in the absence of statutory authorization, the Department of General Services cannot delegate its power and duty to supervise the construction of state buildings and to enforce the building code adopted for the construction of state buildings." Op. Att'y Gen. Fla. 83-88 (1983). More recently, in Johnson v. Bd. of Architecture and Interior Design, 634 So. 2d 666, 667 (1994), the court held that there was no statutory authority for the Board to delegate its power to approve or deny applications to an appointed "Interior Design Committee."

1991 ("The Commission is executing and enforcing law within the specific parameters placed by the legislature on the exercise of its discretion.") As such, we find that we can implement the Tier 2 penalties set forth in the plan.

Based on the foregoing, we find that Section 364.285, Florida Statutes, allows us to penalize BellSouth for failure to comply with Commission rules, statutes, or Orders. We also find that should BellSouth report that it has missed benchmarks set forth in the approved plan, such could be deemed to constitute a prima facia showing that the company has willfully failed to comply with our performance measures, unless BellSouth provides an explanatory response within a specified time. Failure to respond as specified would allow for the imposition of appropriate Tier 2 penalties. Thus, in order to comply with the requirements of due process, BellSouth must be given an opportunity to respond and/or provide a defense prior to the date upon which any penalty is deemed "assessed," and the payment becomes due. As such, we find that BellSouth shall be allowed to respond not later than 21 days after reporting that it has failed to comply with any performance measure. The company's response shall be in writing and shall set forth specific allegations of fact and law explaining why the situation that has resulted in noncompliance was not a "willful" violation. We can then make an initial determination as to whether BellSouth's noncompliance was, indeed, willful based upon the filings. We note that this initial determination would, however, need to provide BellSouth with the opportunity to request a hearing. In some circumstances, it may be appropriate to set the matter for an expedited hearing without the intervening step of our making an initial determination based upon BellSouth's response. We note that this analysis is equally applicable to the automatic penalties implemented below.

We note that we are hopeful that most instances of noncompliance will not be contested and will not result in a hearing. We add that this type of process is also apparently what the FCC has in mind. As the FCC stated, an effective enforcement plan shall "have a self-executing mechanism that does not leave the door open unreasonably to litigation and appeal." BA NY Order ¶ 433.

As stated above, all parties agree that with BellSouth's consent, we may order a self-executing remedy plan. Based on the same analysis set forth above, we agree that we can implement a self-executing remedy plan with BellSouth's consent. BellSouth's overt consent also eliminates the lack of clarity regarding enforcement of Tier 1 penalties and would be considered a waiver of any due process concerns regarding Tier 2 penalties. Furthermore, we note that if BellSouth were to consent, the Tier 2 penalties could be implemented without the response period outlined above. We find that such agreement is possible, in view of BellSouth's statement in its Brief that it ". . . will not reject out of hand the prospect of agreement with any reasonable self-effectuating remedy proposal ordered by the Commission, even if it deviates from that to which BellSouth has already consented."

X. TIMELY POSTING OF PERFORMANCE DATA AND REPORTS TO THE WEBSITE

In this Section, we address whether BellSouth should be penalized for failure to post performance data and reports to the Web site by the due date. BellSouth believes that because of the complexity of the reports, it is inevitable that some problems will arise in posting a report. The ALECs contend that BellSouth has been delinquent in posting the reports in the past and that a potential remedy to the tardiness is to penalize BellSouth.

Arguments

BellSouth witness Coon argues that the increasing complexity of the measurements and submetrics, the volume of data processed, and the validation of reports prior to posting impose additional burdens on BellSouth and, therefore, the company should not be subjected to a late-posting penalty. He further contends that BellSouth makes every reasonable effort to furnish the reports by the deadline to the ALECs, but with the volume of data and reports, it would be foolish to assume that there will never be a problem posting a report. Witness Coon also states that it is doubtful whether ALECs are even harmed by late posting, since few ever even access PMAP at all.

According to the BellSouth brief, the issue of the amount of any penalty to be levied for late filing involves two separate questions. The first is whether this Commission can assess any

penalty against BellSouth that is involuntary and automatic. The second is that if this Commission can do so, what should the penalty be. For the reasons discussed above, BellSouth does not believe that this Commission has the power to assess voluntary penalties against BellSouth. However, if this Commission finds otherwise, then the next question is the amount of the penalty. As Mr. Coon notes in his testimony, our staff proposed a penalty of $2,000 per day. Assuming that this applies to the aggregate of reports, rather than each individual report, BellSouth believes that this amount is reasonable.

ALEC witness Bursh contends that BellSouth has already been late in submitting performance reports and should pay penalties to this Commission for late, inaccurate and incomplete reports. According to the ALEC Coalition, one of the key functions of an effective remedy plan is to motivate an ILEC to provide parity service to ALECs. BellSouth's posted performance data and reports are the most effective means available to ALECs and this Commission to ensure that BellSouth is complying with designated performance standards and providing parity service to ALECs as required by the Act. BellSouth's posted performance data and reports are also the best means by which ALECs can identify issues regarding BellSouth's systems, processes and performance that need to be addressed. If this information is not provided to ALECs by the due date, or is incomplete or inaccurate when provided, the ability of the ALECs and this Commission to determine if BellSouth is providing parity service is hindered. Moreover, problems that affect an ALEC's ability to serve its customers cannot be detected or corrected in a timely manner.

Additionally, all parties agree that the self-effectuating nature of an enforcement mechanism is essential to its success. However, the ALECs contend that the self-executing nature of the remedy plan will likely be compromised if BellSouth does not meet its obligation to post performance data and reports by the due date. ALECs should not be put in the position of having to approach this Commission to force BellSouth to provide performance data and reports as required in the enforcement plan. Therefore, BellSouth should be required to comply with all reporting deadlines ordered by this Commission.

According to the ALEC Coalition brief, the $5,000 and $1,000 amounts included in the ALEC plan represent the amounts that the

ALECs believe are necessary to motivate BellSouth to comply with its reporting obligations. However, the ALECs state that it is critical that this Commission set penalty amounts for late, inaccurate, and incomplete posting of reports and data that are sufficient to motivate BellSouth to comply with its reporting obligations. Otherwise, the self-enforcing mechanism of the remedy plan will be hampered because neither ALECs nor this Commission will be able to properly monitor BellSouth's performance.

DECISION

We agree with the ALEC Coalition that BellSouth's posted performance data and reports are the most effective means available to ALECs and this Commission to ensure that BellSouth is complying with the performance standards and providing parity service to ALECs as required by the Act.

BellSouth witness Coon does not believe we have the authority to impose involuntary penalties. We disagree. As set forth in the previous section, we can impose penalties, as long as the requirements of due process are met.

BellSouth argues that unless there is a systematic failure in posting reports, there should be no penalty for late posting. We find that BellSouth shall be responsible for penalties relating to systematic failures and also late posting. Both ALECs and we need to access the performance data and reports to determine parity and it is BellSouth's responsibility to provide this information.

We note that the performance assessment plans for Georgia and Texas both include a penalty mechanism for failure to post performance data and reports by the due date. (Exhibit 1, Docket No. 7892-U, Order In re: Performance Measurements For Telecommunications Interconnection, Unbundling And Resale, January 12, 2001; Exhibit 1, Interconnection Agreement-Texas between Southwestern Bell Telephone Company and CLEC (T2A) 010700) We agree with the Georgia and Texas Commissions regarding the ILEC's obligation to post performance data by the due date and the need for a penalty for failure to do so.

XI. AMOUNT OF PENALTY FOR UNTIMELY POSTING AND DUE DATE FOR PAYMENT

BellSouth does not believe that any penalty should be assessed. Nevertheless, it agrees with the penalty proposed by our staff of $2,000 per day for the aggregate of all reports, if we deem a penalty appropriate. The ALECs believe that the remedy fee should be $5,000 per day per measurement.

Arguments

BellSouth witness Coon believes the Florida Commission cannot impose monetary penalties unless there is a violation of a Commission Order, rule or statute. He further maintains that the ALECs are not monetarily harmed when the reports are posted late, and additionally, very few ALECs choose to access this data. Nevertheless, witness Coon does state that the amount proposed by witness Stallcup of $2,000 per day, to be paid to this Commission, is acceptable to BellSouth if this Commission decides to impose such penalties on BellSouth for failure to post performance reports to the Website by the due date.

ALEC Coalition witness Bursh contends that the ILEC should be liable for payments of $5,000 to a state fund for every day past the due date for delivery of the reports and data. Witness Bursh adds that ALECs have already experienced late submission of performance reports by BellSouth.

DECISION

Given our finding that a penalty shall be assessed for late filing, we find that $2,000 per day for the aggregate of the reports is an appropriate assessment. This amount is consistent with the amount imposed in other jurisdictions. The Performance Plan approved by the Georgia Public Service Commission has established that BellSouth is liable for payments of $2,000 per day if reports are late. See Docket No. 7892-U, Order In re: Performance Measurements For Telecommunications Interconnection, Unbundling And Resale, January 12, 2001. Further, BellSouth witness Coon testified that $2,000 is acceptable.

We find that BellSouth shall pay the penalty to this Commission for deposit in the State General Revenue Fund within

fifteen (15) calendar days of the actual publication date. All parties are in agreement regarding payment of the penalty to the State via the State General Revenue Fund.

The ALECs state that they have already experienced late posting of performance reports and that they rely heavily on this information. According to BellSouth, however, ten percent of the registered ALECs in the region actually access PMAP data. We question how important timely access to the PMAP data is to ALECs since few ALECs actually access this information. Since only 10% of the registered ALECs are accessing this information, we find that $2,000 per day is a sufficient and appropriate assessment.

BellSouth shall develop a Performance Assessment Plan that includes a self-executing voluntary enforcement mechanism if performance data and reports are not posted to the BellSouth Interconnection Services Website by the due date. This penalty shall incomplete or inaccurate. A penalty of $2,000 per day shall be assessed for the aggregate of all such reports. This payment shall be made to the Florida Public Service Commission, for deposit into the State General Revenue Fund, within 15 calendar days of the actual publication date.

XII. PENALTIES FOR INCOMPLETE OR INACCURATE PERFORMANCE DATA AND REPORTS

Herein, we consider whether BellSouth is under an obligation to post complete and accurate performance data and reports to the Web site. This issue is important because if the information is incomplete or inaccurate when provided, the ability of the ALECs and this Commission to determine if BellSouth is providing parity service is hindered.

Arguments

Witness Coon contends that the definitions of "incomplete" and/or "inaccurate" are so imprecise that there would likely be an ongoing administrative burden each month to determine what is incomplete or inaccurate. He believes that the emphasis needs to be directed toward providing complete and accurate reports and correcting any errors as quickly as possible. Witness Coon asserts that the automatic assessment of penalties would

discourage the correcting of the reports, even if they were appropriate.

Witness Coon states that this Commission cannot impose monetary damages unless BellSouth is in violation of a Commission Order, rule or statute. However, if this Commission concludes that it may do so, BellSouth believes that the amount that has been proposed by our staff ($400 per day) is acceptable provided it applies to the aggregate of all reports.

Witness Bursh believes that BellSouth should be subject to penalties for inaccurate and incomplete performance reports since the ALECs have already experienced problems of this nature. She further states, "if this information is incomplete or inaccurate when provided, the ability of the ALECs and the Commission to determine if BellSouth is providing parity service is hindered. Moreover, problems that affect an ALECs ability to service its customers cannot be detected or corrected in a timely manner."

In their brief, the ALECs contend that:

> Mr. Coon's suggestion that BellSouth would be willing to accept . . . $400 a day for the incomplete or inaccurate posting o[f] reports and performance data in staff's proposal, so long as it applies to the aggregate of all reports, is ridiculous. The purpose of this penalty is to motivate BellSouth to meet its performance reporting obligations, not to find an amount that BellSouth is comfortable with paying as a cost of doing business. Common sense suggests that in order to affect behavior, any consequences must be set at a level that the party does not wish to pay, otherwise the desired result will not be achieved. Thus, . . . $400 a day for inaccurate or incomplete reports or performance data, which BellSouth is apparently willing to pay, would not be adequate to motivate BellSouth to meet its performance reporting obligations.

DECISION

We concur with the ALEC Coalition that a penalty should be applicable in this instance since ALECs depend on BellSouth to

provide these reports in a complete and accurate manner. We find that an incentive to post reports in an accurate and complete manner is appropriate. It is BellSouth's responsibility to provide this information to the ALECs and to this Commission in an accurate and timely manner. We note that both the performance plans for Georgia and Texas include a requirement that the ALECs will have access to complete and accurate monthly reports or otherwise a penalty will be assessed.

We disagree with BellSouth witness Coon that the terms "incomplete" and "inaccurate" are sufficiently ambiguous to preclude taking any action to prevent improper reporting of the data. For purposes of determining the applicability of penalties, reports shall be deemed to be incomplete if they do not present all of the required data as specified above. Similarly, reports shall be deemed inaccurate if any of the required data is not calculated as specified in the SQM plan.

BellSouth witness Coon does not believe this Commission has the authority to impose involuntary fines upon BellSouth; however, BellSouth does state the $400 per day penalty is reasonable if this Commission does impose a penalty. Since BellSouth is agreeable to a $400 per day penalty, we find that the issue of our authority need not be addressed. Nevertheless, we find that if BellSouth did not agree, we could still impose penalties, as long as the requirements of due process are met, as set forth above.

Complete and accurate performance reports are necessary for the ALECs and this Commission. A penalty will establish an incentive for BellSouth to post the reports in a complete and accurate fashion.

BellSouth shall develop a Performance Assessment Plan that includes a self-executing voluntary enforcement mechanism if performance data and reports are incomplete or inaccurate.

XIII. AMOUNT OF PENALTY FOR INCOMPLETE OR INACCURATE DATA AND REPORTS

In this Section we address the penalty amount and the payment deadline. BellSouth does not believe that any penalty should be assessed, but if assessed, BellSouth agrees with the

penalty proposed by our staff of $400 per day for the aggregate of all reports. The ALECs believe the remedy should be $1,000 per day.

Arguments

BellSouth witness Coon does not believe that BellSouth should be penalized for incomplete or inaccurate reporting. Witness Coon believes the primary objectives should be to identify omissions and errors and to correct them expeditiously. Instituting a penalty would discourage such corrections.

Witness Coon states that this Commission does not have the authority to impose an involuntary fine upon BellSouth. However, if this Commission concludes that it may do so, BellSouth believes that the amount that has been proposed by our staff ($400 per day) is reasonable.

If performance data and reports are incomplete and inaccurate, witness Bursh states that the ILEC should be liable for payments of $1,000 to a state fund for every day past the due date for delivery of the original reports. She further states that some of the previous performance reports supplied by BellSouth have been inaccurate and incomplete.

The ALEC Coalition believes it is critical that this Commission set penalty amounts for late, inaccurate and incomplete posting of reports and data sufficient to motivate BellSouth to comply with its reporting obligations. Otherwise the self-enforcing mechanism of the remedy plan will be hampered because neither ALECs nor this Commission will be able to properly monitor BellSouth's performance. Additionally, the ALECs argue in their brief that if this information is not provided by the due date or is incomplete or inaccurate when provided, the ability of the ALEC and this Commission to determine if BellSouth is providing service at parity is hindered. Moreover, the problems that affect an ALEC's ability to serve its customers cannot be detected or corrected in a timely manner.

DECISION

We agree with the ALEC Coalition that a penalty is appropriate for "incomplete" and "inaccurate" reporting. We find that a penalty is necessary to encourage BellSouth to report this information in a complete and accurate fashion. Both the ALECs and this Commission must use this information to determine whether BellSouth is providing parity of service. The issue is the amount of penalty that should be assessed.

We find the appropriate penalty that shall be assessed is $400 per day for the aggregate of all reports. Since only 10 percent of the registered ALECs are accessing PMAP data, we find that $400 per day is the appropriate assessment versus the ALEC-proposed $1,000 per day. We question how important the accuracy of PMAP data is to ALECs since few ALECs actually access this information.

BellSouth shall pay the penalty to the Florida Public Service Commission for deposit in the State General Revenue Fund within 15 calendar days of the actual publication date. All parties are in agreement regarding where the assessed penalty should be submitted.

As previously stated, BellSouth witness Coon does not believe this Commission has the authority to impose involuntary fines upon BellSouth; however, BellSouth does state the $400 per day penalty is reasonable if this Commission does impose a penalty. Since BellSouth is agreeable to a $400 per day penalty, we find that the issue of our authority need not be addressed. Nevertheless, we find that if BellSouth did not agree, we could still impose penalties, as long as the requirements of due process are met, as set forth above.

We note the Performance Plans for Texas and Georgia also include requirements that ALECs have access to complete and accurate performance reports, or otherwise a penalty will be assessed. (Exhibit 1, Interconnection Agreement-Texas between Southwestern Bell Telephone Company and CLEC (T2A) 010700; Exhibit 1, Docket No. 7892-U, Order In re: Performance Measurements For Telecommunications Interconnection, Unbundling And Resale, January 12, 2001) Georgia's penalty for incomplete or inaccurate reports is $400 to the affected ALEC for every day

past the due date, while Texas's penalty is $1,000 per day. (Exhibit 1, Docket No. 7892-U, Order In re: Performance Measurements For Telecommunications Interconnection, Unbundling And Resale, January 12, 2001)

BellSouth shall develop a Performance Assessment Plan that includes a self-executing voluntary enforcement mechanism if performance data and reports are incomplete or inaccurate. A penalty of no less than $400 per day shall be assessed for the aggregate of all such reports. This payment shall be made to the Florida Public Service Commission, for deposit into the State General Revenue Fund, within 15 calendar days of the final publication date or the report revision date.

XIV. REVIEW PROCESS

We find it appropriate to approve the following stipulated position, which was agreed to by BellSouth, AT&T, e.spire, FCTA, WorldCom, KMC, Covad, Mpower, Z-tel, Time Warner and IDS:

3.0 Modifications to Measures

3.1 During the first two years of implementation, BellSouth will participate in six-month review cycles starting six months after the date of the Florida Public Service Commission order. A collaborative work group, which will include BellSouth, interested CLECs and the Florida Public Service Commission will review the Performance Assessment Plan for additions, deletions or other modifications. After two years from the date of the order, the review cycle may, at the discretion of the Florida Public Service Commission, be reduced to an annual review.

3.2 BellSouth and the CLECs shall file any proposed revisions to the Performance Assessment Plan one month prior to the beginning of each review period.

3.3 From time to time, BellSouth may be ordered by the Florida Public Service Commission to

modify or amend the Service Quality Measures or Enforcement Measures. Nothing will preclude any party from participating in any proceeding involving BellSouth's Service Quality Measures or Enforcement Measures or from advocating that those measures be modified.

3.4 In the event a dispute arises regarding the ordered modification or amendment to the Service Quality Measures or Enforcement Measures, the parties will refer the dispute to the Florida Public Service Commission.

XV. EFFECTIVE DATE

Here, we address when the Performance Assessment Plan becomes effective. BellSouth believes it should not become effective until interLATA authority is granted to BellSouth. However, the ALECs believe it should be effective immediately.

Arguments

BellSouth witness Cox states that it is appropriate that no part of the enforcement mechanism proposal take effect until the plan is necessary to serve its purpose - that is, until BellSouth receives interLATA authority. She believes the performance measurements are designed to measure compliance, not penalty assessment. Witness Cox admits during cross examination that if this Commission puts the plan into effect before 271 approval, the data that is generated could be used to prove BellSouth is providing parity service.

ALEC witness Bursh believes the remedy plan should go into effect as soon as it is ordered by this Commission. She states the performance measurement systems should be tested prior to 271 approval, so that any backsliding can be deterred.

In its brief, BellSouth argues that this issue involves two distinct questions: 1) when can the plan be implemented; and 2) when should the plan be implemented. As to the first question, witness Coon testified that "each modification and change to what

BellSouth has proposed will require a substantial amount of intensive effort" to implement.

BellSouth disagrees with Z-Tel that "the role of the performance plan is to ensure BellSouth's compliance with the terms of the interconnection agreement[s], not simply to get BellSouth 271 relief." BellSouth contends disputes under those agreements are to be remedied by a complaint to this Commission or pursuant to the terms of that agreement.

BellSouth also disagrees with the contention that the plan should be implemented now, to prove that BellSouth is providing compliant performance before filing its 271 application with the FCC. BellSouth states that implementing the plan now so that BellSouth's performance can be monitored would delay its 271 application and would duplicate the third-party testing to date.

Finally, BellSouth argues that even if the ALECs' arguments concerning implementation of measurements prior to 271 relief had merit, those same arguments provide no basis for the immediate implementation of penalties.

The ALECs argue that Louisiana and Georgia have recognized that a remedies plan should be adopted prior to an ILEC receiving 271 approval. Moreover, avoiding backsliding is only one of the reasons to implement a remedies plan. As witness Cox acknowledged, BellSouth is obligated to provide parity service under 251 whether or not BellSouth applies for 271 relief. By delaying implementation of a penalty plan until after 271 approval, "the Commission would forego the opportunity to enable more rapid development of competition." A penalty plan will encourage BellSouth to provide nondiscriminatory service during the critical early stages of competition. It would also provide payments to ALECs to partially defray the additional costs attributable to inferior service by BellSouth due to discriminatory or non-parity service.

DECISION

The first question that needs to be addressed is when can the Performance Assessment Plan be implemented. BellSouth witness Coon testified that "[i]f an order is issued by July 31, 2001 adopting the SQM proposed by BellSouth, BellSouth can

produce all measurements and data during the fourth quarter of 2001." Therefore, it would take a minimum of 60 days to a maximum of 90 days if we were to adopt BellSouth's proposal. We note that the Performance Plan approved by the Georgia Commission required that the remedy plan go into effect 45 days from issuance of the order. (Docket No. 7892-U, Order In re: Performance Measurements for Telecommunications Interconnection, Unbundling and Resale, January 12, 2001) We recognize that BellSouth may need a period of time to implement the Florida plan.

Regarding when the Plan should be implemented, we agree with BellSouth that nothing in the Act requires a Performance Assessment Plan be implemented prior to 271 approval. However, nothing in the Act prevents implementation of a Performance Assessment Plan prior to 271 approval. As stated above, a Performance Assessment Plan is consistent with both state and federal law. We agree with Z-Tel witness Ford that BellSouth is obligated to provide ALECS with nondiscriminatory access to its OSS under the provisions of Section 251 of the Act.

Both AT&T and Z-Tel maintain that the Performance Assessment Plan should be implemented before BellSouth is granted 271 approval. We agree with the ALECs that under Section 251 BellSouth owes ALECs a quality of OSS service at least equal to what it provides itself.

A Performance Assessment Plan is not a prerequisite to 271 approval, but a necessary tool to ensure that BellSouth is providing nondiscriminatory service. We agree with BellSouth that in general, disputes under agreements are to be remedied by a complaint to this Commission or pursuant to the terms of those agreement. However, as the FCC recognized "negotiations between an incumbent and a new entrant differ from commercial negotiations in a competitive market because new entrants are dependent solely on the incumbent for interconnection." Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, First Report and Order, 11 FCC Rcd 15499, 15577 (para. 216)(1996). Moreover, "the LEC has the incentive to discriminate against its competitors by providing them less favorable terms and conditions of interconnection than it provides itself." Id. at 218. Finally, we have declined to arbitrate any penalty provision in

interconnection agreements, and have deferred any benchmarks, analogs, or penalty provisions to this generic docket. See Docket Nos. 000828-TP, 000731-TP, and 000649-TP. Therefore, we find that any penalty plan included heretofore within an agreement would not have the same effect as the one proposed herein.

We are requiring several changes to BellSouth's original performance assessment plan and to the strawman methodology. BellSouth is in the best position to modify its original plan to conform to the requirements of this Order. We recognize that some of the requirements of this Order are subject to interpretation. Therefore, our staff will conduct a status conference 30 days after the Final Order in this docket to discuss BellSouth's proposed performance assessment. Furthermore, our staff is directed to work with BellSouth regarding an appropriate date prior to the status conference by which a draft can be provided. BellSouth shall file a revised performance assessment plan consistent with this Order, within 45 days of the Final Order in this docket. Our staff has administrative authority to approve the performance assessment plan and enforcement mechanism if it complies with the Final Order in this docket. Because we are requiring changes to BellSouth's proposal, the Performance Assessment Plan shall become effective 90 days from the Order approving the Plan submitted in conformance with the Final Order in this docket. This would give BellSouth at least 135 days, excluding the time to approve the modified plan, from the date of the Order to "develop the requirements associated with the change, writing software code and testing the software code to protect the integrity of the production PMAP system while continuing to process and produce monthly SQM reports."

XVI. ENFORCEMENT MEASUREMENT BENCHMARKS AND ANALOGS

In this Section, we identify the appropriate standards that should be used for purposes of determining if BellSouth is providing service to ALECs at parity with what BellSouth provides its retail customers. Standards for each metric are divided into two categories, they can be either a benchmark or a retail analog. Retail analog are for those measures for which there is an identifiable retail service to which the whole performance can be compared. Measures for which a benchmark is set requires

BellSouth to meet an absolute performance level. Failure on BellSouth's part to comply with the standards set forth in this Order would result in a self-executing remedy payment to either the individual ALEC who was received deficient service or to the State of Florida if aggregate service in the state falls below these standards.

Arguments

Witness Coon testified at hearing that the appropriate enforcement measurement benchmark and analogs were summarized in Exhibit 16 DAC-6. Witness Coon provides the following example of analogs with metric P-3: Percent Missed Installation Appointment:

SEEM Disaggregation	SEEM Analog/Benchmark
Resale POTS	Retail Res and Business (POTS)
Resale Design	Retail Design
USE Loop and Port Comb	Retail Res and Business
USE Loops	Retail Res and Bus Dispatch
USE xDSL	ADSL provide to Retail
USE Line Sharing	ADSL provide to retail
Local Interconnection Trunks	Parity with retail

The ALECs argue that in their plan BellSouth service to ALECs and to its own retail operations is gauged using a comprehensive set of performance measurements that cover a full panoply of BellSouth activities that ALECs must rely upon in order to deliver their retail service offerings in the local market place. Witness Bursh states that "[e]very submeasure is designed to identify and measure a key area of activity that affects ALEC and BellSouth customers, and consequently, the development of competition in Florida's local telecommunications market." Because the submeasures monitor key areas of ALEC and BellSouth activity, all submeasures proposed by the ALECs are included in the determination of remedy payments. The measures proposed in the ALEC remedy plan, including disaggregation, benchmarks and retail analogs, are set forth in the testimony and exhibits of witness Kinard.

The ALEC Coalition argues that the BellSouth proposal relies upon overly aggregated results. As witness Bursh states, "[s]uch aggregation masks differences and makes detection of inferior performance less likely." Specifically ALEC witness Bursh

testified that, for order completion interval, BellSouth can report compliant support even though it is providing discriminatory support in reality. The retail analog for Order Completion Interval-UNE Loops is Retail Residence and Business Dispatch. According to witness Bursh, a significant percent of the UNE Loop observations could be UNE analog loops, which are all dispatch-in. Dispatch-in signifies that the work is done within the Central Office. Dispatch usually refers to service where the work is done in the field or outside of the central office. Witness Bursh states that "work done within the central office has a shorter interval than work done away from the central office. Given that the retail analog [for Order Completion Interval-UNE Loops] is designed as Retail Residence and Business Dispatch, BellSouth would always be providing longer interval for itself (compliant support) for this example primarily because the retail analog is inappropriate."

In its brief, the ALEC Coalition states:

> As to benchmarks, the dispute between the parties is more clearly drawn. Again, BellSouth has chosen benchmark values that it believes are appropriate based upon the Louisiana and Georgia proceedings, and which are the same as those approved by the Georgia Commission. In contrast, the ALECs have proposed benchmarks that range from 95 to 100 percent (i.e., perfection). The ALECs have proposed no benchmark below 95 percent. In making their proposal, the ALECs have obviously deviated from what was accepted in Louisiana and Georgia. The specific values of the benchmarks proposed by Ms. Kinard on behalf of the ALECs are not substantively supported anywhere in her testimony. Further, Ms. Kinard admitted upon cross-examination that the ALECs have no analysis or study to support the conclusion that a 95 percent benchmark is the minimum 'that would allow ALEC a meaningful opportunity to compete.'"

At the hearing when witness Coon was asked how BellSouth determined what the appropriate benchmarks should be, his response was that most of the benchmarks proposed here are those that have been ordered in the Georgia Commission. He testified that, while BellSouth may not believe that a benchmark is

appropriate, it is what was ordered in another jurisdiction. He could not provide any factual basis for establishment of the BellSouth-proposed benchmarks.

BellSouth witness Coon argues that Witness Kinard's comments suggest that this Commission should adopt the ALEC plan not the BellSouth plan. Witness Coon notes that witness Kinard simply presents her analogs and benchmarks without any critical analysis to support the conclusions she has reached. Witness Coon notes that its recommendations regarding benchmarks and analogs are a result of several years of work and have been conformed to the results reached in Georgia. While BellSouth agrees with the principle that simply having another state approve something does not necessarily mean it is appropriate for Florida, the fact that Georgia has approved these analogs and benchmarks should bear some weight.

DECISION

We agree with BellSouth that many years of work have gone into the development of the benchmarks and analogs proposed by BellSouth.

The ALEC Coalition testimony specifies one example of how, because of disaggregation, the analogs proposed by BellSouth are inappropriate. Witness Bursh identifies that the BellSouth proposal for Average/Order Completion Interval-USE Loops analog is Retail Residence and Business Dispatch. Witness Bursh proposes that many of the USE Loops in this category may be analog loops, which are not dispatched outside the central office. Witness Bursh believes it would be inappropriate to compare the aggregate category of UNE Loop to Retail Residence and Business Dispatch since BellSouth would conceivably be providing longer intervals for itself.

We agree that this level of aggregation is inappropriate and have made changes to the aggregation as specified above. As a result of creating more levels of disaggregation for compliance purposes, the analogs will also be more disaggregated. The appropriate benchmarks and analogs are shown in relation to the disaggregation specified above, in Attachment 7.

Using the example provided by the ALEC Coalition for Average/Order Completion Interval, there is no aggregate UNE Loops category in this Order. Loops would be segregated by analog and digital and by design and non design. Specifically, a two-wire analog Loop-Design would be compared to retail residence and business dispatch, while a nondesign two-wire analog loop would be compared retail residence and business (POTS excluding switch based orders) for compliance purposes. We find that these analogs are appropriate.

As to benchmarks, we agree with the ALEC Coalition that benchmarks set below 90 or 95 percent do not generally allow the ALECs a meaningful opportunity to compete. We are increasing many of the benchmarks that are set below this level for both reporting and compliance purposes.

XVII. ROOT CAUSE ANALYSIS

Herein, we consider whether BellSouth should be required to perform a root cause analysis. ALECs contend that if a failure occurs twice in three consecutive months, a root cause analysis is necessary to identify problems. BellSouth argues that it is an expensive, time-consuming process that is not always necessary.

Arguments

BellSouth witness Coon defines "root cause analysis" as an often formalized, comprehensive, and detailed investigation of all the component activities related to the delivery of the service in question. A root cause analysis may include participation by all BellSouth entities involved in the delivery of the service and include not only problem identification but also the development and implementation of solutions.

Witness Coon believes that BellSouth should never be required to perform a root cause analysis. He believes that BellSouth has the information necessary to identify problems and the incentive, by virtue of enforcement penalties, to correct those problems. He does not believe BellSouth, nor this Commission, should be required to use valuable resources on issues already addressed under a self-effectuating remedy plan.

As explained by the witness, a root cause analysis is an investigation of all component activities related to the delivery of a service to an ALEC identified as being inferior. BellSouth argues that the Performance Assessment Plan adopted by this Commission should not impose a requirement that BellSouth conduct a root cause analysis of a continuing source of disparity. Witness Coon states that the ALECs have failed to demonstrate such a need.

ALEC witness Bursh states that "a root cause analysis is a useful procedure for building action plans to remedy unacceptable performance and should be incorporated within a performance measurement system . . ." She also states that procedures, such as root cause analyses, which could potentially remedy recurrence of failures, are definitely essential.

Witness Bursh further states, "[t]he Georgia Public Service Commission Order stated that BellSouth must perform a "root cause analysis" and file with the Commission a corrective action plan within 30 days of the failure. The root cause analysis would be triggered if any measure fails twice in any three consecutive months in a calendar year."

DECISION

Witness Coon does not believe that BellSouth should be required to perform a root cause analysis if a self-effectuating enforcement plan is in place. We agree that conducting root cause analyses could become burdensome, using valuable resources of BellSouth and this Commission.

The ALEC Coalition comments in its brief that:

> "[i]t is ironic that BellSouth, who accused the ALEC Coalition of being interested primarily in constructing a plan that would become a revenue producing device, argues against a provision that would identify the source of the disparity, require that it be rectified, and in the process turn off the penalty payments.
>
> In a sense, there are some similarities between BellSouth's position and that of the ALEC Coalition. Like BellSouth, the ALEC Coalition believes it is

> imperative that the self-effectuating nature of the PAP not be disrupted. Specifically, the ALEC Coalition believes the conducting of a root cause analysis should not interfere with the timely payments called for by a BellSouth failure.

Witnesses Bursh and Ford believe that it is necessary to implement a root cause analysis whenever there are repeated failures. Witness Ford believes BellSouth should not perform this analysis unless it is required under the performance assessment plan.

We are concerned that requiring a root cause analysis at this time could hinder initial implementation of the Florida Performance Assessment Plan. We find the implementation of a self-executing enforcement program is incentive enough for BellSouth to perform an analysis if and when penalties are paid out.

XVIII. STATISTICAL METHODOLOGY

With the exception of the appropriate level of aggregation for purposes of determining compliant performance, the parties appear to agree in broad conceptual terms on the appropriate methodology. For measures with a retail analog, all of the proposed plans employ a statistical approach to assess compliance. Further, the parties believe that a special provision should be made for small sample sizes. The standard for measures which do not have a retail analog is a benchmark, and the parties advocate a "bright-line" or "stare and compare" approach to determine compliance, with an allowance for small sample sizes. As will be discussed later, the parties disagree on the appropriate benchmark table for small sample sizes.

Therefore, where the standard for a measure is a retail analog, we find that compliance shall be evaluated through a statistical process. Where the standard for a measure is a benchmark, we find that compliance shall be determined by a "bright-line" comparison, with an adjustment for small sample sizes.

A. Parity

There is much similarity among the parties' testimony regarding the appropriate definition of parity. According to BellSouth's witness Coon, the following definitions of parity by the FCC should apply:

> 1) where a retail analog exists, the BOC must provide access to a competing carrier in substantially the same time and manner as it provides to itself; 2) for those functions that have no retail analogue, the BOC must provide access that would offer an efficient carrier a meaningful opportunity to compete.

ALEC Coalition witness Bursh also states that "benchmarks are set at a level that provides ALECs with a meaningful opportunity to compete."

Z-Tel witness Ford believes that parity service, non-discriminatory service, and the same level of service are all synonymous. In addition, witness Ford believes that service needs to be non-discriminatory for all sizes of ALECs.

From a statistical standpoint, BellSouth witness Mulrow and Z-Tel witness Ford provide similar definitions of parity. Witness Mulrow states that the "null hypothesis is really that the means are equal and the standard deviations are equal." Witness Ford opines that the null hypothesis is a "zero-means difference." Due to the agreement among the parties that there is a need to balance Type I and Type II errors, there must be some deviation in practice from the theoretical null hypothesis. Nonetheless, we find that the null hypothesis shall be defined as closely as possible to this ideal, while still incorporating error probability balancing as all parties support.

Therefore, we find that BellSouth witness Coon's definition of parity shall be adopted. Where a measure has a retail analog, BellSouth shall provide access to a competing carrier in substantially the same time and manner as it provides to itself. For those functions that have no retail analog, BellSouth shall provide access that would offer an efficient carrier a meaningful opportunity to compete.

In discussing the appropriate statistical methodology, the parties have offered testimony which describes how the methodology may need to vary depending on whether the measure is a mean measure, a proportion measure, or a rate measure. In addition, there is the small sample size problem, and the issue of the appropriate level of aggregation for purposes of assessing compliance, which directly affects the selection of the appropriate statistical methodology.

BellSouth witness Mulrow explains how mean measures, proportion measures, and rate measures are different types of statistics. In a comparison of means, witness Mulrow testifies that the average of the BellSouth transactions in a "cell" is compared to the average or mean of the ALEC transactions. Some measures, however, are not expressed in terms of means. Witness Mulrow cites missed appointments as an example of a proportion measure, where the statistic is expressed as a percentage. He cites a rate measure (e.g., customer trouble report rate) as another example of a statistic which is not stated in terms of a mean. While proportion measures cannot exceed 1, a rate measure may exceed 1. For mean measures, witness Mulrow observes that the statistical approach must consider the BellSouth and ALEC means and the standard deviation of BellSouth's mean. In the case of proportion and rate measures, the proportion or rate is the only parameter to consider. Witness Mulrow states that "BellSouth cannot separately control the proportion [or rate] value and the variability about that value." According to witness Mulrow, ALEC Coalition witness Bell inappropriately uses the same statistical approach for mean, proportion, and rate measures in his direct testimony.

Before discussing how the statistical approach may need to vary to fit the nature of the measure (mean, proportion, or rate), the error probability balancing concept needs to be introduced. As will be discussed below, Type I and Type II errors are common parlance among statisticians, and there is agreement among the parties as to what constitutes Type I and Type II errors. Further, there is agreement among the parties on the need to balance these two types of errors in the context of a Performance Assessment Plan.

With Type I error, Commission staff witness Stallcup indicates that the statistical test shows that BellSouth is

providing non-compliant service when in fact it is providing compliant service. Similarly, ALEC Coalition witness Bell states that a Type I error occurs if the statistical test shows that "BellSouth is favoring its retail operations when, in fact, parity service exists." Finally, Z-Tel witness Ford states that Type I error occurs when there is a false conclusion that service is discriminatory. We find that all of these descriptions are conceptually identical.

With Type II error, witness Stallcup indicates that the statistical test shows that BellSouth is providing compliant service when in fact it is providing non-compliant service. According to ALEC Coalition witness Bell, "a Type II error occurs if the statistical test fails to indicate that BellSouth is favoring its retail operations when, in fact, a certain degree of disparity does exist." Z-Tel witness Ford describes Type II error as "fail[ing] to detect discrimination that actually exists." Once again, we find that all of these descriptions are conceptually the same.

Witness Stallcup describes the Balancing Critical Value technique as a means to equalize Type I and Type II errors such that the enforcement mechanism will not be biased towards BellSouth or the ALECs. He goes on to state that this approach has the "intuitive appeal of balancing the interests of both BellSouth and the ALECs." Z-Tel witness Ford offers similar testimony, expressed in terms of penalty payments:

> With Type I error, the ILEC pays penalties for false positives. With Type II error, the ILEC does not pay penalties when it does in fact discriminate. Both problems need to be addressed within the context of a performance plan.

BellSouth witness Taylor also speaks to the motivation for balancing, namely the "desire to hold the risk of Type I error (which would favor the ALEC at BellSouth's expense) at exactly the same level as the risk of Type II error (which would favor BellSouth at the ALEC's expense)." Thus, we find that there is much agreement on the balancing concept, albeit dispute over the appropriate value for the parameter delta which is required to implement the concept.

Witness Stallcup observes that the choice of statistical methodology is a function of the level of disaggregation. If BellSouth's method of disaggregating the enforcement measures is deemed appropriate, BellSouth's test statistic (Truncated Z) would be appropriate. Similarly, if this Commission adopts the ALEC's method of disaggregating the enforcement measures, the ALEC's test statistic (Modified Z) would be appropriate.

In addition, witness Stallcup explains that both tests, Modified Z and Truncated Z, begin in the same way with a Modified Z test being performed at the "cell" level. Under the Truncated Z, the cell level results are in turn aggregated. The truncation involves setting cell level Z scores to zero, if the ALEC received superior service. For a mean measure, a Z score is calculated by dividing the difference between the ALEC and ILEC means by the standard deviation of this difference. Based on the assumption that both samples were drawn from the same population, the Z score has a sampling distribution that approximates a Standard Normal (i.e., the bell-shaped probability distribution).

ALEC Coalition witness Bell and Z-Tel witness Ford agree that the Truncated Z is appropriate to aggregate homogeneous cells. Witness Ford notes that the Truncated Z is the only method proposed by the parties to aggregate cell-level statistics. While witness Bell has some concern about Truncated Z concealing discrimination, he notes that "this feature of truncated Z is not a flaw in the procedure, but it can result in unintended consequences if very heterogeneous cells are aggregated."

We agree with the premise that the choice of Truncated Z or Modified Z depends on the level of disaggregation. Fundamentally, the issue is the appropriate level of disaggregation for enforcement measures, with the statistical methodology being a fallout. Based on findings on the appropriate level of disaggregation, the Truncated Z statistic shall be used to evaluate compliance for enforcement measures with retail analogs. For small samples (30 or less), BellSouth witness Mulrow, ALEC Coalition witness Bell, and Z-Tel witness Ford agree that a permutation test should be used to calculate Z-scores for mean measures. Witness Bell explained that permutation analysis is a computer-intensive method that compares the observed results for the ALEC customers with the distribution

of results that would be observed by drawing a random sample from the pool of ALEC and BellSouth customers.

With respect to proportion and rate measures, the testimony evolved over the course of the proceeding, with the ultimate outcome being that there is considerable similarity in the positions being taken by BellSouth witness Mulrow, ALEC Coalition witness Bell, and Z-Tel witness Ford. While witnesses Mulrow, Bell, and Ford acknowledge the "odds" ratio method as being legitimate, witnesses Bell and Ford note that no evidence has been presented regarding the appropriate value for psi, a key parameter of the test. On this basis, we find that the "odds" ratio shall not be considered.

The other method cited for proportion measures and, in some instances rate measures, is the transformed data method, also known as the arcsine square root transformation. BellSouth witness Mulrow, ALEC Coalition witness Bell, and Z-Tel witness Ford all support use of this method to calculate Z scores for proportion measures. Further, witnesses Bell and Ford support use of this method to calculate Z scores for rate measures, while witness Mulrow contends that the square root transformation should be used for rate measures. According to witness Mulrow's testimony, however, he has not verified the appropriateness of using the square root transformation for rate measures, and is relying on a representation made by Dr. Mallows, a former AT&T statistician, who is not a witness in this case. Accordingly, we find that the weight of the evidence supports use of the transformed data method for both proportion and rate measures. In addition, while proportion measures cannot exceed 1, and a rate measure can in theory exceed 1, we find that there will be little practical difference in the range of values for these two types of measures, in the context of a performance assessment plan. For small samples, all witnesses who offered an opinion stated that the hypergeometric test, also known as Fisher's Exact Test, is appropriate for proportion and rate measures.

Based on our findings above, the Truncated Z statistic shall be used to evaluate compliance for enforcement measures with retail analogs. For small samples (30 or less), a permutation test shall be used to calculate Z-scores for mean measures. In addition, the transformed data method, also known as the arcsine square root transformation, shall be used to calculate Z-scores

for proportion and rate measures. For small samples, the hypergeometric test, also known as Fisher's Exact Test, shall be used for proportion and rate measures.

B. Parameter Delta

Witness Stallcup stated that Balancing Type I and Type II errors requires inclusion of a parameter called "delta," which introduces the concept of material disparity. BellSouth witness Mulrow defines delta as "a factor that is used to identify whether a meaningful difference exists between the BellSouth and ALEC performance, in addition to a statistically significant difference." ALEC Coalition witness Bell describes delta as the degree of disparity for which the probabilities of Type I and Type II errors are being balanced. He opines that "this disparity should equal the minimum difference that is judged to be a material obstacle to competition." BellSouth witness Taylor describes delta as a material difference and elaborates that "delta is the number that balances the penalty payment with the gain from discrimination." The parties are in agreement that the choice of a delta value is not really a statistical decision, but rather a decision based on business judgment.

We note that because delta introduces disparity, while at the same time the statistical test should theoretically be one of parity, there is an inherent tension between these two concepts. Z-Tel witness Ford indicates that the larger the value of delta, the further the statistical test deviates from a true test of parity. In exchange for this undesirable result, there is the gain achieved by balancing statistical errors. Witness Ford stresses that the balancing effort should be done in a reasonable fashion in order to minimize the extent to which the statistical test deviates from a true test of parity.

BellSouth is recommending a delta value of 1 for Tier 1 and .5 for Tier 2. To illustrate the practical effect of delta, BellSouth witness Mulrow provides a provisioning example using a measure with a mean of 5 days and a standard deviation of half a day. Using first a delta value of 1, and then a delta value of .5, witness Mulrow indicates that if the ALEC mean exceeds BellSouth's mean by 6 hours and 3 hours, respectively, the differences would be viewed as material. He questions whether such a small difference is really material.

ALEC Coalition witness Bell and Z-Tel witness Ford both question the usefulness of witness Mulrow's example. Witnesses Bell and Ford both believe that witness Mulrow's example is very unrealistic in that the standard deviation for provisioning intervals typically exceeds the mean. Both witnesses cite to Qwest performance results as one basis for their opinion. In addition, both witnesses provide alternative examples, with purportedly more realistic assumptions for the standard deviation. These alternative examples provided by witnesses Bell and Ford result in differences between the ALEC mean and the BellSouth mean of 5 days and 7.5 days, respectively, being judged material. We note that BellSouth could report standard deviations for interim performance measures, but has chosen not to do so. Thus, there is no empirical evidence, specific to BellSouth, regarding the relationship between the mean and standard deviation for different measures.

The ALEC Coalition recommends that we set the delta value no higher than .25. If the delta value is substantially higher than the minimum value needed to reflect materiality, witness Bell indicates that ALECs will face a greater risk of Type II error than BellSouth's risk of Type I error under a parity test. According to witness Bell, this problem is particularly significant for large sample sizes where the balancing critical value is a large negative, which corresponds to a very small probability of Type I error.

Z-Tel witness Ford advocates a delta function, in which delta varies by sample size, as being a reasonable compromise between the positions of BellSouth and the ALEC Coalition. With witness Ford's recommended parameter values, the equation produces a maximum delta value of 1, and a delta value of .051 at an ALEC sample size of 30,000. For a sample size of 175, the delta value is .25. Under the delta function, we observe that the delta value is inversely related to the ALEC sample size.

There is agreement on the ramifications of the choice of the delta value. BellSouth witness Mulrow and ALEC Coalition witness Bell both state that penalties will be paid if the disparity is greater than ½ delta standard deviations. Witness Bell notes, however, that error balancing does not occur at this point.

There is much dispute regarding the relevance of sample size in selecting the delta value. BellSouth witness Mulrow strongly believes that delta should not vary with sample size. In response to questions regarding the Louisiana statisticians' report, which he coauthored, witness Mulrow contends that the statement "sample size matters here too," which appears in the report, merely indicates that sample size affects the balancing critical value. Interestingly, witness Mulrow does reference a portion of the Louisiana statisticians' report which, states the following:

> Using the same value of delta for the overall state testing [Tier 2] does not seem sensible. At the state level we are aggregating over CLECs, so using the same delta as for an individual CLEC would be saying that a "meaningful" degree of disparity is one where the violation is the same for each CLEC. But the detection of disparity for any component CLEC is important, so the relevant "overall" delta should be smaller.

In addition, witness Mulrow is asked about a statement in the report that a "fixed delta might be fine across individual CLECs where currently in Louisiana the CLEC customer bases are not too different." Witness Mulrow maintains that the statement means that a fixed delta might be reasonable if the CLECs serve similar types of customers, and thus have similar types of transactions. He continues to maintain, however, that sample size should not affect the selection of a delta value, and attributes the confusion to a bad job of cutting and pasting.

The ALEC witnesses offer considerable testimony in opposition to the position taken by witness Mulrow. First, Z-Tel witness Ford disputes testimony by witness Mulrow that the decision to use a lower delta value for Tier 2 in Louisiana is related to the masking which can occur in aggregating results across ALECs. Witness Ford contends that the real reason is that sample sizes are inherently larger for Tier 2, and a lower delta reduces the Balancing Critical Value, which protects the integrity of the statistical test of parity.

Witness Ford also believes that there are perverse consequences from balancing with large sample sizes. ALEC Coalition witness Bell also believes that balancing has some

limitations for large samples. Under his proposed delta function, witness Ford maintains that these difficulties are mitigated. In particular, he states:

> The most important aspect of my proposal on the choice of delta is that once the statistical errors get so small that the errors have no real impact on the over or underpayment of penalties, then we should adhere more closely to a strict test of equality because the balancing procedure forces us to deviate from a true test of equality, an undesirable consequence of the approach.

Witness Ford explains that a standard statistical test which does not employ error balancing takes into account the imprecision inherent in an estimate. This imprecision is quite pronounced at small sample sizes, but at large sample sizes, the estimate is much more precise. Failure to consider sample size in setting a delta value results in greater error at large sample sizes than would occur under a standard statistical test.

BellSouth witness Taylor also has concerns which are related to sample size. For small sample sizes, witness Taylor states that balancing results in high Type I error, as well as high Type II error. He believes this is problematic since statisticians typically err on the side of a "not guilty" verdict when samples are small, and therefore, tests are not powerful. With very large samples, very small differences can be detected. On the one hand, the difference may not be material in the sense of having any competitive significance, but the difference may be statistically significant and consistent with discrimination. Witness Taylor indicates that he does not mind using a balancing critical value for any sample size. In fact, he does not have a magic number for sample size, but indicates that the sample size and delta should yield a balancing critical value on the order of 1.5, which equates to a Type I error or significance level of about .05. Under Dr. Mulrow's approach in which sample size is not considered, significance levels could be drastically lower than .05.

With the exception of the appropriate remedy calculation, we find that the appropriate value of delta is the most contentious aspect of the statistical methodology. To make matters more

difficult, there is no established method for setting delta, and the decision is largely one of judgment, albeit there are statistical considerations.

We find that much of the dispute is related to conflicting objectives. BellSouth witness Mulrow states that "those levels of disparity that are lower than the materiality threshold, which is defined by the choice of delta, will not be considered discriminatory." On the other hand, Z-Tel witness Ford believes that delta is a "necessary evil." In exchange for the statistical test deviating from a true test of parity, the ALECs receive the benefit of error probability balancing.

In our opinion, witness Ford advances the correct principle, namely that balancing should be done in a reasonable fashion in order to minimize the deviation from a true test of parity. We recognize that BellSouth witness Mulrow's position that balancing should be done in the same fashion (i.e., fixed delta) across all sample sizes is probably rooted in the idea that since balancing assists ALECs at small sample sizes, it is only fair the balancing disadvantage ALECs at larger sample sizes. We do not find this rationale compelling. We are persuaded by the principle advanced by witness Ford that we should adhere as closely as possible to a strict test of parity, since BellSouth is required to provide non-discriminatory service under the Telecommunications Act of 1996.

We find that Z-Tel witness Ford's delta function and recommended parameter values shall be adopted since this approach will do a better job of achieving our objective than any of the other proposals. Through the delta function, the delta value will be inversely related to the ALEC sample size. This will ensure that balancing will have less practical effect as the sample size increases, minimizing the extent to which the statistical test deviates from a true test of parity. Moreover, witness Ford's delta function covers the range of delta values proposed by the various parties in this proceeding. Finally, and importantly, witness Ford's proposal is inherently applicable to Tier 1 and Tier 2, since delta is a function of sample size.

C. Remedy Calculation

As mentioned previously, this aspect is extremely contentious since BellSouth and the ALEC Coalition have proposed radically different remedy calculations. BellSouth is recommending transaction-based remedies, while the ALEC Coalition is advocating measure-based remedies. Under BellSouth's transaction-based remedy plan, a payment would be made based on some estimate of the number of discriminatory transactions for a measure and the type of measure. Under the ALEC Coalition's measure-based remedy plan, payments would be made based on a finding of discrimination for the measure, which would be independent of the number of transactions and the type of measure. Both plans purport to address the severity and duration of the discrimination, and the ALEC Coalition Plan includes a market penetration adjustment for Tier 2. As will be discussed below, both remedy plans are problematic in certain respects. In addition, no real empirical data has been presented which can serve as a basis for the penalty amounts under either plan. Consequently, most of the criticisms of both plans are theoretical in nature.

Assuming the goal is to ensure that BellSouth has an economic incentive to comply with performance standards, BellSouth witness Taylor believes that the size of the penalty payments should be calibrated to the seriousness of the performance disparities. He goes on to explain that the economic value should be based mostly on business judgment initially and refined based on experience. For those performance disparities that cross the materiality threshold, he believes that the next step should be to determine what portion of the transactions suffer from "statistically significant and material performance disparities." Witness Taylor alleges that BellSouth is the only party that attempts to make such a calculation. Lastly, the number of affected transactions is multiplied by a per-transaction penalty.

Witness Taylor believes that the penalties in the ALEC Coalition plan are "arbitrary, unrelated to performance metrics or transactions, and unrelated to the economic importance of observed performance disparities." While he acknowledges that BellSouth's proposed penalties are in some sense arbitrary, he believes that the BellSouth plan is more rational. In

particular, witness Taylor believes that the BellSouth plan recognizes the type of transaction, the estimated economic seriousness of the violation, and the duration of the violation. In contrast, he believes that the ALEC plan attempts to determine severity based on statistical criteria and does not correlate the size of the penalty with the economic harm. According to witness Taylor, not all functions or performance metrics have the same economic value.

Witness Taylor goes on to discuss the consequences of setting penalties without regard to the economic significance of the disparity. He indicates that a statistical decision rule will not reflect the expected economic gain or loss from the disparity. As a result, one party may attempt to game the system. The witness defines one type of gaming known as moral hazard as follows:

> . . . moral hazard is a form of gaming by which one party to a plan or contract may act in ways -- within the framework of the existing plan -- that allow it to gain an unanticipated competitive or financial advantage at the expense of the other party.

Moral hazard-based behavior could manifest itself in several ways such as rewarding lack of cooperation, maximizing opportunities for unearned income by ALECs, discouraging investment by ALECs, encouraging inefficient entry, and encouraging entrapment. Witness Taylor believes that the "single best protection against gaming is to de-link the size of penalties for specific performance disparities from the statistical methodology used to test for those disparities."

ALEC Coalition witness Bursh criticizes BellSouth's transaction-based remedy payments as minimizing BellSouth's liability when competition is at an "embryonic" level. In addition, Z-Tel witness Ford believes that a transaction-based approach will favor large ALECs.

ALEC witnesses Bell, Bursh, and Ford take great issue with BellSouth's parity gap and affected volume calculations. As will be described below, these witnesses believe BellSouth's approach for determining the number of adversely affected transactions is conceptually flawed. Even BellSouth witnesses Mulrow and Taylor

acknowledge that in estimating the number of discriminatory transactions, BellSouth proposes to estimate the portion of transactions for which disparate service was detected, rather than the number of transactions that did not receive parity service. Witness Taylor mentions that he does not have a better way of doing the calculation and admits that this notion of affected transactions is not a clear concept. Nonetheless, he believes the calculation is "roughly right" in that the resultant penalties should be sufficient to deter discriminatory behavior.

While unsure how to correct the problem, ALEC Coalition witness Bursh believes there is something terribly inappropriate about paying remedies on only a portion of the violations. She cites an example in which there were remedy payments for only 29 of 96 violations.

ALEC Coalition witness Bell states that he does not understand BellSouth's rationale for the affected volume calculation. He goes on to state that under BellSouth's plan, remedies are paid on the number of transactions beyond the point where BellSouth is found out of compliance, rather than beyond parity. Witness Bell believes the proper concept is that once BellSouth is determined to be out of compliance, the question should be how far has BellSouth deviated from parity. To illustrate his concept, witness Bell provides an analogy where a driver is stopped for speeding, traveling 77 miles per hour in a 65 miles per hour zone. While speeders may not be stopped unless they are going at least ten miles an hour over the limit, the fine is predicated on the driver being 12 miles per hour over the limit. He believes that BellSouth's parity gap calculation is analogous to only being judged out of compliance by two miles per hour.

Z-Tel witness Ford finds the parity gap calculation problematic in several respects. First, he provides two examples in which the average time in which BellSouth provides service to the ALEC is the same, but the distribution about the average is quite different. The parity gap is the same for both examples, but in one case 10% of the transactions are actually discriminatory, while in the other case, all of the transactions are discriminatory. Witness Ford belives it is very odd that the parity gap calculation would produce the same result when the form of discrimination is so different. He also notes that

BellSouth's proposal to truncate the parity gap at 100% is further evidence that the parity gap cannot be a measure of transactions. If the parity gap truly measured transactions, the parity gap could not exceed 100%, and there would be no reason for the truncation. Finally, witness Ford states that "(e)xactly what the parity gap does measure is unclear, particularly after the truncation procedures, but it does not appear to be a reliable measure of either transactions or severity." He believes that the parity gap may indicate discrimination or just differences based on sample size. Furthermore, witness Ford believes that the parity gap is "not a reliable or consistent measure of how far the means are apart."

Under the ALEC Coalition's plan, the maximum penalty per measure for Tier 1 is $25,000 for severe or chronic (three consecutive misses) violations, and the minimum penalty is $2,500. Tier 2 penalties are variable multiples of the Tier 1 penalties, which depend on ALEC market penetration. The penalties are not sensitive to the type of measure.

Z-Tel witness Ford supports the ALEC Coalition's proposal for measure-based remedies since he believes that the decision is to discriminate, rather than to discriminate against certain customers. ALEC Coalition witness Bursh believes that the penalty amounts should incent BellSouth to comply. According to witness Bursh, the ALEC Coalition's proposed penalties are designed to provide the appropriate incentive and are not intended to reflect the economic harm to the ALEC, which she believes is nearly impossible to determine.

In addition to his previous commentary on the "arbitrary nature" of the ALEC Coalition's proposed penalties, BellSouth witness Taylor also criticizes the plan on the basis that the statistical certainty of discrimination is not an indicator of severity. He believes that a statistical decision rule can only provide an absolute diagnosis, not a relative one. Stated differently, the statistical decision rule merely indicates that the null hypothesis is true or false. The statistical decision rule can detect material discrimination, but cannot determine the relative severity of the failure.

Witness Taylor explains that "a z-score that is twice as distant from a critical value than another could easily be for

reasons other than simply that one of the performance means is twice as large as the other." According to witness Taylor, z-scores are influenced by "the mean performance when BellSouth serves itself, the mean performance when BellSouth serves the ALEC, the standard deviations for both, and the number of measurements made in each case."

By using the same method to detect discrimination and measure its severity, witness Taylor believes that the ALEC Coalition's Plan confuses the degree of certainty with the degree of severity. Even ALEC Coalition witness Bursh acknowledges that the penalties escalate as the statistical certainty of discrimination increases. We agree with BellSouth's witness Taylor's assessment that the statistical decision rule is not helpful in assessing severity.

Unfortunately, both the BellSouth remedy plan and the ALEC Coalition remedy plan appear to do a poor job of estimating the extent of any discrimination. As discussed above, the BellSouth plan is predicated on parity gap and affected volume calculations that are very questionable, and the ALEC Coalition plan confuses statistical certainty with severity. Witness Stallcup does note that apart from the level of disaggregation affecting the statistical evaluation, the best parts of both plans could be combined into some sort of hybrid remedy plan. ALEC Coalition witness Bell also observes that a different remedy plan, other than the one proposed by BellSouth, could be used with the truncated Z.

Because the evidence demonstrates that there are fundamental flaws in both the BellSouth and ALEC Coalition remedy plans, we have no choice but to require a remedy plan which incorporates the better features of the two. First, we find that the remedy plan must, at least initially, be measure-based given what we believe to be serious issues with BellSouth's parity gap and affected volume calculations. Over time, it may be possible to evolve to a transaction-based system, with a minimum payment, an idea mentioned by Z-Tel witness Ford. If the issues with BellSouth's parity gap and affected volume calculations can be solved through the periodic review process, we believe that transaction-based remedies, with a minimum payment provision, would be preferable in concept. For now, however, we see no

choice but to require that a measure-based remedy plan be adopted.

We note that BellSouth's recommended remedy payment per affected item varies depending on the measure, while the ALEC Coalition's recommended remedy payment per failed measure does not vary according to the type of measure. In concert with BellSouth witness Taylor's testimony, we find that economic importance is a relevant consideration in setting remedy payments. By the same token, we acknowledge ALEC Coalition witness Bursh's testimony, that the economic cost to ALECs is almost impossible to pinpoint. In addition, we find that certain measures are intrinsically more important in that success or failure in meeting the standard more directly affects end use customers.

Based on the above considerations, we find that the remedy payments shall vary by measure. Unfortunately, no empirical evidence was offered by any party to this proceeding, which can be used to set remedy payments. As a result, the relative relationships between the various BellSouth proposed remedy payments provide the only quantitative basis for differentiating remedy payments by measure.

BellSouth and the ALEC Coalition both address chronic failures, but in slightly different ways. Under the ALEC Coalition Plan, a chronic failure is defined as three consecutive monthly misses and calls for a $25,000 payment under Tier 1. BellSouth proposes a sliding scale of remedy payments for Tier 1, in which the penalty increases for successive months of non-compliant performance.

BellSouth proposes separate schedules of remedies for Tier 1 and Tier 2. Also, under BellSouth's proposal, Tier 2 penalties are assessed after three consecutive months of violations. In contrast, the ALEC Coalition recommends that Tier 2 remedies be a multiple of "n" greater than the Tier 1 remedies. The value for "n" is a function of the ALEC market penetration levels and varies from 1 to 10.

Given our requirement to vary remedy payments by measure, and in view of the fact that BellSouth's recommended remedies, per affected item, vary by type of measure, tier, and duration,

we find that these relationships could be used to deaverage the ALEC Coalition's recommended $2,500 minimum payment per failed measure.

In general, the easiest way to implement this concept would be to apply a multiplier to BellSouth's remedy tables for Tier 1 and Tier 2 to convert to measure-based penalties. A problem will arise, however, for certain measures where the volumes are expressed in very different units, as compared to other measures. For most measures, the volumes are expressed in terms of end user orders. This is true for pre-ordering, ordering, provisioning, maintenance and repair, and LNP. This is not the case for billing, change management, interconnection trunks, and collocation.

Based on the above considerations, BellSouth shall develop a remedy plan which includes certain features. Remedies shall be measure-based, rather than transaction-based, and shall vary by type of measure and duration for Tier 1, and type of measure for Tier 2. The relative relationships between the various measure-based remedy payments shall be consistent with the relative relationships between the various BellSouth proposed, transaction-based remedy payments. Tier 1 remedies shall be set such that the average Month 1 remedy approximates the $2,500 minimum payment recommended by the ALEC Coalition. Tier 2 remedies shall be applicable after three consecutive months of violations, as proposed by BellSouth.

We are requiring approximately 825 levels of disaggregation for Tier 1 compliance reporting and penalties. Further, at the time of the hearing in this docket, 92 ALECs had access to Florida PMAP data. Assuming an average remedy payment of $2,500 for Month 1, various scenarios of total monthly payments by BellSouth under Tier 1 can be developed. One awkward aspect of developing scenarios, however, is that the typical ALEC will have transactions in only some of the 825 levels. If the typical ALEC has transactions in only 100 levels, which we believe is a high-end estimate, and there is a 10% failure rate, BellSouth's total monthly payment for Tier 1 would be $2,300,000 ((92 ALECs)(100 levels)(10%)($2,500 average)).

D. Benchmark Table for Small Sample Sizes

With small samples, the parties agree that some consideration must be given to random variation which may make it difficult for BellSouth to meet a benchmark which is expressed as a certain percentage of transactions being completed in a specified time. BellSouth witnesses Coon and Mulrow advocate a statistical approach based on a 95% confidence interval. ALEC Coalition witness Bursh advocates a non-statistical approach, wherein the allowable number of missed transactions is rounded up to the next whole number. For example, in the case of four transactions, an adjustment would be made to allow BellSouth to miss one transaction and still be considered in compliance with a 95% benchmark. Witness Bursh believes that this approach is appropriate because some mitigation has been provided by defining the benchmark at 95%, rather than 100%. Z-Tel witness Ford also believes that there should not be any statistical adjustments to the benchmarks in the case of small sample sizes. He believes that the rounding up approach sponsored by witness Bursh is reasonable.

Since the benchmarks are set in a way that does not require perfection, we find that the rounding up approach advocated by ALEC Coalition witness Bursh could be used. We note that such an approach would be simpler. Nonetheless, we find that BellSouth's recommended approach is more defensible since it incorporates random variation in a statistically sound manner. To illustrate the difference in the two approaches, consider the case where there are 20 transactions for a particular measure, and the benchmark is expressed as 95% of the transactions being completed in 24 hours. If 18 of the 20 transactions (90%) are completed in 24 hours, this would be considered non-compliant performance under the ALEC Coalition Plan, and compliant performance under BellSouth's Plan. We believe that BellSouth's approach takes into consideration that its typical performance can meet the 95% standard, yet be higher or lower for a small sample because of random variation. On this basis, we find that BellSouth's recommended benchmark table shall be adopted for small samples.

E. Floor on the Balancing Critical Value

ALEC Coalition witness Bell and Z-Tel witness Ford both believe that there should be a floor on the balancing critical

value in certain situations. Witness Bell supports use of a floor if the delta value is greater than .25 and also sees merit in using either a floor for large sample sizes or the delta function. Similarly, witness Ford believes that a floor is needed, or the delta value should be a function of sample size.

In contrast, BellSouth witness Mulrow does not believe a floor is appropriate since this would artificially and arbitrarily reduce the materiality level. He explains that when sample sizes are small, balancing results in significance levels that are much larger than conventionally used, which gives the benefit of the doubt to the ALEC. When sample sizes are large, the reverse is true, and the data should show a material difference, not simply a conventionally significant difference.

In view of our decision to adopt Z-Tel witness Ford's delta function, there is no need to place a floor on the balancing critical value. Indeed, witness Ford acknowledges that either a floor is needed or the delta function should be used. Therefore, based on our decision above, there shall not be a floor on the balancing critical value.

XIX. DUE DATE AND METHOD OF PAYMENTS FOR TIER 1 AND TIER 2 NONCOMPLIANCE

As a backdrop, we note that the parties presented relatively little testimony on this issue.

Witness Stallcup and BellSouth witness Coon provide similar proposals. According to witness Stallcup, payment should be made by the 30th day following the due date of the performance measurement report for the month in which the obligation arose. Witness Coon believes that payment should be made by check, by the end of the second month following the month for which disparate treatment was detected. The essential difference in the two proposals is that witness Stallcup believes that performance measurement reports should be due by the 20th calendar day of the month, whereas witness Coon believes that the reports should be due by the 30th calendar day of the month, for the preceding month. Both witnesses advocate roughly a month between the due date for the reports and the due date for payment of any obligations arising from the reports. Finally, ALEC Coalition witness Bursh believes that payments for Tier 1 and

Tier 2 noncompliance should be made by the 15th business day following the due date for the reports.

Based on the limited testimony, we find that there is more sentiment towards having a month or 30 days between the due date for the reports and the due date for payment of any obligations arising from the reports. Given that the number of days in a month can vary between 28 and 31, we prefer that the interval be expressed as 30 days. Finally, we note that the parties agree on making payments by check.

Therefore, we find that BellSouth shall make payments for Tier 1 and Tier 2 noncompliance by check, by the 30th day following the due date of the performance measurement report, for the month in which the obligation arose.

XX. INTEREST ON DELINQUENT TIER 1 PAYMENTS

We find it appropriate to approve the following stipulated position, which was agreed to by BellSouth, AT&T, e.spire, FCTA, Worldcom, KMC, Covad, Mpower, Z-tel, Time Warner and IDS, and filed in this docket as document number 09141-01.

> BellSouth shall pay the ALEC interest at a rate of six percent simple interest (at a rate of six percent simple interest per annum) for each day after the due date that BellSouth fails to pay the ALEC.

XXI. FINES FOR DELINQUENT TIER 2 PAYMENTS

In this Section, we address whether BellSouth should be held liable for failure to make payments by the due date under the Tier 2 enforcement mechanism.

Arguments

In its brief, BellSouth argues that the ALECs' position is unnecessarily complex as well as arbitrary. BellSouth further points out that, in Florida, BellSouth is no longer subject to rate of return regulation, but rather to the form of alternative regulation described in Section 364, Florida Statutes. BellSouth contends that the ALEC proposal not only contains an overly

complex calculation, but also that it is based on an anachronistic view of the status of regulation in Florida.

BellSouth witness Coon proposes that "BellSouth make a voluntary payment to the Commission of $1,000 per day for each day after the due date that BellSouth fails to pay under the Tier 2 Enforcement Mechanism." With the exception of BellSouth's payment being voluntary as opposed to an involuntary penalty or a fine, witness Stallcup agrees with BellSouth's proposal. Both witnesses agree that $1,000 per day is appropriate and should be deposited into the State General Revenue Fund.

Witness Bursh states, "[i]f the ILEC fails to remit a consequence payment . . . then it should be liable for accrued interest for every day the payment is late." She further states that the interest should be calculated at "[a] per diem interest rate that is equivalent to the ILEC's rate of return for its regulated services for the most recent reporting year." However, in its brief, the ALEC Coalition states, "[i]nterest should be calculated in the same manner as the late payment for Tier 1 measures." As stated above, the parties to this docket stipulated that BellSouth would pay the ALECs interest at a rate of six percent simple interest per annum for each day after the due date for the Tier 1 enforcement mechanism.

DECISION

Based upon the evidence presented, we concur with BellSouth's position. It is unclear as to which method of payment the ALECs prefer: a per diem interest rate equivalent to BellSouth's rate of return or the stipulated six percent simple interest.

As asserted by BellSouth in its brief, BellSouth is no longer subject to rate of return regulation in Florida. Hence, it is not possible to set an interest rate equivalent to BellSouth's rate of return.

We also find the calculation of a six percent simple interest rate would be unnecessarily complex. The ALECs would not benefit from customizing each payment amount since the payments under the Tier 2 enforcement mechanism would be made to us for deposit in the State's General Revenue Fund. As observed

in BellSouth's brief, the $1,000 per day payment for each day past the due date is a finite amount, simple to determine, and easy to administer.

BellSouth shall remit to this Commission $1,000 per day, for deposit in the State's General Revenue Fund, for each day that payment is late under the Tier 2 enforcement mechanism.

XXII. RESOLUTION OF TIER 1 PENALTY DISPUTES

Herein, we address how to treat disputes that emerge from the penalties paid by BellSouth under the Tier 1 enforcement mechanism.

Arguments

As stated in BellSouth's witness Coon's testimony, BellSouth generally agrees with the proposal attached to the testimony of witness Stallcup, whereby the ALECs may seek additional remedies from BellSouth if the amounts paid under the Tier 1 enforcement mechanism are in question. However, BellSouth proposes that the dispute process add a provision to discourage the submission of frivolous disputes. Frivolous disputes, as defined by witness Coon, are those disputes, "where the amount in dispute is negligible or where it is consistently determined that the penalty is correct."

As stated in its prehearing statement, the ALEC Coalition also agrees with the proposal attached to the testimony of witness Stallcup, whereby the ALECs may seek additional remedies from BellSouth if the amounts paid under the Tier 1 enforcement mechanism are in question. However, since the proposal includes a provision for the ALECs to bear the responsibility for all administrative costs associated with resolution of disputes that result in no actual payment, the ALEC Coalition requests that we further define "administrative costs." In addition, the ALECs cite the provision for this Commission to settle disputes if BellSouth and the ALEC are unable to reach a mutually agreeable settlement pertaining to the amount disputed.

DECISION

Based upon the positions presented by both BellSouth and the ALEC Coalition, there is little to debate regarding this issue. Both parties agree to the dispute process outlined in witness Stallcup's proposal, with the exception of the parties' request for additional provisions and clarifications to be included in the proposal.

BellSouth requests an additional provision to discourage the submission of frivolous disputes. We note that the current proposal's provision for ALECs to bear the responsibility for "all administrative costs associated with resolution of disputes that result in no actual payment" fulfills BellSouth's request for a provision to discourage the ALECs from submitting frivolous disputes. As requested by the ALEC Coalition, we define administrative costs as all expenses that are incidental in nature and reasonably incurred in the resolution of the disputed matter. Such costs would include, but not necessarily be limited to: postage, travel and lodging, communication expenses, and legal costs. The ALEC Coalition agrees with witness Stallcup's provision for this Commission to settle disputes if the parties are unable to mutually agree on the disputed settlement amount. We concur with this position.

If an ALEC disputes the amount paid under Tier 1 enforcement mechanisms, the ALEC shall submit a written claim to BellSouth within 60 days after the payment due date. BellSouth shall investigate all claims and provide the ALEC written findings within 30 days after receipt of the claim. If BellSouth determines the ALEC is owed additional amounts, BellSouth shall pay the ALEC such additional amounts within 30 days after its findings along with six percent simple interest per annum. However, the ALEC shall be responsible for all administrative costs associated with resolution of disputes that result in no actual payment. Administrative costs are those reasonable costs incurred in the resolution of the disputed matter. Such costs would include, but not be limited to, postage, travel and lodging, communication expenses, and legal costs. If BellSouth and the ALEC have exhausted good faith negotiations and are still unable to reach a mutually agreeable settlement pertaining to the amount disputed, will we settle the dispute. If our intervention is required, a mediated resolution will be pursued.

XXIII. VERIFICATION OF TIER 1 AND TIER 2 PENALTY PAYMENTS

In this Section we define the accounting process by which the penalties paid by BellSouth under Tier 1 and Tier 2 Enforcement Mechanisms will be recorded.

Arguments

BellSouth agrees with the proposal attached to the testimony of witness Stallcup, whereby at the end of each calendar year, BellSouth will have its independent accounting firm certify that all penalties under Tier 1 and Tier 2 enforcement mechanisms were paid and accounted for in accordance with Generally Accepted Accounting Principles.

In its brief, BellSouth argues that conducting audits on a random basis, as proposed by the ALECs, versus a scheduled annual audit could result in multiple audits annually or audits "done in a manner that would otherwise create an administrative burden."

The ALEC Coalition agrees that an independent accounting firm should certify that all penalties under Tier 1 and Tier 2 enforcement mechanisms were paid and accounted for in accordance with Generally Accepted Accounting Principles. However, the ALEC Coalition believes the independent accounting firm should be selected by this Commission and further proposes that the audits be conducted randomly rather than on an annual basis. In its brief, the ALEC Coalition argues that having to wait 12 months for validation of BellSouth's remedy payments could have "devastating consequences" for some ALECs.

DECISION

We concur with BellSouth's position regarding audits being conducted on an annual basis to ensure that all the penalties under Tier 1 and Tier 2 enforcement mechanisms are properly and accurately assessed. We find no substantial evidence in the ALECs' testimony to support the need for random audits. However, we concur in part with the ALECs position that an independent accounting firm should be selected by BellSouth and confirmed by this Commission. Furthermore, we contend that these audits shall be performed subsequent to the annual audits of BellSouth's

performance measures to ensure that payments made under the Tier 1 and Tier 2 enforcement mechanisms are based on valid data.

At the end of each calendar year, an independent accounting firm, mutually agreeable to this Commission and BellSouth, shall certify that all penalties under Tier 1 and Tier 2 enforcement mechanisms were paid and accounted for in accordance with Generally Accepted Accounting Principles. Furthermore, these audits shall be performed based upon valid audited data of BellSouth's performance measures.

XXIV. LIMITATIONS OF LIABILITY

Here, we consider whether there are certain instances in which BellSouth should not be held liable for performance measure failures, specifically in situations that are beyond BellSouth's control, for example, ALEC acts or omissions.

Arguments

Witness Coon agrees with the liability limitations prescribed by staff witness Stallcup in Exhibit 13. Witness Stallcup's proposal states that BellSouth will not be responsible for performance measure failures that result from: ALEC accumulation and submission of orders at unreasonable quantities or times or failure to submit accurate orders, ALEC acts or omissions in bad faith, ALEC acts or omissions contrary to its Interconnection Agreement, the Act, Commission rule, or state law. Witness Stallcup's proposal also would limit BellSouth liability stemming from Force Majeure events and acts or omissions associated with third-party systems or equipment.

While ALEC witness Bursh endorses a procedural liability cap, her testimony does not specifically address the above conditions that would trigger liability limitations.

DECISION

We agree with the liability limitations proposed by witness Stallcup in Exhibit 13. Otherwise, ALECs could benefit from their own failure to perform or from "gaming" the enforcement plan by intentionally seeking to cause BellSouth to fail to meet measurement standards or benchmarks. We also agree that

BellSouth should not be liable for the effects of a Force Majeure event or the results of acts or omissions related to third-parties' systems or equipment.

The following limitations of BellSouth liability shall apply:

1) BellSouth will not be responsible for an ALEC's acts or omissions that cause performance measures to be missed or failed, including, but not limited to, accumulation and submission of orders at unreasonable quantities or times or failure to submit accurate orders or inquiries. BellSouth shall provide the ALEC with reasonable notice of such acts or omissions or provide the ALEC with any such supporting documentation.

2) BellSouth shall not be obligated for penalties under Tier 1 or Tier 2 Enforcement Mechanisms for noncompliance with a performance measure if such noncompliance was the result of an act or omission by the ALEC that was in bad faith.

3) BellSouth shall not be obligated for penalties under Tier 1 or Tier 2 Enforcement Mechanisms for noncompliance with a performance measurement if such noncompliance was the result of any of the following: a Force Majeure event; an act or omission by a ALEC that is contrary to any of its obligations under the Act, Commission rule, or state law; or an act or omission associated with third-party systems or equipment.

In addition to these specific limits of liability, BellSouth may petition this Commission to consider a waiver based upon other circumstances.

XXV. CAP ON REMEDY PAYMENTS

In this Section, we explore the type of overall limit on remedy payments by BellSouth under a Performance Assessment Plan. Such a limit, or cap, would limit the risks of financial harm to BellSouth and to its shareholders.

Arguments

All parties agree that a cap is appropriate, but they debate the merits of an absolute cap versus a procedural cap. ALECs

state that an absolute cap fails to provide a continuing incentive for BellSouth to perform once the cap is reached. BellSouth considers the more open-ended procedural cap unfair to the ILEC.

Witness Coon argues that only an absolute cap is appropriate with a "self-effectuating" performance assessment plan and that a procedural cap is "not really a cap at all, but rather a threshold that must be reached before the process of setting a cap begins." In his view, the procedural cap process simply defers and delays the decision of the total of payments at risk.

Witness Coon notes the possibility that payments beyond the procedural cap could eventually be determined by this Commission to have been unwarranted, but that BellSouth may suffer financial harm if not successful in recovering these "overpayments" from ALECs. He recommends that, if this Commission chooses the procedural cap approach, the procedural cap threshold should be set very low and that payments should be suspended until the absolute cap is eventually set by this Commission. Witness Coon points out that the performance plans in New York, Texas, Kansas and Oklahoma all have annual caps similar to the BellSouth-proposed absolute cap.

ALEC witness Bursh argues that an absolute cap is unacceptable because of the possibility that BellSouth could choose to retain market share by delivering noncompliant service to ALECs. She further states that an absolute cap implies that once the ILEC's performance deteriorates to a particular level (i.e. reaching the cap), then further deterioration in performance is irrelevant since the penalty cap will have been met.

Witness Bursh takes issue with BellSouth's contention that payments made beyond a procedural cap may be difficult for BellSouth to recover. She states that if the procedural cap is reached "BellSouth should continue to make Tier 2 payments into an interest-bearing registry or escrow account that earns a minimum interest rate as approved by the Commission." She appears to believe that Tier 1 payments beyond the procedural caps should still be paid directly to ALECs rather than into an escrow account.

Witness Ford concurs with witness Bursh that an absolute cap is inappropriate because, once the cap is reached, there is no counter-incentive to BellSouth's potential desire to discriminate and impede competition.

DECISION

As noted above, the record in this case shows that BellSouth agrees in principle to the inclusion of performance measures and to a concomitant self-executing remedy plan in its interconnection agreements. However, we find it unfair and unrealistic to expect BellSouth to agree to an unlimited penalty total under such a remedy plan. We find that an absolute annual cap is necessary to provide some degree of certainty regarding the potential total of remedy payments by BellSouth.

We disagree with the ALECs' and Z-Tel's view that performance penalties alone are expected to motivate a Bell company to provide nondiscriminatory OSS access and service for ALECs. We note that in its New York order, the FCC stated:

> Most fundamentally, we disagree with a basic assumption made by several commenters: that liability under the Plan must be sufficient, *standing alone*, to completely counterbalance Bell Atlantic's incentive to discriminate. The performance plans adopted by the New York Commission do not represent the only means of ensuring Bell Atlantic continues to provide nondiscriminatory service to competing carriers. In addition to the $269 million at stake under this Plan . . . Bell Atlantic faces other consequences if it fails to sustain a high level of service to competing carriers, including: federal enforcement action pursuant to section 271(d)(6); liquidated action under 32 interconnection agreements; and remedies associated with antitrust and other legal actions. (FCC 99-404, ¶435)

Further, we note that if performance measures results were to indicate that BellSouth's service to ALECs had deteriorated severely, we could require a show cause proceeding to investigate the causes and potential remedies. ALECs would be free to file a complaint with this Commission, as well, in this case.

The Performance Assessment Plan shall include an absolute annual cap, limiting total annual payments under Tier 1 and Tier 2 as specified above.

XXVI. DOLLAR VALUE OF CAP

Herein, we consider how to specify a total remedy cap. All parties agree that the cap should be stated in terms of a percentage of BellSouth's Florida net operating revenues.

Arguments

As a percentage of net revenues, the parties' positions on caps range from BellSouth's 36 percent to the ALEC Coalition's 39 percent. Witness Stallcup's proposal suggests a 39 percent procedural cap.

BellSouth witness Coon states that the cap should be stated in terms of a percentage of BellSouth's Florida net operating revenues, rather than a discrete dollar amount. He recommends an absolute cap of 36 percent of net operating revenues, noting that this is consistent with caps approved by the FCC for Verizon in New York and SBC in Kansas and Oklahoma.

Witness Coon surmises that the 39 percent cap proposed in witness Stallcup's proposal may have been based upon the Bell Atlantic (now Verizon) cap in New York. This cap was originally set by the New York Commission at 36 percent. It was eventually increased by three percent through fines triggered by major OSS malfunctions that occurred after 271 approval was granted by the FCC. He states the additional three percent is not necessary because similar failures "will not occur in BellSouth."

Witness Coon notes that if this Commission should opt for a procedural cap, this threshold should be set very low. He states that, in this case, the cap should be set "well below what any reasonable absolute cap might be."

Regarding the amount of the cap, witness Bursh's testimony states that "the procedural cap needs to be set sufficiently high enough so as not to negate the benefits of self-executing

remedies." She further states the "39 percent procedural cap in the Strawman Proposal is reasonable."

DECISION

We agree with BellSouth that the cap should be set as a percentage of net revenues, rather than set at a discrete dollar amount. This approach, which was followed in New York, Texas and Georgia, prevents the need to periodically update a specified dollar-amount cap.

We note that BellSouth witness Coon states that the caps approved to date by the FCC have been based upon a designated year of ARMIS reporting. He stated that basing the cap upon the percentage of either 1999 or 2000 ARMIS net operating revenue would be appropriate, depending upon the availability of the latter.

We are uncertain whether witness Stallcup's cap of 39 percent was based upon the New York experience, as posited by witness Coon. However, we disagree with witness Coon that there can be any certainty that problems similar to those experienced in New York could not occur in Florida. We note that the caps were set at 44 percent in Georgia and 36 percent in Texas. See Docket No. 7892-U, Order In re: Performance Measurements For Telecommunications Interconnection, Unbundling And Resale, January 12, 2001, p. 24; Interconnection Agreement-Texas between Southwestern Bell Telephone Company and CLEC (T2A) 010700, p.7. Therefore, we find that the 39 percent cap proposed by witness Stallcup is reasonable.

The absolute annual cap for Tier 1 and Tier 2 payments shall be set at 39 percent of BellSouth's annual Florida net operating revenues, based upon the most recently reported ARMIS data.

XXVII. PENALTIES IN EXCESS OF CAP

This issue inquires into the procedure for possible remedy payments beyond the cap.

Arguments

Witness Bursh contends that "the procedural cap affords BellSouth the opportunity to present this Commission with evidence as to why it should not be required to continue paying remedies even though its performance continues to deteriorate." This appears to place the burden of proof upon BellSouth. Witness Stallcup concurs that BellSouth should bear the burden of proof in allowing for an "expedited hearing." BellSouth states flatly that no penalty payments in excess of the cap are appropriate and does not address any procedure for considering otherwise.

DECISION

We find that the absolute penalty cap represents a substantial motivation for BellSouth to provide service in compliance with the approved performance measures. We note that it is unlikely that the need to consider payments in excess of the cap would arise. BellSouth would be well served to take effective remedial action long before it is required to forfeit more than one-third of annual Florida net revenues.

As stated above, should performance measures results indicate that BellSouth's service to ALECs had deteriorated severely, we could require a show cause proceeding to investigate the causes and potential remedies. ALECs would also be free to file a complaint with this Commission, as well, in this case.

As also cited above, the FCC has stated that performance plan penalties are not intended to be the sole source of motivation for ILECs to provide nondiscriminatory OSS access and service. Therefore, we will not require penalty payments beyond the 39 percent annual cap. However, this will not limit our ability to raise the cap if BellSouth fails to correct its behavior in accordance with the Performance Assessment Plan.

XXVIII. PERIOD OF CAP

Here, we consider the timing applicable to the remedy payments cap.

Arguments

BellSouth witness Coon states without elaboration that "an absolute cap should be applied on an annual basis." ALEC witness Bursh states without elaboration "the procedural cap should apply on a rolling twelve-month basis."

DECISION

We concur with witness Coon's recommendation of a cap applied on an annual basis. It is simple and consistent with a fixed absolute cap.

The ALEC recommendation of a rolling twelve-month application would be consistent with a procedural cap and an ongoing reassessment each month. However, we find that this could present a substantial administrative burden that would frustrate the intent of a self-executing plan.

We find that the absolute cap on Tier 1 and Tier 2 payments apply on an annual basis from the effective date of the Performance Assessment Plan.

XXIX. MARKET PENETRATION ADJUSTMENT

Arguments

Witness Stallcup advances the concept that advanced and nascent services should receive special treatment under a transaction-based remedy plan, since the normal remedy payments may not provide a sufficient incentive for BellSouth to provide compliant service. He proposes that an adjustment be made for Tier 2 wherein the penalties per failed transaction, for specific measures and offerings, would be trebled if the number of monthly transactions is 100 or less.

BellSouth witness Coon does not support use of a Market Penetration Adjustment. He argues that "[t]his adjustment will unfairly penalize BellSouth for ALECs' business decisions not to include Florida in initial entry level strategies or to target other areas before moving to Florida."

As referenced above, ALEC Coalition witness Bursh recommends that Tier 2 remedies be a multiple of "n" greater than the Tier 1 remedies. The value for "n" is a function of the ALEC market penetration levels and varies from 1 to 10.

DECISION

We find that a Market Penetration Adjustment is inherently unnecessary with a measure-based remedy plan. This is consistent with witness Stallcup's testimony that the adjustment "is intended to assist the development of newer services with relatively low volumes." Under a measure-based remedy plan, low volumes are not an issue since the remedy payment for a failed measure will not be sensitive to volume. Accordingly, the Performance Assessment Plan shall not include a Market Penetration Adjustment.

XXX. COMPETITIVE ENTRY VOLUME ADJUSTMENT

Arguments

Witness Stallcup believes that this feature will "help protect a small ALEC's ability to establish and maintain a presence in the local exchange market." Under his proposal, per-transaction penalty amounts under Tier 1 would be trebled if there are 25 or fewer transactions per month, and doubled if there are 26 to 50 transaction per month, for a given measure. As with the Market Penetration Adjustment, witness Stallcup is concerned that under a transaction-based remedy system, the normal remedy payments may not provide a sufficient incentive for BellSouth to provide compliant service to ALECs which have a small number of transactions.

ALEC Coalition witness Bursh and Z-Tel witness Ford both believe that some sort of adjustment is needed with a transaction-based remedy system to address the small sample problem. With a transaction-based remedy system, witness Ford believes that a minimum payment is a better method for correcting the "perverse incentives at small samples." In addition, witness Ford notes that the ALEC Coalition's proposed measure-based system also addresses the small sample problem in a reasonable manner.

While the adjustment is targeted as protection for small ALECs, BellSouth witness Coon observes that the adjustment is based on the number of transactions. He believes that large ALECs will also benefit since there will be instances where the number of transactions processed for a large company may fall under the thresholds of 25 and 50. Collocation and invoice related measures could be particularly problematic since the very nature of these measures suggests that volumes would be low.

DECISION

We find that BellSouth witness Coon's criticisms of this proposed feature are very valid. Moreover, under a measure-based remedy plan, low volumes are not an issue since the remedy payment for a failed measure will not be sensitive to volume. Accordingly, the Performance Assessment Plan shall not include a Competitive Entry Volume Adjustment.

XXXI. THIRD-PARTY AUDITS OF PERFORMANCE ASSESSMENT PLAN DATA AND REPORTS

In this Section, we address whether or not third-party audits should be performed on BellSouth's Performance Assessment Plan data and reports.

Arguments

As stated in its prehearing statement, BellSouth believes that third-party audits of its Performance Assessment Plan data and reports are appropriate. However, BellSouth argues that the audits should be addressed at regional level as opposed to a state level, as proposed by the ALEC Coalition. BellSouth witness Coon states:

> BellSouth's measurement data is produced by a regional system and managed by the same regional organization. To the extent possible, audits should be conducted regionally since many of the processes and programs are the same from state to state.

The ALEC Coalition also believes that third-party audits of BellSouth's Performance Assessment Plan data and reports are appropriate. However, the ALEC Coalition advocates for the

audits to be conducted at a state level. ALEC witness Kinard states, "many of BellSouth's processes, such as provisioning, repair, and collocation, are handled at the state level."

DECISION

Both BellSouth and the ALEC Coalition agree that audits of BellSouth's Performance Assessment Plan should be conducted by an independent third party. However, the parties are in disagreement as to the geographic level at which the audits should be conducted– a regional level versus the state specific level. Attachment 8 shows the specific levels (state versus region) for which BellSouth's performance measures are reported and collected. The measures shown in Attachment 8 are those proposed and provided by BellSouth in attachment DAC-1 to witness Coon's testimony.

We agree in part with BellSouth in that data for specific metrics should be audited at a regional level due to the centralized nature of BellSouth's processes and systems. For example, as shown in Attachment 8 the Average Response Time and Response Interval (OSS-1) and Interface Availability (OSS-2) metrics would be audited at a regional level since these measures are collected and reported only at the regional level.

We also agree in part with the ALEC Coalition. We find that measures related to specific functions of BellSouth's Performance Assessment Plan shall be audited at the state level to ensure that performance measures for Florida ALECs are accurately and appropriately calculated. For example, as shown in Attachment 8, the Reject Interval (O-8) and Percent Missed Installation Appointments (P-3) metrics shall be audited at a state level to get a state-specific view of these results since these measures are collected and reported at both the state and regional levels.

Third-party audits of BellSouth's Performance Assessment Plan metrics and reports are required. The metrics and reports shall be audited at a state level unless the data is only reported and collected at a regional level.

ATTACHMENT 8

BELLSOUTH'S PERFORMANCE ASSESSMENT PLAN STATE VS REGIONAL REPORT SCOPE			
No.	**Measure**	**Reported at State Level**	**Reported at Regional Level**
	Pre-Ordering		
OSS-1	Average Response Time for OSS Pre-Order Interfaces & Response Interval		X
OSS-2	OSS Interface Availability (All Systems)		X
OSS-3	Interface Availability (M&R)		X
OSS-4	Response Interval (M&R)		X
PO-1	Loop Makeup Inquiry (Manual)	X	X
PO-2	Loop Makeup Inquiry (Electronic: EDI, TAG and LENS)	X	X
	Ordering		
O-1	Acknowledgment Timeliness (Electronic)		X
O-2	Acknowledgment Completeness (Fully Mechanized, Partially Mechanized & Total Mechanized)		X
O-3/4	Percent Order Flow Through (Summary & Detail)		X

BELLSOUTH'S PERFORMANCE ASSESSMENT PLAN STATE VS REGIONAL REPORT SCOPE			
No.	Measure	Reported at State Level	Reported at Regional Level
O-7	Percent Rejected Service Request (Fully Mechanized, Partially Mechanized & Non-Mechanized)	X	X
O-8	Reject Interval	X	X
O-9	Firm Order Confirmation Timeliness (Fully Mechanized, Partially Mechanized & Non-Mechanized)	X	X
O-10	Service Inquiry with LSR Firm Order Confirmation (FOC) Response Time (Manual)	X	X
O-11	Firm Order Confirmation and Reject Response Completeness	X	X
O-12	Speed of Answer in Ordering Center		X
O-13	LNP - Percent Rejected Service Request	X	X
O-14	LNP - Reject Interval Distribution & Average Reject Interval	X	X

BELLSOUTH'S PERFORMANCE ASSESSMENT PLAN STATE VS REGIONAL REPORT SCOPE			
No.	**Measure**	**Reported at State Level**	**Reported at Regional Level**
O-15	LNP - FOC Timeliness Interval Distribution & FOC Average Interval	X	X
	Provisioning		
P-1	Mean Held Order Interval	X	X
P-2	Average Jeopardy Notice Interval (Electronic) & % Orders Given Jeopardy Notice	X	X
P-3	Percent Missed Installation Appointments	X	X
P-4	Order Completion Interval	X	X
P-5	Average Completion Notice Interval (Electronic)	X	X
P-6C	Coordinated Customer Conversions - % Provisioning Troubles Received Within 7 Days of a Completed Service Order	X	X
P-6	Coordinated Customer Conversions Interval	X	X
P-6A	Coordinated Customer Conversions Hot Cut Timeliness % within Interval & Average Interval	X	X

BELLSOUTH'S PERFORMANCE ASSESSMENT PLAN STATE VS REGIONAL REPORT SCOPE			
No.	**Measure**	**Reported at State Level**	**Reported at Regional Level**
P-6B	Coordinated Customer Conversions - Average Recovery Time	X	X
P-7	Cooperative Acceptance Testing(% xDSL Loops Successfully Tested)	X	X
P-8	% Provisioning Troubles within 30 days	X	X
P-9	Total Service Order Cycle Time	X	X
P-10	LNP - Percent Missed Installation Appointments	X	X
P-11	LNP - Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution	X	X
P-12	LNP - THATCHED	X	X
Maintenance & Repair			
M&R-1	Missed Repair Appointments	X	X
M&R-2	Customer Trouble Report Rate	X	X
M&R-3	Maintenance Average Duration	X	X
M&R-4	% Repeat Troubles within 30 days	X	X

BELLSOUTH'S PERFORMANCE ASSESSMENT PLAN STATE VS REGIONAL REPORT SCOPE			
No.	Measure	Reported at State Level	Reported at Regional Level
M&R-5	Out of Service > 24 hours	X	X
M&R-6	Average Answer Time - Repair Center		X
M&R-7	Mean Time to Notify CLEC of Network Outages (M&R)	X	X
	Billing		
B-1	Invoice Accuracy	X	X
B-2	Mean Time to Deliver Invoices	X	X
B-3	Usage Data Delivery Accuracy		X
B-4	Usage Data Delivery Completeness		X
B-5	Usage Data Delivery Timeliness		X
B-6	Mean Time to Deliver Usage		X
B-7	Recurring Charge Completeness		X
B-8	Non-Recurring Charge Completeness		X
	OS/DA		
OS-1	Average Speed to Answer (OS)	X	
OS-2	% Answered in "X" Seconds (OS)	X	

BELLSOUTH'S PERFORMANCE ASSESSMENT PLAN STATE VS REGIONAL REPORT SCOPE			
No.	**Measure**	**Reported at State Level**	**Reported at Regional Level**
DA-1	Average Speed to Answer (DA)	X	
DA-2	% Answered in "X" Seconds (DA)	X	
Database Update Information			
D-1	Average Update Interval for DA Database for Facility Based CLECs	X	
D-2	Percentage DA Database Accuracy For Manual Updates	X	
D-3	Percent NXXs loaded and Tested by/or prior to the LERG effective date		X
E911			
E-1	Timeliness	X	X
E-2	Accuracy	X	X
E-3	Mean Interval	X	X
Trunk Group Performance			
TGP-1	Trunk Group Performance - Aggregate	X	
TGP-2	Trunk Group Performance - Specific	X	
Collocation			
C-1	Average Response Time	X	

BELLSOUTH'S PERFORMANCE ASSESSMENT PLAN STATE VS REGIONAL REPORT SCOPE			
No.	**Measure**	**Reported at State Level**	**Reported at Regional Level**
C-2	Average Arrangement Time	X	
C-3	% of Due Dates Missed	X	
Change Management/Interface Outages			
CM-1	Timeliness of Change Management Notices		X
CM-2	Average Delay Days for Change Management Notices		X
CM-3	Timeliness of Documents Associated with Change		X
CM-4	Average Delay Days for Documentation		X
CM-5	Average Notice of Interface Outage		X

XXXII. FREQUENCY AND SCOPE OF AUDITS

Herein, we address the frequency and who should determine the scope of the third-party audits of BellSouth Performance Assessment Plan. All parties are in agreement on this issue.

Arguments

BellSouth, and the ALECs are in agreement that annual third-party audits should be conducted for the next five years, 2001 through 2006. BellSouth also agrees that BellSouth, the ALECs, and this Commission should jointly determine the scope of the audit.

DECISION

As noted, BellSouth and the ALEC Coalition are in agreement regarding this issue. A comprehensive independent third-party audit of BellSouth's Performance Assessment Plan data and reports for both BellSouth and the ALECs shall be conducted for the current year data for each of the next five years. BellSouth, the ALECs, and this Commission shall jointly determine the scope of the audit.

XXXIII. FINANCIAL RESPONSIBILITY FOR COSTS OF THIRD-PARTY AUDITS

In this Section, we inquire into who should be responsible for paying for the third-party audits of BellSouth's Performance Assessment Plan.

Arguments

BellSouth maintains that fifty percent of the audit costs should be shared by the ALEC or ALECs. BellSouth witness Coon argues that "BellSouth has already invested significant resources and dollars, under the direction of the Georgia and Florida Commissions, in the validation and testing of BellSouth's performance measurements by an independent third party, KPMG." BellSouth further asserts in its brief that the total costs to each ALEC would be "relatively small" and "fair and reasonable" if their share of the fifty percent is divided among the various ALECS. According to BellSouth, if the ALECs bear fifty percent of the audit costs, the ALECs, in turn, can effectively define

the scope of the audit, which can be used to determine the audit cost.

On the contrary, ALEC witness Kinard states:

> Costs for these annual audits should be borne by BellSouth. BellSouth is the dominant market provider with the incentive and ability to discriminate. To ensure that BellSouth's reporting is accurate and triggers remedies designed to curb its incentives to discriminate, comprehensive annual audits are critical.

Witness Kinard also argues that "[a]udits are an integral part of a performance measurements plan to ensure BellSouth's compliance with the Telecommunications Act of 1996." BellSouth should bear the total cost of the audits, since they, as the incumbent, would need to assure they are in compliance with the Act.

DECISION

Notwithstanding BellSouth's general duty to comply with the Telecommunications Act of 1996, we concur with BellSouth in that a performance measurement plan is not specifically required by the Act, as implied by the ALEC Coalition. However, we support the ALECs' position that the audit costs should be borne by BellSouth. If the ALECs were to bear fifty percent of the audit costs, the process of identifying which ALECs are to be billed and the amount to be billed to each would be difficult and burdensome. For example, for those performance measures that are only collected and reported at the regional level (nine state region), non-Florida ALECs would derive some benefit.

There would be an inherent difficulty in determining which ALECs should bear the audit costs and the amount to collect from each. Additionally, since BellSouth controls the accuracy and validity of the performance measures, BellSouth is ultimately responsible for the outcome of the audit and, therefore, the underlying costs of the audit. Therefore, the cost of third-party audits shall be borne by BellSouth.

XXXIV. SELECTION OF THIRD-PARTY AUDITOR

Here we look into how a third-party auditor should be selected.

Arguments

BellSouth agrees with the proposal attached to the testimony of witness Stallcup, whereby the independent third-party auditor should be selected with input from BellSouth and this Commission. In witness Coon's testimony and in BellSouth's brief, BellSouth also is in agreement to having the ALECs participate in the third-party auditor selection process.

The ALEC Coalition proposes that BellSouth and the ALECs should jointly select the third-party auditor and this Commission would only intervene if the parties cannot mutually agree on the selection of the auditor.

DECISION

BellSouth agrees to having the ALECs participate in the selection of an independent third-party auditor only if the ALECs are to bear fifty percent of the audit costs as proposed by BellSouth above. While we are requiring BellSouth to pay for the total costs of the third-party audits, the ALECs shall have input in the selection of the third-party auditor.

While we find that the cost of third-party audits shall be borne by BellSouth, the third-party auditor shall be selected by BellSouth, with input from the ALECs and confirmed by us to ensure adherence to the general standards of the Institute of Internal Auditors.

XXXV. AUDITS BY ALECs

In this Section, we consider whether or not the ALECs should be allowed to request individual audits or "mini-audits" of specific measures or submeasures within BellSouth's Performance Assessment Plan when the ALECs believe the measures or submeasures are wrong.

Arguments

BellSouth does not believe that the ALECs need to request individual or "mini-audits" whenever they believe data collected for a measure is flawed or the report criteria for the measure is not being adhered to. We note that BellSouth's witness Coon states:

> BellSouth provides the ALECs with the raw data underlying many of the BellSouth Service Quality Measurements reports as well as a user manual on how to manipulate the data into reports. The ALECs can use this raw data to validate the results in the BellSouth Service Quality Measurements reports posted every month on the BellSouth web site.

In its brief, BellSouth further argues, "the ALECs propose a method of conducting mini-audits that would be, at best, extremely burdensome and, more likely, impossible." In his testimony, BellSouth witness Coon states:

> . . . there are over 80 ALECs in Florida that currently have BellSouth SQMs as part of their interconnection agreements. If each of those ALECs were allowed three mini-audits a year as proposed by Ms. Kinard, that would equate to 240 audits per year in Florida alone. If the annual comprehensive audit takes six months to complete (a conservative estimate based on comprehensive audits in Georgia and Florida), there are only six months left for mini-audits.

ALEC witness Kinard argues that for some measures (for example, LNP), the raw data is not available to the ALECS, while for some other measures, the raw data is flawed or it is not meaningful. Witness Kinard further contends that the ALECs should have the right to request a mini-audit to be performed on a particular measure or submeasure if they provide BellSouth with an advance written notice. Mini-audits, as defined by witness Kinard, are audits of "all systems, processes and procedures associated with the production and reporting of performance

measurements results for the audited/submeasure." Witness Kinard proposes that "no more than three mini-audits would be conducted simultaneously unless more than one ALEC wanted the same measure/submeasure audited at the same time, in which case mini-audits of the same measure/submeasure should count as one mini-audit for this purpose."

DECISION

We concur with BellSouth's position. The ALECs' request for mini-audits of the performance measures would be overly burdensome to BellSouth. As stated above, we are requiring that an audit of BellSouth's performance measures be conducted annually by an independent third party to validate the results of BellSouth's performance measurement reports posted on the BellSouth Web site. We find that this annual audit will provide adequate protection for ALECs.

We also note that we have jurisdiction to independently initiate an audit of BellSouth's performance measures if we have reason to believe that BellSouth's raw data is inadequate or seriously flawed. ALECs may petition us to exercise this authority.

BellSouth shall not have to undergo an individual audit by a third party (mini-audit) whenever an ALEC has reason to believe the data collected for a performance measure is flawed or that the report criteria are not being followed. However, the need for a mini-audit will be revisited during the six month review cycle.

XXXVI. RETENTION OF PERFORMANCE MEASUREMENT DATA

In this Section, we address the retention of data and reports maintained in BellSouth's Performance Assessment Plan.

Arguments

BellSouth proposes to retain its Performance Measurements Analysis Platform (PMAP) data for a period not to exceed 18 months. Witness Coon argues that "retention of this volume of data longer than 18 months would represent tremendous costs to

BellSouth in data storage and, therefore, would be unreasonable and overly burdensome."

The ALEC Coalition also proposes to retain PMAP data for a period not to exceed 18 months. However, if an audit of BellSouth's performance measures were to exceed 18 months, the ALECs further propose that PMAP data should be retained for as long as it is necessary to complete the audit.

DECISION

BellSouth's PMAP system is used to collect, process and report performance data to correspond to the performance measurements reflected in BellSouth's Service Quality Manual. Currently, via BellSouth's Website, ALECs can retrieve monthly performance reports that are produced on an ALEC-specific and an ALEC-aggregate basis for the BellSouth region and for each BellSouth state. The monthly reports also contain applicable information concerning BellSouth's retail performance.

BellSouth's PMAP system is also used to maintain the raw data files used to generate the monthly reports. The raw data files are bits and pieces of data compiled from numerous BellSouth information systems. The raw data files maintained in PMAP are ALEC-specific and provide each ALEC with the capability of tracking down an individual service order or individual trouble ticket.

Because of the enormous size of the raw data files, we concur with BellSouth that retention of this data for a period longer than 18 months be would be unreasonable and overly burdensome. However, we find it reasonable for BellSouth to retain the monthly reports produced in PMAP for a three-year period.

BellSouth shall retain the performance measurement raw data files for a period of 18 months and further retain the monthly reports produced in PMAP for a period of three years.

XXXVII. AFFILIATES

All parties agree that the definition of "affiliate" contained in the 1996 Telecom Act is appropriate for use in the Performance Assessment Plan.

Arguments

BellSouth witness Cox agrees that the term "affiliate" should be defined as specified by the 1996 Telecom Act. The Act states,

> The term "affiliate" means a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than 10%.

ALEC witness Kinard also recommends using the Act's definition of "affiliate."

DECISION

Upon consideration, we find that the definition of "affiliate" contained in the Act is adequate for purposes of the Performance Assessment Plan.

XXXVIII. AFFILIATE DATA

This issue explores the question of whether there is a use or potential use for BellSouth affiliate data in the Performance Assessment Plan.

Arguments

BellSouth witness Cox argues that the only BellSouth affiliate data that might be relevant for comparison with ALEC results would be a BellSouth ALEC affiliate. She notes that there is no value in scrutinizing data for BellSouth affiliates whose operations are not comparable to those of ALECs.

In cross-examination, witness Cox testified that she is unaware of any BellSouth affiliates, other than its affiliated ALEC, that currently rely upon BellSouth's OSS databases, system interfaces, or back-end systems in their operations.

ALEC witness Kinard argues that BellSouth should separately report any affiliate activity for the metrics adopted in this proceeding. She notes that BellSouth should be allowed to exclude the number of affiliate observations from data reported to individual ALECs, but should include this information in data provided to this Commission.

DECISION

We agree with BellSouth witness Cox that the only potentially relevant BellSouth affiliate data for purposes of the Performance Assessment Plan, is data regarding BellSouth ALEC affiliates. This data shall be reported by BellSouth monthly, for each applicable affiliate and metric, for purposes of our monitoring.

If other BellSouth affiliates were to make use of the OSS databases, systems, and interfaces, the data associated with those affiliates would also be relevant for purposes of the Performance Assessment Plan. However, based upon BellSouth witness Cox's testimony that she is unaware of any BellSouth affiliates, other than its affiliated ALEC, that currently rely upon BellSouth's OSS databases, system interfaces, or back-end systems in their operations, we find that the term "affiliates" shall only apply to any BellSouth's ALEC affiliates in this context.

Should there be a change regarding other BellSouth affiliates' use of OSS databases, systems, and interfaces, BellSouth shall inform this Commission so this matter can be revisited.

Furthermore, BellSouth shall provide monthly results for each metric for each BellSouth ALEC affiliate. We agree with ALEC witness Kinard that only this Commission should be provided the numbers of transactions or observations for BellSouth ALEC affiliates for purposes of its review. Both this Commission and

ALECs shall be provided with metrics results such as average intervals, percent completed on time, etc.

We find that only BellSouth ALEC affiliate data shall be reported for purposes of monitoring under the Performance Assessment Plan. BellSouth shall provide monthly results for each metric for each BellSouth ALEC affiliate; however, only we shall be provided the number of transactions or observations for BellSouth ALEC affiliates. Further, BellSouth shall inform us of any changes regarding non-ALEC affiliates' use of its OSS databases, systems, and interfaces.

XXXIX. USE OF AFFILIATE DATA

This issue raises the question of how BellSouth affiliate data could be used by us, including its potential use as a benchmark for determining parity between service provided to competing ALECs versus service provided to BellSouth's affiliated ALEC(s). This issue also raises the question of whether attention should be paid to possible disparity between BellSouth's treatment of its own affiliated ALEC(s) versus treatment given competing ALECs.

Arguments

BellSouth witness Cox points out that in FCC decisions, performance related to BOC affiliates has played no role in its analysis. Instead, she notes that the FCC compares only the performance provided to the ALEC to the performance the BOC provides to its retail customers.

Witness Cox notes that the Georgia Public Service Commission rejected a proposal for comparison between BellSouth's performance for ALECs and its performance for affiliates. Instead the Georgia Commission noted that if an ALEC believes BellSouth is showing preference to its affiliate, it may file a complaint with the Commission.

Witness Cox also points out that the Louisiana Public Service Commission staff's recommendation proposed that if the activity in that state of BellSouth's affiliated ALEC reaches a certain threshold, then it should be determined in future audits whether there is any evidence of discriminatory treatment.

Witness Cox recommends that BellSouth provide its ALEC affiliate data just like any other ALEC. She recommends either the Georgia or Louisiana staffs' approaches in Florida, but disagrees with any attempt to tie the affiliate results to the Performance Assessment Plan at this time. ALEC witness Kinard proposes that BellSouth report data and that this Commission study it for several months before deciding whether the affiliate data can be used as a substitute for benchmarks and analogs.

DECISION

We agree that we need not take any action regarding BellSouth ALEC affiliate data at this time. Instead, we will monitor this data, as BellSouth and the ALEC Coalition suggest, until its relevance, impact, and significance can be determined.

We find the BellSouth affiliated ALEC transaction volume not significant and would not currently provide a meaningful substitute for benchmarks or analogs. In the meantime, we find that the affiliate results are unlikely to skew the overall performance results and need not be excluded from calculation of ALEC aggregate results.

We will monitor the BellSouth ALEC affiliate performance metrics results provided each month until an assessment can be made of the data's relevance and significance. At this time, no use should be made of the affiliate data for determining Tier 1 or Tier 2 compliance.

This docket shall remain open pending administrative approval of BellSouth's proposed assessment plan. BellSouth shall file this proposed plan within 45 days of the issuance of the Final Order in this docket. BellSouth's proposed plan shall address the following key elements of witness Stallcup's proposal:

1. Administration Plan
2. Service Quality Measures
3. Tier 1 And Tier 2 Enforcement Measures
4. Analogs and Benchmarks
5. Calculation Procedures
6. Statistical Methodology

This docket shall remain open for the periodic reviews of the Performance Assessment Plan to begin six months after approval of the Performance Assessment Plan.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the specific findings set forth in this Order are approved in every respect. It is further

ORDERED that any appropriate modifications shall be addressed as part of the next performance assessment plan review cycle. This review shall occur approximately six months after completion of this proceeding. It is further

ORDERED that all 71 proposed BellSouth metrics shall be adopted as part of the Florida SQMs. Additionally, the following four metrics shall be included in the Florida SQMs: Percent Order Accuracy; Percent Completion/Attempts without a Notice or with less than 24 Hours Notice; Percent Completion of Timely Loop Modification; and Percent Billing Errors Corrected in X Days. It is further

ORDERED that the business rules, disaggregation and standards approved in Attachments 3, 4, and 5, which are incorporated herein, shall be adopted. It is further

ORDERED that BellSouth shall adhere to Attachment 7, incorporated herein, for compliance reporting purposes for disaggregation and standards. It is further

ORDERED that the metrics displayed in the "Commission Approved" column in Attachment 6 shall be included in the Florida Performance Assessment Plan as Tier 1 and Tier 2 enforcement metrics. It is further

ORDERED that BellSouth shall develop a Performance Assessment Plan that includes a self-executing voluntary enforcement mechanism if performance data and reports are not posted to the BellSouth Interconnection Services Website by the due date. This penalty shall incomplete or inaccurate. A penalty of $2,000 per day shall be assessed for the aggregate of all such reports. This payment shall be made to the Florida

Public Service Commission, for deposit into the State General Revenue Fund, within 15 calendar days of the actual publication date. It is further

ORDERED that BellSouth shall develop a Performance Assessment Plan that includes a self-executing voluntary enforcement mechanism if performance data and reports are incomplete or inaccurate. A penalty of no less than $400 per day shall be assessed for the aggregate of all such reports. This payment shall be made to the Florida Public Service Commission, for deposit into the State General Revenue Fund, within 15 calendar days of the final publication date or the report revision date. It is further

ORDERED that BellSouth shall file a revised performance assessment plan consistent with this Order, within 45 days of the Final Order in this docket. Our staff is directed to administratively approve the performance assessment plan and enforcement mechanism if it complies with the Final Order in this docket. It is further

ORDERED that the Performance Assessment Plan shall become effective 90 days from approval of the Plan submitted in conformance with the Final Order in this docket. It is further

ORDERED that where the standard for a measure is a retail analog, compliance shall be evaluated through a statistical process. Where the standard for a measure is a benchmark, compliance shall be determined by a "bright-line" comparison, with an adjustment for small sample sizes. It is further

ORDERED that BellSouth's definition of parity shall be adopted. Where a measure has a retail analog, BellSouth shall provide access to a competing carrier in substantially the same time and manner as it provides to itself. For those functions that have no retail analog, BellSouth shall provide access that would offer an efficient carrier a meaningful opportunity to compete. It is further

ORDERED that the Truncated Z statistic shall be used to evaluate compliance for enforcement measures with retail analogs. For small samples (30 or less), a permutation test shall be used to calculate Z-scores for mean measures. In addition, the

transformed data method, also known as the arcsine square root transformation, shall be used to calculate Z-scores for proportion and rate measures. For small samples, the hypergeometric test, also known as Fisher's Exact Test, shall be used for proportion and rate measures. It is further

ORDERED that Z-Tel's delta function and recommended parameter values shall be adopted. It is further

ORDERED that BellSouth shall develop a remedy plan which includes certain features. Remedies shall be measure-based, rather than transaction-based, and shall vary by type of measure and duration for Tier 1, and type of measure for Tier 2. The relative relationships between the various measure-based remedy payments shall be consistent with the relative relationships between the various BellSouth proposed, transaction-based remedy payments. Tier 1 remedies shall be set such that the average Month 1 remedy approximates the $2,500 minimum payment recommended by the ALEC Coalition. Tier 2 remedies shall be applicable after three consecutive months of violations, as proposed by BellSouth. It is further

ORDERED that BellSouth's recommended benchmark table shall be adopted for small samples as set forth in the body of this Order. It is further

ORDERED that there shall not be a floor on the balancing critical value. It is further

ORDERED that BellSouth shall make payments for Tier 1 and Tier 2 noncompliance by check, by the 30th day following the due date of the performance measurement report, for the month in which the obligation arose. It is further

ORDERED BellSouth shall pay the ALEC interest at a rate of six percent simple interest (at a rate of six percent simple interest per annum) for each day after the due date that BellSouth fails to pay the ALEC. It is further

ORDERED that BellSouth shall remit to this Commission $1,000 per day, for deposit in the State's General Revenue Fund, for each day that payment is late under the Tier 2 enforcement mechanism. It is further

ORDERED that if an ALEC disputes the amount paid under Tier 1 enforcement mechanisms, the ALEC shall submit a written claim to BellSouth within 60 days after the payment due date. BellSouth shall investigate all claims and provide the ALEC written findings within 30 days after receipt of the claim. If BellSouth determines the ALEC is owed additional amounts, BellSouth shall pay the ALEC such additional amounts within 30 days after its findings along with six percent simple interest per annum. However, the ALEC shall be responsible for all administrative costs associated with resolution of disputes that result in no actual payment. Administrative costs are those reasonable costs incurred in the resolution of the disputed matter. Such costs would include, but not be limited to, postage, travel and lodging, communication expenses, and legal costs. If BellSouth and the ALEC have exhausted good faith negotiations and are still unable to reach a mutually agreeable settlement pertaining to the amount disputed, will we settle the dispute. If our intervention is required, a mediated resolution will be pursued. It is further

ORDERED that at the end of each calendar year, an independent accounting firm, mutually agreeable to this Commission and BellSouth, shall certify that all penalties under Tier 1 and Tier 2 enforcement mechanisms were paid and accounted for in accordance with Generally Accepted Accounting Principles. Furthermore, these audits shall be performed based upon valid audited data of BellSouth's performance measures. It is further

ORDERED that the limitations of liability as set forth in the body of this Order shall apply to BellSouth. It is further

ORDERED that the Performance Assessment Plan shall include an absolute annual cap, limiting total annual payments under Tier 1 and Tier 2 as specified above. It is further

ORDERED that the absolute annual cap for Tier 1 and Tier 2 payments shall be set at 39 percent of BellSouth's annual Florida net operating revenues, based upon the most recently reported ARMIS data. It is further

ORDERED that the cost of third-party audits shall be borne by BellSouth. It is further

ORDERED that the third-party auditor shall be selected by BellSouth, with input from the ALECs and confirmed by this Commission to ensure adherence to the general standards of the Institute of Internal Auditors. it is further

ORDERED that third-party audits of BellSouth's Performance Assessment Plan metrics and reports are required on an annual basis. The metrics and reports shall be audited at a state level unless the data is only reported and collected at a regional level. It is further

ORDERED that a comprehensive independent third-party audit of BellSouth's Performance Assessment Plan data and reports for both BellSouth and the ALECs shall be conducted for the current year data for each of the next five years. BellSouth, the ALECs, and this Commission shall jointly determine the scope of the audit. It is further

ORDERED that BellSouth shall retain the performance measurement raw data files for a period of 18 months and further retain the monthly reports produced in PMAP for a period of three years. It is further

ORDERED that BellSouth shall provide monthly results for each metric for each BellSouth ALEC affiliate; however, only this Commission shall be provided the number of transactions or observations for BellSouth ALEC affiliates. Further, BellSouth shall inform this Commission of any changes regarding non-ALEC affiliates' use of its OSS databases, systems, and interfaces. It is further

ORDERED that this docket shall remain open for the periodic reviews of the Performance Assessment Plan to begin six months after approval of the Performance Assessment Plan.

By ORDER of the Florida Public Service Commission this 10th day of September, 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)

JKF

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.