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June 28, 2002

**BY HAND DELIVERY**

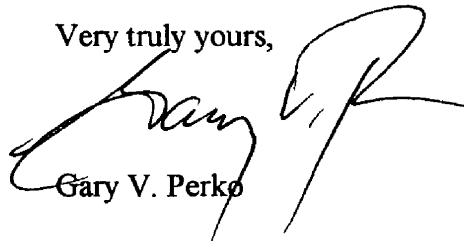
Blanca Bayó  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

Re: Docket No. 000121C

Dear Ms. Bayó:

Enclosed for filing are the original and fifteen copies of WorldCom's Comments. By copy of this letter, copies have been furnished to the parties shown on the attached certificate of service. If you have any questions regarding this filing, please give me a call at 425-2359.

Very truly yours,



Gary V. Perko

GVP/jlm  
Enclosures  
cc: Certificate of Service

DOCUMENT NUMBER-DATE

06777 JUN 28 2002

FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Investigation into the	)	Docket No. 000121C-TP
Establishment of operations support	)	
Systems permanent performance	)	Filed: June 28, 2002
Measures for incumbent local exchange	)	
Telecommunications companies.	)	
<hr/>		

**COMMENTS OF WORLDCOM, INC.**

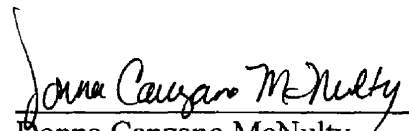
MCImetro Access Transmission Services, LLC, and MCI WorldCom Communications, Inc. (collectively "WorldCom") believe the metrics and benchmarks proposed by Verizon in this docket are inadequate. Although WorldCom does not plan to participate to the fullest extent in this docket, WorldCom is dismayed by many of the benchmarks proposed by Verizon in Florida, specifically, the 10% achieved flow-through benchmark.

After careful and extensive review, the Commission has established performance measures and remedies for BellSouth Telecommunications, Inc. in Docket No. 000121-TP. The BellSouth Plan is quite thorough and would be a strong model for the Commission to use in its review of Verizon's plan. At a minimum, Verizon should mirror its New York or SBC's Texas flow-through benchmarks or at least ramp up from its current California levels to the levels in those two states. (See Attachment 1) The former GTE has represented that audits of its performance measures should be region-wide rather than state-specific, (See Attachment 2, Section IV – Scope, and Attachment

1, page 110), and that its systems are essentially identical, so that the flow-through design should be similar. Regarding its Florida filing, WorldCom also is concerned that Verizon has failed to propose remedies for poor performance. WorldCom does not want to foreclose the opportunity to revisit the metrics, benchmarks and remedies as its market activities in Verizon's territory increase.

WorldCom respectfully urges the Commission to adopt a plan similar to BellSouth's or at least based on the California business rules, benchmarks, ramped-up flow-through levels and remedy plan to cover the metrics Verizon proposes in this proceeding, and to have periodic reviews of the plan after it has been established.

Respectfully submitted this 28<sup>th</sup> day of June, 2001.

  
\_\_\_\_\_  
Donna Canzano McNulty  
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by hand delivery (\*) and/or regular U.S. mail to all known parties of record in Docket No. 000121C this 28<sup>th</sup> day of June, 2002.

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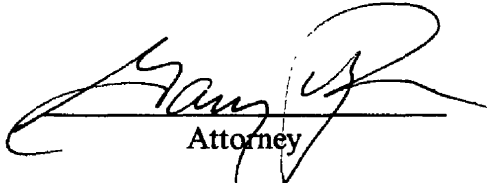
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## **ATTACHMENT 1**

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*Revised*  
*As Of 10/27/00*

*California OSS OII*  
*Performance Measurements*



**Joint Partial Settlement Agreement**

## INTRODUCTION

On October 9, 1997, the Commission issued an order instituting a rulemaking proceeding and investigation (hereinafter, the "OSS OII") to accomplish several goals, including the determination of reasonable standards of OSS performance for Pacific and GTE, the development of a mechanism that will allow the Commission to monitor improvements in OSS performance, and the assessment of the best and fastest method of ensuring compliance if standards are not met, or improvement is not shown<sup>1</sup>.

Pursuant to the Commission's issuance of the OSS OII, the Settling Parties entered into lengthy and detailed negotiations to establish a set of performance measures consistent with the Commission's stated goals.<sup>1</sup> The Settling Parties filed a Joint Motion for approval of the JPSA on January 7, 1999, and filed motions on the remaining open issues on January 8, 1999. The Commission issued a decision approving the JPSA and resolving most of the remaining open issues on August 5, 1999. D.99-08-020.

The JPSA, as approved by the Commission in August 1999, called for a periodic review commencing in February 2000. Numerous meetings were held between the ILECs and CLECs to negotiate and resolve issues that have arisen over the past year. This iteration of the JPSA is a direct result of those collaborative sessions.

The issue of performance incentives is pending before the Commission.

The Commission staff has strongly encouraged CLECs and ILECs to stipulate to a resolution in this proceeding. This partial settlement agreement represents such a stipulation by the parties. This partial settlement report addresses the following:

- the performance measurements
- the formulas for the same
- the levels of disaggregation
- the analogs for the service group types (a level of disaggregation)
- other analogs and the benchmarks
- auditing and reporting
- review procedures

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<sup>1</sup> A full history of the parties' negotiations and the basis for the development of the measures and standards contained in the JPSA is set forth in the Settling Parties' Joint Motion filed in this docket on January 7, 1999, and is incorporated by reference herein.

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# EXECUTIVE SUMMARY

## Performance Measures Development Process

The Telecommunications Act of 1996 and the FCC's implementing rules require Pacific and GTEC to provide CLECs with nondiscriminatory access to OSS. In the August 1996 Local Competition First Report and Order, the FCC commented, generally, that ILECs must provide CLECs with access to the pre-ordering, ordering, provisioning, billing, repair, and maintenance OSS sub-functions pursuant to the Act such that CLECs are able to perform such OSS sub-functions in "substantially the same time and manner" as the ILECs can for themselves<sup>2</sup>. The FCC's 271 decisions have analyzed the nondiscriminatory access requirements of §251(c) to a Bell Operating Company's (BOC's) §271 application, and clarified that for those OSS subfunctions with retail analogs, a BOC "must provide access to competing carriers that is equal to the level of access that the BOC provides to itself, its customers or its affiliates, in terms of quality, accuracy and timeliness."<sup>3</sup> The FCC further clarified that for those OSS functions with no retail analog, a BOC must offer access sufficient to allow an efficient competitor "a meaningful opportunity to compete."<sup>4</sup>

Initially, some of the interconnection agreements contained performance measures. In late 1997, the California Public Utilities Commission (CPUC) initiated OSS OII/OIR Docket 97-10-016 and 97-10-017 to address monitoring the performance of Operations Support Systems (OSS). The three stated goals of the Commission's OSS/OII proceeding are:

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<sup>2</sup> See, 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, 15763-64 [¶518] (1996) ("Local Competition First Report and Order"), *aff'd* in part and vacated in part sub nom. Competitive Telecommunications Ass'n v. FCC, 117 F.3d 1068 (8th Cir. 1997) and Iowa Utilities Bd. v. FCC, 120 F.3d 753 (8th Cir. 1997), modified on reh'g, No. 96-3321 (Oct. 14, 1997) (Rehearing Order), petition for cert. granted, 118 S. Ct. 879 (1998).

<sup>3</sup> See *In the Matter of Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the State of New York*, CC Docket No.99-295. See also, *In the Matter of Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, To Provide In-Region, InterLATA Services In Michigan*, Memorandum Opinion and Order, 12 FCC Rcd 20543, 20618-19 [¶139] (1997) (*Ameritech Michigan Order*), writ of mandamus issued sub nom. *Iowa Utils. Bd. v. FCC*, No. 96-3321 (8th Cir. Jan. 22, 1998). ("*Ameritech Opinion*"); see also, *In the Matter of Application of BellSouth Corporation, et al., for Provision of In-Region, InterLATA services in Louisiana* ("*BellSouth (Louisiana II) Opinion*") CC Docket No. 98-121, FCC 98-271 (10-13-98), paragraph 87 (*citing, Ameritech Opinion* at 12 FCC Rcd 20618-19). See also, *Ameritech Opinion* at ¶131, wherein the FCC makes the following statement regarding application of the §251(c) requirements to a BOC's §271 application:

"Because the duty to provide access to network elements under section 251(c)(3) and the duty to provide resale services under section 251(c)(4) include the duty to provide nondiscriminatory access to OSS functions, an examination of a BOC's OSS performance is necessary to evaluate compliance with section 271(c)(2)(B)(ii) and (xiv)."

<sup>4</sup> See *In the Matter of Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the State of New York*, CC Docket No.99-295. See also, *Ameritech Opinion* at 12 FCC Rcd at 20619 [¶141]; See also, *BellSouth (Louisiana II) Opinion* at ¶87 (*citing Ameritech Opinion* at 12 FCC Rcd at 20619).

- “to determine reasonable standards of performance for Pacific Bell (Pacific) and GTE California Incorporated (GTEC) in their Operations Support Systems (OSS),
- to develop a mechanism that will allow the Commission to monitor improvements in the performance of OSS, and
- to assess the best and fastest method of ensuring compliance if standards are not met or improvement is not shown. A subset of the third goal will be to provide appropriate compliance incentives under Section 271 of the Telecommunications Act of 1996, which applies solely to Pacific for the prompt achievement of OSS improvements.”<sup>5</sup>

The scope of the proceeding included measures, reporting, comparative analogs, benchmarks, statistical tests, audits and incentives. This report is not intended to address statistical tests and incentives.

## Major Categories

Measurements developed to help assess the provision of non-discriminatory access to OSS and other services, elements or functions were combined into the following broad categories:

- **Pre-Ordering**

Pre-ordering activities relate to the exchange of information between the ILEC and the CLEC regarding current or proposed customer products and services, or any other information required to initiate ordering of service. Pre-ordering encompasses the critical information needed to submit a provisioning order from the CLEC to the ILEC. The pre-order measurement reports the timeliness with which pre-order inquiries are returned to CLECs by the ILEC. Pre-ordering query types include:

- Address Verification/Dispatch Required
- Request for Telephone Number
- Request for Customer Service Record
- Service Availability
- Service Appointment Scheduling (due date)
- Loop Qualification
- Facility Availability
- Rejected/Failed Inquiries

- **Ordering**

Ordering activities include the exchange of information between the ILEC and the CLEC regarding requests for service. Ordering includes: (1) the submittal of the service request from the CLEC, (2) rejection of any service request with errors and (3) confirmation that a valid service request has

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<sup>5</sup> Order Instituting Rulemaking on the Commission’s Own Motion into Monitoring Performance of Operations Support Systems (R.97-10-016), and Order Instituting Investigation on the Commission’s Own Motion into Monitoring Performance of Operations Support Systems (I.97-10-017), October 9, 1997.

been received and a due date for the request assigned. Ordering performance measurements report on the timeliness with which these various activities are completed by the ILEC. Also captured within this category is reporting on the number of CLEC service requests that automatically generate a service order in the ILECs' service order creation system.

- **Provisioning**

Provisioning is the set of activities required to install, change or disconnect a customer's service. It includes the functions to establish or condition physical facilities as well as the completion of any required software translations to define the feature functionality of the service. Provisioning also involves communication between the CLEC and the ILEC on the status of a service order, including any delay in meeting the commitment date and the time at which actual completion of service installation has occurred. Measurements in this category evaluate the quality of service installations, the efficiency of the installation process and the timeliness of notifications to the CLEC that installation is completed or has been delayed.

- **Maintenance**

Maintenance involves the repair and restoral of customer service. Maintenance functions include the exchange of information between the ILEC and CLEC related to service repair requests, the processing of trouble ticket requests by the ILEC, actual service restoral and tracking of maintenance history. Maintenance measures track the timeliness with which trouble requests are handled by the ILEC and the effectiveness and quality of the service restoral process.

- **Network Performance**

Network performance involves the level at which the ILEC provides services and facilitates call processing within its network. The ILEC also has the responsibility to complete network upgrades efficiently.. Network performance is evaluated on the quality of interconnection and the timeliness of network upgrades (code openings) the ILEC completes on behalf of the CLEC.

- **Billing**

Billing involves the exchange of information necessary for CLECs to bill their customers, to process the end user's claims and adjustments, to verify the ILEC's bill for services provided to the CLEC and to allow CLECs to bill for access. Billing measures have been designed to gauge the quality, timeliness and overall effectiveness of the ILEC billing processes associated with CLEC customers.

- **Collocation**

ILECs are required to provide to CLECs available space as required by law to allow the installation of CLEC equipment. Performance measures in this category assess the timeliness with which the ILEC handles the CLEC's request for collocation as well as how timely the collocation arrangement is provided.

- **Data Base Updates**

Database updates for directory assistance/listings and E911 include the processes by which these systems are updated with customer information which has changed due to the service provisioning activity. Measurements in this category are designed to evaluate the timeliness and accuracy with which changes to customer information, as submitted to these databases, are completed by the ILEC.

- **Interfaces**

ILECs provide the CLECs with choices for access to OSS pre-ordering, ordering, maintenance and repair systems. Availability of the interfaces is fundamental to the CLEC being able to effectively do business with the ILEC. Additionally, in many instances, CLEC personnel must work with the service personnel of the ILEC. Measurements in this category assess the availability to the CLECs of systems and personnel at the ILEC work centers.

### **Auditing and Review Procedures**

The parties have agreed to the procedures for auditing and review. Descriptions of these procedures can be found in Sections IV and V.

*Note: This Executive Summary is intended to provide a general background regarding parties' negotiations of the OSS performance measures. The statements contained in the Executive Summary are not intended to be legally binding on the parties and shall not be used for such purposes.*

## **Reservation of Rights**

These reservations of rights do not negate the parties agreement regarding performance measures and standards as reflected in this settlement agreement.

Incorporating the performance measures into the interconnection agreements raises several complex issues. The Commission has indicated it will rule on this matter in a subsequent decision.

### **ILECs**

By agreeing to the performance measures contained in the Joint Partial Settlement Agreement, ILECs:

- do not make any admission regarding the propriety or reasonableness of establishing performance penalties;
- reserve the right to contest the level of disaggregation for purpose of assessing penalties;
- reserve the right to contend that any resulting penalties should viewed as liquidated damages and as the exclusive remedy for any failure of performance; and,
- do not admit that an apparent less-than-parity condition reflects discriminatory treatment without further factual analysis.

### **CLECs**

- By executing this Agreement, CLECs do not agree with, endorse, or otherwise concur in the terms of ILECs' reservation of rights.
- CLECs reserve the right to contend that ILEC compliance with the performance measures and standards in the Agreement does not conclusively demonstrate ILEC compliance with the Telecommunications Act of 1996.
- CLECs reserve the right to contend that ILEC compliance with the performance measures and standards does not conclusively demonstrate the existence of an open competitive local market.

## **CALIFORNIA OSS OII PERFORMANCE MEASUREMENTS**

Measure Number		Page Number
<b>PRE-ORDERING</b>		
1	Average Response Time (to Pre-Order Queries)	11
<b>ORDERING</b>		
2	Average FOC/LSC Notice Interval	15
3	Average Reject Notice Interval	19
4	Percent of Flow Through Orders	21
<b>PROVISIONING</b>		
5	Percentage of Orders Jeopardized	22
6	Average Jeopardy Notice Interval	25
7	Average Completed Interval	28
8	Percent Completed within Standard Interval	32
9	Coordinated Customer Conversion	35
9A	Frame Due Time (FDT) Conversions as a Percentage on Time (Pacific Bell Only)	37
10	LNP Network Provisioning	38
11	Percent of Due Dates Missed	39
12	Percent Due Dates Missed Due to Lack of Facilities	43
13	Delay Order Interval to Completion Date	46
14	Held Order Interval	49
15	Provisioning Trouble Reports	53
15A	Average Time to Restore Provisioning Troubles	55
16	Percent Troubles in 30 days for New Orders (Specials)	57
17	Percent Troubles in 7 (10) days for New Orders (Non-Specials)	60
18	Completion Notice Interval	63
<b>MAINTENANCE</b>		
19	Customer Trouble Report Rate	65
20	Percent of Customer Trouble not Resolved within Estimated Time	68
21	Average Time to Restore	72
22	POTS Out of Service less than 24 Hours	75
23	Frequency of Repeat Troubles in 30 day period	77
<b>NETWORK PERFORMANCE</b>		
24	Percent Blocking on Common Trunks	80
25	Percent Blocking on Interconnection Trunks	81
26	NXX Loaded by LERG Effective Date	82
27	<i>Measure Deleted</i>	83
<b>BILLING</b>		
28	Usage Timeliness	84
29	Accuracy of Usage Feed	86
30	Wholesale Bill Timeliness	88
31	Usage Completeness	89
32	Recurring Charge Completeness	90
33	Non-Recurring Charge Completeness	91
Measure Number		Page Number
34	Bill Accuracy	92

35	(replaced with )Billing Completion Notice Interval (Pacific Bell only)	93
36	Accuracy of Mechanized Bill Feed	94

***DATABASE UPDATES***

37	Average Database Update Interval (Pacific Bell Only)	97
38	Percent Database Accuracy (Pacific Bell Only)	98
39	E911/911 MS Database Update	99

***COLLOCATION***

40	Time to Respond to a Collocation Request	100
41	Time to Provide a Collocation Arrangement	102

***INTERFACES***

42	Percent of Time Interface is Available	104
43	<i>Measure Deleted</i>	105
44	Center Responsiveness	106

***NOTES:***

1. *Not all measures apply to both ILECs.*
2. *These performance measures are not intended to create, modify or otherwise affect parties' rights and obligations. The existence of any particular performance measure, or the language describing that measure, is not evidence that the CLECs are entitled to any particular manner of access, that these measures relate solely to access to OSS, or is it evidence that the ILEC's obligations are limited to providing any particular manner of access. The parties' rights and obligations to such access are defined elsewhere, including the relevant laws, FCC and CPUC decisions/regulations, tariffs, and interconnection agreements.*
3. *Details regarding implementation schedules for new measures are documented in Section VI (Implementation Schedules) .*

## ***OSS OII Performance Measurements Report Requirements***

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**Pre-Ordering**

**Measure 1**

**Title:** Average Response Time (to Pre-Order Queries)

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	<p>This measure captures the response interval for each pre-ordering query. It is determined by computing the elapsed time from the ILEC receipt of the query from the CLEC, whether or not syntactically correct, to the time the ILEC returns the requested data to the CLEC.</p> <ul style="list-style-type: none"><li>• Address Verification/Dispatch Required</li><li>• Request for Telephone Number</li><li>• Request for Customer Service Record</li><li>• Service Availability</li><li>• Service Appointment Scheduling (due date)</li><li>• Rejected/Failed inquires</li><li>• Facility Availability (Pacific Bell Only)</li><li>• Loop qualification<ul style="list-style-type: none"><li>• Loop Qual (Mechanized)</li><li>• K1023 loop qualification (Pacific Bell)<ul style="list-style-type: none"><li>• xDSL and High Bandwidth line sharing UNE loop qualification</li><li>• All Other loop qualification</li></ul></li></ul></li></ul>



<p><b>Method of Calculation:</b></p>	<p><b>Mechanized:</b></p> <p><b><u>Pre - Order Query Transaction Time</u></b>  Sum ((Query Response Date and Time) – (Query Submission Date and Time)) / (Number of Queries Returned in Reporting Period)</p> <p><b><u>Legacy System Transaction Time (GTE only)</u></b>  Sum ((Query Response Date and Time from Legacy System) – (Query Submission Date and Time to Legacy System)) / (Number of Queries Returned to Legacy System in Reporting Period)</p> <p><b><u>Loop Qualification/Facility Availability Transaction Time (Pacific Bell Only)</u></b>  Sum ((Query Response Date and Time) – (Query Submission Date and Time)) / (Number of Queries Returned in Reporting Period)</p> <p><b><u>Loop Qualification Transaction Time (GTE Only)</u></b>  Sum ((Query Response Date and Time) - (Query Submission Date and Time)) / (Number of Queries Returned in Reporting Period)</p> <p><b><u>Manual CSRs (Pacific Bell and GTE)</u></b>  (# of CSR's Returned within "X" Business Hours) / (# of CSRs Returned) x 100</p>
<p><b>Report Period:</b></p>	<p>Monthly</p>
<p><b>Report Structure:</b></p>	<p>Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies) and ILEC affiliate</p>
<p><b>Reported By:</b></p>	<p>By query type and by interface type, including fax</p>
<p><b>Geographic Level:</b></p>	<p>Statewide</p>

**Measurable Standard:**

**Mechanized:**

	Pacific Bell	GTE
Standard:		
Address Verification	av. 4.5 seconds	Legacy Time + 5 seconds
TN Selection	av. 4.5 seconds	Legacy Time + 5 seconds
CSR	av. 10.0 seconds	98% within 3 hrs. (WISE) TBD (EDI/CORBA)
Service Availability	av. 8.0 seconds	Legacy Time + 5 seconds
Due Date	av. 2.0 seconds	Legacy Time + 5 seconds
Reject/Failed Inquiries		
Dispatch	av. 11.0 seconds	N/A (Inc. in Address Verification)

**Manual CSRs:**

**Pacific Bell:**

**Benchmark:**

- Standard - 95% in 4 hours

**GTE:**

**Benchmark:**

- Standard - 98% in 24 hours

**Mechanized Loop Qualification:**

- Standard - Parity (Pacific Bell)
- Standard - Benchmark - TBD (GTE)

**Manual Loop Qualification (K1023) Process (Pacific Bell only)**

- Standard - Parity

<p><b><i>Business Rules:</i></b></p>	<ul style="list-style-type: none"> <li>• Pre-order query transaction time intervals are measured as total transaction time.</li> <li>• For Pacific Bell, excludes CSR requests (both manual and mechanized) for greater than 50 working telephone numbers</li> <li>• For Pacific Bell, fully electronic pre-order query response times will be measured for the Verigate, Datagate and Loop Qual systems. Pre-ordering functionality only recently made available for EDI/CORBA. Benchmarks will be established by November 15, 2000.</li> <li>• For GTE fully electronic pre-order query response times will be measured for the WISE and CORBA systems.</li> <li>• For GTE, manual CSRs measured in clock hours; excludes non-business days.</li> <li>• Elapsed time for fully electronic sub-measures tracked during published system hours.</li> <li>• Mechanized Loop Qualification measured in seconds. (Pacific Bell only)</li> <li>• Elapsed time for manual processes tracked during published business hours.(Pacific Bell only)</li> <li>• Response time for Pacific Bell's Starwriter system is measured at parity based on % within 4 seconds.</li> <li>• GTE does not report Legacy System Transaction Time for rejected/failed inquiries.</li> <li>• Pre-Order Query Transaction Time will be reported and tracked diagnostically for rejected/failed inquiries.</li> </ul>
<p><b><i>Notes:</i></b></p>	<ul style="list-style-type: none"> <li>• The numerator and denominator of the sub-measures in this measure capture all queries completed in the reporting period.</li> <li>• GTE will supply all available loop qualification data, however GTE will not support manual engineering query for loop qualification.</li> <li>• Where CLEC accesses Pacific Bell's systems using a Service Bureau Provider, the measurement of Pacific Bell's performance shall not include the Service Bureau Provider's processing, availability or response time.</li> </ul>

## *OSS OII Performance Measurements Report Requirements*

**Ordering**

**Measure 2**

**Title:** Average FOC/LSC Notice Interval

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	Measures the average time from receipt of a valid service request to returning a Firm Order Confirmation (FOC)/Local Service Confirmation (LSC).
<b>Method of Calculation:</b>	<p><b>Mechanized:</b> Sum ((Date and Time of FOC/LSC) - (Business Date and Time of Receipt of Valid Service Request)) / (Number of FOCs/LSCs Sent in Reporting Period)</p> <p><b>Manual:</b> Sum ((Fax Date and Time Returned) - (Business Date and Time receipt of valid fax service request)) / (Number of Faxes Submitted in Reporting period)</p> <p><b>Held and Denied Interconnection Trunk Requests:</b> [(Sum (Date Request is Released) – (Date Request is Originally Received)]/ (Number of Requests Held and Released)</p>
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies) and ILEC affiliates.
<b>Reported By:</b>	<ul style="list-style-type: none"> <li>• Electronically received/electronically handled</li> <li>• Electronically received and manually handled</li> <li>• Manually received and manually handled</li> <li>• By service group type and Stand Alone Directory Listings (GTE only)</li> </ul>
<b>Geographic Level:</b>	Statewide

<p><b>Measurable Standard:</b></p>	<p><b>Service Group Types:</b></p> <p><b>Pacific Bell</b></p> <ul style="list-style-type: none"> <li>• Resale Residential POTS</li> <li>• Resale Business POTS</li> <li>• Resale ISDN BRI</li> <li>• Resale CENTREX</li> <li>• Resale PBX</li> <li>• Resale DDS</li> <li>• Resale DS1/ISDN-PRI</li> <li>• Resale DS3</li> <li>• Resale VGPL/DS0</li> <li>• 2/4w (8db) analog loop (incl. Coin/analog PBX)</li> <li>• 2w digital loop(ISDN capable)</li> <li>• 2w digital loop(xDSL capable)</li> <li>• High Bandwidth Line Sharing UNE</li> <li>• 4w digital loop DS1</li> <li>• UNE loop – DS3</li> <li>• UNE Loop – OC level</li> <li>• UNE Dark Fiber</li> <li>• UNE Port– Non-Specials)</li> <li>• UNE Port–Specials</li> <li>• UNE Dedicated Transport <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• OC level</li> </ul> </li> <li>• Enhanced Extended Links <ul style="list-style-type: none"> <li>• VG</li> <li>• DS1</li> <li>• DS3</li> <li>• OC level</li> </ul> </li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• Basic port and loop</li> <li>• Special port and basic loop</li> <li>• ISDN BRI port and loop</li> <li>• ISDN PRI port and loop</li> </ul> </li> <li>• Standalone LNP</li> <li>• Interconnection Trunks</li> </ul>	<p><b>GTE</b></p> <ul style="list-style-type: none"> <li>• Resale POTS- Residence</li> <li>• Resale POTS-Business</li> <li>• Resale Specials</li> <li>• UNE loop Nondesigned</li> <li>• UNE loop Designed</li> <li>• UNE loop xDSL capable</li> <li>• UNE loop IDSL capable</li> <li>• UNE Port</li> <li>• UNE Transport</li> <li>• UNE Platform</li> <li>• UNE-P Res</li> <li>• UNE-P Bus</li> <li>• UNE-P PRI</li> <li>• Interconnection Trunks</li> <li>• Line Sharing - Conditioned</li> <li>• Line Sharing - Non -Conditioned</li> <li>• LNP</li> <li>• EEL (Diagnostic)</li> <li>• Subloop (Diagnostic)</li> <li>• Dark Fiber (Diagnostic)</li> </ul>
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<p><b>Measurable Standard:</b></p>	<p><b>Benchmark:</b></p> <p><b>Fully Electronic/Flow Through:</b></p> <ul style="list-style-type: none"> <li>• Standard - average of 20 minutes</li> </ul> <p><b>Electronically Received/Manually Handled</b></p> <ul style="list-style-type: none"> <li>• Standard - average of 6 hours</li> </ul> <p><b>Manually received/Manually Handled</b></p> <ul style="list-style-type: none"> <li>• Standard - average of 12 hours</li> </ul> <p><b>Projects:</b></p> <ul style="list-style-type: none"> <li>• Standard -90% within 72 hours (Pacific Bell)</li> </ul> <p><b>Interconnection Trunks</b></p> <ul style="list-style-type: none"> <li>• Standard:</li> </ul> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><b>Pacific Bell:</b></td> <td style="text-align: center;"><b>GTE:</b></td> </tr> <tr> <td>Average 7 business days (New)</td> <td>Average 5 business day (All)</td> </tr> <tr> <td>Average 4 business days (Augment)</td> <td></td> </tr> </table> <p><b>Interconnection Trunk Requests:</b></p> <p><b>Held and Denied – Average Interval</b></p> <ul style="list-style-type: none"> <li>• Standard - Parity (Pacific Bell only)</li> <li>• Standard – Average 13 days (GTE only)</li> </ul>	<b>Pacific Bell:</b>	<b>GTE:</b>	Average 7 business days (New)	Average 5 business day (All)	Average 4 business days (Augment)	
<b>Pacific Bell:</b>	<b>GTE:</b>						
Average 7 business days (New)	Average 5 business day (All)						
Average 4 business days (Augment)							

<p><b><i>Business Rules:</i></b></p>	<ul style="list-style-type: none"> <li>• The start time of requests received after the end of the business day will be the beginning of the next business day. Business day is defined as published hours of operation for the ILEC ordering center. <ul style="list-style-type: none"> <li>• Business day = Monday through Friday, excluding weekends and ILEC published holidays</li> </ul> </li> <li>• Excludes non-business days.</li> <li>• Excludes delays caused for customer reasons</li> <li>• Elapsed time for fully electronic sub-measures tracked during system hours.</li> <li>• Loop qualification/availability of facilities interval is excluded from overall FOC interval for the following products: (Pacific Bell only) <ul style="list-style-type: none"> <li>• xDSL and High Bandwidth line sharing UNE</li> <li>• ISDN</li> <li>• Channelized DS1</li> <li>• DS3</li> <li>• Dark Fiber</li> <li>• Unbundled Dedicated Transport - DS3</li> </ul> </li> <li>• ILEC will only perform pre-qualification for above mentioned UNEs if pre-qualification has not been completed prior to the submission of the service request by the CLEC, and it is required</li> <li>• Projects are defined as POTS greater than 20 lines, for Specials greater than 6 lines, UNE Loops greater than 20 loops, and Interconnection Trunks greater than 192 trunks.(Pacific Bell only)</li> </ul>
<p><b><i>Notes:</i></b></p>	<ul style="list-style-type: none"> <li>• Where CLEC accesses Pacific Bell's systems using a Service Bureau Provider, the measurement of Pacific Bell's performance shall not include the Service Bureau Provider's processing, availability or response time.</li> </ul>

# OSS OII Performance Measurements Report Requirements

**Ordering**

**Measure 3**

**Title:** Average Reject Notice Interval

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	Reject interval is the elapsed time between the ILEC receipt of an order from the CLEC to the ILEC return of a notice of a rejection to the CLEC.
<b>Method of Calculation:</b>	<p><b>Mechanized:</b>  <math display="block">\frac{\text{Sum}((\text{Business Date and Time of ILEC Transmission of Order Rejection}) - (\text{Business Date and Time of Order Receipt}))}{(\text{Number of Mechanized Orders Rejected in the Reporting Period})}</math></p> <p><b>Manual:</b>  <math display="block">\frac{\text{Sum}((\text{Fax Date and Time Returned}) - (\text{Business Date and Time Receipt of fax service request}))}{(\text{Number of Faxes Rejected in Reporting Period})}</math></p>
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies) and ILEC Affiliates
<b>Reported By:</b>	<ul style="list-style-type: none"> <li>• Electronically received, electronically handled               <ul style="list-style-type: none"> <li>• All interfaces</li> <li>• Syntax(edit engine) and content errors (other edits)</li> <li>• Resale orders, High Bandwidth line sharing UNE, other Facility based/UNE orders and standalone Directory Listings</li> </ul> </li> <li>• Electronically received, manually handled               <ul style="list-style-type: none"> <li>• All interfaces</li> <li>• Syntax (edit engine) and content errors (other edits)</li> <li>• Resale orders, High Bandwidth line sharing UNE and other Facility based/UNE orders and standalone Directory Listings (GTE only)</li> </ul> </li> <li>• Manually received and handled (fax)               <ul style="list-style-type: none"> <li>• Resale orders, High Bandwidth line sharing UNE and other Facility based/UNE orders and standalone Directory Listings (GTE only)</li> </ul> </li> </ul>
<b>Geographic Level:</b>	Statewide



<p><b>Measurable Standard:</b></p>	<p><b>Pacific Bell and GTE:</b></p> <p><b>Benchmark:</b></p> <p><b>Fully Electronic/Flow Through:</b></p> <ul style="list-style-type: none"> <li>• Standard - average of 20 minutes</li> </ul> <p><b>Electronically Received/Manually Handled:</b></p> <ul style="list-style-type: none"> <li>• Standard - average of 5 hours</li> </ul> <p><b>Manually received/Manually Handled:</b></p> <ul style="list-style-type: none"> <li>• Standard - average of 10 hours</li> </ul> <p><b>Projects:</b></p> <ul style="list-style-type: none"> <li>• Standard -90% within 72 hours (Pacific Bell only)</li> </ul>
<p><b>Business Rules:</b></p>	<ul style="list-style-type: none"> <li>• Elapsed time for fully electronic sub-measures tracked during system hours</li> <li>• For manually handled requests: Calculation of requests received after the end of the business day starts at the beginning of the next business day. Business day is defined as published hours of operation for the ILEC.</li> <li>• Business day = Monday through Friday, excluding weekends and ILEC published holidays</li> <li>• Excludes non-business days</li> <li>• Excludes delays caused for customer reasons</li> <li>• Loop qualification/facility availability interval is removed from the overall reject interval for the following products: (Pacific Bell only) <ul style="list-style-type: none"> <li>• XDSL</li> <li>• High Bandwidth line sharing UNE</li> <li>• ISDN</li> <li>• Channelized DS1</li> <li>• DS3</li> <li>• Dark Fiber</li> <li>• Unbundled Dedicated Transport - DS 3</li> </ul> </li> <li>• ILEC will only perform pre-qualification for above mentioned UNEs if pre-qualification has not been completed prior to the submission of the service request by the CLEC, and it is required.</li> <li>• Projects are defined as POTS greater than 20 lines, for Specials greater than 6 lines, UNE Loops greater than 20 loops, and Interconnection Trunks greater than 192 trunks.(Pacific Bell only)</li> </ul>
<p><b>Notes:</b></p>	<ul style="list-style-type: none"> <li>• All benchmarks adopted are interim: the parties should collect data and submit proposed modifications of the adopted measurable standards by February 1, 2000(Benchmarks for GTE are still interim.)</li> <li>• Where CLEC accesses Pacific Bell's systems using a Service Bureau Provider, the measurement of Pacific Bell's performance shall not include the Service Bureau Provider's processing, availability or response time.</li> </ul>

# OSS OII Performance Measurements Report Requirements

**Ordering**

**Measure 4**

**Title:** Percentage of Flow-Through Orders

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	Measures the percentage of electronically received orders processed on a flow through basis.
<b>Method of Calculation:</b>	$[(\text{Number of valid electronically received orders that flow-through without manual intervention}) / (\text{Total valid electronically received orders})] \times 100$
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, and ILEC Affiliates
<b>Reported By:</b>	Orders that flow through as a percentage of: <ul style="list-style-type: none"> <li>• All electronically received orders programmed to flow through, by service group type and/or service order type.</li> <li>• All electronically received orders, by service group type and/or service order type.</li> </ul>
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	<b>Diagnostic only</b>  <i>Issue of how to evaluate performance will be reconsidered at next Performance Measurement Plan review.</i>
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• Excludes orders rejected due to CLEC caused syntax errors, but does not exclude CLEC caused content errors.</li> </ul>
<b>Notes:</b>	

## *OSS OII Performance Measurements Report Requirements*

**Provisioning**

**Measure 5**

**Title:** Percentage of Orders Jeopardized

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	Percentage of total orders processed for which the ILEC notifies the CLEC that the work will not be completed as committed on the original FOC.
<b>Method of Calculation:</b>	$((\text{Number of Orders Jeopardized}) / (\text{Number of Orders Confirmed})) \times 100$
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies) and ILEC Affiliates
<b>Reported By:</b>	<ul style="list-style-type: none"> <li>• By service group type</li> </ul>
<b>Geographic Level:</b>	Statewide

<b>Measurable Standard:</b>	<b>Pacific Bell: Parity for Resale is Retail Parity measured for the following UNEs:</b>	<b>Retail</b>
	<ul style="list-style-type: none"> <li>• 2/4w (8db and 5.5 db) analog loop (incl. Coin/analog PBX)               <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• POTS - Business (fielded)</li> </ul>
	<ul style="list-style-type: none"> <li>• 2w digital loop(ISDN capable)               <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• ISDN(BRI)</li> </ul>
	<ul style="list-style-type: none"> <li>• 2w digital loop(xDSL capable)               <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 2w digital loop(xDSL capable) provided to ASI</li> </ul>
	<ul style="list-style-type: none"> <li>• 2w digital loop(IDSL capable)               <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• ISDN(BRI)</li> </ul>
	<ul style="list-style-type: none"> <li>• High Bandwidth Line Sharing UNE               <ul style="list-style-type: none"> <li>• Conditioned</li> <li>• Non-Conditioned</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• High Bandwidth Line Sharing UNE provided to ASI</li> </ul>
	<ul style="list-style-type: none"> <li>• 4w digital loop ( DS1)               <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• DS1</li> </ul>
	<ul style="list-style-type: none"> <li>• UNE loop – DS3</li> </ul>	<ul style="list-style-type: none"> <li>• DS3</li> </ul>
	<ul style="list-style-type: none"> <li>• UNE Loop – OC level</li> </ul>	<ul style="list-style-type: none"> <li>• Retail OC level service</li> </ul>
	<ul style="list-style-type: none"> <li>• Dark Fiber</li> </ul>	<p>(Diagnostic)</p>
	<ul style="list-style-type: none"> <li>• UNE Port–(Non-Specials)</li> </ul>	<ul style="list-style-type: none"> <li>• POTS - Business (non-fielded)</li> </ul>
	<ul style="list-style-type: none"> <li>• UNE Port–Specials</li> </ul>	<ul style="list-style-type: none"> <li>• Retail Specials (non-fielded)</li> </ul>
	<ul style="list-style-type: none"> <li>• UNE Dedicated Transport               <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• OC level</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• HICAP               <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• Retail OC level service</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• Enhanced Extended Links               <ul style="list-style-type: none"> <li>• VG - Conversion</li> <li>• DS1 - New</li> <li>• DS1 -Conversion</li> <li>• DS3- New</li> <li>• DS3-Conversion</li> <li>• OC level – New</li> <li>• OC level - Conversion</li> </ul> </li> </ul>	<p>(TBD )</p>
	<ul style="list-style-type: none"> <li>• UNE Platform               <ul style="list-style-type: none"> <li>• Basic port and loop</li> <li>• Special port and basic loop</li> <li>• ISDN BRI port and loop</li> <li>• ISDN PRI port and loop</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Business POTS FW/NFW</li> <li>• Retail Voice Grade Specials FW/NFW</li> <li>• ISDN BRI FW/NFW</li> <li>• ISDN PRI FW/NFW</li> <li>• ILEC Dedicated Trunks</li> </ul>

<p><b>Measurable Standard:</b></p>	<table border="0"> <tr> <td data-bbox="495 138 982 1330"> <p><b><u>GTE</u></b></p> <ul style="list-style-type: none"> <li>• Resale POTS- Residence</li> <li>• Resale POTS-Business</li> <li>• Resale Specials</li> <li>• UNE loop Nondesigned</li> <li>• UNE loop Designed</li> <li>• UNE loop xDSL capable</li> <li>• UNE Loop IDSL capable</li> <li>• UNE Port</li> <li>• UNE Transport</li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• UNE-P Res</li> <li>• UNE-P Bus</li> <li>• UNE-P PRI</li> </ul> </li> <li>• Interconnection Trunks</li> <li>• Line Sharing - Conditioned</li> <li>• Line Sharing - Non Conditioned</li> <li>• LNP</li> <li>• EEL</li> <li>• Subloop</li> <li>• Dark Fiber</li> </ul> </td> <td data-bbox="982 138 1577 1330"> <p style="text-align: right;"><b>Retail</b></p> <ul style="list-style-type: none"> <li>• Retail POTS - Residence</li> <li>• Retail POTS - Business</li> <li>• Retail Specials</li> <li>• B1 Dispatched Non Designed</li> <li>• Dispatched Designed Service (excludes HICAPs)</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• CentraNet - Simple</li> <li>• HICAP Designed</li> <li>• Retail POTS</li> <li>• Business POTS</li> <li>• ISDN PRI</li> <li>• ILEC Dedicated Trunks</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• Retail POTS -<i>Total Business &amp; Residence, Non-Dispatched</i></li> <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> </ul> </td> </tr> </table>	<p><b><u>GTE</u></b></p> <ul style="list-style-type: none"> <li>• Resale POTS- Residence</li> <li>• Resale POTS-Business</li> <li>• Resale Specials</li> <li>• UNE loop Nondesigned</li> <li>• UNE loop Designed</li> <li>• UNE loop xDSL capable</li> <li>• UNE Loop IDSL capable</li> <li>• UNE Port</li> <li>• UNE Transport</li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• UNE-P Res</li> <li>• UNE-P Bus</li> <li>• UNE-P PRI</li> </ul> </li> <li>• Interconnection Trunks</li> <li>• Line Sharing - Conditioned</li> <li>• Line Sharing - Non Conditioned</li> <li>• LNP</li> <li>• EEL</li> <li>• Subloop</li> <li>• Dark Fiber</li> </ul>	<p style="text-align: right;"><b>Retail</b></p> <ul style="list-style-type: none"> <li>• Retail POTS - Residence</li> <li>• Retail POTS - Business</li> <li>• Retail Specials</li> <li>• B1 Dispatched Non Designed</li> <li>• Dispatched Designed Service (excludes HICAPs)</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• CentraNet - Simple</li> <li>• HICAP Designed</li> <li>• Retail POTS</li> <li>• Business POTS</li> <li>• ISDN PRI</li> <li>• ILEC Dedicated Trunks</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• Retail POTS -<i>Total Business &amp; Residence, Non-Dispatched</i></li> <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> </ul>
<p><b><u>GTE</u></b></p> <ul style="list-style-type: none"> <li>• Resale POTS- Residence</li> <li>• Resale POTS-Business</li> <li>• Resale Specials</li> <li>• UNE loop Nondesigned</li> <li>• UNE loop Designed</li> <li>• UNE loop xDSL capable</li> <li>• UNE Loop IDSL capable</li> <li>• UNE Port</li> <li>• UNE Transport</li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• UNE-P Res</li> <li>• UNE-P Bus</li> <li>• UNE-P PRI</li> </ul> </li> <li>• Interconnection Trunks</li> <li>• Line Sharing - Conditioned</li> <li>• Line Sharing - Non Conditioned</li> <li>• LNP</li> <li>• EEL</li> <li>• Subloop</li> <li>• Dark Fiber</li> </ul>	<p style="text-align: right;"><b>Retail</b></p> <ul style="list-style-type: none"> <li>• Retail POTS - Residence</li> <li>• Retail POTS - Business</li> <li>• Retail Specials</li> <li>• B1 Dispatched Non Designed</li> <li>• Dispatched Designed Service (excludes HICAPs)</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• CentraNet - Simple</li> <li>• HICAP Designed</li> <li>• Retail POTS</li> <li>• Business POTS</li> <li>• ISDN PRI</li> <li>• ILEC Dedicated Trunks</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• Retail POTS -<i>Total Business &amp; Residence, Non-Dispatched</i></li> <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> </ul>		
<p><b>Business Rules:</b></p>	<ul style="list-style-type: none"> <li>• Excludes delays for customer reasons.</li> <li>• Raw data will include jeopardy codes.</li> <li>• For Pacific Bell results for UNE Subloop will be tracked diagnostically, by UNE loop type except for xDSL subloop the measurable standard for which will be parity with ASI</li> <li>• For GTE results for UNE subloop will be tracked diagnostically.</li> <li>• Results for Dark Fiber will be tracked diagnostically, until next periodic Performance Measures review</li> </ul>		
<p><b>Notes:</b></p>	<ul style="list-style-type: none"> <li>• Does not include missed commitments.</li> </ul>		

# OSS OII Performance Measurements Report Requirements

**Provisioning**

**Measure 6**

**Title:** Average Jeopardy Notice Interval

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	Measures the remaining time between the pre-existing committed order completion date and time (communicated via the FOC) and the date and time the ILEC issues a notice to the CLEC indicating an order is in jeopardy of missing the due date (or the due date/time has been missed).
<b>Method of Calculation:</b>	<p><b><u>Assignment:</u></b> <i>Jeopardies identified during the initial assignment process</i></p> <p>Sum ((Date of Committed Due Date for the Order) - (Date of Jeopardy Notice)) / (Number of Assignment Jeopardy Notices)</p> <p><b><u>Installation:</u></b> <i>Jeopardies identified during the installation process prior to due time</i></p> <p>Sum ((Date &amp; Time of Committed Due Date for the Order) - (Date &amp; Time of Jeopardy Notice)) / (Number of Installation Jeopardy Notices)</p> <p><b><u>Notification of Missed Commitments</u></b></p> <p>Sum(Due Date and Time of Missed Commit Notice - Due Date and Time of Order) / (Number of Missed Commit Notices)</p>
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, and ILEC Affiliates
<b>Reported By:</b>	<ul style="list-style-type: none"> <li>• By service group type, with same service group type disaggregation as Measure 5.</li> </ul>
<b>Geographic Level:</b>	Statewide

<p><b>Measurable Standard:</b></p>	<p><b>Service Group Types:</b></p> <p><b>Pacific Bell</b></p> <ul style="list-style-type: none"> <li>• Resale Residential POTS</li> <li>• Resale Business POTS</li> <li>• Resale ISDN BRI</li> <li>• Resale CENTREX</li> <li>• Resale PBX</li> <li>• Resale DDS</li> <li>• Resale DS1/ISDN-PRI</li> <li>• Resale DS3</li> <li>• Resale VGPL/DS0</li> <li>• 2/4w (8db and 5.5 db) analog loop (incl. Coin/analog PBX) <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> <li>• 2w digital loop(ISDN capable) <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> <li>• 2w digital loop(xDSL capable) <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> <li>• High Bandwidth Line Sharing UNE <ul style="list-style-type: none"> <li>• Conditioned</li> <li>• Non-Conditioned</li> </ul> </li> <li>• 4w digital loop DS1 <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> <li>• UNE Loop – DS3</li> <li>• UNE Loop –OC level</li> <li>• UNE Dark Fiber</li> <li>• UNE Port– Non-Specials</li> <li>• UNE Port–Specials</li> <li>• UNE Dedicated Transport <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• OC level</li> </ul> </li> <li>• Enhanced Extended Links <ul style="list-style-type: none"> <li>• VG - Conversion</li> <li>• DS1 - New</li> <li>• DS1 - Conversion</li> <li>• DS3 -New</li> <li>• DS3 - Conversion</li> <li>• OC Level – new</li> <li>• OC level - conversion</li> </ul> </li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• Basic port and loop</li> <li>• Special port and basic loop</li> <li>• ISDN BRI port and loop</li> <li>• ISDN PRI port and loop</li> </ul> </li> <li>• Interconnection Trunks</li> </ul>	<p><b>GTE</b></p> <ul style="list-style-type: none"> <li>• Resale POTS- Residence</li> <li>• Resale POTS-Business</li> <li>• Resale Specials</li> <li>• UNE loop Nondesigned</li> <li>• UNE loop Designed</li> <li>• UNE loop xDSL capable</li> <li>• UNE loop IDSL capable</li> <li>• UNE Port</li> <li>• UNE Transport</li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• UNE-P Res</li> <li>• UNE-P Bus</li> <li>• UNE-P PRI</li> </ul> </li> <li>• Interconnection Trunks</li> <li>• Line Sharing - Conditioned</li> <li>• Line Sharing - Non -Conditioned</li> <li>• LNP</li> <li>• EEL (Diagnostic)</li> <li>• Subloop (Diagnostic)</li> <li>• Dark Fiber (Diagnostic)</li> </ul>
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<p><b>Measurable Standard:</b></p>	<p><b>Benchmark (Pacific Bell only)</b></p> <ul style="list-style-type: none"> <li>• Standard - Assignment Jeopardies 90% within 1 day</li> <li style="padding-left: 20px;">Install. Jeopardies (POTS) 95% within 15 minutes</li> <li style="padding-left: 20px;">Install. Jeopardies (Specials) 95% within 3 hours</li> <li style="padding-left: 20px;">Missed Commit Notices 95% within 24 hours</li> </ul> <p><i>GTE shall begin reporting June 2000 data on July 15, 2000. GTE will propose benchmark after four months of data collection.</i></p>
<p><b>Business Rules:</b></p>	<ul style="list-style-type: none"> <li>• Excludes delays for customer reasons.</li> <li>• Raw data will include jeopardy codes.</li> <li>• Pacific Bell tracks assignment jeopardies by due date only, installation jeopardies by business days/hours and notifications of missed commitments by clock hours.</li> <li>• GTE tracks assignment jeopardies by due date only for business days, with installation jeopardies and notifications of missed commitments tracked by business days/hours.</li> </ul>
<p><b>Notes:</b></p>	<ul style="list-style-type: none"> <li>• If the ILECs' policy regarding jeopardy notices to their Retail customers changes, this measure should be evaluated for analog.</li> <li>• For GTE, jeopardies issued on the due date are considered either installation or notifications of missed commitments.</li> </ul>



# *OSS OII Performance Measurements Report Requirements*

**Provisioning**

**Measure 7**

**Title:** Average Completed Interval

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	Average business days from receipt of valid, error-free service request to completion date in service order system for new, move, and change orders.
<b>Method of Calculation:</b>	Total business days from receipt of valid, error-free service request to completion date in service order system for new, move and change orders / Total new, move and change orders
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies), and ILEC Affiliates
<b>Reported By:</b>	By service group type and field work/no field work where applicable.
<b>Geographic Level:</b>	Region (PB), Statewide (GTE)

<p><b>Measurable Standard:</b></p>	<p><b><u>Pacific Bell</u></b>  <b>Parity for Resale is Retail for Parity for UNE measured for the following UNEs:</b></p> <ul style="list-style-type: none"> <li>• 2/4w (8db and 5.5 db) analog loop (incl. Coin/analog PBX) <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> <li>• 2w digital loop(ISDN capable) <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> <li>• 2w digital loop(xDSL capable) <ul style="list-style-type: none"> <li>• Conditioned</li> <li>• Non-Conditioned</li> <li>• UNE Subloop</li> </ul> </li> <li>• 2w digital loop(IDSL capable) <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> <li>• High Bandwidth line sharing <ul style="list-style-type: none"> <li>• Conditioned</li> <li>• Non-Conditioned</li> </ul> </li> <li>• 4w digital loop (DS1)</li> <li>• UNE Loop – OC level</li> <li>• UNE Port– Non-Specials</li> <li>• UNE Port–Specials</li> <li>• UNE Dedicated Transport <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• OC level</li> </ul> </li> <li>• Dark Fiber</li> <li>• Enhanced Extended Links <ul style="list-style-type: none"> <li>• VG - Conversion</li> <li>• DS1 - New</li> <li>• DS1 -Conversion</li> <li>• DS3- New</li> <li>• DS3-Conversion</li> <li>• OC level – New</li> <li>• OC level - Conversion</li> </ul> </li> <li>• UNE Platform</li> <li>• Basic port and loop</li> <li>• Special port and basic loop</li> <li>• ISDN BRI port and loop</li> <li>• ISDN PRI port and loop</li> <li>• Interconnection Trunks</li> </ul> <p style="text-align: right;"><b>Retail</b></p> <ul style="list-style-type: none"> <li>• POTS - Business (fielded)</li> <li>• ISDN(BRI)</li> <li>• 2w digital loop (xDSL capable) provided to ASI <ul style="list-style-type: none"> <li>• Conditioned</li> <li>• Non-Conditioned</li> </ul> </li> <li>• ISDN(BRI)</li> <li>• High Bandwidth line sharing provided to ASI <ul style="list-style-type: none"> <li>• Conditioned</li> <li>• Non-Conditioned</li> </ul> </li> <li>• DS1</li> <li>• Retail – OC level service</li> <li>• POTS - Business (non -fielded)</li> <li>• Retail Special Services</li> <li>• HICAP <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• Retail OC level service</li> </ul> </li> </ul> <p>(Diagnostic)</p> <p>(TBD)</p> <ul style="list-style-type: none"> <li>• Business POTS FW/NFW</li> <li>• Retail Voice Grade Specials FW/NFW</li> <li>• ISDN BRI FW/NFW</li> <li>• ISDN PRI FW/NFW</li> <li>• ILEC Dedicated Trunks</li> </ul>
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<b>Measurable Standard:</b>	<b><u>GTE</u></b>	<b>Retail</b>
	<ul style="list-style-type: none"> <li>• Resale POTS- Residence</li> <li>• Resale POTS-Business</li> <li>• Resale Specials</li> <li>• UNE loop Nondesigned</li> <li>• UNE loop Designed</li>   <li>• UNE loop xDSL capable</li> <li>• UNE loop IDSL capable</li> <li>• UNE Port</li> <li>• UNE Transport</li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• UNE-P Res</li> <li>• UNE-P Bus</li> <li>• UNE-P PRI</li> </ul> </li> <li>• Interconnection Trunks</li> <li>• Line Sharing - Conditioned</li> <li>• Line Sharing - Non -Conditioned</li> <li>• LNP</li>   <li>• EEL</li> <li>• Subloop</li> <li>• Dark Fiber</li> </ul>	<ul style="list-style-type: none"> <li>• Retail POTS - Residence</li> <li>• Retail POTS - Business</li> <li>• Retail Specials</li> <li>• B1 Dispatched Non Designed</li> <li>• Dispatched Designed Service (excludes HICAPs)</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• CentraNet-Simple</li> <li>• HICAP Designed</li>   <li>• Residential POTS</li> <li>• Business POTS</li> <li>• ISDN PRI</li> <li>• ILEC Dedicated Trunks</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>Retail POTS -Total Business &amp; Residence, Non-Dispatched</i></li> <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> </ul>

<p><b><i>Business Rules:</i></b></p>	<ul style="list-style-type: none"> <li>• Excludes customer requested due dates other than interval offered, and orders delayed for customer reasons. (Pacific Bell only)</li> <li>• Excludes customer due dates beyond interval offered, and orders delayed for customer reasons. (GTE)</li> <li>• For UNE loop services, feature-only orders are excluded from retail analog.(Pacific Bell only)</li> <li>• Excludes projects. (Pacific Bell only)</li> <li>• GTE will not exclude projects.</li> <li>• Results for UNE Subloops will be tracked diagnostically, by UNE loop type except for xDSL subloop the measurable standard for which will be parity with ASI (Pacific Bell only)</li> <li>• Results for Dark Fiber will be tracked diagnostically, until next periodic Performance Measures review.</li> <li>• The Completion Date is the date on which the service has passed acceptance testing, where applicable. To the extent that Pacific is required to obtain affirmative acceptance of the loop from the CLEC before closing an order, the order will not be deemed to have successfully passed an acceptance test until the CLEC affirmatively accepts the loop. (Pacific Bell only)</li> <li>• Orders where acceptance testing is delayed as a result of CLEC action or inaction shall be excluded. (Pacific Bell only)</li> </ul>
<p><b><i>Notes:</i></b></p>	<ul style="list-style-type: none"> <li>• For Pacific Bell, no retail analog exists for IDSL capable loops. The retail comparison will be made with ISDN service which has similar characteristics.</li> </ul>

# *OSS OII Performance Measurements Report Requirements*

**Provisioning**

**Measure 8**

**Title:** Percent Completed Within Standard Interval

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	Measures of orders completed within the standard interval of receipt of valid, error-free service request.
<b>Method of Calculation:</b>	Sum (Total New, Move and Change Orders Completed Within the Standard interval of Receipt of Valid, Error-free Service Request) / (Total New, Move and Change Orders)
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies), and ILEC Affiliates
<b>Reported By:</b>	By service group type excluding services with flexible due dates.
<b>Geographic Level:</b>	Region (PB), Statewide (GTE)

<b>Measurable Standard:</b>	<p><b>Pacific Bell</b>  <b>Parity for Resale is Retail</b>  <b>Parity for UNE measured for the following UNEs:</b></p> <ul style="list-style-type: none"> <li>• 2w digital loop(ISDN capable) <ul style="list-style-type: none"> <li>• UNE subloop</li> </ul> </li> <li>• 2w digital loop(xDSL capable) <ul style="list-style-type: none"> <li>• Conditioned</li> <li>• Non-Conditioned</li> <li>• UNE subloop</li> </ul> </li> <li>• 2w digital loop(IDSL capable) <ul style="list-style-type: none"> <li>• UNE subloop</li> </ul> </li> <li>• High Bandwidth line sharing <ul style="list-style-type: none"> <li>• Conditioned</li> <li>• Non-Conditioned</li> </ul> </li> <li>• 4w digital loop (DS1)</li> <li>• UNE loop – OC level</li> <li>• Dark Fiber</li> <li>• UNE Port– Specials</li> <li>• Enhanced Extended Links <ul style="list-style-type: none"> <li>• VG - Conversion</li> <li>• DS1 - New</li> <li>• DS1 -Conversion</li> <li>• DS3- New</li> <li>• DS3-Conversion</li> <li>• OC level - New</li> <li>• OC level -Conversion</li> </ul> </li> <li>• UNE Dedicated Transport <ul style="list-style-type: none"> <li>• . DS1</li> <li>• DS3</li> <li>• OC level</li> </ul> </li> </ul> <p>UNE Platform</p> <ul style="list-style-type: none"> <li>• Special port and basic loop</li> <li>• ISDN BRI port and loop</li> <li>• ISDN PRI port and loop</li> </ul> <ul style="list-style-type: none"> <li>• Interconnection Trunks</li> </ul>	<p><b>Pacific Bell Retail</b></p> <ul style="list-style-type: none"> <li>• ISDN(BRI)</li> <li>• 2w digital loop (xDSL capable) provided to ASI <ul style="list-style-type: none"> <li>• Conditioned</li> <li>• Non-Conditioned</li> </ul> </li> <li>• ISDN (BRI)</li> <li>• High Bandwidth line sharing provided to ASI <ul style="list-style-type: none"> <li>• Conditioned</li> <li>• Non-Conditioned</li> </ul> </li> <li>• DS1</li> <li>• Retail – OC level service</li> </ul> <p><i>Diagnostic</i></p> <ul style="list-style-type: none"> <li>• Retail Specials</li> </ul> <p><i>(TBD)</i></p> <ul style="list-style-type: none"> <li>• HICAP <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• Retail OC level service</li> </ul> </li> </ul> <ul style="list-style-type: none"> <li>• Retail Voice Grade Specials FW/NFW</li> <li>• ISDN BRI FW/NFW</li> <li>• ISDN PRI FW/NFW</li> <li>• ILEC Dedicated Trunks</li> </ul>
	<p><b>GTE</b></p> <p>Resale Specials</p>	<p>Retail Specials</p>

<b><i>Business Rules:</i></b>	<ul style="list-style-type: none"> <li>• Excludes customer requested due dates other than the standard interval, and orders delayed for customer reasons. (Pacific Bell only)</li> <li>• Excludes customer requested due dates greater than the standard interval, and orders delayed for customer reasons. (GTE only)</li> <li>• Excludes services with flexible due date i.e., Basic Exchange services/POTS (Pacific Bell only)</li> <li>• For UNE loop services, feature-only orders are excluded from retail analog. (Pacific Bell only)</li> <li>• Results for UNE Subloops will be tracked diagnostically, by UNE loop type except for xDSL subloop the measurable standard for which will be parity ASI. (Pacific Bell only).</li> <li>• Results for Dark Fiber will be tracked diagnostically, until next periodic Performance Measures review. (Pacific Bell only)</li> <li>• The Completion Date is the date on which the service has passed acceptance testing, where applicable. To the extent that Pacific is required to obtain affirmative acceptance of the loop from the CLEC before closing an order, the order will not be deemed to have successfully passed an acceptance test until the CLEC affirmatively accepts the loop. (Pacific Bell only)</li> <li>• Orders where acceptance testing is delayed as a result of CLEC action or inaction shall be excluded. (Pacific Bell only)</li> </ul>
<b><i>Notes:</i></b>	<ul style="list-style-type: none"> <li>• For Pacific Bell, no retail analog exists for ISDL capable loops. The retail comparison will be made with ISDN service which has similar characteristics.</li> </ul>

# OSS OII Performance Measurements Report Requirements

**Provisioning**

**Measure 9**

**Title:** Coordinated Customer Conversion as a Percentage On-Time

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	<p><b>Pacific Bell:</b> Measures the percentage of coordinated cutovers (TBCC/CHC) completed by Committed time* where CLEC has requested coordination (including LNP).  * Note: "Committed time" means within one hour of committed order due time</p> <p><b>GTE:</b> Measures the percentage of coordinated orders (CHC) completed by committed time* for all orders where CLEC has requested coordination (including LNP) *Note: "Committed time" means within one hour of committed order due time</p>
<b>Method of Calculation:</b>	<p><b>Pacific Bell</b> ((Number of coordinated cutovers completed by committed time) / (Count of coordinated cutovers scheduled in reporting period)) x 100</p> <p><b>GTE</b> (Number of coordinated orders completed by committed due date and time) / (Count of coordinated orders completed in reporting period) x 100</p>
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies), by ILEC Affiliates
<b>Reported By:</b>	<ul style="list-style-type: none"> <li>• Residence and Business conversions and LNP</li> </ul>
<b>Geographic Level:</b>	Statewide



<b>Measurable Standard:</b>	<b>Parity for Pacific Bell and GTE:</b>		
		<b>Pacific Bell Retail</b>	<b>GTE Retail</b>
	Coor. Conversions (Res.)	Coor. Conv. -Res	Coor. Conv. -Res
	Coor. Conversions (Bus.)	Coor. Conv. -Bus	Coor. Conv. -Bus
	Coor. Conversions (LNP-Port Out)	Coor. Conv. - (LNP-Port In/Back)	Coor. Conv. - (LNP-Port In/Back)
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• Excludes CLEC caused misses</li> <li>• Applies to CLEC requested coordinated orders only (including Number Portability orders where coordination is requested by the CLEC).</li> </ul>		
<b>Notes:</b>	<ul style="list-style-type: none"> <li>• "Cutovers" include initial and subsequent attempts to complete a cutover. (Pacific Bell only)</li> </ul>		

## ***OSS OII Performance Measurements***

## Report Requirements

### Provisioning

### Measure 9A

**Title:** Frame Due Time Conversions as a Percentage On-Time - Pacific Bell only

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	Measures the percentage of Frame Due Time cutovers completed by Committed time* for all orders where CLEC has requested FDT.  * Note: "Committed time" means within 1 hour of confirmed frame due time (example: order with 4pm due time will be completed by 5pm).
<b>Method of Calculation:</b>	$(\text{Number of frame due time cutovers completed by Committed time}) / (\text{Count of frame due time cutovers scheduled in reporting period}) \times 100$
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies), by ILEC Affiliates
<b>Reported By:</b>	Basic loops with LNP, Basic loops without LNP, Standalone LNP.
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	<b>Benchmark</b> <ul style="list-style-type: none"> <li>• Standard 95% in 1 hour</li> </ul>
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• Excludes CLEC caused misses</li> <li>• Applies to CLEC requested FDT orders only</li> </ul>
<b>Notes:</b>	<ul style="list-style-type: none"> <li>• "Cutovers" include initial and subsequent attempts to complete a cutover.</li> <li>• Up to 19 loops, or up to 99 telephone numbers on standalone LNP.</li> </ul>

# OSS OII Performance Measurements Report Requirements

## Provisioning

## Measure 10

**Title:** LNP Network Provisioning

Area	Requirement Description
<b>Description:</b>	Measures LNP network provisioning failures as a percentage of the total number of NPAC broadcasts of telephone number subscription versions to port.
<b>Method of Calculation:</b>	(Total number of LNP network provisioning failures / Total number of NPAC porting broadcasts) x 100
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLBC, CLBCs in the aggregate, by ILEC (if analog applies), and ILEC Affiliates
<b>Reported By:</b>	Statewide
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	<ul style="list-style-type: none"> <li>• Benchmark for Pacific Bell Standard - no more than .25% failure</li> <li>• Benchmark for GTE Standard - no more than 2% failure</li> </ul>
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• Provisioning failure data will be collected as follows:</li> <li>• Will be tracked for individual network database failures - failures to provision between the ILEC LSMS and LNP network databases (STP or SCP)</li> <li>• Excludes total failures from the NPAC to <i>all</i> LSMS systems.</li> <li>• Excludes broadcasts failing due to a lack of GTT information made available to ILEC ( no SS7 signaling agreement in place between ILEC and CLBC)</li> <li>• Excludes large porting activities (500 TNs or greater) (Pacific Bell only)</li> </ul>
<b>Notes:</b>	

## *OSS OII Performance Measurements Report Requirements*

**Provisioning**

**Measure 11**

**Title:** Percent of Due Dates Missed

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	Measures the percent of new, move and change orders where installation was not completed by the due date.
<b>Method of Calculation:</b>	$[(\text{Total Number of Missed Due Dates Due to ILEC Reasons for New, Move and Change Orders} / \text{Total Number of New, Move and Change Orders})] \times 100$
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies), and by ILEC Affiliates
<b>Reported By:</b>	By service group type and Field Work/No Field Work as appropriate
<b>Geographic Level:</b>	Region (PB), Statewide (GTE)

<p><b>Measurable Standard:</b></p>	<p><b>Pacific Bell</b>  <b>Parity for Resale is Retail Parity for UNE measured for the following UNEs:</b></p> <ul style="list-style-type: none"> <li>• 2/4w (8db and 5.5 db) analog loop (incl. Coin/analog PBX) <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> <li>• 2w digital loop(ISDN capable) <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> <li>• 2w digital loop(xDSL capable) <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> <li>• 2w digital loop(IDSL capable) <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> <li>• High Bandwidth line sharing UNE <ul style="list-style-type: none"> <li>• Conditioned</li> <li>• Non-Conditioned</li> </ul> </li> <li>• 4w digital loop(DS1)</li> <li>• UNE loop – DS3</li> <li>• UNE loop – OC level service</li> <li>• UNE Port–Non-Specials</li> <li>• UNE Port– Specials</li> <li>• UNE Dedicated Transport <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• OC level</li> </ul> </li> <li>• Dark Fiber</li> <li>• Enhanced Extended Links <ul style="list-style-type: none"> <li>• VG - Conversion</li> <li>• DS1 - New</li> <li>• DS1 -Conversion</li> <li>• DS3- New</li> <li>• DS3-Conversion</li> <li>• OC level - New</li> <li>• OC level - Conversion</li> </ul> </li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• Basic port and loop</li> <li>• Special port and basic loop</li> <li>• ISDN BRI port and loop</li> <li>• ISDN PRI port and loop</li> </ul> </li> </ul>	<p><b>Pacific Bell Retail</b></p> <ul style="list-style-type: none"> <li>• POTS - Business (fielded)</li> <li>• ISDN(BRI)</li> <li>• 2w digital loop (xDSL capable) provided to ASI</li> <li>• ISDN(BRI)</li> <li>• High Bandwidth line sharing UNE provided to ASI</li> <li>• DS1</li> <li>• UNE loop – DS3</li> <li>• Retail OC level service</li> <li>• POTS - Business (non-fielded)</li> <li>• Retail Specials (non-fielded)</li> <li>• HICAP <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• Retail OC level service</li> </ul> </li> </ul> <p><i>Diagnostic</i></p> <p><i>(TBD)</i></p> <ul style="list-style-type: none"> <li>• Business POTS FW/NFW</li> <li>• Retail Voice Grade Specials FW/NFW</li> <li>• ISDN BRI FW/NFW</li> <li>• ISDN PRI FW/NFW</li> <li>• ILEC Dedicated Trunks</li> </ul>
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<b>Measurable Standard:</b>	<b>GTE</b>	<b>Retail</b>
	<ul style="list-style-type: none"> <li>• Resale POTS- Residence</li> <li>• Resale POTS-Business</li> <li>• Resale Specials</li> <li>• UNE loop Nondesigned</li> <li>• UNE loop Designed</li> <li>• UNE loop xDSL capable</li> <li>• UNE loop IDSL capable</li> <li>• UNE Port</li> <li>• UNE Transport</li> <li>• UNE Platform               <ul style="list-style-type: none"> <li>• UNE - P Res</li> <li>• UNE - P Bus</li> <li>• UNE - P PRI</li> </ul> </li> <li>• Interconnection Trunks</li> <li>• Line Sharing - Conditioned</li> <li>• Line Sharing - Non-Conditioned</li> <li>• LNP</li> <li>• EEL</li> <li>• Subloop</li> <li>• Dark Fiber</li> </ul>	<ul style="list-style-type: none"> <li>• Retail POTS - Residence</li> <li>• Retail POTS - Business</li> <li>• Retail Specials</li> <li>• B1 Dispatched Non Designed</li> <li>• Dispatched Designed Service (excludes HICAPs)</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• CentraNet - Simple</li> <li>• HICAP Designed</li> <li>• Residential POTS</li> <li>• Business POTS</li> <li>• ISDN PRI</li> <li>• ILEC Dedicated Trunks</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• Retail POTS - Total Business &amp; Residence, Non-Dispatched</li> <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> </ul>

<p><b><i>Business Rules:</i></b></p>	<ul style="list-style-type: none"> <li>• Excludes customer misses</li> <li>• Due date is defined as either original due date or final due date if the original due date was missed due to customer reasons.</li> <li>• For UNE loop services, feature-only orders are excluded from retail analog. (Pacific Bell only)</li> <li>• Results for UNE Subloops will be tracked diagnostically, by UNE loop type except for xDSL subloop the measurable standard for which will be parity ASI (Pacific Bell only)</li> <li>• For GTE results for UNE subloop will be tracked diagnostically.</li> <li>• Results for Dark Fiber will be tracked diagnostically, until next periodic Performance Measures review.</li> <li>• Excludes record only and ILEC official orders.</li> <li>• The Completion Date is the date on which the service has passed acceptance testing, where applicable. To the extent that Pacific is required to obtain affirmative acceptance of the loop from the CLEC before closing an order, the order will not be deemed to have successfully passed an acceptance test until the CLEC affirmatively accepts the loop. (Pacific Bell only)</li> <li>• Orders where acceptance testing is delayed as a result of CLEC action or inaction shall be excluded. (Pacific Bell only)</li> </ul>
<p><b><i>Notes:</i></b></p>	<ul style="list-style-type: none"> <li>• ILECs will provide disaggregation by Missed Appointment reason codes as diagnostic data upon raw data request.</li> <li>• For Pacific Bell, no retail analog exists for IDSL capable loops. The retail comparison will be made with ISDN service which has similar characteristics</li> </ul>

## *OSS OII Performance Measurements Report Requirements*

### Provisioning

### Measure 12

**Title:** Percent of Due Dates Missed Due to Lack of Facilities

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	Measures the percent of new, move and change orders missed due to lack of facilities.  Note: Results also included in Measure "Percent Missed Due Dates"
<b>Method of Calculation:</b>	$(\text{Total New, Move and Change Orders Missed Due Dates Due to Lack of Facilities}) / (\text{Total Number of New, Move and Change Orders}) \times 100$
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies), and by ILEC Affiliates
<b>Reported By:</b>	By service group type and Field Work/No Field Work as appropriate
<b>Geographic Level:</b>	Region (PB), Statewide (GTE)



<p><b>Measurable Standard:</b></p>	<p><b>Pacific Bell</b>  <b>Parity for Resale is Retail</b>  <b>Parity measured for the following UNEs:</b></p> <ul style="list-style-type: none"> <li>• 2/4w (8db and 5.5 db) analog loop (incl. Coin/analog PBX)</li> <li>• 2w digital loop(ISDN capable)</li> <li>• 2w digital loop(xDSL capable)</li> <li>• 2w digital loop(IDSL capable)</li> <li>• High Bandwidth line sharing UNE <ul style="list-style-type: none"> <li>• Conditioned</li> <li>• Non-Conditioned</li> </ul> </li> <li>• 4w digital loop (DS1)</li> <li>• UNE loop – DS3</li> <li>• UNE loop – OC level</li> <li>• UNE Dedicated Transport <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• OC level</li> </ul> </li> <li>• Enhanced Extended Links (TBD) <ul style="list-style-type: none"> <li>• DS1 - New</li> <li>• DS3 – New</li> <li>• OC level - New</li> </ul> </li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• Basic port and loop</li> <li>• Special port and basic loop</li> <li>• ISDN BRI port and loop</li> <li>• ISDN PRI port and loop</li> </ul> </li> <li>• Interconnection Trunks</li> </ul> <p><b>Retail</b></p> <ul style="list-style-type: none"> <li>• POTS - Business (fielded)</li> <li>• ISDN(BRI)</li> <li>• 2w digital loop(xDSL capable) provided to ASI</li> <li>• ISDN (BRI)</li> <li>• High Bandwidth line sharing UNE provided to ASI</li> <li>• DS1</li> <li>• DS3</li> <li>• Retail OC level service</li> <li>• HICAP <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• Retail OC level service</li> </ul> </li> <li>• Business POTS FW/NFW</li> <li>• Retail Voice Grade Specials FW/NFW</li> <li>• ISDN BRI FW/NFW</li> <li>• ISDN PRI FW/NFW</li> <li>• ILEC Dedicated Trunks</li> </ul>
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<p><b>Measurable Standard:</b></p>	<table border="0"> <thead> <tr> <th data-bbox="484 140 908 202"><u>GTE</u></th> <th data-bbox="908 140 1564 202"><u>Retail</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="484 234 908 266">• Resale POTS- Residence</td> <td data-bbox="908 234 1564 266">• Retail POTS - Residence</td> </tr> <tr> <td data-bbox="484 276 908 308">• Resale POTS-Business</td> <td data-bbox="908 276 1564 308">• Retail POTS - Business</td> </tr> <tr> <td data-bbox="484 319 908 351">• Resale Specials</td> <td data-bbox="908 319 1564 351">• Retail Specials</td> </tr> <tr> <td data-bbox="484 361 908 393">• UNE loop Nondesigned</td> <td data-bbox="908 361 1564 393">• B1 Dispatched Non Designed</td> </tr> <tr> <td data-bbox="484 404 908 436">• UNE loop Designed</td> <td data-bbox="908 404 1564 436">• Dispatched Designed Service (excludes HICAPs)</td> </tr> <tr> <td data-bbox="484 446 908 478">• UNE loop xDSL capable</td> <td data-bbox="908 446 1564 478">• <i>(TBD until SDA is established)</i></td> </tr> <tr> <td data-bbox="484 489 908 521">• UNE loop IDSL capable</td> <td data-bbox="908 489 1564 521">• <i>(TBD until SDA is established)</i></td> </tr> <tr> <td data-bbox="484 532 908 563">• Line Sharing - Conditioned</td> <td data-bbox="908 532 1564 563">• <i>(TBD until SDA is established)</i></td> </tr> <tr> <td data-bbox="484 574 908 606">• Line Sharing - Non-Conditioned</td> <td data-bbox="908 574 1564 606">• <i>(TBD until SDA is established)</i></td> </tr> <tr> <td data-bbox="484 617 908 649">• UNE Port</td> <td data-bbox="908 617 1564 649">• CentraNet - Simple</td> </tr> <tr> <td data-bbox="484 659 908 691">• UNE Transport</td> <td data-bbox="908 659 1564 691">• HICAP Designed</td> </tr> <tr> <td data-bbox="484 702 908 734">• UNE Platform</td> <td data-bbox="908 702 1564 734"></td> </tr> <tr> <td data-bbox="484 744 908 776">• UNE - P Res</td> <td data-bbox="908 744 1564 776">• Residential POTS</td> </tr> <tr> <td data-bbox="484 787 908 819">• UNE - P Bus</td> <td data-bbox="908 787 1564 819">• Business POTS</td> </tr> <tr> <td data-bbox="484 829 908 861">• UNE - P PRI</td> <td data-bbox="908 829 1564 861">• ISDN PRI</td> </tr> <tr> <td data-bbox="484 872 908 904">• Interconnection Trunks</td> <td data-bbox="908 872 1564 904">• ILEC Dedicated Trunks</td> </tr> <tr> <td data-bbox="484 915 908 946">• EEL</td> <td data-bbox="908 915 1564 946">• <i>(Diagnostic)</i></td> </tr> <tr> <td data-bbox="484 957 908 989">• Subloop</td> <td data-bbox="908 957 1564 989">• <i>(Diagnostic)</i></td> </tr> </tbody> </table>	<u>GTE</u>	<u>Retail</u>	• Resale POTS- Residence	• Retail POTS - Residence	• Resale POTS-Business	• Retail POTS - Business	• Resale Specials	• Retail Specials	• UNE loop Nondesigned	• B1 Dispatched Non Designed	• UNE loop Designed	• Dispatched Designed Service (excludes HICAPs)	• UNE loop xDSL capable	• <i>(TBD until SDA is established)</i>	• UNE loop IDSL capable	• <i>(TBD until SDA is established)</i>	• Line Sharing - Conditioned	• <i>(TBD until SDA is established)</i>	• Line Sharing - Non-Conditioned	• <i>(TBD until SDA is established)</i>	• UNE Port	• CentraNet - Simple	• UNE Transport	• HICAP Designed	• UNE Platform		• UNE - P Res	• Residential POTS	• UNE - P Bus	• Business POTS	• UNE - P PRI	• ISDN PRI	• Interconnection Trunks	• ILEC Dedicated Trunks	• EEL	• <i>(Diagnostic)</i>	• Subloop	• <i>(Diagnostic)</i>
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<p><b>Business Rules:</b></p>	<ul style="list-style-type: none"> <li>• Due date is defined as either original due date or final due date if the original due date was missed due to customer reasons.</li> <li>• For UNE loop services, feature-only orders are excluded from retail analog.</li> </ul>																																						
<p><b>Notes:</b></p>	<ul style="list-style-type: none"> <li>• For Pacific Bell, no retail analog exists for IDSL capable loops. The retail comparison will be made with ISDN capable loops which have similar characteristics.</li> </ul>																																						

## *OSS OII Performance Measurements Report Requirements*

### Provisioning

### Measure 13

**Title:** Delay Order Interval to Completion Date (For Lack of Facilities)

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	Measures the average calendar days from due date to completion date on company missed orders due to lack of ILEC facilities.
<b>Method of Calculation:</b>	Sum (Completion Date - Committed Order Due Date (for orders missed due to lack of ILEC facilities)) / (Number of Orders Missed due to Lack of ILEC Facilities in the Reporting Period)
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies), and by ILEC Affiliates
<b>Reported By:</b>	<ul style="list-style-type: none"> <li>• By service group type</li> <li>• Disaggregated by 1-30 days, 31-90 days and &gt;90 days</li> </ul>
<b>Geographic Level:</b>	Statewide

<p><b>Measurable Standard:</b></p>	<p><b>Pacific Bell</b>  <b>Parity for Resale is Retail</b>  <b>Parity measured for the following UNEs:</b></p> <ul style="list-style-type: none"> <li>• 2/4w (8db and 5.5 db) analog loop (incl. Coin/analog PBX)</li> <li>• 2w digital loop(ISDN capable)</li> <li>• 2w digital loop(xDSL capable)</li> <li>• 2w digital loop (IDSL capable)</li> <li>• High Bandwidth line sharing UNE <ul style="list-style-type: none"> <li>• Condition</li> <li>• Non-Condition</li> </ul> </li> <li>• 4w digital loop (DS1)</li> <li>• UNE loop – DS3</li> <li>• UNE loop – OC level</li> <li>• UNE Dedicated Transport <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• OC level</li> </ul> </li> <li>• Enhanced Extended Links <ul style="list-style-type: none"> <li>• DS1 - New</li> <li>• DS3 – New</li> <li>• OC level - New</li> </ul> </li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• Basic port and loop</li> <li>• Special port and basic loop</li> <li>• ISDN BRI port and loop</li> <li>• ISDN PRI port and loop</li> </ul> </li> <li>• Interconnection Trunks</li> </ul>	<p><b>Retail</b></p> <ul style="list-style-type: none"> <li>• POTS - Business (fielded)</li> <li>• ISDN(BRI)</li> <li>• 2w digital loop (xDSL capable) provided to ASI</li> <li>• ISDN(BRI)</li> <li>• High Bandwidth line sharing UNE provided to ASI</li> <li>• DS1</li> <li>• DS3</li> <li>• Retail OC level service</li> <li>• HICAP <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• Retail OC level service</li> </ul> </li> <li>(TBD)</li> <li>• Business POTS FW/NFW</li> <li>• Retail Voice Grade Specials FW/NFW</li> <li>• ISDN BRI FW/NFW</li> <li>• ISDN PRI FW/NFW</li> <li>• ILEC Dedicated Trunks</li> </ul>
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<p><b>Measurable Standard:</b></p>	<p><b>GTE</b></p> <ul style="list-style-type: none"> <li>• Resale POTS- Residence</li> <li>• Resale POTS-Business</li> <li>• Resale Specials</li> <li>• UNE loop Nondesigned</li> <li>• UNE loop Designed</li> <li>• UNE loop xDSL capable</li> <li>• UNE loop IDSL capable</li> <li>• Line Sharing - Conditioned</li> <li>• Line Sharing - Non-Conditioned</li> <li>• UNE Port</li> <li>• UNE Transport</li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• UNE - P Res</li> <li>• UNE - P Bus</li> <li>• UNE - P PRI</li> </ul> </li> <li>• Interconnection Trunks</li> <li>• EEL</li> <li>• Subloop</li> </ul>	<p style="text-align: center;"><b>Retail</b></p> <ul style="list-style-type: none"> <li>• Retail POTS - Residence</li> <li>• Retail POTS - Business</li> <li>• Retail Specials</li> <li>• B1 Dispatched Non Designed</li> <li>• Dispatched Designed Service (excludes HICAPs)</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• CentraNet-Simple</li> <li>• HICAP Designed</li>   <li>• Residential POTS</li> <li>• Business POTS</li> <li>• ISDN PRI</li> <li>• ILEC Dedicated Trunks</li> <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> </ul>
<p><b>Business Rules:</b></p>	<ul style="list-style-type: none"> <li>• For UNE loop services, feature-only orders are excluded from retail analog.</li> </ul>	
<p><b>Notes:</b></p>	<ul style="list-style-type: none"> <li>• For Pacific Bell, no retail analog exists for IDSL capable loops. The retail comparison will be made with ISDN service which has similar characteristics.</li> </ul>	

## *OSS OII Performance Measurements Report Requirements*

**Provisioning**

**Measure 14**

**Title:** Held Order Interval

<b><i>Area</i></b>	<b><i>Requirement Description</i></b>
<b><i>Description:</i></b>	Measures the time period that service orders are not completed by the original due dates for all ILEC reasons (including lack of facilities).
<b><i>Method of Calculation:</i></b>	Sum (Reporting Period Close Date - Committed Order Due Date) / (Number of Orders Pending and Past the Committed Due Date) <i>Note: For all orders pending and past the committed due date.</i>
<b><i>Report Period:</i></b>	Monthly
<b><i>Report Structure:</i></b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies), by ILEC Affiliates
<b><i>Reported By:</i></b>	By service group type
<b><i>Geographic Level:</i></b>	Statewide

<p><b>Measurable Standard:</b></p>	<p><b>Pacific Bell</b>  <b>Parity for Resale is Retail</b></p> <p><b>Parity for UNE measured for the following UNEs:</b></p> <ul style="list-style-type: none"> <li>• 2/4w (8db and 5.5 db) analog loop (incl. Coin/analog PBX) <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> <li>• 2w digital loop(ISDN capable) <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> <li>• 2w digital loop(xDSL capable) <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> <li>• 2w digital loop (IDSL capable) <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> <li>• High Bandwidth line sharing UNE <ul style="list-style-type: none"> <li>• Conditioned</li> <li>• Non-Conditioned</li> </ul> </li> <li>• 4w digital loop (DS1) <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li> <li>• UNE loop – DS3</li> <li>• UNE loop – OC level</li> <li>• UNE Port–Non-Specials</li> <li>• UNE Port– Specials</li> <li>• UNE Dedicated Transport <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• OC Level</li> </ul> </li> <li>• Dark Fiber</li> <li>• Enhanced Extended Links <ul style="list-style-type: none"> <li>• VG - Conversion</li> <li>• DS1 - New</li> <li>• DS1 -Conversion</li> <li>• DS3- New</li> <li>• DS3-Conversion</li> <li>• OC level – New</li> <li>• OC level - Conversion</li> </ul> </li> <li>• UNE Platform (PB only) <ul style="list-style-type: none"> <li>• Basic port and loop</li> <li>• Special port and basic loop</li> <li>• ISDN BRI port and loop</li> <li>• ISDN PRI port and loop</li> </ul> </li> <li>• Interconnection Trunks</li> </ul> <p><b>Retail</b></p> <ul style="list-style-type: none"> <li>• POTS - Business (fielded)</li> <li>• ISDN(BRI)</li> <li>• 2w digital loop(xDSL capable) provided to ASI</li> <li>• ISDN(BRI)</li> <li>• High Bandwidth line sharing UNE provided to ASI</li> <li>• DS1</li> <li>• DS3</li> <li>• Retail OC level service</li> <li>• POTS - Business (non-fielded)</li> <li>• Retail Specials</li> <li>• HICAP <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• Retail OC level service</li> </ul> </li> <li>• Diagnostic</li> </ul> <p>(TBD)</p> <ul style="list-style-type: none"> <li>• Business POTS FW/NFW</li> <li>• Retail Voice Grade Specials FW/NFW</li> <li>• ISDN BRI FW/NFW</li> <li>• ISDN PRI FW/NFW</li> <li>• ILEC Dedicated Trunks</li> </ul>
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• UNE loop Designed	• Dispatched Designed Service (excludes HICAPs)																																										
• UNE loop xDSL capable	• <i>(TBD until SDA is established)</i>																																										
• UNE loop IDSL capable	• <i>(TBD until SDA is established)</i>																																										
• UNE Port	• CentraNet-Simple																																										
• UNE Transport	• HICAP Designed																																										
• UNE Platform																																											
• UNE - P Res	• Residential POTS																																										
• UNE - P Bus	• Business POTS																																										
• UNE - P PRI	• ISDN PRI																																										
• Interconnection Trunks	• ILEC Dedicated Trunks																																										
• Line Sharing - Conditioned	• <i>(TBD until SDA is established)</i>																																										
• Line Sharing - Non-Conditioned	• <i>(TBD until SDA is established)</i>																																										
• LNP	• Retail POTS - Total Business & Residence, Non-Dispatched																																										
• EEL	• <i>(Diagnostic)</i>																																										
• Subloop	• <i>(Diagnostic)</i>																																										
• Dark Fiber	• <i>(Diagnostic)</i>																																										
<p><b>Business Rules:</b></p>	<ul style="list-style-type: none"> <li>• Excludes customer caused misses.</li> <li>• For UNE loop services, feature-only orders are excluded from retail analog.</li> <li>• The Completion Date is the date on which the service has passed acceptance testing, where applicable. To the extent that Pacific is required to obtain affirmative acceptance of the loop from the CLEC before closing an order, the order will not be deemed to have successfully passed an acceptance test until the CLEC affirmatively accepts the loop. (Pacific Bell only)</li> <li>• Orders where acceptance testing is delayed as a result of CLEC action or inaction shall be excluded. (Pacific Bell only)</li> </ul>																																										



<i>Notes:</i>	<ul style="list-style-type: none"><li>• ILECs will provide disaggregation by Missed Appointment reason codes as diagnostic data upon raw data request.</li><li>• Results for Dark Fiber will be tracked diagnostically, until next periodic Performance Measures review.</li><li>• Results for UNE Subloops will be tracked diagnostically, by UNE loop type except for xDSL subloop the measurable standard for which will be parity ASI (Pacific Bell only)</li><li>• For GTE results for UNE subloop will be tracked diagnostically.</li><li>• For Pacific Bell, no retail analog exists for IDSL capable loops. The retail comparison will be made with ISDN capable loops which have similar characteristics.</li></ul>
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# OSS OII Performance Measurements

## Report Requirements

### Provisioning

### Measure 15

**Title:** Provisioning Trouble Reports (Prior to Service Order Completion)

<i>Area</i>	<i>Requirement Description</i>		
<b>Description:</b>	Measures the percent of troubles that are reported (via customer or indirectly by CLEC) that occur during the provisioning process.		
<b>Method of Calculation:</b>	<p><b>Parity:</b> (Number of trouble reports that occur from the time of service order creation, up to and including the date of service order completion)/ (Total Number of service orders in reporting period)</p> <p><b>Benchmark:</b> [(Number of trouble reports that occur from the time of service order creation, up to and including the date of service order completion)/ (Total Number of service orders in reporting period)] x 100</p>		
<b>Report Period:</b>	Monthly		
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies), by ILEC Affiliates		
<b>Reported By:</b>	<ul style="list-style-type: none"> <li>• By Resale, High Bandwidth line sharing UNE, UNE Loop, and LNP</li> <li>• By Affecting Service and Out of Service</li> </ul>		
<b>Geographic Level:</b>	Statewide		
<b>Measurable Standard:</b>	<p><b>Pacific Bell:</b></p> <p><b>Parity</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><b>Resale</b></p> <p>UNE Loop</p> <p>High Bandwidth Line sharing UNE</p> </td> <td style="width: 50%; vertical-align: top;"> <p><b>Retail services</b></p> <p>Retail services (outside plant disposition codes and central office wiring disposition codes)</p> <p>High Bandwidth line sharing UNE provided to ASI</p> </td> </tr> </table> <p><b>Benchmark:</b> LNP - Port Out</p> <ul style="list-style-type: none"> <li>• Standard - 1% or less</li> </ul>	<p><b>Resale</b></p> <p>UNE Loop</p> <p>High Bandwidth Line sharing UNE</p>	<p><b>Retail services</b></p> <p>Retail services (outside plant disposition codes and central office wiring disposition codes)</p> <p>High Bandwidth line sharing UNE provided to ASI</p>
<p><b>Resale</b></p> <p>UNE Loop</p> <p>High Bandwidth Line sharing UNE</p>	<p><b>Retail services</b></p> <p>Retail services (outside plant disposition codes and central office wiring disposition codes)</p> <p>High Bandwidth line sharing UNE provided to ASI</p>		

	<p><b>GTE:</b></p> <ul style="list-style-type: none"> <li>• Resale POTS (Residence)</li> <li>• Resale POTS (Business)</li> <li>• Resale Specials</li> <li>• UNE, Loop Non-designed</li> <li>• UNE Loop Designed</li> <li>• UNE Loop xDSL Capable</li> <li>• UNE Loop IDSL Capable</li> <li>• LNP</li> </ul>	<ul style="list-style-type: none"> <li>• Residence POTS</li> <li>• Business POTS</li> <li>• Retail Specials</li> <li>• B1 Dispatched Non Designed</li> <li>• Dispatched Designed Service (excludes HICAPs)</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD- will propose benchmark standard after 4 months of data collection).</i></li> </ul>
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• Excludes CPE and IEC/CLEC caused troubles</li> <li>• Excludes Subsequent reports</li> <li>• Excludes Message Reports (circuit reports for which ILEC has no records)</li> <li>• Excludes ILEC employee generated reports</li> <li>• *<sup>6</sup></li> </ul>	
<b>Notes:</b>	<ul style="list-style-type: none"> <li>• ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data upon raw data request.</li> </ul>	

<sup>6</sup> The language "excludes new service installations" first contained in the JPSA filed July 18, 2000 has been removed pending resolution by the Commission of the open issue identified by some DSL CLECs.

## *OSS OII Performance Measurements Report Requirements*

### Provisioning

### Measure 15A

**Title:** Average Time to Restore Provisioning Troubles (Prior to Service Order Completion)

<i>Area</i>	<i>Requirement Description</i>		
<b>Description:</b>	Measures the average duration of the troubles from the receipt of the customer trouble reported (via customer or indirectly by CLEC) to the time the trouble is cleared.		
<b>Method of Calculation:</b>	(Total duration of provisioning trouble measured from the time the trouble was initiated or called in to the ILEC until cleared.)/ (Total Number of Provisioning Trouble Reports)		
<b>Report Period:</b>	Monthly		
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies), by ILEC Affiliates		
<b>Reported By:</b>	<ul style="list-style-type: none"> <li>• By Resale, UNE Loop, UNE Port and LNP</li> <li>• By Affecting Service and Out of Service</li> </ul>		
<b>Geographic Level:</b>	Statewide		
<b>Measurable Standard:</b>	<p><b>Pacific Bell:</b></p> <p><b>Parity:</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><b>Resale</b></p> <p>UNE Loop</p> </td> <td style="width: 50%; vertical-align: top;"> <p><b>Retail services</b></p> <p>Retail services (outside plant disposition codes and Central Office wiring disposition codes)</p> </td> </tr> </table> <p><b>Benchmark:</b> LNP - Port Out</p> <ul style="list-style-type: none"> <li>• Standard - average of 4 hours</li> </ul>	<p><b>Resale</b></p> <p>UNE Loop</p>	<p><b>Retail services</b></p> <p>Retail services (outside plant disposition codes and Central Office wiring disposition codes)</p>
<p><b>Resale</b></p> <p>UNE Loop</p>	<p><b>Retail services</b></p> <p>Retail services (outside plant disposition codes and Central Office wiring disposition codes)</p>		

<b>Measurable Standard:</b>	<b>GTE</b> <ul style="list-style-type: none"> <li>• Resale POTS- Residence</li> <li>• Resale POTS-Business</li> <li>• Resale Specials</li> <li>• UNE loop Nondesigned</li> <li>• UNE loop Designed</li> <li>• UNE loop xDSL capable</li> <li>• UNE loop IDSL capable</li> <li>• LNP</li> </ul>	<b>Retail</b> <ul style="list-style-type: none"> <li>• Residence POTS</li> <li>• Business POTS</li> <li>• Retail Specials</li> <li>• B1 Dispatched Non Designed</li> <li>• Dispatched Designed Service (excludes HICAPs)</li> <li>• <i>(TBD until SDA is implemented)</i></li> <li>• <i>(TBD until SDA is implemented)</i></li> <li>• <i>(TBD)</i></li> </ul>
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• Excludes CPE and IEC/CLEC caused troubles</li> <li>• Excludes Subsequent reports</li> <li>• Excludes Message Reports (circuit reports for which ILEC has no records)</li> <li>• Excludes ILEC employee generated reports</li> </ul>	
<b>Notes:</b>	<ul style="list-style-type: none"> <li>• ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data upon raw data request.</li> </ul>	

## *OSS OII Performance Measurements Report Requirements*

### Provisioning

### Measure 16

**Title:** Percentage Troubles in 30 Days for Special Services Orders

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	Measures the percent of network customer trouble reports received within 30 calendar days of service order completion
<b>Method of Calculation:</b>	<p><b>Pacific Bell:</b> (Total Number of Customer Trouble reports received within 30 calendar days of special service order completion / Total Number of new, move and change completed special services orders) x 100</p> <p><b>GTE:</b> (Total Number of Special Service Orders that receive a Network Customer Trouble Report within 30 calendar days of service order completion / Total new, move and change completed Special Service orders) x 100</p>
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies), and by ILEC Affiliates
<b>Reported By:</b>	By service group type
<b>Geographic Level:</b>	Region (PB), Statewide (GTE)

<p><b>Measurable Standard:</b></p>	<p><b>Pacific Bell Parity for Resale is Retail</b></p> <table border="0"> <tr> <td data-bbox="480 229 958 1621"> <p><b>Parity for UNE measured for the following UNEs:</b></p> <ul style="list-style-type: none"> <li>• 2w digital loop(ISDN capable) <ul style="list-style-type: none"> <li>• UNE Sub -Loop</li> </ul> </li> <li>• 2w digital loop(xDSL capable) <ul style="list-style-type: none"> <li>• UNE Sub-Loop</li> </ul> </li> <li>• High Bandwidth line sharing UNE</li> <li>• 4w digital loop (DS1)</li> <li>• UNE loop – DS3</li> <li>• UNE loop –OC level</li> <li>• UNE Port– Specials</li> <li>• UNE Dedicated Transport <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• OC level</li> </ul> </li> <li>• Dark Fiber</li> <li>• Enhanced Extended Links <ul style="list-style-type: none"> <li>• VG - Conversion</li> <li>• DS1 - New</li> <li>• DS1 -Conversion</li> <li>• DS3- New</li> <li>• DS3-Conversion</li> <li>• OC level – New</li> <li>• OC level - Conversion</li> </ul> </li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• Special port and basic loop</li> <li>• ISDN BRI port and loop</li> <li>• ISDN PRI port and loop</li> </ul> </li> <li>• Interconnection Trunks</li> </ul> </td> <td data-bbox="958 229 1589 1621"> <p><b>Retail</b></p> <ul style="list-style-type: none"> <li>• ISDN(BRI) (outside plant disposition codes and central office wiring disposition codes)</li> <li>• 2w digital loop(xDSL capable) provided to ASI (outside plant disposition codes and central office wiring disposition codes)</li> <li>• High Bandwidth line sharing UNE provided to ASI</li> <li>• DS1 (outside plant disposition codes and central office wiring disposition codes)</li> <li>• DS3 (outside plant disposition codes and central office wiring disposition codes)</li> <li>• Retail OC level service (outside plant disposition codes and central office wiring disposition codes)</li> <li>• Retail Special (non-dispatched)</li> <li>• HICAP <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• Retail OC level</li> </ul> </li> </ul> <p>Diagnostic (TBD)</p> <ul style="list-style-type: none"> <li>• Retail Voice Grade Specials (non-disp, disp)</li> <li>• ISDN BRI (non-disp, disp)</li> <li>• ISDN PRI (non-disp, disp)</li> <li>• ILEC Dedicated Trunks</li> </ul> </td> </tr> </table>	<p><b>Parity for UNE measured for the following UNEs:</b></p> <ul style="list-style-type: none"> <li>• 2w digital loop(ISDN capable) <ul style="list-style-type: none"> <li>• UNE Sub -Loop</li> </ul> </li> <li>• 2w digital loop(xDSL capable) <ul style="list-style-type: none"> <li>• UNE Sub-Loop</li> </ul> </li> <li>• High Bandwidth line sharing UNE</li> <li>• 4w digital loop (DS1)</li> <li>• UNE loop – DS3</li> <li>• UNE loop –OC level</li> <li>• UNE Port– Specials</li> <li>• UNE Dedicated Transport <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• OC level</li> </ul> </li> <li>• Dark Fiber</li> <li>• Enhanced Extended Links <ul style="list-style-type: none"> <li>• VG - Conversion</li> <li>• DS1 - New</li> <li>• DS1 -Conversion</li> <li>• DS3- New</li> <li>• DS3-Conversion</li> <li>• OC level – New</li> <li>• OC level - Conversion</li> </ul> </li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• Special port and basic loop</li> <li>• ISDN BRI port and loop</li> <li>• ISDN PRI port and loop</li> </ul> </li> <li>• Interconnection Trunks</li> </ul>	<p><b>Retail</b></p> <ul style="list-style-type: none"> <li>• ISDN(BRI) (outside plant disposition codes and central office wiring disposition codes)</li> <li>• 2w digital loop(xDSL capable) provided to ASI (outside plant disposition codes and central office wiring disposition codes)</li> <li>• High Bandwidth line sharing UNE provided to ASI</li> <li>• DS1 (outside plant disposition codes and central office wiring disposition codes)</li> <li>• DS3 (outside plant disposition codes and central office wiring disposition codes)</li> <li>• Retail OC level service (outside plant disposition codes and central office wiring disposition codes)</li> <li>• Retail Special (non-dispatched)</li> <li>• HICAP <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• Retail OC level</li> </ul> </li> </ul> <p>Diagnostic (TBD)</p> <ul style="list-style-type: none"> <li>• Retail Voice Grade Specials (non-disp, disp)</li> <li>• ISDN BRI (non-disp, disp)</li> <li>• ISDN PRI (non-disp, disp)</li> <li>• ILEC Dedicated Trunks</li> </ul>
<p><b>Parity for UNE measured for the following UNEs:</b></p> <ul style="list-style-type: none"> <li>• 2w digital loop(ISDN capable) <ul style="list-style-type: none"> <li>• UNE Sub -Loop</li> </ul> </li> <li>• 2w digital loop(xDSL capable) <ul style="list-style-type: none"> <li>• UNE Sub-Loop</li> </ul> </li> <li>• High Bandwidth line sharing UNE</li> <li>• 4w digital loop (DS1)</li> <li>• UNE loop – DS3</li> <li>• UNE loop –OC level</li> <li>• UNE Port– Specials</li> <li>• UNE Dedicated Transport <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• OC level</li> </ul> </li> <li>• Dark Fiber</li> <li>• Enhanced Extended Links <ul style="list-style-type: none"> <li>• VG - Conversion</li> <li>• DS1 - New</li> <li>• DS1 -Conversion</li> <li>• DS3- New</li> <li>• DS3-Conversion</li> <li>• OC level – New</li> <li>• OC level - Conversion</li> </ul> </li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• Special port and basic loop</li> <li>• ISDN BRI port and loop</li> <li>• ISDN PRI port and loop</li> </ul> </li> <li>• Interconnection Trunks</li> </ul>	<p><b>Retail</b></p> <ul style="list-style-type: none"> <li>• ISDN(BRI) (outside plant disposition codes and central office wiring disposition codes)</li> <li>• 2w digital loop(xDSL capable) provided to ASI (outside plant disposition codes and central office wiring disposition codes)</li> <li>• High Bandwidth line sharing UNE provided to ASI</li> <li>• DS1 (outside plant disposition codes and central office wiring disposition codes)</li> <li>• DS3 (outside plant disposition codes and central office wiring disposition codes)</li> <li>• Retail OC level service (outside plant disposition codes and central office wiring disposition codes)</li> <li>• Retail Special (non-dispatched)</li> <li>• HICAP <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• Retail OC level</li> </ul> </li> </ul> <p>Diagnostic (TBD)</p> <ul style="list-style-type: none"> <li>• Retail Voice Grade Specials (non-disp, disp)</li> <li>• ISDN BRI (non-disp, disp)</li> <li>• ISDN PRI (non-disp, disp)</li> <li>• ILEC Dedicated Trunks</li> </ul>		

<p><b>Measurable Standard:</b></p>	<p><b>GTE:</b></p> <ul style="list-style-type: none"> <li>• Resale Specials</li> <li>• UNE Loop Designed</li> <li>• UNE loop xDSL capable</li> <li>• UNE loop IDSL capable</li> <li>• UNE Transport</li> <li>• UNE - Platform PRI</li> <li>• Line Sharing – Conditioned</li> <li>• Line Sharing - Non - Conditioned</li> <li>• Interconnection Trunks</li> <li>• EEL</li> </ul>	<p><b>Retail</b></p> <ul style="list-style-type: none"> <li>• Retail Specials</li> <li>• Dispatch Designed Service (excludes HICAPs)</li> <li>• (TBD until SDA is established)</li> <li>• (TBD until SDA is established)</li> <li>• HICAP Designed</li> <li>• ISDN PRI</li> <li>• (TBD until SDA is established)</li> <li>• (TBD until SDA is established)</li> <li>• ILEC Dedicated Trunks</li> <li>• <i>(Diagnostic)</i></li> </ul>
<p><b>Business Rules:</b></p>	<ul style="list-style-type: none"> <li>• Excludes CPE and IEC/CLEC caused troubles</li> <li>• Excludes troubles associated with inside wire</li> <li>• Excludes Trouble Reports Received on the Due Date (which instead are reported in the “Provisioning Troubles” measure)</li> <li>• Excludes Subsequent reports</li> <li>• Excludes Message Reports (circuit reports for which ILEC has no records)</li> <li>• Excludes ILEC employee generated reports</li> <li>• If no service orders are processed for a service group type in the report month, the denominator for the calculation of this measure will be service orders processed in the last month of service order activity. (Pacific Bell)</li> <li>• The Completion Date is the date on which the service has passed acceptance testing, where applicable. To the extent that Pacific is required to obtain affirmative acceptance of the loop from the CLEC before closing an order, the order will not be deemed to have successfully passed an acceptance test until the CLEC affirmatively accepts the loop. (Pacific Bell only)</li> <li>• Orders where acceptance testing is delayed as a result of CLEC action or inaction shall be excluded. (Pacific Bell only)</li> </ul>	
<p><b>Notes:</b></p>	<ul style="list-style-type: none"> <li>• ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data upon raw data request.</li> <li>• Results for UNE Subloops will be tracked diagnostically, by UNE loop type except for xDSL subloop the measurable standard for which will be parity ASI (Pacific Bell only)</li> <li>• Results for Dark Fiber will be tracked diagnostically, until next periodic Performance Measures review.</li> </ul>	



## *OSS OII Performance Measurements Report Requirements*

### Provisioning

### Measure 17

**Title:** Percentage Troubles in 7 Days for Non-Special Orders - GTE only  
 Percentage Trouble in 10 Days for Non-Special Orders - Pacific Bell only

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	Measures the percent of network customer trouble reports received within 7 (GTE) or 10 (Pacific Bell) calendar days of service order completion.
<b>Method of Calculation:</b>	<p><b>GTE:</b>            (Total Number of non-special Service Orders that receive a Network Customer Trouble Report within 7 calendar days of service order completion / Total new, move and change completed Non-Special Service orders) x 100</p> <p><b>Pacific Bell:</b>            (Total Number of Customer Trouble reports received within 10 calendar days of non-special service order completion / Total Number of new, move and change completed non-special orders) x 100</p>
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies), and by ILEC Affiliates
<b>Reported By:</b>	By service group type (including LNP) and Field Work/No Field Work as appropriate
<b>Geographic Level:</b>	Statewide

<b>Measurable Standard:</b>	<p><b>Pacific Bell</b>  <b>Parity for Resale is Retail (non-special services only)</b></p> <p><b>Parity for UNE measured for the following UNEs:</b></p> <ul style="list-style-type: none"> <li>• 2/4w (8db and 5.5 db) loop (incl. Coin/analog PBX) <ul style="list-style-type: none"> <li>• UNE Sub-Loop</li> </ul> </li> </ul> <p>(and for Pacific Bell only)</p> <ul style="list-style-type: none"> <li>• FDT orders</li> <li>• TBCC orders</li> </ul> <ul style="list-style-type: none"> <li>• UNE Port – Basic analog/Coin</li> <li>• UNE Platform -Basic port and basic loop</li> <li>• LNP (Port Out)</li> </ul>	<p><b>Retail</b></p> <ul style="list-style-type: none"> <li>• Business POTS (outside plant disposition codes and central office wiring disposition codes)</li> <li>• Business POTS (non-disp)</li> <li>• Business POTS (disp/non-disp)</li> <li>• Benchmark of no more than 1% troubles.</li> </ul>
	<p><b>GTE</b></p> <ul style="list-style-type: none"> <li>• Resale POTS- Residence</li> <li>• Resale POTS-Business</li> <li>• UNE loop Nondesigned</li> <li>•</li> <li>• UNE Port</li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• UNE - P Res</li> <li>• UNE - P Bus</li> </ul> </li> <li>• LNP</li> <li>• Subloop</li> </ul>	<p><b>Retail</b></p> <ul style="list-style-type: none"> <li>• Retail POTS - Residence</li> <li>• Retail POTS - Business</li> <li>• B1 Dispatched Non Designed</li> <li>• CentraNet - Simple</li> <li>• Residential POTS</li> <li>• Business POTS</li> <li>• Retail POTS- Total Business &amp; Residence, Non-Dispatched</li> <li>• <i>(Diagnostic)</i></li> </ul>

<p><b><i>Business Rules:</i></b></p>	<ul style="list-style-type: none"> <li>• Excludes CPE and IEC/CLEC caused troubles</li> <li>• Excludes Trouble Reports Received on the Due Date</li> <li>• Excludes Subsequent reports</li> <li>• Excludes ILEC employee generated reports</li> <li>• Excludes troubles associated with inside wiring.</li> <li>• If no service orders are processed for a service group type in the report month, the denominator for the calculation of this measure will be service orders processed in the last month of service order activity. (Pacific Bell only)</li> <li>• The Completion Date is the date on which the service has passed acceptance testing, where applicable. To the extent that Pacific is required to obtain affirmative acceptance of the loop from the CLEC before closing an order, the order will not be deemed to have successfully passed an acceptance test until the CLEC affirmatively accepts the loop. (Pacific Bell only)</li> <li>• Orders where acceptance testing is delayed as a result of CLEC action or inaction shall be excluded. (Pacific Bell only)</li> </ul>
<p><b><i>Notes:</i></b></p>	<ul style="list-style-type: none"> <li>• ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data upon raw data request.</li> <li>• Results for UNE Subloops will be tracked diagnostically, by UNE loop type.</li> <li>• Pacific Bell will track FDT and TBCC diagnostically until the next review cycle.</li> </ul>

## *OSS OII Performance Measurements Report Requirements*

**Provisioning**

**Measure 18**

**Title:** Completion Notice Interval

<b><i>Area</i></b>	<b><i>Requirement Description</i></b>
<b><i>Description:</i></b>	Measures the percent of completion notices returned within the time specified in the measurable standard.
<b><i>Method of Calculation:</i></b>	<p><b>Fully Electronic:</b>            (Number of Completion Notices Returned within "X" Interval) / (Number of Orders Completed where the Completion Notice is Returned Using Electronic Process) x 100</p> <p><b>All Other Interfaces:</b>            (Number of Completion Notices Returned within "X" Interval) / (Number of Orders Returned Using All Other Processes) x 100</p>
<b><i>Report Period:</i></b>	Monthly
<b><i>Report Structure:</i></b>	Individual CLEC, CLECs in the aggregate, and by ILEC Affiliates
<b><i>Reported By:</i></b>	All interfaces
<b><i>Geographic Level:</i></b>	Statewide

<p><b>Measurable Standard:</b></p>	<p><b>Pacific Bell:</b>  <b>Fully electronic(LEX, EDI) -</b></p> <ul style="list-style-type: none"> <li>• Standard -95% within 1hour</li> </ul> <p><b>Fully electronic Fallout:</b></p> <ul style="list-style-type: none"> <li>• Standard is 95% within 24 hours with a fallout maximum of 5% for each system reported. If LASR shows a reduction in fallout level (an average to nearest 0.5%) for three reported months, then Pacific Bell will lower fallout level to match.</li> </ul> <p><b>All other interfaces</b></p> <ul style="list-style-type: none"> <li>• Standard– 90% within 24 hours</li> </ul> <p><b>GTE:</b>  <b>Fully Electronic (EDI)</b></p> <ul style="list-style-type: none"> <li>• Standard - 95% within 1 hour</li> </ul> <p>Electronic Batch</p> <ul style="list-style-type: none"> <li>• Standard – 95% within 12 hours</li> </ul> <p><b>All other interfaces</b></p> <ul style="list-style-type: none"> <li>• Standard – 90% within 24 hours</li> </ul>
<p><b>Business Rules:</b></p>	<ul style="list-style-type: none"> <li>• 24 hour clock is used to measure interval for all other interfaces.</li> <li>• Excludes weekends and ILEC published holidays</li> <li>• System hours will be used for fully electronic sub-measures</li> <li>• GTE will report on the industry standard of SAR Version 4 only.</li> <li>• For GTE, fully electronic represents all near "real-time" interfaces that flow through and do not include batch processing.</li> <li>• For GTE, Electronic Batch represents all electronic interfaces that include some form of batch processing.</li> <li>• For GTE, all other interfaces represent manual processes.</li> <li>• For GTE, Electronic Batch will use the same calculation method as Fully Electronic</li> </ul>
<p><b>Notes:</b></p>	<ul style="list-style-type: none"> <li>• Completion Notices on disconnect orders are only for CLEC disconnect orders (not on ILEC retail disconnect orders, except for LNP disconnect orders).</li> </ul>

## *OSS OII Performance Measurements Report Requirements*

### Maintenance

### Measure 19

**Title:** Customer Trouble Report Rate

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	Measures the total number of network customer trouble reports received within a calendar month per 100 local exchange lines/interconnection or interoffice trunks/circuits/UNEs.
<b>Method of Calculation:</b>	(Total Number of Customer initial and repeat network trouble reports / Number of local exchange lines/interconnection or interoffice trunks/circuits/UNEs in service at the end of the prior reporting period) x 100
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies), and by ILEC Affiliates
<b>Report By:</b>	By service group type (including LNP ) & NXX Code Opening Troubles
<b>Geographic Level:</b>	Statewide

<p><b>Measurable Standard:</b></p>	<p><b>Pacific Bell</b>  <b>Parity for Resale is Retail</b>  <b>Parity for UNE measured for the following UNEs:</b></p> <ul style="list-style-type: none"> <li>• 2/4w (8db and 5.5db) analog loop</li> <li>• 2w digital loop (ISDN)</li> <li>• 2w digital loop (xDSL)</li> <li>• High Bandwidth line sharing UNE</li> <li>• 4w digital loop (DS1)</li> <li>• UNE loop – DS3</li> <li>• UNE loop – OC level</li> <li>• UNE Port – Non-Specials</li> <li>• UNE Port – Specials</li> <li>• UNE Dedicated Transport <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• OC level</li> </ul> </li> <li>• Dark Fiber</li> <li>• Enhanced Extended Links <ul style="list-style-type: none"> <li>• VG</li> <li>• DS1</li> <li>• DS3</li> <li>• OC level</li> </ul> </li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• Basic port and loop</li> <li>• Special port and basic loop</li> <li>• ISDN BRI port and loop</li> <li>• ISDN PRI port and loop</li> </ul> </li> <li>• Interconnection Trunks</li> <li>• LNP - Port Out</li> </ul>
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- Retail**
- POTS - Business (outside plant disposition codes and central office wiring disposition codes)
  - ISDN(BRI) (outside plant disposition codes and central office wiring disposition codes)
  - 2w digital loop (xDSL) provided to ASI (outside plant disposition codes and central office wiring disposition codes)
  - High Bandwidth line sharing UNE provided to ASI
  - DS1(outside plant disposition codes and central office wiring disposition codes)
  - DS3 (outside plant disposition codes and central office wiring disposition codes)
  - Retail OC level service (outside plant disposition codes and central office wiring disposition codes)
  - POTS - Business (dispatch in)
  - Retail Specials (dispatch in)
  - HICAP
    - DS1
    - DS3
    - Retail OC level service
- Diagnostic**
- (TBD)*
- Business POTS (non-disp, disp)
  - Retail Voice Grade Specials (non-disp, disp)
  - ISDN BRI (non-disp, disp)
  - ISDN PRI (non-disp, disp)
  - ILEC Dedicated Trunks
  - Benchmark: .35%

<b>Measurable Standard:</b>	<u><b>GTE</b></u> <ul style="list-style-type: none"> <li>• Resale POTS- Residence</li> <li>• Resale POTS-Business</li> <li>• Resale Specials</li> <li>• UNE loop Nondesigned</li> <li>• UNE loop Designed</li> <li>• UNE loop xDSL capable</li> <li>• UNE loop IDSL capable</li> <li>• UNE Port</li> <li>• UNE Transport</li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• UNE - P Res</li> <li>• UNE - P Bus</li> <li>• UNE - P PRI</li> </ul> </li> <li>• Interconnection Trunks</li> <li>• Line Sharing - Conditioned</li> <li>• Line Sharing - Non - Conditioned</li> <li>• LNP</li>   <li>• EEL</li> <li>• Dark Fiber</li> <li>• UNE Subloop</li> </ul>	<p style="text-align: center;"><b>Retail</b></p> <ul style="list-style-type: none"> <li>• Retail POTS - Residence</li> <li>• Retail POTS - Business</li> <li>• Retail Specials</li> <li>• B1 Dispatched Non Designed</li> <li>• Dispatched Designed Service (excludes HICAPs)</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• CentraNet</li> <li>• HICAP Designed</li>   <li>• Residential POTS</li> <li>• Business POTS</li> <li>• ISDN PRI</li> <li>• ILEC Dedicated Trunks</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• No more than .35% of total trouble reports received for LNP</li>   <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> </ul>
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• Excludes CPE and IEC/CLEC caused troubles</li> <li>• Excludes Subsequent reports</li> <li>• Excludes Message Reports (circuit reports for which ILEC has no records)</li> <li>• Access line/circuit count taken from previous month</li> <li>• Excludes ILEC employee generated reports</li> <li>• For GTE - excludes provisioning trouble reports.</li> <li>• Include Test okay (TOK) and Found Okay (FOK) reports.</li> </ul>	
<b>Notes:</b>	<ul style="list-style-type: none"> <li>• ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data upon raw data request.</li> <li>• Results for UNE Subloops will be tracked diagnostically, by UNE loop type. (GTE only)</li> <li>• Results for Dark Fiber will be tracked diagnostically, until next periodic Performance Measures review.</li> </ul>	



## *OSS OII Performance Measurements Report Requirements*

### Maintenance

### Measure 20

**Title:** Percentage of Customer Trouble Not Resolved Within Estimated Time

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	Measures the percent of trouble reports not cleared by the commitment time.
<b>Method of Calculation:</b>	(Total network trouble reports not cleared by the commitment time for ILEC reasons / Total network trouble reports completed) x 100
<b>Report Period:</b>	Monthly
<b>Report Structure :</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies), and by ILEC Affiliates
<b>Report By:</b>	<ul style="list-style-type: none"> <li>● By service group type (including LNP) &amp; NXX Code Opening Troubles</li> <li>● By dispatch and no dispatch</li> </ul>
<b>Geographic Level:</b>	Statewide

<p><b>Measurable Standard:</b></p>	<p><b>Pacific Bell</b>  <b>Parity for Resale is Retail</b></p> <p><b>Parity for UNE measured the following UNEs:</b></p> <p>2/4w (8db and 5.5db) analog loop</p> <ul style="list-style-type: none"> <li>• UNE Sub-Loop</li>   <li>• 2w digital loop (ISDN) <ul style="list-style-type: none"> <li>• UNE Sub-Loop</li> </ul> </li>   <li>• 2w digital loop (xDSL) <ul style="list-style-type: none"> <li>• UNE Sub-Loop</li> </ul> </li>   <li>• High Bandwidth line sharing UNE</li>   <li>• 4w digital loop ( DS1) <ul style="list-style-type: none"> <li>• UNE Subloop</li> </ul> </li>   <li>• UNE loop –DS3</li>   <li>• UNE loop – OC level</li>   <li>• UNE Port – Non Specials</li>   <li>• UNE Port – Specials</li>   <li>• UNE Dedicated Transport <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• OC level</li> </ul> </li>   <li>• Dark Fiber</li>   <li>• Enhanced Extended Links <ul style="list-style-type: none"> <li>• VG</li> <li>• DS1</li> <li>• DS3</li> <li>• OC level</li> </ul> </li>   <li>• UNE Platform <ul style="list-style-type: none"> <li>• Basic port and loop</li> <li>• Special port and basic loop</li> <li>• ISDN BRI port and loop</li> <li>• ISDN PRI port and loop</li> </ul> </li>   <li>• Interconnection Trunks</li>   <li>• LNP - Port Out</li> </ul>
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- Retail**
- POTS - Business (outside plant disposition codes and central office wiring disposition codes)
  
  - ISDN(BRI) (outside plant disposition codes and central office wiring disposition codes)
  
  - 2w digital loop (xDSL) provided to ASI (outside plant disposition codes and central office wiring disposition codes)
  
  - High Bandwidth line sharing UNE provided to ASI
  
  - DS1 (outside plant disposition codes and central office wiring disposition codes)
  
  - DS1 (outside plant disposition codes and central office wiring disposition codes)
  - Retail OC level service (outside plant disposition codes and central office wiring disposition codes)
  
  - POTS - Business (dispatch in)
  
  - Retail Specials(dispatch in)
  
  - HICAP
    - DS1
    - DS3
    - Retail OC level service
  
  - Diagnostic  
(TBD)
  
  - Business POTS non-disp,disp)
  - Retail Voice Grade Specials (non-disp, disp)
  - ISDN BRI (non-disp, disp)
  - ISDN PRI (non-disp,disp)
  
  - ILEC Dedicated Trunks
  
  - Benchmark: No more than 1 missed commit per month per CLEC

<p><b>Measurable Standard:</b></p>	<p><b><u>GTE</u></b></p> <ul style="list-style-type: none"> <li>• Resale POTS- Residence</li> <li>• Resale POTS-Business</li> <li>• Resale Specials</li> <li>• UNE loop Nondesigned</li> <li>• UNE loop Designed</li> <li>• UNE loop xDSL capable</li> <li>• UNE loop IDSL capable</li> <li>• UNE Port</li> <li>• UNE Transport</li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• UNE - P Res</li> <li>• UNE - P Bus</li> <li>• UNE - P PRI</li> </ul> </li> <li>• Interconnection Trunks</li> <li>• Line Sharing - Conditioned</li> <li>• Line Sharing - Non - Conditioned</li> <li>• LNP</li> <li>• EEL</li> <li>• Dark Fiber</li> <li>• UNE Subloop</li> </ul>	<p><b>Retail</b></p> <ul style="list-style-type: none"> <li>• Retail POTS - Residence</li> <li>• Retail POTS - Business)</li> <li>• Retail Specials</li> <li>• B1 Dispatched Non Designed</li> <li>• Dispatched Designed Service (excludes HICAPs)</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• CentraNet - Simple</li> <li>• HICAP Designed</li> <li>• Residential POTS</li> <li>• Business POTS</li> <li>• ISDN PRI</li> <li>• ILEC Dedicated Trunks</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• No more than 1 missed commit per month per CLEC</li> <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> </ul>
<p><b>Business Rules:</b></p>	<ul style="list-style-type: none"> <li>• Excludes CPE and IEC/CLEC caused troubles</li> <li>• Excludes Subsequent reports</li> <li>• Excludes Message Reports (circuit reports which ILEC has no records on)</li> <li>• Excludes ILEC employee generated reports</li> <li>• Excludes customer caused misses</li> <li>• Results include Test okay (TOK) and Found Okay (FOK) reports.</li> <li>• For GTE - excludes provisioning trouble reports.</li> </ul>	

**Notes:**

- ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data upon raw data request.
- Results for UNE Subloops will be tracked diagnostically, by UNE loop type except for xDSL subloop the measurable standard for which will be parity ASI (Pacific Bell only)
- Results for UNE Subloops will be tracked diagnostically (GTE only)
- Results for Dark Fiber will be tracked diagnostically, until next periodic Performance Measures review.

## *OSS OII Performance Measurements Report Requirements*

**Maintenance**

**Measure 21**

**Title:** Average Time to Restore

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	Measures the average duration of customer trouble reports from the receipt of the customer trouble report to the time the trouble is cleared.
<b>Method of Calculation:</b>	(Total duration of customer network trouble reports) / (Total customer network trouble reports)
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies), and by ILEC Affiliates
<b>Reported By:</b>	<ul style="list-style-type: none"> <li>• By service group type (including LNP) &amp; NXX Code Opening Troubles</li> <li>• By dispatch and no dispatch</li> </ul>
<b>Geographic Level:</b>	Statewide

**Measurable Standard:**

**Pacific Bell Parity for Resale is Retail**

**Parity for UNE measured for the following UNEs:**

- 2/4w (8db and 5.5 db) analog loop
  - UNE Sub-Loop
  
- 2w digital loop (ISDN)
  - UNE Sub-Loop
  
- 2w digital loop (xDSL)
  - UNE Sub-Loop
  
- High Bandwidth line sharing UNE
  
- 4w digital loop (DS1)
  - UNE Sub-Loop
  
- UNE Loop – DS3
- UNE loop – OC level
  
- UNE Port – Non-Specials
  
- UNE Port – Specials
  
- UNE Dedicated Transport
  - DS1
  - DS3
  - OC level
  
- Dark Fiber
  
- Enhanced Extended Links
  - VG
  - DS1
  - DS3
  - OC level
  
- UNE Platform
  - Basic port and loop
  - Special port and basic loop
  - ISDN BRI port and loop
  - ISDN PRI port and loop
  
- Interconnection Trunks
  
- LNP - Port Out

**Retail**

- POTS - Business (outside plant disposition codes and central office wiring disposition codes)
  
- ISDN(BRI) (outside plant disposition codes and central office wiring disposition codes)
  
- 2w digital loop (xDSL) provided to ASI (outside plant disposition codes and central office wiring disposition codes)
  
- High Bandwidth line sharing UNE provided to ASI
  
- DS1 (outside plant disposition codes and central office wiring disposition codes)
  
- DS3 (outside plant disposition codes and central office wiring disposition codes)
- Retail OC level service (outside plant disposition codes and central office wiring disposition codes)
  
- POTS - Business (dispatch in)
  
- Retail Specials ( dispatch in)
  
- HICAP
  - DS1
  - DS3
  - Retail OC level service
  
- Diagnostic
  
- (TBD)
  
- Business POTS (non-disp, disp)
- Retail Voice Grade Specials (non-disp, disp)
- ISDN BRI (non-disp, disp)
- ISDN PRI (non-disp, disp)
  
- ILEC Dedicated Trunks
  
- Benchmark: avg. 4 hours

<b>Measurable Standard:</b>	<b>GTE</b> <ul style="list-style-type: none"> <li>• Resale POTS- Residence</li> <li>• Resale POTS-Business</li> <li>• Resale Specials</li> <li>• UNE loop Nondesigned</li> <li>• UNE loop Designed</li> <li>• UNE loop xDSL capable</li> <li>• UNE loop IDSL capable</li> <li>• UNE Port</li> <li>• UNE Transport</li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• UNE - P Res</li> <li>• UNE - P Bus</li> <li>• UNE - P PRI</li> </ul> </li> <li>• Interconnection Trunks</li> <li>• Line Sharing - Conditioned</li> <li>• Line Sharing - Non - Conditioned</li> <li>• LNP</li> <li>• EEL</li> <li>• Dark Fiber</li> <li>• UNE Subloop</li> </ul>	<b>Retail</b> <ul style="list-style-type: none"> <li>• Retail POTS - Residence</li> <li>• Retail POTS - Business</li> <li>• Retail Specials</li> <li>• B1 Dispatched Non Designed</li> <li>• Dispatched Designed Service (excludes HICAPs)</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• CentraNet - Simple</li> <li>• HICAP Designed</li> <li>• Residential POTS</li> <li>• Business POTS</li> <li>• ISDN PRI</li> <li>• ILEC Dedicated Trunks</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>Retail POTS – Total Business &amp; Residence, Non-Dispatched</i></li> <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> </ul>
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• Excludes CPE and IEC/CLEC caused troubles</li> <li>• Excludes Subsequent reports</li> <li>• Excludes Message Reports (circuit reports which ILEC has no records on)</li> <li>• Excludes ILEC employee generated reports</li> <li>• For GTE - excludes provisioning trouble reports.</li> <li>• Results include Test okay (TOK) and Found Okay (FOK) reports.</li> </ul>	
<b>Notes:</b>	<ul style="list-style-type: none"> <li>• ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data upon raw data request</li> <li>• Results for UNE Subloops will be tracked diagnostically, by UNE loop type except for xDSL subloop the measurable standard for which will be parity ASI (Pacific Bell only)</li> <li>• Results for UNE Subloops will be tracked diagnostically (GTE only)</li> <li>• Results for Dark Fiber will be tracked diagnostically, until next periodic Performance Measures review.</li> </ul>	

# OSS OII Performance Measurements Report Requirements

## Maintenance

## Measure 22

**Title:** POTS Out of Service Less Than 24 Hours

<b>Area</b>	<b>Requirement Description</b>		
<b>Description:</b>	Measures the percent of POTS out-of-service trouble reports cleared in less than 24 hours.		
<b>Method of Calculation:</b>	(Total number of out of service network troubles cleared in less than 24 hours / Total number of out of service network troubles reported) x 100  <i>Note: For non-design services only</i>		
<b>Report Period:</b>	Monthly		
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies), and by ILEC Affiliates		
<b>Reported By:</b>	By POTS Residence and Business (Resale and UNE)		
<b>Geographic Level:</b>	Statewide		
<b>Measurable Standard:</b>	<p><b>Parity for Resale (POTS) for Pacific Bell</b></p> <p><b>Parity for UNEs (Basic)</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> <li>• 2/4w (8db and 5.5 db) analog loop                             <ul style="list-style-type: none"> <li>• UNE Sub-Loop</li> </ul> </li> <li>• UNE Port – Basic Analog</li> <li>• UNE Platform – Basic Port and Loop</li> </ul> </td> <td style="width: 50%; vertical-align: top;"> <p style="text-align: center;"><b>Retail</b></p> <ul style="list-style-type: none"> <li>• POTS - Business (dispatch) (outside plant disposition codes and central office wiring disposition codes)</li> <li>• POTS - Business (dispatch in)</li> <li>• Business POTS (non-disp/dispatch)_</li> </ul> </td> </tr> </table> <p><b>GTE</b></p> <ul style="list-style-type: none"> <li>• Resale POTS- Residence</li> <li>• Resale POTS-Business</li> <li>• UNE loop Non-designed</li> <li>• UNE Port</li> <li>• UNE Platform                             <ul style="list-style-type: none"> <li>• UNE - P Res</li> <li>• UNE - P Bus</li> </ul> </li> </ul> <p><b>Retail</b></p> <ul style="list-style-type: none"> <li>• Retail POTS - Residence</li> <li>• Retail POTS - Business</li> <li>• B1 Dispatched Non Designed</li> <li>• CentraNet - Simple</li> <li>• Residential POTS</li> <li>• Business POTS</li> </ul>	<ul style="list-style-type: none"> <li>• 2/4w (8db and 5.5 db) analog loop                             <ul style="list-style-type: none"> <li>• UNE Sub-Loop</li> </ul> </li> <li>• UNE Port – Basic Analog</li> <li>• UNE Platform – Basic Port and Loop</li> </ul>	<p style="text-align: center;"><b>Retail</b></p> <ul style="list-style-type: none"> <li>• POTS - Business (dispatch) (outside plant disposition codes and central office wiring disposition codes)</li> <li>• POTS - Business (dispatch in)</li> <li>• Business POTS (non-disp/dispatch)_</li> </ul>
<ul style="list-style-type: none"> <li>• 2/4w (8db and 5.5 db) analog loop                             <ul style="list-style-type: none"> <li>• UNE Sub-Loop</li> </ul> </li> <li>• UNE Port – Basic Analog</li> <li>• UNE Platform – Basic Port and Loop</li> </ul>	<p style="text-align: center;"><b>Retail</b></p> <ul style="list-style-type: none"> <li>• POTS - Business (dispatch) (outside plant disposition codes and central office wiring disposition codes)</li> <li>• POTS - Business (dispatch in)</li> <li>• Business POTS (non-disp/dispatch)_</li> </ul>		



<b><i>Business Rules:</i></b>	<ul style="list-style-type: none"> <li>• Residential and Business POTS only</li> <li>• Excludes no access</li> <li>• Interval for tickets received Saturday and Sunday begins no later than Monday morning</li> <li>• Excludes CPE and IEC/CLEC caused troubles</li> <li>• Excludes Subsequent reports</li> <li>• Excludes Message Reports (circuit reports for which ILEC has no records)</li> <li>• Excludes ILEC employee generated reports</li> <li>• Results include Test okay (TOK) and Found okay (FOK) reports.</li> </ul>
<b><i>Notes:</i></b>	<ul style="list-style-type: none"> <li>• ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data upon raw data request.</li> <li>• Results for UNE Subloops will be tracked diagnostically, by UNE loop type (Pacific Bell only).</li> </ul>

## *OSS OII Performance Measurements Report Requirements*

**Maintenance**

**Measure 23**

**Title:** Frequency of Repeat Troubles in 30 Day Period

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	Measures the percent of customer network trouble reports received within 30 calendar days of a previous report.
<b>Method of Calculation:</b>	(Total customer network trouble reports received within 30 calendar days of a previous customer report / Total customer network trouble reports) x 100
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies), and by ILEC Affiliates
<b>Report By:</b>	By service group type (including LNP) & NXX Code Opening Troubles
<b>Geographic Level</b>	Statewide

<p><b>Measurable Standard:</b></p>	<p><b>Pacific Bell Parity for Resale is Retail</b></p> <p><b>Parity for UNE measured for the following UNEs:</b></p> <ul style="list-style-type: none"> <li>• 2/4w (8bd and 5.5db) analog loop</li> <li>• 2w digital loop (ISDN)</li> <li>• 2w digital loop (xDSL)</li> <li>• High Bandwidth line sharing UNE</li> <li>• 4w digital loop ( DS1)</li> <li>• UNE loop – DS3</li> <li>• UNE loop – OC level</li> <li>• UNE Port – Non-Specials</li> <li>• UNE Port –Specials</li> <li>• UNE Dedicated Transport <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• OC level</li> </ul> </li> <li>• Dark Fiber</li> <li>• Enhanced Extended Links <ul style="list-style-type: none"> <li>• VG</li> <li>• DS1</li> <li>• DS3</li> <li>• OC level</li> </ul> </li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• Basic port and loop</li> <li>• Special port and basic loop</li> <li>• ISDN BRI port and loop</li> <li>• ISDN PRI port and loop</li> </ul> </li> <li>• Interconnection Trunks</li> <li>• LNP - Port Out</li> </ul> <p><b>Retail</b></p> <ul style="list-style-type: none"> <li>• POTS - Business (fielded) (outside plant disposition codes and central office wiring disposition codes)</li> <li>• ISDN(BRI) (outside plant disposition codes and central office wiring disposition codes)</li> <li>• 2w digital loop (xDSL) provided to ASI (outside plant disposition codes and central office wiring disposition codes)</li> <li>• High Bandwidth line sharing UNE provided to ASI</li> <li>• DS1 (outside plant disposition codes and central office wiring disposition codes)</li> <li>• DS3 (outside plant disposition codes and central office wiring disposition codes)</li> <li>• Retail OC level service (outside plant disposition codes and central office wiring disposition codes)</li> <li>• POTS - Business (dispatch in)</li> <li>• Retail Specials (non-dispatch)</li> <li>• HICAP <ul style="list-style-type: none"> <li>• DS1</li> <li>• DS3</li> <li>• Retail OC level service</li> </ul> </li> <li>• Diagnostic</li> </ul> <p><i>(TBD)</i></p> <ul style="list-style-type: none"> <li>• Business POTS (non-disp, disp)</li> <li>• Retail Voice Grade Specials (non-disp,disp)</li> <li>• ISDN BRI (non-disp, disp)</li> <li>• ISDN PRI (non-disp, disp)</li> <li>• ILEC Dedicated Trunks</li> <li>• Benchmark: No more than 2 repeat troubles per month per CLEC</li> </ul>
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<b>Measurable Standard:</b>	<b>GTE</b> <ul style="list-style-type: none"> <li>• Resale POTS- Residence</li> <li>• Resale POTS-Business</li> <li>• Resale Specials</li> <li>• UNE loop Nondesigned</li> <li>• UNE loop Designed</li> <li>• UNE loop xDSL capable</li> <li>• UNE loop IDSL capable</li> <li>• UNE Port</li> <li>• UNE Transport</li> <li>• UNE Platform <ul style="list-style-type: none"> <li>• UNE - P Res</li> <li>• UNE - P Bus</li> <li>• UNE - P PRI</li> </ul> </li> <li>• Interconnection Trunks</li> <li>• Line Sharing - Conditioned</li> <li>• Line Sharing - Non - Conditioned</li> <li>• LNP</li>   <li>• EEL</li> <li>• Dark Fiber</li> <li>• UNE Subloop</li> </ul>	<p style="text-align: center;"><b>Retail</b></p> <ul style="list-style-type: none"> <li>• Retail POTS - Residence</li> <li>• Retail POTS - Business</li> <li>• Retail Specials</li> <li>• B1 Dispatched Non Designed</li> <li>• Dispatched Designed Service (excludes HICAPs)</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• CentraNet - Simple</li> <li>• HICAP Designed</li>   <li>• Residential POTS</li> <li>• Business POTS</li> <li>• ISDN PRI</li> <li>• ILEC Dedicated Trunks</li> <li>• <i>(TBD until SDA is established)</i></li> <li>• <i>(TBD until SDA is established)</i></li> <li>• No more than 2 repeat trouble per month per CLEC</li>   <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> <li>• <i>(Diagnostic)</i></li> </ul>
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• Excludes CPE and IEC/CLEC caused troubles</li> <li>• Excludes troubles associated with inside wiring</li> <li>• Excludes Subsequent reports</li> <li>• Excludes Message Reports</li> <li>• Excludes ILEC employee generated reports</li> </ul>	
<b>Notes:</b>	<ul style="list-style-type: none"> <li>• ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data upon raw data request.</li> </ul>	

## *OSS OII Performance Measurements Report Requirements*

### Network Performance

### Measure 24

**Title:** Percent Blocking on Common Trunks

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	Measures the percent of common and shared transport trunk groups exceeding 2% blockage.
<b>Method of Calculation:</b>	(Number of common and shared transport trunk groups exceeding 2% blockage / Total number of common and shared transport trunk groups) x 100
<b>Report Period:</b>	Monthly (Exception Reporting Only)
<b>Report Structure:</b>	
<b>Report By:</b>	By total trunk groups.
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	Benchmark: 2% of trunk groups blocking at no more than 2%
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• GTE reports provided 45 days after close of data month.</li> <li>• ILEC will make available detailed information for all trunk groups not meeting 2% blocking level with the monthly report</li> </ul>
<b>Notes:</b>	

## *OSS OII Performance Measurements Report Requirements*

### Network Performance

### Measure 25

**Title:** Percent Blocking on Interconnection Trunks

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	Measures the percent of final dedicated interconnection trunk groups exceeding 2% blockage.
<b>Method of Calculation:</b>	(Number of final dedicated interconnection trunk groups exceeding 2% blockage / Total number of final dedicated interconnection trunk groups) x 100
<b>Report Period:</b>	Monthly (Exception Reporting Only)
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies), by ILEC Affiliates
<b>Report By:</b>	<ul style="list-style-type: none"> <li>• Total trunk groups</li> <li>• ILEC end office to CLEC end office</li> <li>• ILEC tandem to CLEC end office</li> </ul>
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	Parity for Pacific Bell and GTE – comparison made to ILEC final trunk groups
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• Only measured on trunks where ILEC has outgoing traffic to CLECs, and where ILEC controls trunk capacity.</li> <li>• GTE reports provided 45 days after close of data month.</li> <li>• Excludes blocking failures caused by the CLEC not completing growth trunk provisioning by scheduled due date.</li> <li>• Excludes blocking due to CLEC putting trunks in a "make busy" state.</li> <li>• Applies to those trunks where the ILEC has augmentation control.</li> <li>• Does not apply when trunks are provisioned as two-way trunks</li> </ul>
<b>Notes:</b>	<ul style="list-style-type: none"> <li>• ILEC will provide detail available regarding exclusions in raw data.</li> </ul>

# *OSS OII Performance Measurements*

## *Report Requirements*

### Network Performance

### Measure 26

**Title:** NXX Loaded by LERG Effective Date

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	Measures the number of NXXs loaded and tested by the LERG effective date.
<b>Method of Calculation:</b>	((Number of NXXs loaded and tested by LERG effective date) / (Number of NXXs scheduled to be loaded and tested by LERG effective date)) x 100
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies) and by ILEC Affiliates
<b>Report By:</b>	Reported for all NXX codes scheduled to be loaded in reporting period
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	Parity for Pacific Bell and GTE – comparison made to results for loading ILEC NXX codes by the LERG effective date.
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• Excludes any NXX codes with requested loading interval of less than the industry standard (currently 45 days).</li> <li>• Excludes any NXX code that cannot be completely tested because the CLEC has not provided an accurate test number or because CLEC facilities have not been installed.</li> <li>• Includes both additions and deletions to NXX codes.</li> </ul>
<b>Notes:</b>	<ul style="list-style-type: none"> <li>• NXX loading procedures include central office/tandem translations, verification of translations, call through testing, and AMA testing.</li> <li>• TRUCALL billing validation testing is not used unless maintenance trouble is reported (Pacific Bell only)</li> </ul>

# OSS OII Performance Measurements Report Requirements

Network Performance

Measure 27

**Title:** MEASURE DELETED

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	<i>Measure deleted - process is parity by design. .</i>
<b>Method of Calculation:</b>	
<b>Report Period:</b>	
<b>Report Structure:</b>	
<b>Report By:</b>	
<b>Geographic Level:</b>	
<b>Measurable Standard:</b>	
<b>Business Rules:</b>	
<b>Notes:</b>	



# OSS OII Performance Measurements Report Requirements

**Billing**

**Measure 28**

**Title:** Usage Timeliness

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	This measure captures the elapsed time between the recording of usage data generated either by CLEC retail customers or access usage associated with CLEC customers and the time when the data set, in a compliant format, is successfully transmitted to the CLEC.
<b>Method of Calculation:</b>	Sum ((Data Set Transmission Availability Date) - (Date of Message Recording)) / (Count of All Messages available for Transmission in Reporting Period)
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies) and by ILEC Affiliates
<b>Report By:</b>	<p><b>Pacific Bell:</b></p> <ul style="list-style-type: none"> <li>• Resale</li> <li>• UNE (IntraLATA and InterLATA, combined)</li> <li>• Jointly provided switched access (associated with meet point billing)</li> </ul> <p><b>GTE</b></p> <ul style="list-style-type: none"> <li>• Resale Local</li> <li>• Resale Toll</li> <li>• UNE (IntraLATA and InterLATA combined)(excluding UNE Platform)</li> <li>• UNE Platform – Local</li> <li>• UNE Platform - Access</li> <li>• Jointly provided switched access (associated with meet point billing)</li> </ul>
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	<p><b>Pacific Bell:</b> Parity for Resale UNE, and Jointly provided switched access:</p> <p><b>GTE:</b> Parity for Resale - Local, Resale - Toll and UNE Parity for UNE Platform – Local is Resale – Local Parity for UNE Platform – Access is IXC switched access Benchmark for Jointly provided switched access: Standard – 95% in 6 Days</p>
<b>Business Rules:</b>	
<b>Notes:</b>	<ul style="list-style-type: none"> <li>• GTE bills local/toll through CBSS billing systems. Access usage is billed out of CABS. UNE Platform can contain both elements and will be reported separately, if applicable.</li> </ul>

# OSS OII Performance Measurements Report Requirements

**Billing**

**Measure 29**

**Title:** Accuracy of Usage Feed

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	<p>Measures the completeness of content, accuracy of information and conformance of formatting of the records the ILEC transmits to the CLEC in the reporting period.</p> <p><i>Note: This data will be collected by CLECs and reported by the ILECs.</i></p>
<b>Method of Calculation:</b>	<p>((Number of Total Correct Usage Records Processed in the Reporting Period That Reflected Complete Information Content and Proper Formatting) / (Total Number of Usage Records Received and Processed )) x 100</p> <p><i>Note: Total usage records includes detail data records, headers and trailers</i></p>
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate
<b>Report By:</b>	Total Records
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	<p>Benchmark for Pacific Bell and GTE</p> <p><i>Parties agree that data will be collected for this measure and the appropriate benchmark discussed at next Performance Measurement Plan Review or after three months of data are available, which ever occurs first.</i></p>
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• Report will be by calendar month</li> <li>• Usage files included in the reporting month will be those processed by the CLEC in that month</li> <li>• Usage feed will include Resale, UNE and Meet Point Billing usage</li> <li>• Results will be supplied by the CLEC to the ILEC by the 7<sup>th</sup> calendar day by 7p.m. (EST) after the end of the month under report. If no data is received by the ILEC from the CLEC by required date, no results will be reported by the ILEC for the CLEC for that reporting month. Data must be supplied by the CLEC to the ILEC in the agreed to format, at minimum including data for the numerator, denominator and the calculated result.</li> </ul>

	<ul style="list-style-type: none"> <li>• If the data received by the ILEC from the CLEC are incomplete or corrupted, the ILEC will return the data file to the CLEC. The ILEC will have 12 hours after the receipt of the monthly results from a CLEC to validate the accuracy and completeness of the file and return incomplete and/or corrupted files to the CLEC for correction. The CLEC has until the 9<sup>th</sup> calendar day at 7p.m. (EST) to re-submit the file to the ILEC for inclusion in the monthly reported results.</li> <li>• Usage files by the ILEC will be considered non-compliant if the ILEC has changed its file criteria without providing the CLEC notice of the change 60 days prior to implementation of changes resulting from modifications to the industry format standards or 30 days prior to implementation of changes to internal ILEC format standards. For changes to internal ILEC format standards, a CLEC may request that the implementation of the change be delayed up to 30 days to allow the CLEC a 60 day internal to implement the change in its systems. This request from the CLEC must be submitted in writing to ILEC prior to the implementation of the change.</li> <li>• Changes to the ILEC-specific implementation guide and the ILEC reference table shall not constitute valid criteria for the purpose of determining the accuracy of a mechanized bill unless notice of the change has been provided through an agreed-upon medium for the minimum notice period. The layout of the records exchanged between companies shall be the EMI record as described in the current edition of the EMI manual published by ATIS on behalf of the Ordering and Billing Forum, as supplemented by GTE's or Pacific Bell's specific requirements. This will include record length, field descriptions, and dataset characteristics.</li> <li>• Validation of accuracy and completeness of the files will be accomplished by means of pack invoice checking for proper sequencing. Further validation will occur by balancing of the record count and revenue total contained in the pack trailer to the detail records.</li> <li>• A record is correct if it is of the correct length, all of its fields are of correct length and mode (alpha or numeric), and it is a valid EMI record type.</li> <li>• A header is correct if: <ul style="list-style-type: none"> <li>1) the invoice number is correct if it is of proper sequence (the sequence is 1 greater than the previous header invoice number or it is 1 if the previous sequence was 99);</li> <li>2) the trailer count and the count of detail records agree and ;</li> <li>3) the trailer revenue total agrees with the total of the revenue fields within each detail record within the pack.</li> </ul> </li> </ul>
<p><i>Notes:</i></p>	<ul style="list-style-type: none"> <li>• The ILEC will have the right to audit the CLECs' data collection and reporting process subject to the same notice requirements that would apply to a CLEC audit of ILEC data.</li> <li>• The ILEC can request the CLEC supply the raw data used to compile the monthly results subject to the same notice requirements that would apply to the ILEC's provision of raw data.</li> <li>• Raw data includes header, trailer and detail records, for the report period in question.</li> </ul>

# *OSS OII Performance Measurements*

## *Report Requirements*

**Billing**

**Measure 30**

**Title:** Wholesale Bill Timeliness

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	This measure captures the elapsed number of calendar days between the scheduled close of a Bill Cycle and the ILEC's successful transmission of the associated invoice to the CLEC.
<b>Method of Calculation:</b>	(Count of Invoices Transmitted by ILEC in 10 calendar days from the scheduled Bill Cycle Close*/Total Count of Invoices Transmitted in Reporting Period) X 100  *Bill Cycle Close = Bill Date
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, and by ILEC Affiliates
<b>Report By:</b>	<ul style="list-style-type: none"> <li>• Resale</li> <li>• UNE (IntraLATA and InterLATAcombined)</li> <li>• Facilities/Interconnection</li> </ul>
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	<p><b>Pacific Bell and GTE:</b></p> <p><b>Benchmark:</b></p> <ul style="list-style-type: none"> <li>• Standard – 99% within 10 calendar days</li> </ul>
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• Includes only mechanized bills.</li> <li>• Excludes paper bill, magnetic bill, CD ROM bill or Custom Bill diskette bill.</li> </ul>
<b>Notes:</b>	<ul style="list-style-type: none"> <li>• GTE legacy system billing data feeds do not support the disaggregation of UNE and Resale major service group types. GTE will report the results for Resale and UNE service group types as a total result.</li> </ul>

# *OSS OII Performance Measurements Report Requirements*

**Billing**

**Measure 31**

**Title:** Usage Completeness

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	Measures the percentage of usage charges appearing on the correct bill.
<b>Method of Calculation:</b>	(Count of usage charges on the bill that were recorded within last 30 days / total count of usage charges on the bill) x 100
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies) and by ILEC Affiliates
<b>Report By:</b>	<ul style="list-style-type: none"> <li>• Resale</li> <li>• UNE (IntraLATA and InterLATA combined)</li> <li>• Facilities/Interconnection</li> </ul>
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	<p><b>Pacific Bell and GTE: Parity for Resale and UNE</b></p> <p><b>Benchmark for Facilities/Interconnection</b></p> <ul style="list-style-type: none"> <li>• Standard - 95%</li> </ul>
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• Excludes summarized charges</li> </ul>
<b>Notes:</b>	<ul style="list-style-type: none"> <li>• For Pacific Bell, for CABS billed charges (UNE and Facilities/Interconnection), dataset will be defined as charges occurring in past 30 days and processed within 3 calendar days of the end of the month.</li> <li>• GTE legacy system billing data feeds do not support the disaggregation of UNE and Resale major service group types. GTE will report the results for Resale and UNE service group types as a total result.</li> </ul>

## *OSS OII Performance Measurements Report Requirements*

**Billing**

**Measure 32**

**Title:** Recurring Charge Completeness

<b><i>Area</i></b>	<b><i>Requirement Description</i></b>
<b><i>Description:</i></b>	Measures the percentage of fractional recurring charges appearing on the correct bill.
<b><i>Method of Calculation:</i></b>	<p><b>Pacific Bell:</b> (Count of fractional recurring charges that are on the correct bill* / total count of fractional recurring charges that are on the bill) x 100</p> <p>*Correct bill = next available bill</p> <p><b>GTE:</b> (Dollar amount of fractional recurring charges that are on the correct bill*/ total dollar amount of fractional recurring charges that are on bill) x 100</p>
<b><i>Report Period:</i></b>	Monthly
<b><i>Report Structure:</i></b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies) and by ILEC Affiliates
<b><i>Report By:</i></b>	<ul style="list-style-type: none"> <li>• Resale</li> <li>• UNE (IntraLATA and InterLATA combined)</li> <li>• Facilities/Interconnection</li> </ul>
<b><i>Geographic Level:</i></b>	Statewide
<b><i>Measurable Standard:</i></b>	<p><b>Pacific Bell:</b> <b>Parity for Resale and UNE POTS</b></p> <p><b>Benchmark for Facilities/Interconnection and UNE Specials</b></p> <ul style="list-style-type: none"> <li>• Standard – 90%</li> </ul> <p><b>GTE:</b> <b>Parity for Resale and UNE</b></p> <p><b>Benchmark for Facilities/Interconnection</b></p> <ul style="list-style-type: none"> <li>• Standard – 90%</li> </ul>
<b><i>Business Rules:</i></b>	<ul style="list-style-type: none"> <li>• The effective date of the recurring charge must be within one month of the bill date for the charge to appear on the correct bill.</li> <li>• Excludes late charges resulting from externally mandated billing changes that the ILEC can not reasonably implement in a timely manner.</li> </ul>
<b><i>Notes:</i></b>	<ul style="list-style-type: none"> <li>• GTE will compare CLEC results to a statistically valid sample of GTE results.</li> <li>• Pacific will continue to report this measure until sixty days following the implementation of Measure 35.</li> </ul>

## *OSS OII Performance Measurements Report Requirements*

**Billing**

**Measure 33**

**Title:** Non-Recurring Charge Completeness

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	Measures the percentage of non-recurring charges appearing on the correct bill.
<b>Method of Calculation:</b>	<p><b>Pacific Bell:</b> (Count of non-recurring charges that are on the correct bill* / total count of non-recurring charges that are on the bill) x 100</p> <p>*Correct bill = next available bill</p> <p><b>GTE:</b> (Dollar amount of non-recurring charges that are on the correct bill */ total dollar amount of non-recurring charges that are on bill) x 100</p>
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies )and by ILEC Affiliates
<b>Report By:</b>	<ul style="list-style-type: none"> <li>• Resale</li> <li>• UNE (IntraLATA and InterLATAcombined)</li> <li>• Facilities/Interconnection</li> </ul>
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	<p><b>Pacific Bell:</b> <b>Parity for Resale and UNE POTS</b></p> <p><b>Benchmark for Facilities/Interconnection and UNE Specials</b></p> <ul style="list-style-type: none"> <li>• Standard - 90%</li> </ul> <p><b>GTE:</b> <b>Parity for Resale and UNE</b></p> <p><b>Benchmark for Facilities/Interconnection:</b></p> <ul style="list-style-type: none"> <li>• Standard – 90%</li> </ul>
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• The effective date of the non-recurring charge must be within one month of the bill date for the charge to appear on the correct bill.</li> <li>• Excludes late charges resulting from externally mandated billing changes that the ILEC can not reasonably implement in a timely manner.</li> </ul>
<b>Notes:</b>	<ul style="list-style-type: none"> <li>• Pacific will continue to report this measure until sixty days following the implementation of Measure 35.</li> </ul>

# OSS OII Performance Measurements Report Requirements

**Billing**

**Measure 34**

**Title:** Bill Accuracy

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	Measures the percentage of the total bill amount that is not adjusted by correcting service orders or adjustments for the month.
<b>Method of Calculation:</b>	(Total monies billed without corrections/total monies billed) x 100
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies ) and by ILEC Affiliates
<b>Report By:</b>	<ul style="list-style-type: none"> <li>• Resale               <ul style="list-style-type: none"> <li>• Usage</li> <li>• Recurring Charges</li> <li>• Non-Recurring Charges</li> </ul> </li> <li>• UNE (IntraLATA and InterLATA combined)               <ul style="list-style-type: none"> <li>• Usage</li> <li>• Recurring Charges</li> <li>• Non-Recurring Charges</li> </ul> </li> <li>• Facilities/Interconnection               <ul style="list-style-type: none"> <li>• Usage</li> <li>• Recurring Charges</li> <li>• Non-Recurring Charges</li> </ul> </li> </ul>
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	<p><b>Pacific Bell:</b>  <b>Parity for Resale and UNE POTS</b>  <b>Benchmark for Facilities/Interconnection and UNE Specials</b></p> <ul style="list-style-type: none"> <li>• Standard - 95%</li> </ul> <p><b>GTE:</b>  <b>Benchmark for Resale and UNE:</b></p> <ul style="list-style-type: none"> <li>• Standard - 97%</li> </ul> <p><b>Benchmark for Facilities/Interconnection:</b></p> <ul style="list-style-type: none"> <li>• Standard - 95%</li> </ul>
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• Excludes late charges resulting from externally mandated billing changes that the ILEC can not reasonably implement in a timely manner.</li> </ul>
<b>Notes:</b>	<ul style="list-style-type: none"> <li>• GTE legacy system billing data feeds do not support the disaggregation of UNE and Resale major service group types. GTE will report the results for Resale and UNE service group types as a total result.</li> </ul>



## *OSS OII Performance Measurements Report Requirements*

**Provisioning**

**Measure 35**

**Title:** Timeliness of Billing Completion Notices - Pacific Bell Only

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	Measures the percent of completed orders that had a billing completion notice sent to the CLEC in 3 business days.
<b>Method of Calculation:</b>	Interim Method of Calculation: $\frac{\text{Sum (Number of Orders Completed in Billing Systems within 3 Business Days)}}{\text{(Number of Orders Completed)}} \times 100$ As of TBD Date: $\frac{\text{Sum (Number of Billing Completion Notices Sent to CLEC within X Business Days after Work Completion)}}{\text{(Number of Orders Completed)}} \times 100$
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, and by ILEC Affiliates
<b>Reported By:</b>	
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	<b>Benchmark</b> <ul style="list-style-type: none"> <li>• Standard - 95% in 3 business days</li> </ul>
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• Excludes weekends and ILEC published holidays.</li> </ul>
<b>Notes:</b>	<ul style="list-style-type: none"> <li>• Until the billing completion notice process has been developed Pacific will report the percentage of orders completed in the billing systems within 3 business days.</li> </ul>

***OSS OII Performance Measurements***

## Report Requirements

**Billing**

**Measure 36**

**Title:** Accuracy of Mechanized Bill Feed

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	<p>Measures the percentage of mechanized bill feeds that are accurately passed to the CLEC in the reporting period.</p> <p><i>Note: This data will be collected by CLECs and reported by the ILECs.</i></p>
<b>Method of Calculation:</b>	<p>BOS-BDT Format:                      (Total # of correct records + correct trailers balanced to count of records that passed / Total # of records + trailers processed in that reporting period) x 100</p> <p>EDI Format:                      (Total # of correct segments + correct bills + correct transmissions that passed / Total # of records + bills + transmissions processed in that reporting period) x 100</p>
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate
<b>Report By:</b>	BOS-BDT format and EDI format, as supplemented by GTE's or Pacific Bell's specific requirements.
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	<p>Benchmark for Pacific Bell and GTE</p> <p><i>Parties agree that data will be collected for this measure and the appropriate benchmark discussed at next Performance Measurement Plan Review or after three months of data are available, which ever occurs first.</i></p>

**Business Rules:**

- Report will be by calendar month
- Transmissions included in the reporting month will be those processed by the CLEC in that month. Usage feed will include Resale, UNE and Meet Point Billing usage
- Results will be supplied by the CLEC to the ILEC by the 7<sup>th</sup> calendar day by 7p.m. (EST) after the end of the month under report
- If no report data is received by the ILEC from the CLEC by required date, no results will be reported by the ILEC for the CLEC for that reporting month.
- Report Data must be supplied by the CLEC to the ILEC in the agreed to format, at minimum including data for the numerator, denominator and the calculated result.
- If the report data received by the ILEC from the CLEC are incomplete or corrupted, the ILEC will return the data file to the CLEC. The ILEC will have 12 hours after the receipt of the monthly results from a CLEC to validate the accuracy and completeness of the file and return incomplete and/or corrupted files to the CLEC for correction. The CLEC has until the 9<sup>th</sup> calendar day at 7p.m. (EST) to re-submit the file to the ILEC for inclusion in the monthly reported results.
- Mechanized bill feed transmissions by the ILEC will be considered non-compliant if the ILEC has changed its transmission criteria without providing the CLEC notice of the change 60 days prior to implementation of the change.
- Changes to the ILEC-specific implementation guide and the ILEC reference table shall not constitute valid criteria for the purpose of determining the accuracy of a mechanized bill unless notice of the change has been provided through an agreed-upon medium 60 days prior to the implementation of changes resulting from modifications to the industry format standards or 30 days prior to implementation of changes to internal ILEC format standards. For changes to internal ILEC format standards, a CLEC may request that the implementation of the change be delayed up to 30 days to allow the CLEC a 60 day internal to implement the change in its systems. This request from the CLEC must be submitted in writing to ILEC prior to the implementation of the change.
- A record is accurate if the billing data meets the published specifications meaning that each field of each record is of proper length and style (numeric or alpha), and it is a valid BOS-BDT or EDI file type.
- A BOS-BDT record is accurate if a 99-99-99 record is included with every transmission.
- A record is accurate if the bill format complies with both X12 industry guidelines and the ILEC-specific implementation guide.
- A record is accurate if the codes contained in the transmission agree with the codes contained in the ILEC Reference Table
- A record is accurate if the billed service type matches the service types that have been communicated to the CLEC.
- An EDI transmission is accurate if the enveloping starting segments provide accurate send/receive information and the envelope ending segments provide accurate counts.

**Notes:**

- BOS-BDT and EDI Billing data is considered compliant if they meet published specifications. This means that each field of each record is of proper length and style (numeric or alpha).
- The ILEC will have the right to audit the CLECs' data collection and reporting process subject to the same notice requirements that would apply to a CLEC audit of ILEC data.
- The ILEC can request the CLEC supply the raw data used to compile the monthly results subject to the same notice requirements that would apply to the ILEC's provision of raw data.

# OSS OII Performance Measurements Report Requirements

## Database Updates

Measure 37

**Title:** Database Update Interval - Pacific Bell Only

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	Measures the average time to update databases. Reported for: <ul style="list-style-type: none"> <li>• <i>DA/Listings Database</i></li> <li>• <i>LIDB (service order generated updates only)</i></li> </ul>
<b>Method of Calculation:</b>	<p><b>Parity Sub-measures (Service Order generated updates)</b>  <math>[(\text{Completion Date \&amp; Time}) - (\text{Update Submission Date \&amp; Time})] / \text{Count of Updates Completed in Reporting Period}</math></p> <p><b>Benchmark Sub-measures (Direct gateway updates)</b>  <math>[(\text{Count of updates completed within 8 days}) / (\text{Total Updates completed with in the Reporting Period})] \times 100</math></p>
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate , by ILEC (if analog applies) and by ILEC Affiliates
<b>Report By:</b>	<ul style="list-style-type: none"> <li>• Service Order generated updates</li> <li>• Direct gateway input</li> </ul>
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	<p><b>Parity for service order generated updates</b></p> <p><b>Benchmark for direct gateway input updates</b></p> <ul style="list-style-type: none"> <li>• Standard - 95% in 8 calendar Days</li> </ul>
<b>Business Rules:</b>	
<b>Notes:</b>	<ul style="list-style-type: none"> <li>• CLECs reserve the right to request additional databases be included in this measure.</li> </ul>

# *OSS OII Performance Measurements Report Requirements*

## Database Updates

## Measure 38

**Title:** Percent Database Accuracy - Pacific Bell Only

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	Measures the percentage of database updates completed without error. Reported for: <ul style="list-style-type: none"> <li>• <i>911 Databases</i></li> <li>• <i>DA/Listings Database</i></li> <li>• <i>LIDB</i></li> </ul>
<b>Method of Calculation:</b>	$((\text{Count of Updates Completed without error}) / (\text{Count of Updates Completed})) \times 100$
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies) and by ILEC Affiliates
<b>Report By:</b>	<b>DA/Listings:</b> <ul style="list-style-type: none"> <li>• Service Order generated updates</li> <li>• Direct gateway input</li> </ul> <b>E911 Database:</b> <ul style="list-style-type: none"> <li>• Service Order generated updates</li> <li>• Direct gateway input</li> </ul> <b>LIDB Database</b> <ul style="list-style-type: none"> <li>• Service Order generated updates</li> </ul>
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	Parity for service order generated updates Direct Gateway Input
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• Excludes CLEC caused errors</li> </ul>
<b>Notes:</b>	<ul style="list-style-type: none"> <li>• CLECs reserve the right to request additional databases be included in this measure.</li> <li>• Pacific Bell shall report information on direct gateway updates as a special report until Emergency 911/Listings Fix-It Team completes its work.</li> </ul>

## *OSS OII Performance Measurements Report Requirements*

### Database Updates

### Measure 39

**Title:** E911/911 MS Database Update

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	Measures the percentage of E911/911 database updates completed within 48 hours.
<b>Method of Calculation:</b>	(Number of valid records updated within 48 hours / Total number of valid records updated) x 100
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate, by ILEC (if analog applies) and by ILEC Affiliates
<b>Report By:</b>	<ul style="list-style-type: none"> <li>• Service order generated updates (Pacific Bell Only)</li> <li>• Direct gateway input updates</li> </ul>
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	<p><b>Pacific Bell</b> Parity for service order generated updates</p> <p><b>Pacific Bell and GTE:</b> Direct gateway input Standard - 48 hours</p>
<b>Business Rules:</b>	<ul style="list-style-type: none"> <li>• For service order generated updates, 48 hour interval begins when service order is completed in SORD (Pacific Bell)</li> <li>• For direct gateway updates, the processing interval is measured from the time the update enters the gateway until it posts in the 911 database. If the update rejects, the new interval starts when the update is re-submitted to the gateway.</li> </ul>
<b>Notes:</b>	

## *OSS OII Performance Measurements Report Requirements*

### Collocation

### Measure 40

**Title:** Time to Respond to a Collocation Request

<i>Area</i>	<i>Requirement Description</i>
<b>Description:</b>	Measures the interval it takes an ILEC takes to respond to a CLEC's collocation request.
<b>Method of Calculation:</b>	<p>Space Availability  <math>(\# \text{ of Requests Completed in 15 Calendar Days Interval}) / (\text{Count of Requests Completed in Reporting Period}) \times 100</math></p> <p>Price and Schedule Quote  <math>(\# \text{ of Requests Completed in 30 Calendar Days Interval}) / (\text{Count of Requests Completed in Reporting Period}) \times 100</math></p>
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate and by ILEC Affiliates
<b>Report By:</b>	<ul style="list-style-type: none"> <li>• All Collocation               <ul style="list-style-type: none"> <li>• Space Availability</li> </ul> </li> <li>• Price and Schedule Quote</li> </ul>
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	<p><b>Space Availability -</b>            Standard -100% in 15 calendar days</p> <p><b>Price and Schedule Quote -</b>            Standard - 100% in 30 calendar days</p>



<p><b>Business Rules:</b></p>	<ul style="list-style-type: none"> <li>• Excludes orders canceled by CLEC</li> <li>• If the CLEC makes a change to size, location, additional AC or DC or HVAC, in their application within 15-day period or after the 15 day period, the 15-day clock is restarted from the revised application receipt date</li> </ul> <p>Following are the types of changes that trigger the restarting of the 15 day clock:</p> <ul style="list-style-type: none"> <li>• Power Upgrades - Increasing the DC power by adding a generator, rectifiers, batteries; changing power feeds; or installing a new service entrance from the electrical utility.</li> <li>• HVAC Upgrades - Changing the existing cooling unit to a larger one; adding an additional cooling unit; or replacing the existing HVAC duct system to obtain additional capacity from existing units.</li> <li>• Major Building Modifications - Construction activity that is required to convert space that is not suitable for housing telecommunications equipment (administrative and unconditioned space) into space that is suitable for telecommunications equipment and meets local building code. Examples of Major Building Modifications construction activities are as follows:             <ol style="list-style-type: none"> <li>1. Asbestos abatement on a room or floor of a building</li> <li>2. Construction of new interior partitions (walls) and doors to accommodate new HVAC system</li> <li>3. Construction required to accommodate restroom access or modifications per code.</li> <li>4. Construction or modification of building to facilitate proper emergency egress from the space per code.</li> <li>5. Electrical wiring of space per code requirements.</li> </ol> </li> <li>• For cageless collocation, if more than 10 collocation requests are submitted per region by one CLEC within 10 calendar days, the response interval for each additional 10 requests (by region) will extend by 10 calendar days. (Pacific Bell only)</li> </ul>
<p><b>Notes:</b></p>	<ul style="list-style-type: none"> <li>• Interval for both sub-measures to begin upon receipt of valid request per published ILEC guidelines.</li> <li>• If time intervals for new or augmented collocation installations are adopted in any future Local Competition proceeding, these time intervals shall supercede the benchmarks set under this measure and shall be measured at 100% average response time. Pacific Bell/GTE shall file by Advice Letter a compliance filing to incorporate any new requirements adopted in the Local Competition proceeding.</li> </ul>

## *OSS OII Performance Measurements Report Requirements*

### Collocation

### Measure 41

**Title:** Time to Provide a Collocation Arrangement

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	Measures the interval it takes an ILEC to complete (build) a collocation arrangement.
<b>Method of Calculation:</b>	$(\# \text{ of Collocation Arrangements Completed in "X" Interval}) / (\text{Total Number of Collocation Arrangements Completed During the Reporting Period}) \times 100$
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	Individual CLEC, CLECs in the aggregate and by ILEC Affiliates
<b>Report By:</b>	<ul style="list-style-type: none"> <li>• All Collocation               <ul style="list-style-type: none"> <li>• New</li> <li>• Cageless</li> <li>• Augment</li> <li>• Cageless</li> </ul> </li> </ul>
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	<p><b>Benchmark for Pacific Bell:</b></p> <ul style="list-style-type: none"> <li>• New - 100% compliance within time intervals set in its tariffs</li> <li>• Augmentation - 100% in 80 calendar days</li> </ul> <p><b>Benchmark for GTE:</b></p> <ul style="list-style-type: none"> <li>• New - 90% compliance within 90 calendar days</li> <li>• Augmentation - 100% in 80 calendar days</li> </ul>

<p><b><i>Business Rules:</i></b></p>	<ul style="list-style-type: none"> <li>• Excludes orders canceled by CLEC</li> <li>• Excludes CLEC requested due dates greater than the standard interval.</li> <li>• Applies to all requests for physical collocation space.</li> </ul> <p>Interval begins when ILEC approves the application and has received, from CLEC, financial payment or bond.</p> <ul style="list-style-type: none"> <li>• For cageless collocation, if more than 10 collocation arrangements are requested per region by one CLEC within 10 calendar days, the construction interval for each additional 10 requests (by region ) will extend by 10 calendar days.(Pacific Bell only)</li> <li>• A change in a collocation request shall not trigger a restarting of the clock on the collocation interval. If, however, a CLEC delays the collocation installation, the collocation interval shall be increased by the number of days of CLEC delay (resulting in an adjusted interval). If the ILEC completes the requisite installation by the adjusted interval, it will have met its obligation under Measure 41.(Pacific Bell only).</li> </ul>
<p><b><i>Notes:</i></b></p>	<p>If time intervals for new or augmented collocation installations are adopted in any future Local Competition proceeding, these time intervals shall supercede the benchmarks set under this measure and shall be measured at 100% average response time. Pacific Bell/GTE shall file by Advice Letter compliance filing to incorporate any new requirements adopted in the Local Competition proceeding.</p>

## *OSS OII Performance Measurements Report Requirements*

### Interfaces

### Measure 42

**Title:** Percentage of Time Interface is Available

<i>Area</i>	<i>Requirement Description</i>
<i>Description:</i>	Measures percent of time OSS interface is available compared to scheduled availability.
<i>Method of Calculation:</i>	$[(\text{Number of Scheduled Interface Available Hours}) - (\text{Number of Unscheduled Interface Unavailable Hours})] / (\text{Scheduled System Available Hours}) \times 100$
<i>Report Period:</i>	Monthly
<i>Report Structure:</i>	CLECs in the aggregate, by ILEC (if analog applies), ILEC Affiliate
<i>Reported By:</i>	By interface type for all interfaces accessed by CLECs (e.g., pre-ordering, ordering, and maintenance)
<i>Geographic Level:</i>	Statewide
<i>Measurable Standard:</i>	<p>Parity for Pacific Bell for interfaces used by both ILEC and CLEC</p> <p>Benchmark for Pacific Bell (for all other interfaces) and GTE (all interfaces)</p> <ul style="list-style-type: none"> <li>• Standard – 99.25%</li> </ul>
<i>Business Rules:</i>	<ul style="list-style-type: none"> <li>• Outage hours are obtained from outage reports</li> <li>• Any change requests for extended availability during the reporting period are added to the scheduled hours.</li> </ul>
<i>Notes:</i>	<ul style="list-style-type: none"> <li>• GTE captures data on a nationwide basis and reports national results at a state level.</li> </ul>

## *OSS OII Performance Measurements*

# Report Requirements

Interfaces

Measure 43

**Title:** MEASURE DELETED

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	<i>Measure deleted - process is parity by design.</i>
<b>Method of Calculation:</b>	
<b>Report Period:</b>	
<b>Report Structure:</b>	
<b>Reported By:</b>	
<b>Geographic Level:</b>	
<b>Measurable Standard:</b>	
<b>Business Rules:</b>	
<b>Notes:</b>	

# *OSS OII Performance Measurements Report Requirements*

**Interfaces**

**Measure 44**

**Title:** Center Responsiveness

<b>Area</b>	<b>Requirement Description</b>
<b>Description:</b>	Measures the average time it takes the ILEC's work center to answer a call.
<b>Method of Calculation:</b>	Sum (Date and Time of Call answer - Date and Time of Call Receipt) / (Total calls answered by center))
<b>Report Period:</b>	Monthly
<b>Report Structure:</b>	CLECs in the aggregate, and by ILEC (if analog applies)
<b>Report By:</b>	<ul style="list-style-type: none"> <li>• ILEC Ordering Center</li> <li>• ILEC Repair Center</li> <li>• ILEC Provisioning Center (Pacific Bell)</li> </ul>
<b>Geographic Level:</b>	Statewide
<b>Measurable Standard:</b>	<p><b>Repair Centers</b>            Parity - Pacific Bell            Benchmark – GTE            Standard – average 17 seconds</p> <p><b>Benchmark for Pacific Bell and GTE (Ordering Centers)</b>            Standard – average 15 seconds (Pacific Bell)            Standard – average 17 seconds (GTE)</p> <p><b>Benchmark for Pacific Bell Provisioning Center</b>            Standard - average of 90 seconds</p>
<b>Business Rules:</b>	
<b>Notes:</b>	<ul style="list-style-type: none"> <li>• Measured by individual queue, if applicable, in each ILEC center.</li> <li>• GTE captures data on a nationwide basis and reports national results at a state level.</li> <li>• GTE reports two repairs centers: 1) Designed Engineered Services; and 2) Non-designed (Non-Engineered) Services</li> </ul>

## **REPORTING PROCESS**

Except as otherwise provided, performance reports will be provided to the CLECs and the Public Utilities Commission by the fifteenth calendar day of the month succeeding the reporting period. The reporting period is the calendar month, unless otherwise noted. Reporting will be activity based, i. e. where there is reportable data for the CLEC.

For those measures where results appear to be statistically less than parity or not meeting the benchmark level, the ILEC will perform analysis of the data if requested by the CLEC. This analysis will detail the underlying causes contributing to the reported performance results. The ILEC will supply this analysis to the requesting CLEC within thirty days.

Authorized users will have access to monthly reports through an interactive website. Each CLEC will have access to its own data, aggregate CLEC data, ILEC data and ILEC Affiliate data. ILEC Affiliate data will be reported, at a minimum, separately for the ILEC Data subsidiary and all other ILEC Affiliates (in the aggregate). The ILECs will report performance measurements for transactions with their affiliates and make those data available to all CLECs who have filed non-disclosure documents like those filed by Pacific Bell and GTE with regard to CLEC data. The Public Utilities Commission will have access to reports for all entities, including ILEC Affiliate data. ILEC Affiliate data will not be included in CLEC aggregate data.

In addition to the performance measure results themselves, the raw data supporting the results, for the current and prior month, will be available to the CLECs and the Public Utilities Commission. Additional raw data will be available where measure results have been changed and the raw data has been affected. Raw data will be archived for a period of 24 months to provide an adequate audit trail and will be retained with sufficient detail so that CLECs can reasonably reconcile the data captured by the ILEC (for the CLEC) with its own internal data. Furthermore, data that relates to the ILEC's own performance would be retained, at a consistent level of disaggregation comparable to that reported for the CLECs.

ILEC will provide data which comprise the results and which are readily available from the systems which provide the reportable data. ILEC will provide PON information associated with Ordering and Provisioning measures. CLECs should request raw data on an as-needed basis. Pacific Bell will produce the current month's raw data within 15 days and the prior within 30 days. GTE will provide the requested data within 30 days.

Upon approval of the JPSA filed on July 18, 2000, Pacific will begin reporting performance reports to the CLECs and the Public Utilities Commission by the twentieth calendar day of the month succeeding the reporting period. Pacific expects to implement an upgrade to its reporting procedures that provides the CLECs with direct, real time access to their raw data electronically by the end of first quarter, 2001. In the event that Pacific does not implement such upgrade in the expected time frame, the CLECs may elect to have Pacific revert to reporting performance reports by the fifteenth of the month. In the interim, Pacific and CLECs will meet, on or about the tenth of each month, to discuss the feasibility of shortening Pacific's response time to CLEC requests for

raw data and whether allowing Pacific to report on the twentieth of the month has reduced the number of changes necessary to the website and raw data. Pacific expects the extension in reporting time to reduce changes by as much as 25%. In the event that the extension in time does not result in a reduction in changes within 90 days, Pacific will revert to reporting performance reports by the fifteenth of the month. Until Pacific implements its upgrade, CLECs may request raw data from Pacific as early as the date Pacific reports its performance reports. Pacific will provide the requested raw data for the current reported month within fifteen days and for prior months within 30 days (or less upon agreement of the parties).



# **CALIFORNIA OSS OII PERFORMANCE MEASUREMENTS**

## **SERVICE ORDER TYPES**

- **New Service Installations**
- **Service Migrations without Changes**
- **Service Migrations with Changes**
- **Move and Change activities**
- **Feature Changes**
- **Service Disconnects**

## AUDITING

### **Initial Audit:**

(See prior versions of the JPSA for discussion on Initial Audit).

### **Annual Audits:**

A comprehensive Annual Audit will be conducted of the ILECs' reporting procedures and reportable data. The Annual Audit will include all systems, processes and procedures associated with the production and reporting of performance measurement results, except as noted below. A Joint Steering Committee ("Committee") comprised of ILEC and CLEC representatives will be responsible for:

1. Jointly defining the Request for Proposal;
2. Jointly selecting a third party auditor;
3. Determining the scope and timing of the Annual Audit;
4. Providing guidance to the auditor, as requested; and
5. Reviewing the auditor's compliance with the Request for Proposal.

The Committee will convene every six months to discuss the Annual Audit. In the event that the Committee cannot agree on defining the Request for Proposal, selecting an auditor, or determining the scope or timing of the Annual Audit, the parties agree to submit their disputes to the American Arbitration Association ("AAA") for expedited resolution. The AAA shall have discretion to award arbitration costs, excluding attorneys fees, to the prevailing party.

At its completion, the ILEC shall submit its annual comprehensive audit to the Commission, and distribute copies (which include only non-proprietary information) to parties on the OSS Off service list.

No Annual Audit shall commence within 12 months of the commencement of the previous Annual Audit. Notwithstanding any other provisions herein, the scope of the Annual Audit shall not exceed the previous 12 months. In addition, at least one comprehensive Annual Audit will be conducted every three years.

The costs of the Annual Audit will be divided 50% to the ILEC and 50% to the CLECs, in the proportion of each individual CLEC's volume to the aggregate CLEC volume. Volume for purposes of this allocation will be the number of local exchange lines, interconnection/interoffice trunks ("trunks"), circuits, and UNEs (as reported in the denominator of Measure 19, the "Customer Trouble Report Rate" measure) in service in the third reported month prior to the commencement of the Annual Audit. In order to assign weight to the different local exchange lines/trunks/circuits and UNEs reported in Measure 19, the Committee shall develop and approve a conversion table based on a standard unit of weight, likely using a DS-0 equivalency, including appropriate consideration for collocation; provided, the ILEC shall not in any event have an obligation to provide data or perform calculations that are not part of its normal data reporting systems.

The estimated cost of the Annual Audit (based on the chosen vendor's response to the Request for Proposal) will be paid into escrow by the ILEC and the CLECs a reasonable period of time before the commencement of the Annual Audit and shall be a prerequisite for the commencement of the Annual Audit. Any disputes regarding payments owed by the respective CLECs for the Annual

Audit shall be submitted to the American Arbitration Association (“AAA”) for expedited resolution. The AAA shall have discretion to award arbitration costs, excluding attorneys fees, to the prevailing party.

In the case of GTE, when the Annual Audit is performed at the national level for systems, processes and procedures associated with the production and reporting of performance measurement results, the Annual Audit cost in California associated with the audit of GTE’s national systems, processes and procedures shall be determined on a pro-rated basis as follows: The California portion shall be based on the volume of CLEC activity in California as compared to the total CLEC volume in all GTE states. Volume for purposes of this allocation will be the number of local exchange lines, trunks, circuits, and UNEs (as reported in Measure 19) in service in third reported month prior to the commencement of the Annual Audit. Audit costs specific to California shall be shared by GTE and the CLECs as set forth in the paragraph above.

**Mini – Audits:**

In addition to an annual audit, Pacific Bell, GTE and CLECs agree that the CLECs would have the right to mini-audits of individual performance measures/sub-measures during the year. When a CLEC has reason to believe the data collected for a measure is flawed or the reporting criteria for the measure is not being adhered to, it has the right to have a mini-audit performed on the specific measure/sub-measure upon written request (including e-mail), which will include the designation of a CLEC representative to engage in discussions with the ILEC about the requested mini-audit. If, 30 days after the CLEC's written request, the CLEC believes that the issue has not been resolved to its satisfaction, the CLEC will commence the mini-audit upon providing the ILEC with 5 business days advance written notice. Each CLEC is limited to auditing three single measures/sub-measures during the audit year. The Mini-audit year will be based on a calendar year. Mini-audits cannot be requested by a CLEC while an Annual Audit is being conducted (i.e. before completion). Mini-Audits may be requested for months including and subsequent to the month in which an Annual Audit was initiated.

Mini-Audits will include all systems, processes and procedures associated with the production and reporting of performance measurement results for the audited measure/sub-measure. Mini-Audits will include two (2) months of data, and all parties agree that raw data supporting the performance measurement results will be available monthly to CLECs as described in the Reporting Process section (Section II.c) of this agreement.

No more than three (3) Mini-Audits will be conducted simultaneously unless more than one CLEC wants the same measure/sub-measure audited at the same time, in which case, Mini-Audits of the same measure/sub-measure shall count as one Mini-Audit for the purposes of this paragraph only.

Mini-Audits will be conducted by a third party auditor, selected by the same method as the selection of the auditor for the Annual Audit. The CLEC will pay for the costs of the third party auditor conducting the Mini-Audit unless the ILEC is found to be “materially” misreporting or misrepresenting data or to have non-compliant procedures, in which case, the ILEC would pay for the costs of the third party auditor. Parties agree that the issue of whether the ILEC is “materially” at fault will be based on the parameters of failure to perform: “materially” at fault means that a reported successful measure changes as a consequence of the audit to a missed measure, or there is a change from an ordinary missed measure to another category, if such exists. Each party to the

Mini-Audit shall bear its own internal costs, regardless of which party ultimately bears the costs of the third party auditor.

If, during a Mini-Audit, it is found that for more than 50% of the measures in a major service category the ILEC is “materially” at fault (i.e., a reported successful measure changes as a consequence of the audit to a missed measure, or there is a change from an ordinary missed measure to another category, if such exists), the entire service category will be re-audited at the expense of the ILEC. The major service categories for this purpose are:

- Pre-Ordering
- Ordering
- Provisioning
- Maintenance
- Network Performance
- Billing
- Database Updates
- Collocation
- Interfaces

Each Mini-Audit shall be submitted to the CLEC involved and to the Commission as a proprietary document subject to the applicable protection afforded by Commission General Order No. 66 C and California Public Utilities Code Section 583.

The ILEC will provide notification to the CLECs of any Mini-Audit requested when the request for the audit is made.

## **REVIEW PROCEDURES**

As experience is acquired under this Partial Settlement Agreement with the new performance measurements and underlying business processes, the Parties expect to learn which measurements set forth in Section II may not have been properly defined or are more or less useful than others. The Parties also expect that experience will show whether new measurements are needed or whether certain existing measurements are not needed or require modification. Accordingly, the Parties agree to reconvene on or around March 1, 2001 to review the effectiveness of and modifications to the performance measurements approved by the Commission in this proceeding. The parties will conclude the review within 90 days of its commencement and will submit the revisions to the Partial Settlement Agreement to the Commission within the 90 day review period. In the event the Parties cannot agree on any addition, deletion or modification, they will jointly submit such dispute for resolution by the CPUC.

If, prior to the agreed-upon review date, there is consensus that one or more measures are not effective, the parties will schedule meetings to discuss modifying the measure(s) or process(es). If there is no consensus, any individual party seeking formal review by the CPUC shall give notice to the other parties of its intent to do so. The party will also describe the action it intends to take and the reason(s) for its proposed actions.

## Implementation Timeline for Pacific Bell Changes to JPSA

Item No.	Measure	Sub-Measure	Change	Date of Change*
<b>*Note: Implementation interval begins when revised JPSA is ordered by the Commission</b>				
1	1	Electronic Pre-order Queries	Measure as total transaction time	Completed
2		Electronic loop qual sub-measure	New sub-measure	Completed
3		Manual loop qualification	New sub-measure	Completed
4		CSR sub-measures	Change project limit to 50 TNs	30 Days
5	2	Projects	New sub-measure	30 Days
6		Sub-measures associated with xDSL and Line /Sharing, ISDN, channelized DS1, DS3 and Unbundled Ded. Transport (DS3)	Exclude pre-qual time	Completed
7		Held and Denied Interconnection Trunk reports	Measure at parity with retail	90 Days
8	3	Line Sharing	New sub-measure	Completed
9		Standalone Directory Listings	New sub-measure	90 Days
10		Projects	New sub-measure	30 Days
11		Sub-measures associated with xDSL and Line /Sharing, ISDN, channelized DS1, DS3 and Unbundled Ded. Transport (DS3)	Exclude pre-qual time	Completed
12	4			
13	5	"Electronic interface" disaggregation	Eliminate disaggregation	60 Days
14		"Lack of facilities and all other" disaggregation	Eliminate disaggregation	60 Days
15		2/4w (5.5db) analog loop	Eliminate disaggregation -combine with basic (8db) UNE loops	60 Days
16	5	Advanced Services sub-measures (UNE Subloop, Dark Fiber, EELs)	New sub-measures	90 Days
17		UNE Platform sub-measures	New Sub-measures	90 Days
18		UNE port sub-measures	Consolidate to UNE Port (non special) and UNE Port (special)	90 Days
19		UNE Ded. Transport sub-measure	Disaggregate by DS1 and DS3	30 Days
20		Raw Data	Include jeopardy codes	60 Days
21	6	"Electronic interface" disaggregation	Eliminate disaggregation	60 Days
22		"Lack of facilities and all other" disaggregation	Eliminate disaggregation	60 Days
23		2/4w (5.5db) analog loop	Eliminate disaggregation -combine with basic (8db) UNE loops	60 Days
24		Advanced Services sub-measures (UNE Subloop, Dark Fiber, EELs)	New sub-measures	90 Days
25		UNE Platform sub-measures	New Sub-measures	60 Days
26		UNE port sub-measures	Consolidate to UNE Port (non special) and UNE Port (special)	90 Days
27		UNE Ded. Transport sub-measure	Disaggregate by DS1 and DS3	60 Days
28		Raw Data	Include jeopardy codes	60 Days
29	7	2/4w (5.5db) analog loop	Eliminate disaggregation -combine with basic (8db) UNE loops	60 Days
30		Advanced Services sub-measures (UNE Subloop, Dark Fiber, EELs)	New sub-measures	90 Days
31		UNE Platform sub-measures	New Sub-measures	90 Days
32		All UNE Loop submeasures	Exclude feature only orders from Retail analog	60 days
33	7	UNE Ded. Transport sub-measure	Disaggregate by DS1 and DS3	30 Days

34		UNE port sub-measures	Consolidate to UNE Port (non special) and UNE Port (special)	90 Days
35	8	2/4w (5.5db) analog loop	Eliminate disaggregation -combine with basic (8db) UNE loops	90 Days
36		Advanced Services sub-measures (UNE Subloop, Dark Fiber, EELs)	New sub-measures	90 Days
37		UNE Platform sub-measures	New Sub-measures	90 Days
38		All UNE Loop submeasures	Exclude feature only orders from Retail analog	60 days
39		UNE Ded. Transport sub-measure	Disaggregate by DS1 and DS3	30 Days
40		UNE port sub-measures	Consolidate to UNE Port (special)	90 Days
41	9	Total measure	Base measures on total cutovers scheduled, not total coordinated conversion orders	Completed
42	9A	Total measure	Implement this new measure	180 Days
43	10	Total measure	Change to benchmark	Completed
44		Total measure	Exclude large ports (greater than 500 TNs)	30 Days
45	11	2/4w (5.5db) analog loop	Eliminate disaggregation -combine with basic (8db) UNE loops	60 Days
46		Advanced Services sub-measures (UNE Subloop, Dark Fiber, EELs)	New sub-measures	90 Days
47		UNE Platform sub-measures	New Sub-measures	90 Days
48		All UNE Loop submeasures	Exclude feature only orders from Retail analog	60 Days
49	11	UNE Ded. Transport sub-measure	Disaggregate by DS1 and DS3	30 Days
50		UNE port sub-measures	Consolidate to UNE Port (non special) and UNE Port (special)	90 Days
51	12	2/4w (5.5db) analog loop	Eliminate disaggregation -combine with basic (8db) UNE loops	60 Days
52		Advanced Services sub-measures (UNE Subloop, Dark Fiber, EELs)	New sub-measures	90 Days
53		UNE Platform sub-measures	New Sub-measures	90 Days
54		All UNE Loop submeasures	Exclude feature only orders from Retail analog	60 Days
55		UNE Ded. Transport sub-measure	Disaggregate by DS1 and DS3	30 Days
56	13	2/4w (5.5db) analog loop	Eliminate disaggregation -combine with basic (8db) UNE loops	60 Days
57		Advanced Services sub-measures (UNE Subloop, Dark Fiber, EELs)	New sub-measures	90 Days
58		UNE Platform sub-measures	New Sub-measures	90 Days
59		All UNE Loop submeasures	Exclude feature only orders from Retail analog	60 Days
60		UNE Ded. Transport sub-measure	Disaggregate by DS1 and DS3	30 Days
61	14	2/4w (5.5db) analog loop	Eliminate disaggregation -combine with basic (8db) UNE loops	60 Days
62		Advanced Services sub-measures (UNE Subloop, Dark Fiber, EELs)	New sub-measures	90 Days
63		UNE Platform sub-measures	New Sub-measures	90 Days
64		All UNE Loop submeasures	Exclude feature only orders from Retail analog	60 Days
65	14	UNE Ded. Transport sub-measure	Disaggregate by DS1 and DS3	30 Days
66		UNE port sub-measures	Consolidate to UNE Port (non special) and UNE Port (special)	90 Days

67	15	UNE Loop sub-measure	Include central office wiring code troubles in retail analog	Completed
68	15A	Total measure	Implement new measure	60 Days
69	16	UNE Loop sub-measure	Include central office wiring code troubles in retail analog	Completed
70		Total measure	Redefine measure to only include special service orders	30 Days
71	17	Total measure	Implement measure to only include non-special service orders	30 Days
72	18	Fully electronic sub-measures	Eliminate fallout results from sub-measures	30 Days
73		Fully electronic fallout sub-measures	Implement new sub-measures	30 Days
74	35	Total measure	Implement new measure (Phase 1) Implement billing notification process (Phase 2)	90 Days TBD
75	19, 20, 21, 23	2/4w (5.5db) analog loop	Eliminate disaggregation -combine with basic (8db) UNE loops	60 Days
76		Advanced Services sub-measures (UNE Subloop, Dark Fiber, EELs)	New sub-measures	90 Days
77		UNE Platform sub-measures	New Sub-measures	90 Days
78		All UNE Loop sub-measures	Exclude feature only orders from Retail analog	60 Days
79		UNE Ded. Transport sub-measure	Disaggregate by DS1 and DS3	30 Days
80	19, 20, 21, 23	UNE port sub-measures	Consolidate to UNE Port (non special) and UNE Port (special)	90 Days
81		UNE Loop sub-measure	Include central office wiring code troubles in retail analog	Completed
82	22	All UNE Loop submeasures	Exclude feature only orders from Retail analog	60 Days
83		UNE Loop sub-measure	Include central office wiring code troubles in retail analog	Completed
84	24	Total measure	Report at statewide level and make available detail at trunk group level for not meeting 2% or less blocking level	Completed
85	25	Total measure	Report at statewide level and make available detail at trunk group level for not meeting parity	Completed
86		Total measure	Exclude performance failures caused by CLEC not completing growth provisioning on time	30 Days
87	26	Total Measure	Exclude performance failures where no test number provided or interconnection facilities not installed	30 Days
88	27	Total Measure	Eliminate measure	30 Days
89	28	Jointly provided switched access sub-measure	Change from benchmark to parity comparison	30 Days
90	29, 36	Total measure	Report results using new business rules	Completed CLEC Provided Data
91	31	UNE and Facilities/Interconnect sub-measures	Redefine data collection period to collect all usage data occurring in past 30 days and processed within 3 business days of the end of the month	180 Days



92	32,33	Total measure	Exclude late charges resulting from mandated billing changes that cannot be implemented in a timely manner	30 Days
93	34	Total measure	Exclude late charges resulting from mandated billing changes that cannot be implemented in a timely manner	30 Days
94	37, 38	LIDB sub-measure (service order generated updates)	Implement new sub-measure	180 Days
95	43	Total Measure	Eliminate measure	Completed
96	44	ILEC Prov. Center sub-measure	Implement new sub-measure	Completed

## *Implementation Timeline for GTE Changes Due To JPSA Changes*

<i>Item No.</i>	<i>Measure</i>	<i>Sub-Measure (From 9-7-99 JPSA)</i>	<i>Change</i>	<i>Date of Change<sup>7</sup></i>
1	1	Average Response Time OSS	New Rule: "Elapsed Time For Fully Electronic Sub-Measures Tracked During Published System Hours"	Complete
2		Average Response Time-Legacy (GTE and CLEC)	New Rule: "Elapsed Time For Fully Electronic Sub-Measures Tracked During Published System Hours"	Complete
3		Average Response Time-CSR	New Rule: "Clock Hours Excludes Non-Business Days"	120 Days
4		Average Response Time-CSR	New Rule: "Elapsed Time For Manual Processes Tracked During Published Business Hours"	Complete
5		Average Response Time-CSR WISE	New Rule: "Elapsed Time For Fully Electronic Sub-Measures Tracked During Published System Hours"	Complete
6		Average Response Time-CSR Fully Electronic	New Rule: "Elapsed Time For Fully Electronic Sub-Measures Tracked During Published System Hours"	Complete
7		Loop Qualification Transaction Time	New Rule: "Elapsed Time For Fully Electronic Sub-Measures Tracked During Published System Hours"	Complete
8		Average Response Time OSS	Change "Number of Queries Submitted" to "Number of Queries Returned"	30 Days
9		Average Response Time-Legacy (GTE and CLEC)	Change "Number of Queries Submitted" to "Number of Queries Returned"	30 Days
10		Average Response Time-CSR	Replace "X Business" with "24 Clock"	120 Days
11		Average Response Time-CSR	Change "Number of Queries Submitted" to "Number of Queries Returned"	30 Days
12		Average Response Time-CSR WISE	Replace "X Business" with "3 System"	120 Days
13		Loop Qualification Transaction Time	Sum ((Query Response Date and Time) - (Query Submission Date and Time)) / (Number of Queries Returned in Reporting Period)	30 Days
14		Average Response Time-Legacy (GTE and CLEC)	Insert "To Legacy System" In Denominator	30 Days
15		Average Response Time OSS	Legacy Result + 5 Seconds	150 Days
16		Average Response Time-CSR	Change to "98% in 24 Hours"	120 Days
17		Average Response Time-CSR WISE	Change to "98% in 3 System Hours"	120 Days
18		Average Response Time OSS	Title should be Pre-Order Query Transaction Time	30 Days
19		Average Response Time-Legacy (GTE and CLEC)	Title should be Legacy System Transaction Time	30 Days
20		Average Response Time-CSR	Replace Title with "Response Time- Manual CSRs"	30 Days
21		Average Response Time-Legacy (GTE and CLEC)	Display Legacy Results Only In GTE Columns (No Information To Be Displayed Under CLEC-Related Columns)	30 Days
22	2	Average FOC Notice Interval	1) Excludes delays caused for customer reasons; 2) Elapsed Time For Fully Electronic Sub-Measures Tracked During Published System Hours; 3) Business day = Monday through Friday, excluding weekends and ILEC published holidays.	150 Days

<sup>7</sup> "Date of Change" field explanation. Assuming a PUC order on 7/31/2000, 30 Days=Aug. report month, 60 Days = Sept. report month, 90 Days = Oct. report month, 120 Days = Nov. report month, 150 Days = Dec. report month.

Item No.	Measure	Sub-Measure (From 9-7-99 JPSA)	Change	Date of Change <sup>7</sup>
23		Average LSC Notice Interval	1) Excludes delays caused for customer reasons; 2) Elapsed Time For Fully Electronic Sub-Measures Tracked During Published System Hours; 3) Business day = Monday through Friday, excluding weekends and ILEC published holidays.	150 Days
24		Average FOC Notice Interval	Change benchmark for Interconnection Trunks from "Average 5 Days" to "Average 5 Business Days"	150 Days
25		Average LSC Notice Interval	Standalone Directory Listings as a separate disaggregation.	120 Days
26	3	Average Reject Notice Interval	New Rules: 1) "Elapsed Time For Fully Electronic Sub-Measures Tracked During Published System Hours;" 2) Business day = Monday through Friday, excluding weekends and ILEC published holidays; 3) Excludes delays caused for customer reasons.	150 Days
27		Average Reject Notice Interval	Clarify "Mechanized" denominator calculation from "# of Orders Rejected" to "(Number of Mechanized Orders Rejected in the Reporting Period)"	30 Days
28		Average Reject Notice Interval	Clarify "Manual" denominator from "Number of Faxes Submitted" to "Number of Faxes Rejected"	30 Days
29		Average Reject Notice Interval	Add UNE line sharing (total of conditioned and non-conditioned) and stand alone directory listings.	120 Days
30	4	Percentage of Flow Through Orders Currently Programmed	Add "Excludes orders rejected due to CLEC caused syntax errors, but does not exclude CLEC caused content errors."	150 Days
31		Percentage of Flow Through Orders	Add "Excludes orders rejected due to CLEC caused syntax errors, but does not exclude CLEC caused content errors."	150 Days
32		Percentage of Flow Through Orders Currently Programmed	Change numerator from "mechanized orders" to "electronically received orders" and change denominator from "mechanized service request" to "electronically received orders."	30 Days
33		Percentage of Flow Through Orders	Change numerator from "mechanized orders" to "electronically received orders" and change denominator from "mechanized service request" to "electronically received orders."	30 Days
34		Percentage of Flow Through Orders	Remove SGT/SOT requirements; replace with "All electronically received orders."	120 Days
35		Percentage of Flow Through Orders Currently Programmed	Remove SGT/SOT requirements; replace with "All electronically received orders programmed to flow through."	120 Days
36	5	Percentage of Orders Jeopardized	Raw data will include jeopardy codes- LSRs.	Complete
37		Percentage of Orders Jeopardized	Raw data will include jeopardy codes- ASRs.	Complete
38		Percentage of Orders Jeopardized	Remove "By electronic interface" and "By lack of facilities and all other"- LSRs.	120 Days
39		Percentage of Orders Jeopardized	Remove "By electronic interface" and "By lack of facilities and all other"- ASRs.	120 Days
40		Percentage of Orders Jeopardized	Reference SGT Table- LSRs.	150 Days
41		Percentage of Orders Jeopardized	Reference SGT Table- ASRs.	150 Days
42		Percentage of Orders Jeopardized	Change title from "Percentage of Orders (LSRs) Given Jeopardy" to "Percent of Orders Jeopardized"- LSRs.	30 Days
43		Percentage of Orders Jeopardized	Change title from "Percentage of Orders (ASRs) Given Jeopardy" to "Percent of Orders Jeopardized"- ASRs.	30 Days
44	6	Average Jeopardy Notice Interval	Raw data will include jeopardy codes.	30 Days
45		Average Jeopardy Notice Interval	Change denominator from "Order Jeopardized" to "Assignment Jeopardy Notices" for the assignment calculation.	30 Days

<b>Item No.</b>	<b>Measure</b>	<b>Sub-Measure (From 9-7-99 JPSA)</b>	<b>Change</b>	<b>Date of Change<sup>7</sup></b>
46		Average Jeopardy Notice Interval	Remove "By electronic interface" and "By lack of facilities and all other." Note: this applies to all three "Methods of Calculation."	150 Days
47		Average Jeopardy Notice Interval	Reference SGT Table; note: SGT applies to all three "Methods of Calculation"	150 Days
48	7	Average Completed Interval	Add 1) GTE will not exclude projects; 2) Results for Dark Fiber will be tracked diagnostically, until next periodic Performance Measures review	Complete
49		Average Completed Interval	Reference SGT Table	150 Days
50	8	Percent Completed within Standard Interval	Add 1) GTE will not exclude projects; 2) Results for Dark Fiber will be tracked diagnostically, until next periodic Performance Measures review.	Complete
51		Percent Completed within Standard Interval	Remove Excludes services with flexible due date i.e., B1/R1 Service (GTE).	Complete
52		Percent Completed within Standard Interval	Reference SGT Table	Complete
53	10	PNP Network Provisioning	Change all references from PNP to LNP.	120 Days
54		PNP Network Provisioning	New business rule reads: "Provisioning failure data will be collected as follows: · Will be tracked for individual network database failures - failures to provision between the ILEC LSMS and LNP network databases (STP or SCP)."	120 Days
55		PNP Network Provisioning	Change from parity to benchmark of 2% failure.	120 Days
56	11	Percent of Due Dates Missed	Add business rules: 1) Results for Dark Fiber will be tracked diagnostically, until next periodic Performance Measures review; 2) Excludes records only ILEC official orders.	Complete
57		Percent of Due Dates Missed	Change from "When results are less than parity for a reporting period, ILECs will provide disaggregation by Missed Appointment reason codes as diagnostic data" to "ILECs will provide disaggregation by Missed Appointment reason codes as diagnostic data upon raw data request."	30 Days
58		Percent of Due Dates Missed	Reference SGT Table	150 Days
59	12	Percent of Due Dates Missed Due to Lack of Facilities	Reference SGT Table	150 Days
60	13	Delay Order Interval to Completion Date (For Lack of Facilities)	Reference SGT Table	150 Days
61	14	Held Order Interval	Change from "When results are less than parity for a reporting period, ILECs will provide disaggregation by Missed Appointment reason codes as diagnostic data" to "ILECs will provide disaggregation by Jeopardy Code as diagnostic data upon raw data request."	30 Days
62		Held Order Interval	Reference SGT Table	150 Days
63	15	Provisioning Trouble Reports	New Business rule: Excludes new service installations. Change from "When results are less than parity for a reporting period, ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data" to "ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data upon raw data request."	Complete
64	15A	Average Time To Restore Provisioning Troubles (Prior To Service Order Completion)	New Measure. Same business rules (with modifications) on PM 15 apply to PM15A.	120 Days

<i>Item No.</i>	<i>Measure</i>	<i>Sub-Measure (From 9-7-99 JPSA)</i>	<i>Change</i>	<i>Date of Change</i>
65		Average Time To Restore Provisioning Troubles (Prior To Service Order Completion)	New Measure (Total duration of provisioning trouble measured from the time the trouble was initiated or called in to the ILEC until cleared. and verified with the CLEC)/ (Total Number of Provisioning Trouble Reports)	120 Days
66		Average Time To Restore Provisioning Troubles (Prior To Service Order Completion)	New Measure Reference SGT Table; also by "Affecting Service" and Out of Service."	120 Days
67	16	Percentage Troubles in 30 days for New Orders	Change from 1) "When results are less than parity for a reporting period, ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data" to "ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data upon raw data request;" 2) Results for Dark Fiber will be tracked diagnostically, until next periodic Performance Measures review.	Complete
68		Percentage Troubles in 30 days for New Orders	Reference SGT Table	150 Days
69		Percentage Troubles in 30 days for New Orders	Change title from "New Orders" to "Designed Service Orders"	30 Days
70	17	Percentage Troubles in 7 Days for New Orders- GTE Only	Change from 1) "When results are less than parity for a reporting period, ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data" to "ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data upon raw data request;" 2) Results for Dark Fiber will be tracked diagnostically, until next periodic Performance Measures review.	Complete
71		Percentage Troubles in 7 Days for New Orders- GTE Only	Change denominator from "Total new, move and change orders" to "Total new, move and change completed orders"	30 Days
72		Percentage Troubles in 7 Days for New Orders- GTE Only	Reference SGT Table	150 Days
73	18	Average Completion Notice Interval	New rules: Completion Notices on disconnect orders are only on CLEC disconnect orders (not on ILEC retail disconnect orders) For All Other Interfaces.	Complete
74		Average Completion Notice Interval	New rules: 1) System hours will be used for fully electronic sub-measures; 2) Completion Notices on disconnect orders are only on CLEC disconnect orders (not on ILEC retail disconnect orders) for Fully Electronic.	Complete
75		Average Completion Notice Interval	Change from "Sum (# of Completion Notices Returned within "X" Interval) / (# of Orders Completed) x 100 to "(Number of Completion Notices Returned within "X" Interval) / (Number of Orders Returned Using All Other Processes) x 100 For All Other Interfaces	30 Days
76		Average Completion Notice Interval	Change from "Sum ((Date and Time of Completion Notification to CLEC) - (Date and Time of Work Completion)) / (Number of Orders Completed) to (Number of Completion Notices Returned within "X" Interval) / (Number of Orders Completed where the Completion Notice is Returned Using Electronic Process) x 100 for Fully Electronic	120 Days
77		Average Completion Notice Interval	Change from "Average Completion Notice Interval" to "Completion Notice Interval" for All Other Interfaces.	30 Days
78		Average Completion Notice Interval	Change from "Average Completion Notice Interval" to "Completion Notice Interval" for Fully Electronic.	120 Days
79		Average Completion Notice Interval	Change from "Average Completion Notice Interval (LSC)" to "Completion Notice Interval" for the WISE Web Display.	120 Days

<i>Item No.</i>	<i>Measure</i>	<i>Sub-Measure (From 9-7-99 JPSA)</i>	<i>Change</i>	<i>Date of Change<sup>7</sup></i>
80	19	Customer Trouble Report Rate	New business rules: 1) Excludes provisioning trouble reports; 2) Include Test okay (TOK) and Found Okay (FOK) reports; 3) change from "When results are less than parity for a reporting period, ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data" to "ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data upon raw data request;" 4) Results for Dark Fiber will be tracked diagnostically, until next periodic Performance Measures review.	Complete
81		Customer Trouble Report Rate	Reference SGT Table	150 Days
82	20	Percentage of Customer Trouble not Resolved within Estimated Time	New business rules: 1) Include Test okay (TOK) and Found Okay (FOK) reports; 2) change from "When results are less than parity for a reporting period, ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data" to "ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data upon raw data request;" 3) Results for Dark Fiber will be tracked diagnostically, until next periodic Performance Measures review; 4) Excludes provisioning trouble reports.	Complete
83		Percentage of Customer Trouble not Resolved within Estimated Time	Reference SGT Table	150 Days
84	21	Average Time to Restore	New business rules: 1) Excludes provisioning trouble reports; 2) Include Test okay (TOK) and Found Okay (FOK) reports; 3) change from "When results are less than parity for a reporting period, ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data" to "ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data upon raw data request;" 4) Results for Dark Fiber will be tracked diagnostically, until next periodic Performance Measures review.	Complete
85		Average Time to Restore	Reference SGT Table	150 Days
86	22	POTS Out of Service less than 24 Hours	Business rule change from "When results are less than parity for a reporting period, ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data" to "ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data upon raw data request."	Complete
87		POTS Out of Service less than 24 Hours	Reference SGT Table	150 Days
88	23	Frequency of Repeat Troubles in 30 day period	Business rule change from "When results are less than parity for a reporting period, ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data" to "ILECs will provide disaggregation by Maintenance Disposition codes as diagnostic data upon raw data request."	Complete
89		Frequency of Repeat Troubles in 30 day period	Reference SGT Table	150 Days
90	24	Percent Blocking on Common Trunks	ILEC will make available detailed information (trunk group identifier, CLLI A, CLLI Z, blocking level) for all trunk groups not meeting 2% blocking level with the monthly report.	120 Days
91	24	Percent Blocking on Common Trunks	Remove "Includes Histogram Distribution Chart" and performance measure 24b.	120 Days
92		Percent Blocking on Common Trunks	Report by Total Trunk Groups.	120 Days
93	25	Percent Blocking on Interconnection Trunks	Add new business rule "Excludes blocking failures caused by the CLEC not completing growth trunk provisioning by scheduled due date."	120 Days
94		Percent Blocking on Interconnection Trunks	Remove: 1) Includes histogram distribution chart and move to Business Rules "2) Applies to those trunks where the ILEC has augmentation control; 3) Does not apply when trunks are provisioned as two-way trunks."	Complete
95		Percent Blocking on Interconnection Trunks	Remove "Includes Histogram Distribution Chart" and performance measure 25b.	120 Days
96		Percent Blocking on Interconnection Trunks	Report by Total trunk groups, ILEC end office to CLEC end office, and ILEC tandem to CLEC end office.	120 Days

Item No.	Measure	Sub-Measure (From 9-7-99 JPSA)	Change	Date of Change <sup>7</sup>
97	26	NXX Loaded by LERG Effective Date	Add new business rule: Excludes any NXX code that cannot be completely tested because the CLEC has not provided an accurate test number or because CLEC facilities have not been installed.	Complete
98		NXX Loaded by LERG Effective Date	Add business rule: NXX activity includes additions and deletions (being returned to industry for reuse).	Complete
99	27	Network Outage Notification	Delete PM.	30 Days
100	30	Wholesale Bill Timeliness	Clarify with following: GTE legacy system billing data feeds do not support the disaggregation of UNE and Resale major service group types. GTE will report the results for Resale and UNE service group types as a total result.	Complete
101		Wholesale Bill Timeliness	Change "X" to "10 calendar."	30 Days
102		Wholesale Bill Timeliness	Clarify benchmark to 99% within 10 calendar days.	Complete
103	31	Usage Completeness	Clarify with following: GTE legacy system billing data feeds do not support the disaggregation of UNE and Resale major service group types. GTE will report the results for Resale and UNE service group types as a total result.	Complete
104	32	Recurring Charge Completeness	Change from "The effective date of the recurring charge must be within 30 days of the bill date for the charge to appear on the correct bill" to "The effective date of the recurring charge must be within one month of the bill date for the charge to appear on the correct bill." New business rule: "Excludes late charges resulting from mandated billing changes that the ILEC can not reasonably implement in a timely manner."	120 Days
105		Recurring Charge Completeness	Clarify calculation to "(Dollar amount of fractional recurring charges that are on the correct bill */ total dollar amount of fractional recurring charges that are on bill) x 100"	30 Days
106	33	Non-Recurring Charge Completeness	Change from "The effective date of the recurring charge must be within 30 days of the bill date for the charge to appear on the correct bill" to "The effective date of the recurring charge must be within one month of the bill date for the charge to appear on the correct bill." New business rule: "Excludes late charges resulting from mandated billing changes that the ILEC can not reasonably implement in a timely manner."	120 Days
107		Non-Recurring Charge Completeness	Clarify calculation to "(Dollar amount of non-recurring charges that are on the correct bill */ total dollar amount of non-recurring charges that are on bill) x 100"	120 Days
108	34	Bill Accuracy	Clarify with following: GTE legacy system billing data feeds do not support the disaggregation of UNE and Resale major service group types. GTE will report the results for Resale and UNE service group types as a total result; new business rule: "Excludes late charges resulting from mandated billing changes that the ILEC can not reasonably implement in a timely manner."	Complete
109	40	Time to Respond to a Collocation Request - Space Availability	If CLEC makes a change to size, location, additional AC or DC or HVAC, in their application within 15-day period, 15-day clock is restarted from revised application receipt date- Open Issue.	30 Days
110		Time to Respond to a Collocation Request - Price and Schedule Quote	Change from (# of Requests Returned in "X" Interval) / (Count of Requests Submitted in Reporting Period) x 100 to (# of Requests Completed in 30 Calendar Days Interval) / (Count of Requests Completed in Reporting Period) x 100	30 Days
111		Time to Respond to a Collocation Request - Space Availability	Change from (# of Requests Returned in "X" Interval) / (Count of Requests Submitted in Reporting Period) x 100 to (# of Requests Completed in 15 Calendar Days Interval) / (Count of Requests Completed in Reporting Period) x 100	30 Days
112		Time to Respond to a Collocation Request - Price and Schedule Quote	Clarify benchmark to 100% in 30 calendar days.	Complete

<b>Item No.</b>	<b>Measure</b>	<b>Sub-Measure (From 9-7-99 JPSA)</b>	<b>Change</b>	<b>Date of Change<sup>7</sup></b>
113		Time to Respond to a Collocation Request - Space Availability	Clarify benchmark to 100% in 15 calendar days.	Complete
114		Time to Respond to a Collocation Request - Price and Schedule Quote	Change title to "Time To Respond To A Collocation Request - Price and Schedule Quote"	30 Days
115		Time to Respond to a Collocation Request - Space Availability	Change title to "Time To Respond To A Collocation Request - Space Availability"	30 Days
116	41	Time to Provide a Collocation Arrangement - New	New business rule: Excludes CLEC requested due dates greater than the standard interval.	120 Days
117		Time to Provide a Collocation Arrangement - Augment	New business rule: Excludes CLEC requested due dates greater than the standard interval.	120 Days
118		Time to Provide a Collocation Arrangement - New	Clarify benchmark to 90% compliance within 90 calendar days.	Complete
119		Time to Provide a Collocation Arrangement - Augment	Clarify benchmark to 100% in 80 calendar days.	Complete
120		Time to Provide a Collocation Arrangement - New	Change to "Time To Provide A Collocation Arrangement - New"	30 Days
121		Time to Provide a Collocation Arrangement - Augment	Change to "Time to Provide a Collocation Arrangement - Augment"	30 Days
122	42	Percent of Time Interface is Available	Clarification: Change from ((Number of Scheduled System Available Hours) - (Number of Unscheduled System Unavailable Hours)) / Scheduled System Available Hours x 100 to [(Number of Scheduled Interface Available Hours) - (Number of Unscheduled Interface Unavailable Hours)] / (Scheduled System Available Hours) x 100	30 Days
123		Percent of Time Interface is Available	Clarify: GTE captures data on a nationwide basis and reports national results at a state level.	Complete
124		Percent of Time Interface is Available	Clarify: change from GTE (all systems) Standard - 99.25% to GTE (All Interfaces) Standard - 99.25%	Complete
125		Percent of Time Interface is Available	Add ILEC affiliate.	Complete
126	43	Notification of Interface Outages	Delete PM.	30 Days
127	44	Center Responsiveness	Clarify GTE captures data on a nationwide basis and reports national results at a state level.	Complete
128		Center Responsiveness	Change benchmark from Standard - average 20 seconds to Standard - average 17 seconds for both repair and ordering centers.	30 Days



## DEFINITION OF TERMS

TERM	DEFINITION
Automatic Location Information (ALI)	The feature of E911 that displays at the Public Safety Answering Point (PSAP) the street address of the calling telephone number. This feature requires a data storage and retrieval system for translating telephone numbers to the associated address. ALI may include Emergency Service Number (ESN), street address, room or floor, and names of the enforcement, fire and medical agencies with jurisdictional responsibility for the address. The Management System (E911) database is used to update the Automatic E911 Location Information databases.
Cageless Collocation	Shall have meaning set forth in FCC 1 <sup>st</sup> Report and Order on Deployment of Wireline Services Offering Advanced Telecommunications Capability or any future, assoc. orders
Call Blocking	A condition on a telecommunications network where, due to a maintenance problem or an over capacity situation in a part of the network, some or all originating or terminating calls cannot reach their final destinations. Depending on the condition and the part of the network affected, the network may make subsequent attempts to complete the call or the call may be completely blocked. If the call is completely blocked, the calling party will have to re-initiate the call attempt.
Code Opening	Process by which new NPA/NXXs (area code/prefix) are defined, through software translations to network databases and switches, in telephone networks. Code openings allow for new groups of telephone numbers (usually in blocks of 10,000) to be made available for assignment to an ILEC's or CLEC's customers, and for calls to those numbers to be passed between carriers.
Common Channel Signaling System 7 (CCSS7)	A network architecture used to for the exchange of signaling information between telecommunications nodes and networks on an out-of-band basis. Information exchanged provides for call set-up and supports services and features such as CLASS and database query and response.
Common Transport	Trunk groups between tandem and end office switches that are shared by more than one carrier, often including the traffic of both the ILEC and several CLECs.
Completion	The time in the order process when the service has been provisioned and service.
Completion Notice	A notice the ILEC provides to the CLEC to inform the CLEC that the requested service order activity is complete.
Coordinated Customer Conversion	Orders that have a due date negotiated between the ILEC, the CLEC, and the customer so that work activities can be performed on a coordinated basis under the direction of the receiving carrier.
Customer Requested Due Date	A specific due date requested by the customer which is either shorter or longer than the standard interval or the interval offered by the ILEC.
Customer Trouble Reports	A report that the carrier providing the underlying service opens when notified that a customer has a problem with their service. Once resolved, the disposition of the trouble is changed to closed.
TERM	DEFINITION

Dedicated Transport	A network facility reserved to the exclusive use of a single customer, carrier or pair of carriers used to exchange switched or special, local exchange, or exchange access traffic.
Delayed Order	An order which has been completed after the scheduled due date and/or time
Directory Assistance Database	A database that contains subscriber records used to provide live or automated operator-assisted directory assistance. Including 411, 555-1212, NPA-555-1212.
Directory Listings	Subscriber information used for DA and/or telephone directory publishing, including name and telephone number, and optionally, the customer's address.
DS-0	Digital Service Level 0. Service provided at a digital signal speed commonly at 64 kbps, but occasionally at 56 kbps.
DS-1	Digital Service Level 1. Service provided at a digital signal speed of 1.544 Mbps.
DS-3	Digital Service Level 3. Service provided at a digital signal speed of 44.736 Mbps.
Due Date	The date provided on the FOC the ILEC sends the CLEC identifying the planned completion date for the order.
End Office Switch	A switch from which an end users' exchange services are directly connected and offered.
Firm Order Confirmation (FOC)	Notice the ILEC sends to the CLEC to notify the CLEC that it has received the CLECs service order, created a service request, and assigned it a due date.
Flow-Through	The term used to describe whether a LSR electronically is passed from the OSS interface system to the ILEC legacy system to automatically create a service order. LSRs that do not flow through require manual intervention for the service order to be created in the ILEC legacy system.
Held Order	An order for which the ILEC has issued a FOC, but whose due date has passed without it being completed.
High Bandwidth Line Sharing UNE	The frequency range above the voiceband on a copper loop facility that is being used to carry analog circuit switched voiceband transmissions.
Installation	The activity performed to activate a service.
Installation Troubles	A trouble, which is identified after service order activity and installation, has completed on a customer's line. It is likely attributable to the service activity (within a defined time period).
Inside Wiring	The telecommunications wiring located at a customer's premises that extends beyond the demarcation point.
Interconnection Trunks	A network facility that is used to interconnect two switches generally of different local exchange carriers
Interface Outage	A planned or unplanned failure resulting the unavailability or access degradation of a system.
Jeopardy	A failure in the service provisioning process which results potentially in the inability of a carrier to meet the committed due date on a service order.
Jeopardy Notice	The actual notice that the ILEC sends to the CLEC when a jeopardy condition has been identified.

## DEFINITION OF TERMS

TERM	DEFINITION
Lack of Facilities	A shortage of cable facilities identified after a due date has been committed to a customer, including the CLEC. The facilities shortage may be identified during the inventory assignment process, or during the service installation process. If no facilities are available, the ILEC will issue a jeopardy.
Local Exchange Routing Guide (LERG)	A Bellcore master file that is used by the telecom industry to identify NPA-NXX routing and homing information, as well as network element and equipment designations. The file also includes scheduled network changes associated with activity within the North American Numbering Plan (NANP).
Local Exchange Traffic	Traffic originated on the network of a LEC in a local calling area that terminates to another LEC in a local calling area.
Local Number Portability	A network technology which allows end user customers to retain their telephone number when moving their service between local service providers. This technology does not employ remote call forwarding, but actually allows the customer's telephone number to be moved and redefined in the network of the new service provider. The activity to move the telephone number is called "porting."
Local Service Confirmation	OBF term for a FOC
Mechanized Bill	A bill that is delivered via electronic transmission.
Meet Point Billing	A billing arrangement used when two or more LECs jointly provide access to and from an interexchange carrier (IEC) for inter LATA traffic. This arrangement can be Single Bill, where one LEC bills the IEC on behalf of both LECs and remits payment to the other LEC or Multiple Bill, where each LEC bills their portion directly to the IEC.
Missed Commitment Notification	A notice from ILEC to inform CLEC that the committed due date on an order has been missed.
Non-Recurring Charge	A rate charged for a product or a service that is assessed on a one time basis.
NXX, NXX Code or Central Office Code	The three digit switch entity indicator that is defined by the "D", "E", and "F" digits of a 10-digit telephone number within the NANP. Each NXX Code contains 10,000 station numbers.
Permanent Number Portability (also known as Local or Long Term Number Portability)	A network technology which allows end user customers to retain their telephone number when moving their service between local service providers. This technology does not employ remote call forwarding, but actually allows the customer's telephone number to be moved and redefined in the network of the new service provider. The activity to move the telephone number is called "porting".
Physical Collocation	Shall have the meaning set forth in 47 C.F.R. Section 51.5.
Plain Old Telephone Service (POTS)	Refers to basic 2 wire analog residential and business services. Can include feature capabilities (e.g., CLASS features).

## DEFINITION OF TERMS

TERM	DEFINITION
Projects	Service requests that exceed the line size and/or level of complexity which would allow for the use of standard ordering and provisioning processes. Generally, due dates for projects are negotiated, coordination of service installations/changes is required and automated provisioning may not be practical.
Provisioning Troubles	A trouble report that is opened for a customer's existing or new service for a trouble identified between the time of the service order creation to the time of order completion. Provisioning troubles that are associated with a CLECs customers include troubles that occur and are reported during the conversion of an ILEC customer to a CLEC.
Query Types	Pre-ordering information that is available to a CLEC that is categorized according to standards issued by OBF, the FCC and/or the CPUC.
Recurring Charge	A rate charged for a product or service that is assessed each successive billing period.
Reject	A status that can occur to a CLEC submitted local service request (LSR) when it does not meet certain criteria. There are two types of rejects: syntax, which occur if required fields are not included in the LSR, and content, which occur if invalid data is provided in a field. A rejected service request must be corrected and re-submitted before provisioning can begin.
Repeat Report	Any trouble report that is a second (or greater) report on the same telephone number/circuit ID and at the same premises Address within 30 days. The original report can be any category, including excluded reports, and can carry any disposition code.
Service Group Type	The designation used to identify a category of similar services, .e.g., UNE loops
Service Order	The work order created and distributed in ILECs systems and to ILEC work groups in response to a complete, valid service request.
Service Order Type	The designation used to identify the major types of provisioning activities associated with a service request
Service Request	The transaction sent from the CLEC to the ILEC to order services or to request a change(s) be made to existing services.
Standard Interval	The interval that the ILEC quotes to its customers with respect to how long it will take to provision a service request. These intervals are standardized by specific service type and type of service modification requested ILECs publish these standard intervals in documents used by their own service representatives as well as ordering instructions provided to CLECs. POTS services do not have standard intervals, their installation intervals are based on force available and workload. They may change as frequently as twice a day.

## DEFINITION OF TERMS

TERM	DEFINITION
Subsequent Reports	A trouble report that is taken on a previously reported trouble prior to the date and time the initial report has a status of "cleared".
Summarized Charges	Billing charges that are aggregated on the bill, rather than individually itemized, e.g., local usage minutes on resale or retail calls, which are listed on the bill as "xx" minutes with no call detail.
Tandem Switch	Switch used to connect and switch trunk circuits between and among Central Office switches.
Time to Restore	The time interval from the receipt, by the ILEC, of a trouble report on a customer's service to the time service is fully restored to the customer.
To Be Called Cut	A type of coordinated customer conversion, which involves the CLEC calling the ILEC to signal the ILEC that it should start the customer conversion. (Pacific Bell term)
Trouble Cause Code	A code identifying the known or suspected cause of a trouble condition.
Trouble Disposition	A code identifying the end result of diagnostic and/or repair activities on a customer trouble report.
Usage Data	Data generated in network nodes to identify switched call data on a detailed or summarized basis. Usage data is used to create customer invoices for the calls.
Usage Records	The individual call records created in a switch to report the date, time, duration, calling and called numbers associated with a given call
Virtual Collocation	Shall have the meaning set forth in 47 C.F.R. Section 51.5.

## CALIFORNIA OSS OII

### PERFORMANCE MEASURES: GLOSSARY OF ACRONYMS

ACRONYM	DESCRIPTION
ADSL	Asymmetric Digital Subscriber Line
ALI	Automatic Line Information (for 911/E911 systems)
AS	Affecting Service (type of trouble condition)
ASI	Advanced Services Inc. (data subsidiary of SBC)
ATIS	Alliance For Telecommunications Industry Solutions
BDT	Billing Data Tape
BOS	Billing Output Specifications
BRI	Basic Rate Interface (type of ISDN service)
CABS	Carrier Access Billing System
CARE	Customer Repair Center (GTE)
CBSS	Customer Billing Service System (GTE)
CESAR	Carrier Enhanced System for Access Request
CHC	Coordinated "Hot" Cut
CKT	Circuit
CLEC	Competitive Local Exchange Carrier
CO	Central Office
CORBA	Common Object Request Broker Architecture (Pre-ordering standard)
CPE	Customer Premises Equipment
CPUC	California Public Utilities Commission
CRIS	Customer Record Information System
CSB	Customer Service Bureau (PB retail repair center)
CSR	Customer Service Record
DA	Directory Assistance
dB	Decibel
DID	Direct Inward Dialing
DS0	Digital Service 0
DS1	Digital Service 1
DS3	Digital Service 3
E911 MS	E911 Management System
EAS	Equal Access Service
EDI	Electronic Data Interchange
EMI	Exchange Message Interface
EUCL	End User Carrier Line charge
FDT	Frame Due Time
FOC	Firm Order Confirmation
GTE	General Telephone Company
GTT	Global Title Translations
GUI	Graphical User Interface
HDSL	High-bit-rate Digital Subscriber Line
HICAP	High Capacity Digital Service
IEC	Inter-exchange Carrier
ILEC	Incumbent Local Exchange Carrier
I, N, T, C, M	Service Order Types - I (install-GTE), N(new-PB), T(to or transfer-PB), C(change)and M(move-GTE)
ISDN	Integrated Services Digital Network
IW	Inside Wire
LATA	Local Access Transport Area
LERG	Local Exchange Routing Guide

## CALIFORNIA OSS OII PERFORMANCE MEASURES: GLOSSARY OF ACRONYMS

ACRONYM	DESCRIPTION
LNP	Local (or Long Term) Number Portability
LOC	Local Operations Center (PB repair and coordination center for CLEC activity)
LSC	Local Service Confirmation or Local Service Center (PB)
LSMS	Local Service Management System
LSR	Local Service Request
MAC	Missed Appointment Code
NDM	Network Data Mover
NOMC	National Open Market Center (GTE)
NPAC	Number Portability Administration Center
NXX	Telephone number prefix
OBF	Ordering and Billing Forum
OOS	Out of service (type of trouble condition)
OSS	Operations Support System
PB	Pacific Bell
PBX	Private Branch Exchange
PICC	Primary Interexchange Carrier Charges
PNP	Permanent Number Portability (same as LNP)
PON	Purchase Order Number
POTS	Plain Old Telephone Service
PRI	Primary Rate Interface (type of ISDN service)
SBC	Southwestern Bell Corporation
SCP	Service Control Point
SDA	Separate Data Subsidiary
SGT	Service Group Type
SORD	Service Order Retrieval and Distribution (PB service order creation system)
SOT	Service Order Type
SS7	Signaling System 7
STP	Signaling Transfer Point
TBCC	To Be Called Cut (PB)
TN	Telephone Number
UNE	Unbundled Network Element
VGPL	Voice Grade Private Line
xDSL	(x) Digital Subscriber Line

## MISSED APPOINTMENT CODES – PACIFIC BELL MAC – COMPANY REASONS

CB	Marketing Error. LSC/ Business Office gave wrong due date or ordered incorrect product/service
CO91	No Access to Terminal Or Protector
CO92	No Electrical Permit-Company
CO93	All Other Company Reasons (Tone Back)
CO94	Joint Marketing Contractor
CO95	Civil Unrest, No Access
CO96	National 800 database to Facilities
CO97	Malfunction of Mechanized Service Order Systems i.e. SORD, COSMOS, FACS, MARCH, PBOD
CO98	NFWK Service Order Sent To Field and Due Date Missed
CO99	Missed Appointment Window - Senate Bill 101 (System Failure)

## COMPANY WORK LOAD

CL71	Installation-Force/Load Imbalance
CL72	Weather Conditions
CL73	Sanctioned Work Stoppage Against Pacific Bell
CL74	Emergency Conditions, Earthquakes, Floods
CL75	800 Service Center Work Load Imbalance
CL79	Missed Appointment Window - Senate Bill 101 (Work Load)

## EQUIPMENT SUPPLY

CE81	Lack of Normally Ordered Facility Equipment or Supplies
CE82	Lack of Specially Ordered Facility Equipment or Supplies
CE83	Other Facility Equipment Problems

## COMPANY FACILITIES

CF61	Lack of Outside Plant
CF62	Lack of C/O Facilities
CF63	BSW
CA	Lack of Assignment
CS	Switching Error

## MISSED APPOINTMENT CODES – PACIFIC BELL



## MAC – CUSTOMER REASONS

NO ACCESS	DESCRIPTION
SA01	None on Prem Left Notice
SA02	Agent/Mgr Not On Prem Left Notice
SA03	Denied Access To Term. On Cust. Prem Left Notice
SA04	Manager Refused Access Left Notice
SA05	Manager Had No Key Left Notice
SA06	Security Type Building
SA07	Unable to Locate Other Designated Party
SA08	Dog/Other Safety Hazard On Premises
SA09	No Response To Call Before Going Number (3 Or More Attempts Made)
SR20	Subscriber In Independent Company No Facility In Independent Company
SR21	No Pole
SR22	No Conduit
SR23	Conduit Plugged
SR24	inc. Full No Spares, Referred to Building Owner, No Authorization./Pre- Authorization to Repair
SR25	No Trench
SR26	Not Authorized To Sign Labor Receipt
SR27	Customer Requests Later Due Date From Tech.
SR28	Building Not Ready
SR29	Electric Power Not Available

## CUSTOMER REQUESTS LATER DUE DATES

SL31	Customer Called Company before Tech. Arrived
SL32	Pre-Survey Contact Customer Requests Changing of Due Date

## ALL OTHER CUSTOMER REASONS

SO41	Minor Daily Access
SO42	Customer Requested Additional Work
SO43	Customer Gave Wrong Address
SO44	Access Refused
SO45	Access Didn't Know Installation Locations
SO46	Mgr./Owner OK Needed For Exposed Wiring
SO47	Mgr./Owner OK Needed To Drill Hole
SO48	Customer Required To Pay Deposit
SO49	Missed Appointment Window- Senate Bill 101 (Customer Gave Wrong Address)
SO50	Vendor Problem Regarding CPE Term Equipment Either Not Delivered/Installed or Removed

**JEOPARDY  
MISSED APPOINTMENT CODES -GTE**

Standard OBF Jeopardy Code	Description
1A	Inter Office Facility Shortage
1B	Scheduling/Work Load
1C	Customer Not Ready
1D	No Loop Available
1E	End User Not Ready
1F	Provider Missed Appointment
1G	No Access to End User Premise
1H	Central Office Freeze
1J	Special Construction
1K	Natural Disaster (Flood, etc.)
1L	Frame Due Time Cannot Be Met
1M	Requested Due Date Is Not Available
1N	Due Date and Frame Due Time Cannot Be Met
1P	Other
1Q	Assignment Problem
1R	Customer Could Not Be Reached at the Can Be Reached Number (CBR)
1S	Building Not Ready, Customer Will Advise
1T	Pole At Site Not Set
1W	Entrance Facilities Required
1X	Not Technically Feasible
1Y	No Central Office Equipment Available
1Z	Other Local Exchange Company Not Ready
2A	CLEC order request error
2B	Work order pending

Verizon has adopted standard OBF jeopardy codes, listed above.



## DISPOSITION CODES

	<b>PACIFIC BELL</b>		<b>GTE</b>
01	TERMINAL EQUIPMENT	04	NETWORK FACILITIES
02	COMMUNICATIONS EQUIPMENT	05	COIN/COINLESS
02	OTHER STATION EQUIPMENT	05	E911
02	TERMINAL EQUIPMENT	06	OUTSIDE PLANT
03	NETWORK TERMINATING FACILITIES	07	INTEROFFICE FACILITIES
04	OUTSIDE PLANT	09	SERVICE ORDER
05	CENTRAL OFFICE	10	RECORDS
06	CUSTOMER MISUSE	11	CARRIER (FIELD) OR CONCENCENTRATOR
07	TEST OK	12	CENTRAL OFFICE
08	FOUND OK - IN	13	TEST OKAY
09	FOUND OK - OUT	15	CAME CLEAR
10	REFERRED OUT	16	CUSTOMER
12	NON-TELCO PROVIDED	17	EXCLUDE
13	INTER-EXCHANGE CARRIER/INDEPENDENT COMPANY	18	REFERRED OUT
		19	CPE
	<b>PACIFIC BELL CAUSE CODES</b>		
1	TELCO EMPLOYEE		
2	NON-EMPLOYEE		
3	PLANT OR EQUIPMENT		
4	WEATHER		
5	OTHER		
6	UNKNOWN		

Decision 02-03-023 March 6, 2002

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the  
Commission's Own Motion into Monitoring  
Performance of Operations Support Systems.

Rulemaking 97-10-016  
(Filed October 9, 1997)

Order Instituting Investigation on the  
Commission's Own Motion into Monitoring  
Performance of Operations Support Systems.

Investigation 97-10-017  
(Filed October 9, 1997)

**OPINION ON THE PERFORMANCE INCENTIVES PLAN  
FOR PACIFIC BELL TELEPHONE COMPANY**

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## OPINION ON THE PERFORMANCE INCENTIVES PLAN

### I. Summary

By this decision, the California Public Utilities Commission (Commission or CPUC) adds the final piece to implement an operations support systems (OSS) performance incentives plan. This plan will provide incentives for an incumbent local exchange carrier<sup>1</sup> (ILEC) to give competitors equitable access to its OSS infrastructure. The plan consists of performance measurements established in Decision (D.) 01-05-087, performance criteria established in D.01-01-037, and the monetary incentives we now adopt. The plan measures, evaluates, and imposes monetary charges on an ILEC for OSS performance that could inhibit competition by disadvantaging the competitive local exchange carriers (CLECs).<sup>2</sup>

In this decision, we have established the following: (1) limits to an ILEC's "risk"<sup>3</sup> for poor OSS performance to CLECs and their customers; (2) how incentive payment amounts will be tied to different performance results and how payments will increase as performance worsens; (3) who will receive the incentive payments; (4) necessary adjustments to the statistical performance assessment model; and (5) other provisions necessary to complete a performance incentives plan appropriate for an initial implementation period.

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<sup>1</sup> We adopt this plan today only for Pacific Bell Telephone Company(Pacific). In a forthcoming decision we will adopt the plan for Verizon, as discussed *infra*.

<sup>2</sup> Payments made as rate adjustment bill credits will be made to individual CLECs and the ratepayers, as discussed, *infra*.

<sup>3</sup> The total payment amounts generated by the performance incentives plan.

As we explained in D.01-01-037, the Telecommunications Act of 1996 (TA96 or the Act) has guided the process of opening previously monopolistic local telephone service markets to competition. To foster competition, the Act requires ILECs to provide competing carriers access to ILEC OSS infrastructure, including the incumbents' pre-ordering, ordering, provisioning, maintenance, billing, and other functions necessary for providing various telephony services. For competition to occur, the CLECs must be able to access these services in the same manner as the ILEC.

For example, for pre-ordering, a CLEC must be able to access customer information relevant to the service being ordered, so that the CLEC can tell its customers what options they have. For ordering, a CLEC needs to be sure that the ordering process for its customers takes no more time than for ILEC customers. Similarly, for provisioning, a CLEC needs to be sure that the time the ILEC takes to actually install or provide a new telephone service for CLEC customers is no longer than for ILEC customers. Delays or inaccuracies in these and the other OSS functions could discourage potential customers from doing business with the competitors.

Under its authority to implement the Act, the Federal Communications Commission (FCC) has strongly encouraged establishment of regulatory incentives to ensure ILEC OSS performance does not present barriers to competition. While not an outright prerequisite for FCC approval of Regional Bell Operating Companies' (RBOC or BOC) applications to provide in-region interLATA service under § 271, the FCC has indicated that such applications must be in the public interest. In its evaluation of the public interest, the FCC states that, "the fact that a BOC will be subject to performance monitoring and enforcement mechanisms would constitute probative evidence that the BOC will continue to meet its section 271 obligations and that its entry would be consistent

with the public interest.”<sup>4</sup> As a consequence, we establish a performance incentives plan to identify and prevent or remove any competitive barriers. The three critical steps for any performance incentives plan are performance measurement, performance assessment, and the corrective actions necessary if performance is deemed harmful to competition.

The CPUC has established performance measures and performance assessment methods in parallel proceedings in this docket. Our decision today establishes a complete performance assessment plan. We have created a set of procedures for allocating payments by the ILEC when OSS performance to the CLECs is deficient. In effect, we have set forth a self-executing decision model that applies barrier-identifying criteria to the performance measurement results and charges the ILECs monetary amounts for deficient performance. A self-executing plan is one that requires no further review and no new proceedings. Explicit, objective, data-based standards were established in D.01-01-037 that automatically identify inferior performance to CLEC customers that present potential “competitive barriers.” Statistical tests identify potential barriers when ILEC performance to its own customers can be compared to ILEC performance to CLEC customers. Explicit performance levels, called benchmarks, identify potential barriers when there is no comparable ILEC performance.

This decision now completes the final step of the incentives plan for Pacific, establishing the incentives that will be tied to any deficient performance identified by the model. The overall goal of the plan will be to ensure compliance with the FCC’s directive that OSS performance shall provide competitors a true opportunity to compete.

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<sup>4</sup> *Bell Atlantic New York Order* (“FCC BANY Order”), 15 FCC Rcd at 3971, ¶ 429.

## II. Background

On October 9, 1997, the Commission instituted this formal rulemaking proceeding and investigation to achieve several goals regarding Pacific's and Verizon California Inc.'s (Verizon)<sup>5</sup> OSS infrastructure. One objective of this docket (the OSS OII/OIR) is to assess the best and fastest method of ensuring compliance if the respective OSS of the ILECs do not show improvement or meet pre-determined standards of performance. Another related objective is to provide appropriate compliance incentives under Section 271 of TA96, which applies solely to Pacific,<sup>6</sup> for the prompt achievement of OSS improvements.

To further these specific objectives, the ILECs and a number of interested CLECs have collaborated in the OSS OII/OIR proceeding and the 271 review process.<sup>7</sup> The work and accomplishments in these proceedings that relate to performance incentives plan development have been summarized in D.01-05-087 (performance measurements) and D.01-01-037 (performance assessment or evaluation).

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<sup>5</sup> Verizon was previously named GTE California Incorporated. Hereafter, Pacific and Verizon will be referred to collectively, as the ILECs.

<sup>6</sup> As a Bell Operating Company (BOC), Section 271 specifically applies to Pacific.

<sup>7</sup> From July through mid-August 1998, Pacific, AT&T Communications of California Inc. (AT&T), MCI WorldCom (MCI W), Sprint Communications, Electric Lightwave, Inc., ICG Telecom Group, Inc., Covad Communications (Covad), MediaOne Telecommunications of California, Inc., Cox California Telecom, LLC, Northpoint Communications, California Cable Television Association, and staff entered into a collaborative process and jointly worked on developing solutions to the flaws in Pacific's 1998 draft 271 application. Verizon observed one collaborative meeting on penalties, but otherwise did not participate. (Verizon Response to Motion to Accept Joint Comments regarding Report on Performance Incentives, footnote 2 at 2 (October 20, 1998)).

Following the Commission's adoption of the performance assessment model on January 18, 2001, Administrative Law Judge (ALJ) Reed convened a three-day facilitated workgroup on February 7, 8, and 9.<sup>8</sup> The purpose of the workshop was to begin development of a payment structure that would determine the recipients and the amounts of payments (performance incentives) by the ILECs for deficient OSS performance. Specifically, the workshops were convened to seek agreement on the scope, issues, principles or goals, elements, and concepts for the payment structure. The ALJ's ruling also presented an initial list of issues for this phase of the proceeding. In a ruling on March 2, 2001, the ALJ summarized the results of the three days. Attached to the ruling were thirteen documents identified as 2001 CPUC Workpapers # 16 through # 28. Workpapers # 16 through # 18 listed the incentive plan issues, goals, and elements discussed by the workgroup. Parties collectively edited these documents to achieve a common understanding of the concepts presented.<sup>9</sup> However, as the ALJ stated in her ruling, these documents did not necessarily represent any agreement between parties or any parties' position, but provided an informal guide for the parties to assess the completeness of any subsequent performance incentives plans.

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<sup>8</sup> *Administrative Law Judge's Ruling Scheduling Facilitated Work groups in the Performance Incentives Phase*, issued January 26, 2001.

<sup>9</sup> Pacific Bell submitted Workpapers #19, #20, #22, and #23, the CPUC Office of Ratepayer Advocates (ORA) submitted Workpaper #24, and the CLECs submitted Workpapers #25 and #26 to illustrate concepts these respective parties believed to be important for any plan. Pacific, the CLECs, and Verizon each submitted plan drafts identified as Workpapers #21, #27, and #28, respectively. While the ALJ's ruling convening the workgroup did not solicit plans from the parties, these parties elected to submit plans for discussion purposes during the workgroup sessions.

At the end of the workgroup sessions, the parties discussed different schedules for plan submission and a comment period. No agreement was reached. Pacific insisted on an eight-week schedule. The CLECs insisted on a minimum of twelve weeks. On March 2, 2001, Pacific filed a motion asking the Commission to expedite the plan development process by approving an updated version of the plan it submitted during the workgroup sessions. On March 9, 2001, Pacific filed a correction to its proposed plan. On March 12, 2001, the CLECs submitted a motion requesting that the Commission “establish an appropriate schedule for the consideration of an incentives program,” or in the alternative, deny Pacific’s motion. On March 20, 2001, the assigned Commissioner issued a ruling (ACR) setting a schedule for submitting and commenting on plan proposals from the parties. The ACR allowed time for all active parties to file updated plans and specified a schedule and guidelines for Pacific and Verizon “running” the plans on historical OSS performance data<sup>10</sup> as well as data simulating different performance levels.<sup>11</sup> The purpose of these data runs was to determine the outcomes of the various plans given historical and potential future performance. Minor adjustments to the ACR’s schedule had to be made to allow parties to make corrections to their plans and then to provide comment opportunities. The data runs and comments were completed by June 8,

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<sup>10</sup> Pacific calculated these figures. Due to parties’ insistence that performance data is proprietary, all parties have not had access to all the data. Only Pacific and Verizon have had access to all the data necessary to complete the historical data runs.

<sup>11</sup> Anticipating that actual performance would change over time, the ACR requested simulated data runs in order to assess how the different plans would address improving or deteriorating performance. Since the simulations depended on actual “sample sizes” and parties also consider this information proprietary, Pacific and Verizon were also the only parties in the position to complete the simulation runs.

2001. Appendix A lists the filings that contain each party's latest plan, the data runs for each plan, and the subsequent filings that contain parties' comments on these plans.

### III. The Proposed Plans

Pacific, Verizon, ORA, and the CLEC group each filed a different plan. The monetary outcomes varied greatly. Figure 1 shows the different monetary amounts that each plan would require Pacific to pay per month under the performance conditions Pacific and CLECs experienced in the last quarter of 2000.<sup>12</sup> Figure 2 shows the amounts that would be paid per year under different assumptions about future performance.<sup>13</sup>

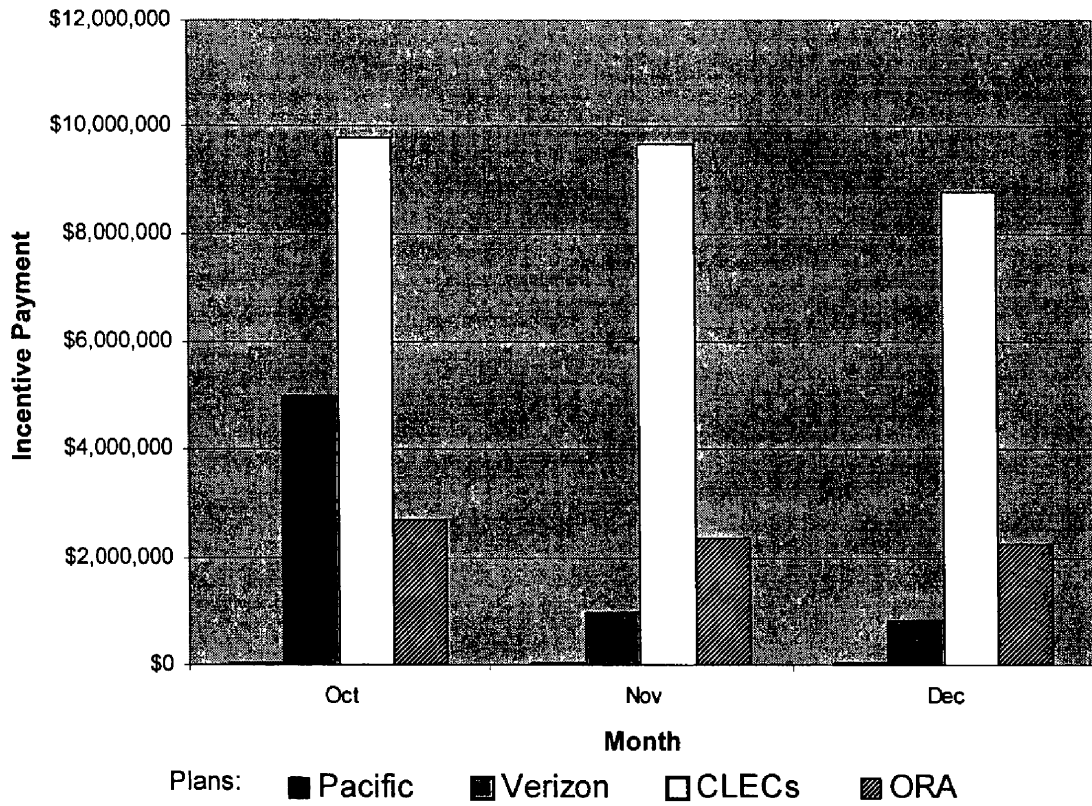
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<sup>12</sup> These results were calculated by Pacific and Verizon. Under these proposed plans, payments would go to the individual CLECs and to either the ratepayers or the State General Fund as discussed, *infra*.

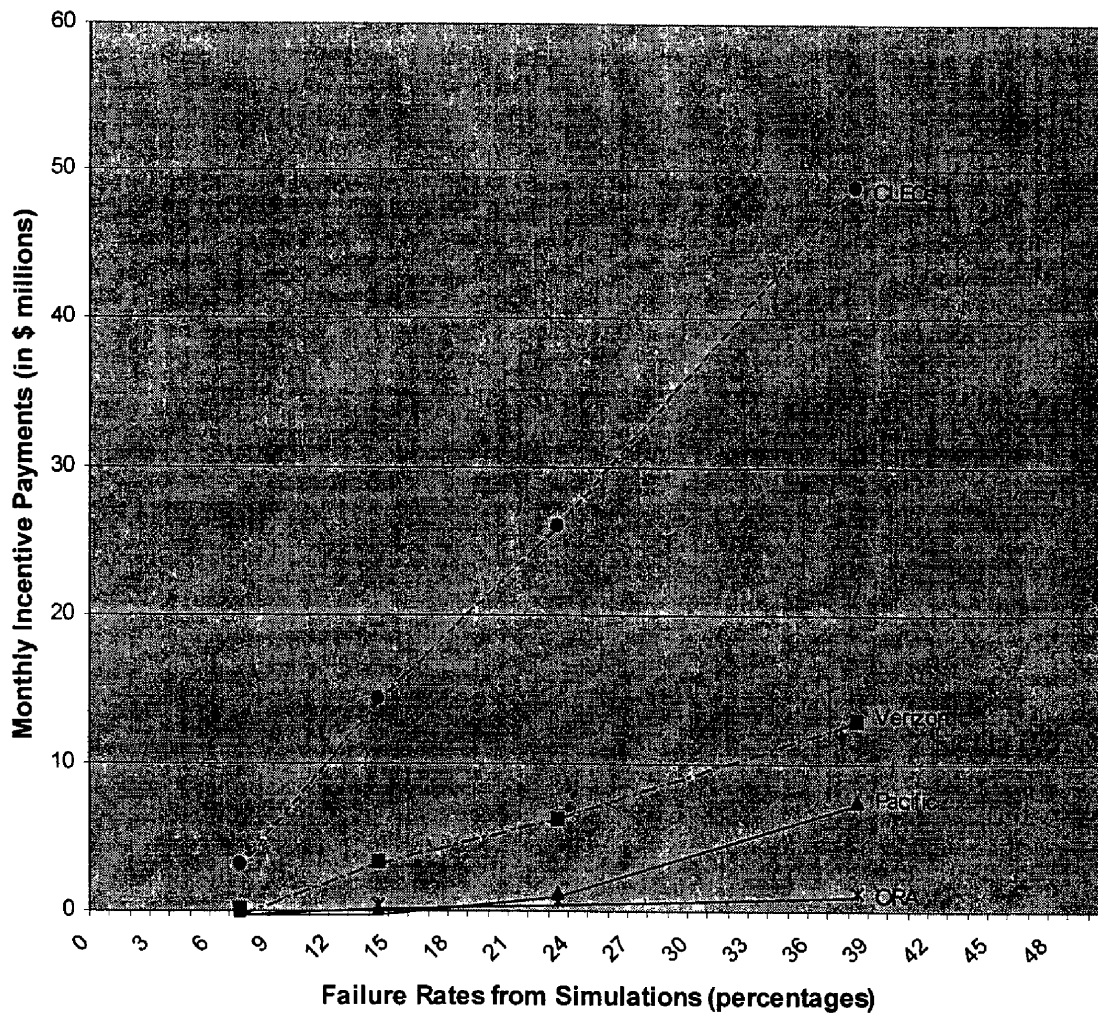
<sup>13</sup> Figure 2 projections were calculated without the log transformations that will be used in the actual plan. Logistical problems made retroactive data transformation prohibitively difficult for the earlier months in 2000; thus, only the last three months' data were transformed. Figure 1 shows the last three months with transformed data. Appendix B presents data that allows comparison of the last three months with and without transformations. Appendix B also provides charts of the payment amount data with aggregate failure rate data.



**Figure 1**  
**Projected Incentive Payments for Pacific**  
**by Month for Last Quarter of 2000**  
**With log transformations**



**Figure 2**  
**Plan Payments Projected for Pacific**  
**for Simulated Performance Outcomes**



We summarize each proposed plan briefly by discussing the primary components of the plans and the major differences between them. The complete details of each proposed plan were filed in this proceeding as noted below in the discussion of each plan.

### **A. Pacific's Proposed Plan**

Pacific's proposed plan is documented in its March 23, 2001 filing in this proceeding.<sup>14</sup> Pacific's performance incentives plan has a monthly payment cap equal to three percent of its annual net return from local exchange service. Thus, on a yearly basis, the maximum available payment amount would equal thirty-six percent of Pacific's annual net return from local exchange service. These amounts are approximately \$46 million monthly and \$550 million yearly.<sup>15</sup> However, the full amounts would not be paid absent a formal Commission review. A maximum of \$10 million total per month and \$3 million per CLEC per month could be paid without review in a formal proceeding. Pacific Plan at 3, (March 23, 2001).

Pacific's plan pays Tier I assessments to the CLECs, and Tier II assessments to either the CLECs or a public fund. Tier I assessments are based on each CLEC performance result regardless of the volume of transactions. For example, if one CLEC's results are identified for payment on a sub-measure such as phone service provisioning, and it had 10 transactions (in this case provisioning orders), and another CLEC's results for the same sub-measure are identified for payment based on 300 transactions, the payments would be equal. Pacific's plan would not adjust payments based on the severity of poor performance. Tier II assessments are made by combining all CLEC results for each sub-measure to create an industry-wide assessment of sub-measure

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<sup>14</sup> *Pacific Bell Telephone Company's (U 1001 C) Submission of Performance Remedies Plan, ("Pacific Plan")*, filed March 23, 2001.

<sup>15</sup> Pacific's net return for local exchange service in the year 2000 was \$1,527,942,000. Thirty-six percent of this amount is \$550,059,120. Three percent of this net return amount is \$45,838,260. See Appendix C (ARMIS 43-01 Cost and Revenue Table).

performance. Only sub-measures with an all-CLEC total of 30 transactions or more are assessed for Tier II payments. *Id.* at 11.

Pacific's plan "forgives" statistically identified failures that under optimal conditions could be attributed to random variation.<sup>16</sup> With the 0.10 critical alpha required by D.01-01-037, under these optimal conditions we should expect an *average* of 10 percent of the statistical test results to be identified as performance failures even when parity exists.<sup>17</sup> Pacific's plan assumes that the percent of failures will vary from the ten percent average each month, and bases its number of "forgiven" failures on a statistical estimate, "F," representing the most failures that can be expected ninety percent of the time.<sup>18</sup> *Id.* Thus for single-month performance results, Pacific's plan requires no payments when "F" or fewer tests fail. Currently, fewer than "F" tests are failing each month.<sup>19</sup> When more than "F" tests fail, Pacific's plan will only require payments for the

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<sup>16</sup> Pacific states that these optimal conditions would be: (1) all sub-measures operating at exact parity, (2) all the assumptions of the statistical tests are satisfied, and (3) all the sample sizes are large. *Pacific Bell Telephone Company's (U 1001 C) Reply Comments on Commission's Initial Report on OSS Performance Results Replication and Assessment ("Pacific Repl. Comm. OSS Results")*, July 6, 2001 at 5.

<sup>17</sup> When performance is equal except for random variation.

<sup>18</sup> At parity, one month might result in 11 percent failures, then next 9 percent failures, and so forth. Pacific's "F" table value represents the number of failures that could be expected under parity conditions, except for the highest ten percent of the time. For example, if out of one hundred monthly assessments under parity conditions we would expect statistically to fail greater than 15 percent of the measures less than ten percent of the time, then "F" would be set to 15 percent.

<sup>19</sup> For the months October through December 2000, Pacific performance averaged a statistical test failure rate of 9.6 percent, as illustrated in the Telecommunications Division's *Initial Report on OSS Performance Results Replication and Assessment (Init. Rept. on OSS Perf.)*, June 15, 2001 at 18. More recent performance data obtained by staff from Pacific for May 2001 shows a statistical test failure rate of 8.8 percent.

number of failures that exceed “F.” For example, if “F” represented twelve percent of the statistical tests, and fourteen percent of the tests failed, Pacific would only be assessed payments for two percent of the test results.

The payment amounts in Pacific’s plan are also based on the pervasiveness of poor performance.<sup>20</sup> Specifically, the payment amounts increase as the percentage of statistically identified “failures” that exceed the number of “forgiven failures” increases. For example, if out of 100 results for a particular CLEC in one month there were twenty-two total identified failures with fourteen “forgiven” failures and eight “unforgiven” failures, the net failure percentage would be 9.3 percent.<sup>21</sup> In this case, Pacific’s plan would assess a \$100 Tier I payment for each of the “unforgiven” eight failures. *Id.* at 12. In this same example, if there were twenty-three total identified failures, there would be nine “unforgiven” failures with a net failure percentage of 10.5 percent.<sup>22</sup> With this outcome a \$200 Tier I payment for each of the “unforgiven” nine failures would be assessed. *Id.* Payments range between \$100 and \$2000 per failure, depending on the degree of pervasiveness. The Pacific plan also assesses payments for repeated failures. Payments for three consecutive monthly (“chronic”) failures

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<sup>20</sup> “Pervasiveness” refers to the extent of poor performance to a CLEC’s customers. Pervasiveness is generally defined as the percentage of the total number of results that fail.

<sup>21</sup> In this example, 22 failures exceed the 14 allowed failures by 8 failures, which represents 9.3 percent of the total results excluding the forgiven failures:

$$(22 - 14) / (100 - 14) = .093, \text{ or } 9.3 \text{ percent.}$$

<sup>22</sup> In the second example, 23 failures exceed the 14 allowed failures by 9 failures, which represents 10.5 percent of the total results excluding the forgiven failures:

$$(23 - 14) / (100 - 14) = 0.105, \text{ or } 10.5 \text{ percent.}$$

range between \$250 to \$6000 and payments for six consecutive monthly ("extended chronic") failures range between \$400 and \$7000, depending on the degree of pervasiveness. *Id.*

Pacific does not explain how these dollar amounts were derived. However, Pacific presents an estimate of the economic impact of non-parity performance and asserts that the payment amounts generated by the plan exceed the economic impact of non-parity. For example, while Pacific's plan would assess a \$497,900 total payment for year 2000 performance, which passed "just under 90%" of the sub-measures, Pacific estimates that the "upper bound" of economic harm to the CLECs for much worse performance would only be \$219,080.<sup>23</sup>

Pacific proposes several conditions for applying a "conditional" 0.20 critical alpha level.<sup>24</sup> The conditional alpha level would be used only for the

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<sup>23</sup> Seventy percent pass rate. See Pacific Open. Comm., May 18, 2001 at 11-12.

<sup>24</sup> In the *Interim Decision* we directed parties to propose conditions for using a 0.20 critical alpha level to increase test power. *Interim Decision*, January 18, 2001, at 147, Ordering Paragraph (OP) 14. Our use of the term "alpha level" refers to the probability that random variation would produce results identified as "failing" even though OSS processes were operating fairly. ("Failing" results refers to poorer OSS performance for CLEC customers as compared to ILEC customers, i.e., results that are statistically significant.) For example, because of "the luck of the draw" (random variation), CLEC customers might receive worse service, i.e., longer phone service installation times, even though there was no discrimination in any aspect of the ILECs' installation assignments, services, etc. The alpha level is a measure of a decision error, or Type I error. "Critical alpha level" refers to the maximum error that will be accepted in a decision. A statistical test calculates alpha probabilities for a performance result. Any result with an alpha probability that exceeds the critical alpha level (e.g., in this case, 0.22 would exceed the critical alpha level of 0.20) would not be deemed a performance "failure" even though actual performance to CLEC customers was worse than service to ILEC customers. On the other hand, any result with an alpha probability less than the critical alpha level (e.g., in this case, 0.18) would be deemed a performance "failure." In other

*Footnote continued on next page*

monthly statistical tests that are used to identify Tier II assessments. Tier II assessments are limited to industry aggregate sample sizes of thirty cases or more that fail three consecutive months and exceed the permissible failure rate allowed by the mitigation provisions. Tier II payments range from \$500 to \$8000 per “unforgiven” failure depending on failure pervasiveness. *Id.* at 10-12.

### **B. CLEC Proposed Plan**

The CLEC’s proposed plan is documented in its May 11, 2001 filing in this proceeding.<sup>25</sup> The CLEC’s performance incentives plan has the same monthly payment cap as Pacific’s. As noted in the above description of Pacific’s plan, these amounts are approximately \$46 million monthly and \$550 million yearly.<sup>26</sup> As with Pacific, the full payment amounts are not available without a formal review. In contrast to the Pacific plan, the CLEC plan would place a limit, or “procedural cap,” only on Tier I payments that were neither severe nor chronic (repeated). The procedural cap would be \$10 million total per month with no limit for individual CLECs. CLEC Plan at 20-21, (May 11, 2001).

In the CLEC’s plan the ILECs would pay Tier I assessments to the CLECs, and Tier II assessments to a public fund. Similar to Pacific’s plan, Tier I assessments are not adjusted by transaction volumes, and Tier II assessments are made by combining all CLEC results for each sub-measure to create an industry-

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words, in identifying performance as failing, we would only accept a twenty percent or less chance that random variation, and not actual discrimination, caused the poorer performance result. See also, *Interim Decision*, January 18, 2001, at 59-69 and 70.

<sup>25</sup> *Revisions to Participating Competitive Local Exchange Carriers' Performance Incentives Plan*, (“CLEC Plan”), filed May 11, 2001.

<sup>26</sup> The CLECs’ calculations were based on 1999 data. CLEC Plan, May 11, 2001 at 12. The calculations here are based on 2000 data as listed in Appendix C.

wide assessment of sub-measure performance. However, in contrast to Pacific's Tier II proposals, payments can be assessed without repeated failures, and the smaller transaction volume sub-measures are not excluded. Also in contrast to Pacific's plan, the CLEC plan would adjust payments based on the severity of the performance "failure," although the CLEC plan does not use a direct measure of severity. The plan uses a method based on statistical failure probability estimates. Essentially, the CLEC plan interprets lower p-value statistical failures as more severe failures, based on the premise that as failure severity increases, the statistical test will produce lower p-values reflecting the decreased likelihood of severe occurrences under parity conditions. *Id.*, at 7-8.

The CLEC's plan also "forgives" some statistically identified failures. While the stated "forgiveness" percentage is fifteen percent, it does not apply to aggregated small samples or to severe failures. As a consequence, the actual "forgiveness" percentage is not evident and must be calculated from the data. For example, if fifteen percent of the sub-measures were to fail and half the failures were severe, then the forgiveness rate would be 7.5 percent. Consequently, we cannot determine how this "forgiveness" mechanism compares to Pacific's ten-percent mechanism. However, as we discuss later in this decision, the relative impact of the different forgiveness mechanisms can be compared by examining the overall plan results as presented in Appendix B.

The CLECs propose that a 0.20 critical alpha be applied to small sample sizes. The application is limited by the condition that sample sizes do not reach 30 cases. The CLECs' intent was to increase test power where it is most needed, small samples. Apparently recognizing the congruent problem of too much power, the CLECs have offered to decrease test power for the industry-aggregate performance results (Tier II) by using a smaller critical alpha, 0.05. *Id.* at 5-7 and 16-17. The CLECs justify their Tier II smaller alpha by pointing out that



industry-aggregates samples are likely to be larger than individual CLEC samples, and thus already have greater test power. *Id.* at 5.

### **C. Verizon's Proposed Plan**

Verizon's proposed plan is documented in its May 4, 2001 filing in this proceeding.<sup>27</sup> Verizon's performance incentives plan sets monthly payment caps for the first three years based on the Verizon (GTE-Bell Atlantic) merger conditions.<sup>28</sup> Verizon's proposed annual maximum possible cap is \$19.8 million the first year, \$29.7 million the second year, and \$39.6 million the third year. The monthly caps are one-twelfth of these amounts, 1.65 million, 2.475 million, and 3.3 million, for the respective years. In contrast to the Pacific and CLEC plans, the full payment amounts are available without a formal review.

In Verizon's plan the ILECs would pay Tier I and II assessments to the CLECs. In contrast to Pacific's plan, Tier I assessments are based on transaction volumes. Generally, payments are based on the number of CLEC customers who experience service worse than the average level for ILEC customers. Verizon's Tier II assessments are the same as Pacific's, except that Verizon specifies that payments go to the CLECs. Verizon Plan at 15-16.

The Verizon plan would adjust payments based on the severity of the performance "failure." Severity is determined by a similar metric as the one used to adjust payments by transaction volumes. The percentage of CLEC customers who experience service worse than the average level for ILEC customers

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<sup>27</sup> *Revised Interim Verizon Performance Plan for the State of California*, ("Verizon Plan"), filed May 4, 2001.

<sup>28</sup> *Re GTE Corporation and Bell Atlantic Corporation, Application for Consent to Transfer Control, etc*, FCC 00-221, CC Doc. No. 98-184, Memorandum Opinion and Order, June 16, 2000, Attachment A-6, p. A-6-1; as cited in Verizon Plan at 9, (May 4, 2001).

determines severity. The severity calculation increases as the percentage of disadvantaged CLEC customers increases. *Id.* at 11-14.

Verizon's plan also "forgives" some statistically identified failures for Tier I results. Similar to Pacific's "F" value described earlier, Verizon has created a "K" table that specifies the number of permitted failures depending on the number of submeasure results for a CLEC in a month. The "K" table allows between about thirteen and twenty percent of the submeasure results to be "forgiven." For example, if a CLEC had fifteen submeasure results in one month, then three (twenty percent) could be forgiven if they failed. If a CLEC had 236 submeasure results in one month, then thirty (12.7 percent) could be forgiven if they failed. *Id.*, App. D. at 32.

Verizon's plan also differs from the other plans in that it pays on a smaller set of performance measures. While other plans exclude some measures consistent with the *Interim Opinion*, Verizon excludes several additional measures because it views them as redundant or correlated to other paying measures. *Id.* at 4-7. Verizon's conditional 0.20 critical alpha proposal is the same as Pacific's except that Verizon specifies that Tier II payments would go to the CLECs, with no option for payment to a public fund as Pacific provides.

#### **D. ORA's Proposed Plan**

ORA's proposed plan is documented in its May 4, 2001 filing in this proceeding.<sup>29</sup> Unlike the other parties, ORA's has not included payment caps in its performance incentives plan. ORA is concerned that payment caps can result in disincentives for good service:

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<sup>29</sup> *Updated Interim Incentive Model*, ("ORA Plan"), filed May 4, 2001.

“Payment caps not only cap payments, they also place a cap on service improvements. Service is effectively capped because both absolute and procedural caps provide the ILEC with an incentive to allow service to deteriorate once the cap is reached.” ORA Plan at 11, (May 4, 2001).

In contrast to other plans, ORA’s preferred plan would have the ILECs pay assessments primarily to individual ratepayers. ORA bases its payment distribution on the principle that payments should go to “the same entities (primarily business and residential ratepayers) who are paying for the infrastructure changes and upgrades that the ILECs assert were required to effectuate local exchange competition.” *Id.* at 3. ORA’s preferred plan would have the ILECs pay ninety-three percent of the assessments to individual ratepayers, one percent to the CLECs, and six percent to interexchange carriers (IECs). *Id.* at 4. ORA’s plan does not have different tiers, as do the other plans. ORA’s plan is entirely based on individual CLEC sub-measure results each month, similar to the Tier I structure of the other plans. *Id.* at 11.

Similar to Pacific’s and the CLECs’ plans, ORA’s assessments are not adjusted by transaction volumes. Similar to the CLECs’ plan, the ORA plan would adjust payments using statistical test outcomes as indirect performance “failure” severity measures. *Id.* at 11-12. In contrast to the other plans, ORA’s plan does not forgive any statistically identified failures. Additionally, ORA’s plan does not specify a *conditional* 0.20 critical alpha level. While ORA’s plan lists a 0.20 alpha level, it gives no indication of when it is to be used. *Id.* at 7, 16-18, and 23-24.

#### **IV. Discussion**

##### **A. Payment Caps**

Both Pacific and the CLECs recommend an annual payment cap of thirty-six percent of the annual net return from local exchange service. Pacific

Plan at 16; CLEC Plan at 12. This is the same percentage amount as implemented in four of the seven states that have obtained Section 271 approval, and is very close to the amounts in two other states.<sup>30</sup> Verizon proposes smaller amounts.<sup>31</sup> ORA proposes that there should be no cap. We are not persuaded by either ORA's or Verizon's presentations, and find no reason to depart from the precedent set in the states with Section 271 approval.<sup>32</sup> Given the wide variation of payment amounts that the various plan proposals have generated in this proceeding, we believe it unwise to have no cap at all. Adopting a reduced amount could weaken the incentive effect of an incentives plan. Having no cap

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<sup>30</sup> Payment caps in New York, Texas, Kansas, and Oklahoma are 36% of net return. *Bell Atlantic New York Order* ("FCC BANY Order"), 15 FCC Rcd at 3971, ¶ 436; *SWBT Texas Order* ("FCC Texas Order"), 15 FCC Rcd at 18354, ¶ 424; *SBC Kansas-Oklahoma Order* ("FCC Kansas-Oklahoma Order"), 16 FCC Rcd at 6237, ¶ 274. The payment cap in Massachusetts is 39% of net return. *Verizon Massachusetts Order* ("FCC Massachusetts Order"), 16 FCC Rcd at 9118, ¶ 241 and fn. 769. The payment cap in Connecticut is proportional to the New York amount, based on the relative number of lines. *Verizon Connecticut Order* ("FCC Connecticut Order"), 16 FCC Rcd at 14181, ¶ 76; *Application By Verizon New York For Authorization To Provide In-Region, Interlata Services In Connecticut*, at 78 (April 23, 2001). Payment caps have yet to be established in Pennsylvania. *Verizon Pennsylvania Order* ("FCC Pennsylvania Order"), 16 FCC Rcd at 17489, ¶ 130, fn. 445.

<sup>31</sup> Verizon proposes approximately \$20 million, \$30 million, and \$40 million annual payment caps in the first, second, and third years of incentive plan operation. In contrast, given that Verizon's net return from local exchange service is \$461,450,000, a cap consistent with the Pacific and CLEC proposals in California, and consistent with Section 271 approvals in other states, would be thirty-six percent of this amount, or about \$166 million. See Appendix C (ARMIS 43-01 Cost and Revenue Table).

<sup>32</sup> In their comments to the draft decision, the CLECs ask us to adopt a cap of thirty-nine percent of net return, stating that recent 271 applications have included this increased percentage. *Opening Comments of the Participating Competitive Local Exchange Carriers on the Draft Decision Adopting a Performance Incentives Plan* ("CLEC Open. Comm. DD"), December 28, 2001. However, the record in this proceeding is insufficiently developed for us to know whether the conditions leading to the increased caps apply to Pacific and California. Consequently, we deny the CLECs' request.

could subject an ILEC to unintended and virtually unlimited financial liability. Regarding ORA's concern that a cap could become a disincentive for performance improvements, the FCC has pointed out that no incentive plan needs to be sufficient, standing alone, to counterbalance an ILEC's incentive to discriminate.<sup>33</sup> For the above reasons, we adopt the absolute caps defined as thirty-six percent of net return from local exchange service. These amounts will be calculated from the most recent ARMIS data and updated each year as soon as new data is available.

Pacific and the CLECs also propose "procedural caps" that limit the payment amounts without formal review. It is notable, however, that Verizon's monthly payment cap amounts are about the same as Pacific's procedural cap amounts when pro-rated by the two companies' different annual net return amounts.<sup>34</sup> While we appreciate that our incentive plan should be self-executing without time consuming delays for reviews, we realize that unforeseen circumstances can arise that might place an ILEC in a financially liable situation that we might not intend. We will adopt procedural caps to help balance the need for self-executing payments with the need to protect against unintended financial liability. We agree with Pacific that these caps should have no exclusions.<sup>35</sup> We will adopt procedural payment caps proportionate to those in

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<sup>33</sup> The FCC lists other remedies that can be applied. See FCC BANY Order, ¶ 435.

<sup>34</sup> With Pacific's annual net return at \$1.5 billion and a proposed monthly cap of \$10 million, if Verizon had set a comparable procedural cap relative to its net return of \$461 million, it would be \$3 million per month, would exceed the absolute cap for the first two years, and would be about the same as the absolute cap for the third year.

<sup>35</sup> *Pacific Bell Telephone Company's (U 1001 C) Opening Comments on Performance Remedies Plan (May 18, 2001)* at 22-23 ("Pacific Open. Comm.").

New York and Texas because the California procedural payment caps should reflect the larger net return amounts at stake. We will adopt total monthly procedural payments caps of \$15 million and \$4.5 million for Pacific and Verizon, respectively. We will not adopt individual payment limits to individual CLECs, as we do not have sufficient record evidence and justification for such limits.

### **B. Mitigation**

Since statistical tests do not eliminate all the error associated with performance assessment decisions, several parties have pressed for provisions that reduce, or mitigate, the remaining error. These mitigation provisions essentially would allow a certain number of statistically-identified performance failures to be “forgiven,” under the rationale that random variation, not inferior performance, would cause some failure identifications.

As discussed at length in D.01-01-037, our January 18, 2001 decision (*Interim Opinion*) establishing the statistical model for identifying deficient ILEC OSS performance, statistical tests can only provide estimates of the likelihood that a decision made about any given performance result might be in error. *Interim Opinion* at 59-69. Our *Interim Opinion* discussed the two fundamental types of error, Type I and Type II error. Type I error occurs when OSS processes for ILEC and CLEC customers operate at parity, but random variation causes us to identify the results as inferior for CLEC customers (non-parity). We set a cut-off point limiting the likelihood of a Type I error at 10 percent (0.10 critical alpha). Thus under ideal conditions,<sup>36</sup> we will label parity performance as non-parity performance ten percent of the time. We did not set the critical alpha to be smaller because in doing so we increase Type II error. Type II error occurs

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<sup>36</sup> As discussed *infra*, measurement conditions are not ideal.

when an OSS process for CLEC customers is inferior to that provided ILEC customers, yet our statistical decision identifies the results as parity performance. Our analyses determined that while Type I error was fixed at ten percent, Type II error far exceeded that amount. *Interim Opinion*, Appendix F. We instructed parties to propose ways to strike a better balance between Type I and Type II errors by proposing conditions for using a 0.20 critical alpha, which would decrease Type II errors.<sup>37</sup>

However, the new provisions the ILECs have proposed in response to our instructions in the *Interim Opinion* only reduce Type I error.<sup>38</sup> Pacific and Verizon have proposed that failure identifications equal to the number of expected Type I errors be forgiven. For the monthly identifications, which have a ten percent critical alpha, Pacific and Verizon propose incentive payments only when the number of failure identifications exceeds ten percent.<sup>39</sup> That is, at least ten percent would be forgiven. Pacific's Plan at 9-11; Verizon's Plan at 31-32.

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<sup>37</sup> Contrary to concerns raised by Pacific's comments on the draft decision, we have not instructed parties to achieve an actual balance of Type I and II errors or probabilities in their proposals for this decision. *Pacific Bell Telephone Company's (U1001 C) Opening Comments on Draft Decision on the Performance Incentives Plan* ("Pacific Open. Comm. DD"), December 28, 2001 at 7, 13. We have only instructed parties to apply a 0.20 critical alpha to a result subset to *reduce* the previously documented *imbalance* of probabilities. *Interim Opinion*, App. F. Even if the increased Type I error rate of 0.20 was applied to all parity tests, the average Type II error rate would still be twice as large even when we limit detection to performance two times worse to CLEC versus ILEC customers. *Id.* App. F at 2. Parties have been instructed to attempt actual alpha/beta balancing only after the current plan has been in effect. *Interim Opinion* at 147.

<sup>38</sup> *Interim Opinion* at 147. While both ILECs propose a conditional 0.20 critical alpha level, their proposals only extend to consecutive failures, which increase Type II error relative to Type I error. We discuss this further in a subsequent section below.

<sup>39</sup> The actual percentage is greater than ten percent as we discuss later in this decision, but for the purposes of illustration here we use the ten percent figure.

For the repeated failure identifications, Pacific proposes that a percentage equal to or greater than the resultant critical alpha be forgiven for three-month consecutive failure identifications, but not for six-month identifications. The resultant three-month failure identification critical alpha is 0.001, or 0.1 percent.<sup>40</sup> Pacific does not propose forgiveness for six-month failures because the resultant Type I error is negligible. Pacific Open. Comm. at 17. For example, with a monthly 0.10 critical alpha, the six-month resultant critical alpha would be 0.000001, or one-in-a-million.<sup>41</sup> With approximately 4,000 tests per month, erroneous failure identifications would be extremely rare.

We must confront two issues in deciding whether to include a Type I mitigation component in the plan we establish today. First, any mitigation proposal must be viewed in the context of both Type I and Type II error. While Type I error mitigation may be rationally justified for reducing Type I errors under parity conditions, its justification is less clear under non-parity conditions. In short, we must examine how Type I error mitigation affects Type II error. Second, we must know that the statistical test assumptions behind the rationale for the mitigation plans are satisfied. For example, it was apparent during deliberations on the *Interim Opinion* that available statistical applications are not

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<sup>40</sup> For example, out of 1000 statistical tests, with a critical alpha of 0.10, in the first month we would expect 100 failures to be identified even though true parity exists. Because these errors are random under parity, we would not expect all the same to be identified the second month. We would again expect 10 percent to be identified, resulting in 10 remaining failure identifications. The third month we would again expect ten percent of the remaining identifications to be identified, resulting in one remaining identification. This resultant critical alpha can be calculated by multiplying the monthly critical alphas ( $0.10 \times 0.10 \times 0.10 = 0.10^3 = 0.001$ , or 0.1%).

<sup>41</sup>  $10^6 = 0.000001$ , or 0.0001 percent.



perfect. The question for us now is whether any un-met assumptions for those tests will distort the normal relationship between the critical alpha and the expected number of Type I errors.

### **1. Type II Error**

As stated in the *Interim Opinion*, with Type I error fixed at ten percent, we found that estimates for Type II error were much higher.<sup>42</sup> Since Type II error only can occur when OSS processes are not operating at parity, it is critical to examine current OSS performance. If we could be confident that parity exists, then we could be confident that mitigation plan use would be advised at least in the short term. However, if we find evidence for non-parity, then we must ensure that using a mitigation provision will not cause undue forgiveness of performance needing remediation.

On June 15, 2001, the Telecommunications Division issued a report examining Pacific's OSS performance for October through December 2000.<sup>43</sup> Those months were the most recent months available when staff began its study. We now have the benefit of that report and the parties' comments. The report concluded that there were two sources of evidence for non-parity. First, the distribution of p-values provided evidence for both inferior and superior non-parity performance. *Init. Rept. on OSS Perf.* at 7-9. Second, the incidence of chronic performance failures provided additional evidence for inferior non-

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<sup>42</sup> These estimates were based on selected alternative hypotheses. That is, two estimates were made: What would the Type II error be if (1) performance was 50% worse for the CLECs, or (2) performance was 100% worse for the CLECs. *Interim Opinion*, App. F. at 2, Tables 1 and 2.

<sup>43</sup> *Initial Report on OSS Performance Results Replication and Assessment*, ("Init. Rept. on OSS Perf."), California Public Utilities Commission, Telecommunications Division, June 15, 2001.

parity performance. *Id.* Because of this evidence indicating that Type II errors are likely, we are reluctant to mitigate Type I error further than we already have.<sup>44</sup>

Verizon is critical of our attention to Type II errors, but neglects to recognize the core problem. Verizon Open. Comm. at 23–28 (May 18, 2001). The problem with Type II errors is that poor performance to a CLEC is essentially ignored. To the contrary, Verizon asserts that a Type II error has “no adverse outcome to the CLEC or its customers.” *Id.* at 26. To explain its views, Verizon presents a baseball strike zone as an analogy to ILEC OSS performance to ILEC and CLEC customers.<sup>45</sup> In this analogy, a pitching machine represents ILEC OSS, and batters represent ILEC and CLEC customers. The better pitches, or “strikes,” represent the better OSS performance, whereas the pitches outside the “strike zone” represent the poorer OSS performance. Since this analogy is supposed to illustrate parity performance results, the only relevant issue here is the comparison between the accuracy of “pitches” to CLEC customers versus the accuracy of “pitches” to ILEC customers. Performance is considered failing when CLEC customers’ “pitches” are further from the center of the “plate” than are ILEC customers’ “pitches.” The illustration analogy for performance result

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<sup>44</sup> We note that we have already built in considerable protection against random variation. As we discussed in the *Interim Opinion*, even when OSS performance to CLEC customers is worse than performance to ILEC customers, a performance failure is not identified unless the result passes a statistical test. All the instances where CLEC customers receive worse OSS performance are essentially “forgiven” if the statistical test criteria are not met. For example, in December 2001, individual CLECs collectively received poorer service on twenty-eight percent of the sub-measures. Since the 0.10 critical alpha criterion is only met by about eight percent of the results, our “forgiveness” rate is about twenty percent.

<sup>45</sup> Verizon’s illustrations are reproduced here in Appendix D.

sample sizes is the number of “pitches.” Verizon does not adequately describe any OSS performance analogy for the differences in the size of the strike zone (Verizon Open. Comm. at 28), and we find no relevance in this proceeding for this element of their analogy.

We find that Verizon’s analogy fails to support its conclusions regarding the impact of Type II errors. For example, on page 27 of its comments, Verizon asserts that it presents an illustration of a Type II error. However, in its “strike zone” analogy, Verizon asserts that when a CLEC receives two “perfect strikes” and the statistical test passes, a classic Type II error results. This analogy is inadequate. When actual sub-measure performance to CLEC customers is better than performance to ILEC customers as in this illustration, one-tailed statistical tests cannot fail. A one-tailed test can only find *worse* performance to be statistically significant.<sup>46</sup> Thus at the level of performance to an *individual* CLEC, the basic premise of a Type II error, that *worse* performance not be identified as a failure, is not illustrated in Verizon’s page 27 example. Verizon’s analogy does not account for the potential of discrimination at the individual CLEC level.

The negative effect of a “classic” Type II error on a CLEC is best illustrated in Verizon’s comments at pages 26 and 25. In the page 26 illustration, the CLEC receives worse service, but the test criteria are not met. Verizon agrees this may be a Type II error. Verizon Open. Comm. at 25-26. Additionally, even though Verizon presents the results in the illustration on page 25 to be an

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<sup>46</sup> We use the word “worse” with its common meaning, e.g., longer phone service installation times. We distinguish “worse” from “statistically significantly worse.” The latter occurs when CLEC customers’ longer phone service installation times are identified as a performance failure by a statistical test.

instance where a failure is statistically identified, because of the small sample the illustration is more likely to represent an instance where there is insufficient test power to identify this result as a failure. Thus, for this CLEC, it also could be a Type II error.<sup>47</sup> The CLEC's customers would be disadvantaged and there would be no incentive payment to motivate the ILEC to provide better service. Pacific acknowledges the potential Type II error harm to CLEC customers by recognizing that even when CLEC customers notice they are getting worse service, the results may not fail the parity test. Pacific Open. Comm. DD at 6. In summary, for the above reasons we are not persuaded by Verizon's argument that "the consequences of a Type II error result in no adverse outcome to the CLEC or its customers." Verizon Open. Comm. at 26.

We are concerned that the mitigation proposals reduce the number of Type I errors at the cost of producing more Type II errors. In every instance where an identified failure is "forgiven," performance to a CLEC's customers is worse than performance to the ILEC's customers. While at a theoretical level, some of these identifications may be Type I errors, we cannot ignore the fact that the inferior performance disadvantages the CLEC. Given this disadvantage, especially under overall non-parity conditions, an increment in the Type II error rate is likely.

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<sup>47</sup> While the setting of the "pitching machine" is an important premise in Verizon's analogy, one only can see the results and can never know the "setting" of the "machine." With Verizon's premise that the pitching machine is fairly set, their analogy may or may not be a Type I error depending on the power of the test. With low power, the results will not be identified as failing and no Type I error will be made. Our point here is that for any given result, one cannot know the "setting," and that these results are more likely to have been produced by a unfair "setting," and yet not fail the statistical test even though the actual pitches are "worse."

## **2. Statistical Test Assumptions**

Evidence from the distribution of p-values was the most controversial issue regarding OSS performance assessment. Most importantly, Pacific pointed out the fallacy of the assumption that under parity conditions the expected average Type I error incidence would equal the critical alpha level. Pacific stated that for this equality to occur, three conditions must be met:

“If we were to assume that:

- 1) all sub-measures operate exactly at parity,
- 2) all the assumptions of the statistical tests are satisfied,  
and
- 3) all the sample sizes are large,

then we should observe that 1% of sub-measures have p-values of .01, and so forth. But none of these assumptions is completely satisfied. It is very unlikely that all the sub-measures operate exactly at parity, nor is it likely that the statistical tests we want to use are completely appropriate to the problem, and it is certainly not true that all sample sizes are large. Therefore, it should not come as a surprise that the percentage of p-values less than .01 is not 1%.” Pacific Reply Comm. OSS Results at 5-6 (July 6, 2001).

The evidence before us indicates that for the purposes of justifying current mitigation proposals, none of these assumptions are sufficiently satisfied. The tests we have selected, and the application of those tests, were based on the need for a practical application to existing conditions. For example, we cannot dictate sample sizes for any test as could be done in an academic application. Sample sizes are determined by many operational, business, and regulatory factors. Consequently, we must test using samples smaller than are optimal for the statistical tests. Another example is the use of statistical tests for average-

based performance measures. While the log transformation required by the *Interim Decision* may bring the performance data distributions closer to normality and thus improve the t-test application, normality was not completely achieved.

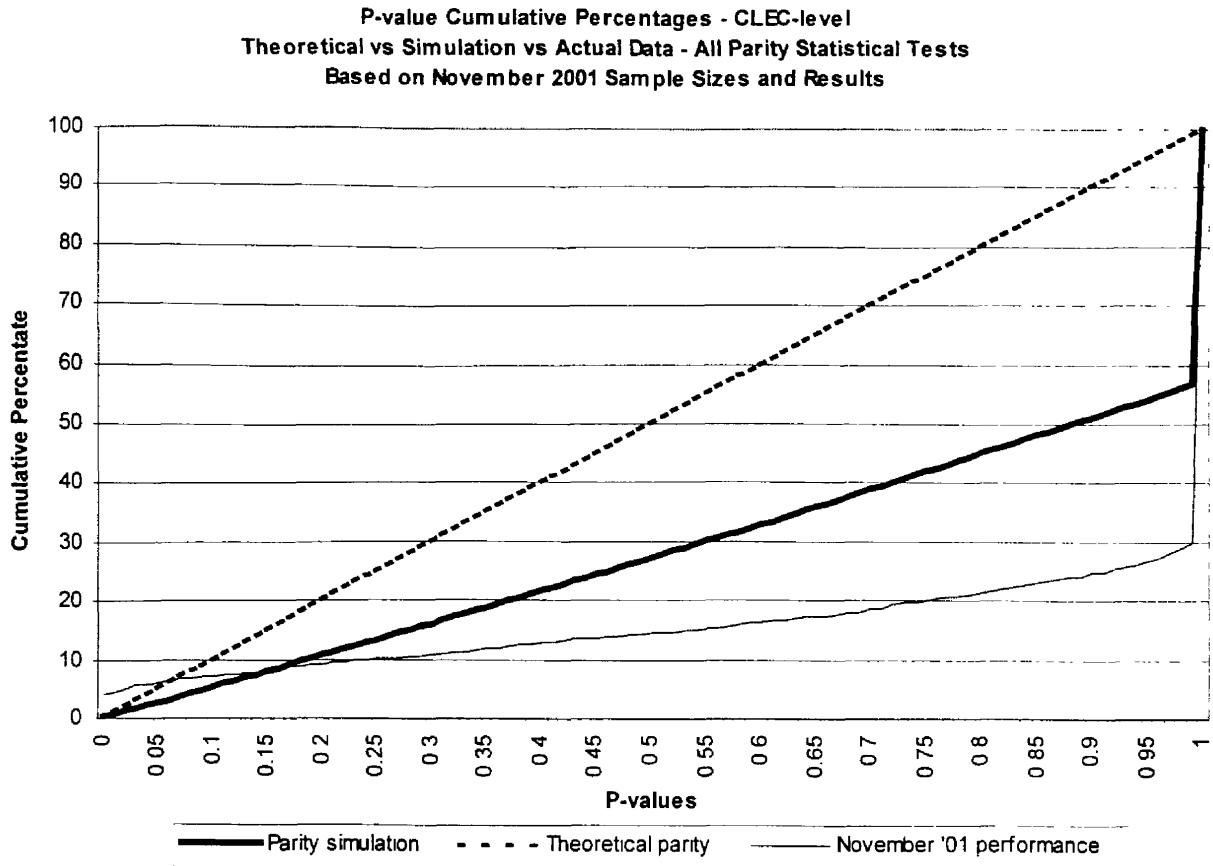
Pacific and ORA both questioned staff's conclusions regarding the high incidence of p-values close to "1.0." Pacific Reply Comm. OSS Results at 8; ORA Open. Comm OSS Results at 5-8 (June 29, 2001). In its report, staff concluded that the dramatic departure from the expected proportions indicated that Pacific was often providing CLEC customers service so superior that performance results for these services were not subject to statistical failure identification. If this were the case, then it would increase the number of high p-values and reduce the number of expected low p-values. In the spirit of ongoing technical development stated in the report,<sup>48</sup> the staff investigated this issue further. Upon request of staff, Pacific earlier had simulated parity OSS performance using the Interim Decision statistical model, Pacific's performance, and Pacific and CLEC sample sizes from December 2000. The premise of the investigation was that the simulation would forecast the possible outcomes if future performance were to improve or worsen. However, the simulations may also illustrate the effects of the departure from the optimal conditions needed to rely on the alpha/p-value distribution relationship, as illustrated below. Figure 3 shows three relationships. First, it shows the theoretical straight-line relationship between selected alpha levels and p-value cumulative percentages. Pacific's and Verizon's mitigation plans are based on this theoretical relationship. Second, the line depicting actual OSS performance begins above the theoretical

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<sup>48</sup> See Init. Rept. on OSS Perf. at 2.

line but continues mostly below that line.<sup>49</sup> Third, the line depicting simulated parity performance begins and stays below the theoretical line.

Figure 3



Several conclusions can be drawn from this graph. First, the considerable discrepancy between the parity simulation distribution and the theoretical distribution shows the effects of the departure from optimal statistical conditions. This provides evidence that we cannot simply “forgive” a percentage

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<sup>49</sup> This graph was updated from the draft decision to incorporate the changes made for the final performance incentives plan herein.

of failures equal to, or greater than, the critical alpha level. For example, at a 0.10 critical alpha level, using the *Interim Opinion* tests and actual performance parameters, the graph shows that we should only expect about five percent failure identifications overall. Second, to the extent that the simulations are accurate, the *similarity* between the simulation and actual performance distributions shows that much of the high incidence of “better service” results is actually an artifact of the statistical test applications. All of the departure from the theoretical cumulative distribution cannot be attributed to “better service” as suggested in staff’s June 15, 2001 report. Init. Rept. OSS Perf. at 9. Additionally, the *differences* between the simulation and the actual performance distributions represents poorer *and* better than parity service at the left and right portions of the graph, respectively.

Although we have evidence that statistical test artifacts cause much of the departure from the theoretical optimal cumulative p-value distribution, we are not persuaded by some parties’ comments that the provision of exceptionally good service does not affect mitigation appropriateness. Specifically, Pacific asserts that to not forgive 10 percent of the statistically identified failures because an ILEC otherwise provided “ultra-good service” would be “perverse.” Pacific Reply Comm. OSS Results at 2–4. Pacific argues that “the notion that exemplary performance should decrease the allowance for random variation is unfounded, unfair, and counter to the principles of a fair incentive plan.”<sup>50</sup>

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<sup>50</sup> Ex Parte contact on July 25, 2001, by Ed Kolto, General Attorney, and Eric Batongbacal, Executive Director-Regulatory, Pacific Bell Telephone Company, with Lester Wong, Advisor to Commissioner Bilas.  
<http://www.cpuc.ca.gov/published/proceedings/19710017.htm>.



We disagree with Pacific's assertions and arguments here for two fundamental reasons. First, the purpose of this incentive plan is not to reward or credit an ILEC for giving an OSS competitive advantage to the CLECs. The limited purpose is to ensure that an ILEC does not present OSS barriers to the CLECs. The role of an incentive plan is to ensure an ILEC removes all OSS barriers, regardless of whether an ILEC chooses to otherwise provide exceptionally better service. To allow provision of exceptionally better service to offset instances of poor service would be contrary to our goals here.<sup>51</sup> Additionally, it would set up rewards for gaming behavior. For example, an ILEC could give exceptionally good service for all but the most profitable ten percent of the sub-measures, and provide real OSS barriers for the remaining ten percent. With a ten percent mitigation plan, there would be no payments even for such purposeful anti-competitive behavior. In fact, a ten percent mitigation plan could function as an incentive for gaming behavior.

We also do not accept Pacific's reasoning when it asserts that ten-percent forgiveness is warranted in two scenarios: (1) a "perfect parity" scenario with ten percent "ultra-superior service," eighty percent "parity service" and ten percent "missed" due to random variation, and (2) a scenario with ninety percent "ultra superior" service and ten percent identified as "missed." Pacific Reply Comm. OSS Results at 3. Pacific's illustration is reproduced in Figure 4.

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<sup>51</sup> The FCC appears to share this position. See FCC BANY Order, ¶ 440, fn. 1350 and App. B. ¶ 18, fn. 51.

FIGURE 4

	Level of Service		
<b>Scenario 1</b>	<i>Ultra-Superior</i>	Parity	<i>Missed</i>
<b>Scenario 2</b>	<i>Ultra-Superior</i>		<i>Missed</i>

First, we find Pacific's arguments irrelevant because they assume optimal statistical test conditions that do not exist in the actual plan application as described earlier in our discussion. Second, Pacific's implication that the ten percent identified as "missed" should be forgiven in both scenarios neglects the premise of mitigation. By definition, the sole purpose of random variation mitigation provisions is to mitigate any payment liabilities from failures identified solely because of random variation. Even if we assume the necessary statistical conditions exist in these scenarios, and that the ten percent should be forgiven in Scenario 1, the logic does not extend to Scenario 2. Scenario 2 is based on the premise that ninety percent of the service is "so good that random variation has been eliminated as a potential cause for missing a sub-measure." *Id.* at 2, fn. 3. Thus, while 100 percent of the measures in Scenario 1 are subject to random variation,<sup>52</sup> only ten percent of the Scenario 2 measures are subject to random variation. Given the assumptions in these scenarios and adhering to the underlying principle that ten percent of the measures subject to random variation

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<sup>52</sup> Under optimal statistical test conditions and "perfect parity service," statistical test results for all service are subject to random variation. Pacific's use of the term "ultra-superior service" seems misplaced for Scenario 1, as the term excludes random variation from the upper ten percent and contradicts the notion of "perfect parity service."

should be “forgiven,” we should forgive ten percent in Scenario 1 and one percent (ten percent *of ten percent*) or less in Scenario 2.<sup>53</sup> In other words, zero percent of the OSS service in Scenario 1 is discriminatory, whereas at least nine percent is discriminatory in Scenario 2. We would expect the hypothetical ILEC to make incentive payments on nearly all the missed measures in Scenario 2. In conclusion, we find that the preponderance of evidence indicates that a mitigation provision that “forgives” a percentage of statistically identified failures equal to or greater than the critical alpha level is not appropriate under current circumstances.

An apparent alternative would be to compare the actual performance distribution to the simulation distribution. However, there are several problems with this alternative. First, different statistical tests will produce different distributions. We would need to consider additional research determining the expected distribution for each different statistical application and then compare the relevant actual performance to each distribution. That research is not sufficiently developed at this time. Second, the discrepancy between the simulated cumulative distribution and the actual cumulative distribution changes with different critical alpha levels. For example, there are approximate discrepancies of 3.8, 3.5, 1.8, 0.1, and -1.4 percent at the 0.01, 0.05, 0.10, and 0.15, and 0.20 critical alphas, respectively. Since we based our selection of the 0.10 critical alpha level on other factors, using this critical alpha as a

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<sup>53</sup> If 100 percent of the results that are not ultra-superior service fail, outcomes of less than ten percent (one percent of total) Type I errors are likely. Ten percent Type I errors is likely under parity conditions for the portion of results that are not ultra-superior service. However, when 100 percent of these results fail, it is more likely that there are fewer Type I errors, if any.

forgiveness metric would make the mitigation plan outcomes somewhat arbitrary. The mitigation outcomes also become somewhat counterintuitive to the extent that as we select a larger critical alpha to detect more failures, we decrease the number of failures treated by the plan. For example, at an alpha level of 0.01 we would identify 3.8 percent of the results for incentive payments, whereas if we increased the alpha level to 0.20, we would not identify any failures for incentive payments. Third, the integrity of using the comparison is completely dependent on the accuracy of the simulations. We do not have sufficient evidence of accuracy to depend on these simulations for appropriate mitigation levels. For these reasons we decline to use the simulations as a parity standard for forgiveness or mitigation purposes under conditions likely to be at non-parity.<sup>54</sup>

The ILECs' most compelling argument for their mitigation proposals is that without them, when their OSS processes are operating at parity they will be inappropriately penalized. While we agree with the need for some additional protection when parity performance has been achieved, we note that parity has not yet been achieved. We assume that under all the scrutiny that Pacific has experienced since July of 1999, when the performance measures were

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<sup>54</sup> These simulations were created for different purposes. They were created to provide information on how the different plans would function under potential future parity and non-parity conditions. One particular problem Pacific had was in simulating parity outcomes for the average-based performance measures. As a practical matter, Pacific had to assume lognormal distributions, which would normalize with a lognormal transformation. However, we have previously documented evidence showing that while average-based distributions moved towards normality with the transformation, they did not end up truly normal. *Interim Decision*, App. J, Attach. 4. As a consequence, the simulation does not depict a distribution sufficiently accurate for selecting the relatively small percentage margins that are needed for the mitigation plans.

implemented, that Pacific has been trying to get its OSS processes to operate at parity. Given that they have not been able to do so in over twenty-nine months makes us doubt that parity will be achieved in the next few months. Since the implementation we order today will in effect be a six-month initial implementation period, it is not likely that Pacific will be placed in the unfortunate situation of parity operation without sufficient random variation mitigation during this time.

In its comments to the draft decision, Pacific objects to our assessment that its OSS performance is not in parity. To support their claim, Pacific provides overall success/fail percentages and asserts the theory that any failure percentage below the selected critical alpha level is evidence for parity or better. As discussed *infra*, we disagree. We also find that Pacific's reference to the FCC's statements is not relevant to its arguments. In Pacific's reference, the FCC discussed individual performance measures, not an overall success/fail rate. Additionally, examining repeated-failure rates, Pacific's own data and theory refutes their claim. Net critical alphas (0.008 - chronic, 0.0016 - extended, and 0.008 - Tier II) and simulated parity failure rates (0.0032 - chronic, 0.0005 - extended, and 0.0077 - Tier II) are exceeded by the current actual failure rates (0.017 - chronic, 0.0108 - extended, and 0.042 - Tier II). App G at 1, examples A and B.<sup>55</sup>

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<sup>55</sup> Our assessment of Pacific's overall performance regarding its readiness for 271 approval necessarily will differ from our assessment here. For example, if a performance measure fails because it is measuring different processes for ILEC and CLEC customers, a self-executing plan must still show a failure because the plan must depend on the performance measurements. See Init. Rept. on OSS Perf., June 15, 2001. App. A at 9-11, and App. B at 2, 5. However, a more thorough review such as described by the FCC in Pacific's reference could reveal the anomaly and conclude that there is no discrimination. Such a case would not detract from Pacific's 271 application, but would

*Footnote continued on next page*

For all the above reasons, we decline to adopt a “forgiveness” mitigation proposal at this time. However, we will direct parties to continue mitigation provision development for our consideration for future use. Parties should address all the issues raised above as they develop and present new proposals. If at any time in the future there is compelling evidence that complete parity has been achieved, or that a suitable forgiveness metric has been developed, then we intend to include appropriate forgiveness if it presents no problems should performance deteriorate, or “backslide.”

Additionally, we note that Pacific will not be without mitigation of an overall Type I error under our plan. Our curvilinear payment structure mitigates Type I error, as it reduces payment rates for lower failure rates. For example, in the performance simulation where four percent of the sub-measures fail, our payment structure only requires payment of about one-tenth of one-percent of Pacific’s liability at risk, the payment cap. App. G at 1, example A. Whereas forgiveness provisions make absolute judgments about Type I and II errors (payment versus no payment), our payment structure provides Type I mitigation more consistent with the probabilistic nature of statistical test information by decreasing payment rates for lower failure rates. This mitigation treatment is consistent with a method originally proposed prior to the March 2000 workshops, as payment rates are adjusted to begin low and increase as confidence in the statistical results increase. *Assigned Commissioner’s Ruling on Performance Incentives*, November 22, 1999 at 26.<sup>56</sup> However, to address the

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be considered an “out-of-parity” instance in the self-executing performance incentives plan until the performance measure was corrected.

<sup>56</sup> See also CLEC Reply Comm. DD at 2 and Attachment at 1 - 3.

concern that Pacific may make incentive payments even when providing parity performance, we will explore this issue further in the section discussing payment amounts, *infra*.

### **C. Conditional 0.20 Critical Alpha**

In the *Interim Opinion* we directed parties to propose conditions where a larger alpha, 0.20, would be used to increase the power of the statistical tests. We will not adopt any party's specific proposal. We will not adopt Pacific's proposal because it is only used for the larger sample sizes (aggregate samples, greater than 30), and is used in repeated failure situations where the net resulting critical alpha is 0.008, much *smaller* than the unconditional standard, 0.10. To increase test power as we intended, a larger alpha is best used for the smaller, rather than larger samples. Additionally, since a consecutive-failure identification requirement decreases Type I error at the expense of Type II error and, as used by Pacific, is contrary to the more balanced situation we seek, we decline to use the Pacific proposal. The Verizon proposal is virtually the same and we decline to use it for the same reasons. However, we do appreciate the fact that both Pacific and Verizon have increased the critical alpha for the individual tests that make up the consecutive-failure identifications. Without the increase to the monthly 0.20 alpha level, the net critical alpha would have been one-eighth as large, 0.001 versus 0.008.

The CLEC proposal is consistent with the guidelines we established in the *Interim Opinion*. The CLECs would apply the 0.20 critical alpha only for small sample conditions, and as a consequence would increase test power where it is most often needed. However, we also wish to utilize other available information that will enhance the benefit of using a larger critical alpha by more closely targeting situations where it will be most helpful. Such information exists in the

aggregate analyses. These analyses have larger sample sizes and thus are better at detecting non-parity (true failures) without increasing Type I error. Since increased test power and decreased Type II error are only helpful in true non-parity situations,<sup>57</sup> any information indicating non-parity will be helpful in targeting our conditional alpha. So if we use the larger critical alpha for CLEC-level results only where the corresponding industry aggregate fails, we are likely to better target the appropriate situation for increasing test power.

We conclude that since increased power is most appropriate for small samples, for tests for repeated failures, and when there is information indicating sub-measure non-parity, that we will adopt the following provision: A 0.20 alpha will be used under the following circumstances:<sup>58</sup>

- (1) When sample sizes are less than 30 for single-month individual CLEC tests where the aggregate sub-measure test indicates non-parity.
- (2) For all tests for repeated failures.

We also find merit in the CLECs' proposal to decrease Type I error where it is most likely to occur, namely large samples. However, the CLECs propose applying the smaller alpha level to all Tier II (aggregate level) statistical tests, regardless of actual sample size. Since there are still many small samples at the aggregate level, we find the proposal does not target the problem as closely as we would prefer. Given that a smaller critical alpha is most warranted for larger samples, and for samples where information suggests parity, we will adopt a five percent critical alpha under the following conditions:

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<sup>57</sup> See the discussion in the *Interim Opinion*, specifically Figure 4 at 66, and generally at 59-69 and 83-98 (January 18, 2001).

<sup>58</sup> The default critical alpha level is 0.10 as specified in D.01-01-037.



- (1) When sample sizes are 100 or greater for single-month individual CLEC tests where the aggregate sub-measure test indicates parity.
- (2) When single-month sample sizes are 500 or greater.

In their comments regarding the draft decision, both Pacific and Verizon assert that we are incorrect in the importance we give to Type II errors and the adjustments we make or fail to make. Pacific Open. Comm. DD at 8 - 9; Verizon Open Comm. DD at 11 - 15. We are not persuaded. First, we use a 0.10 critical alpha for most applications. In the *Interim Decision*, we showed that even when we limit ourselves to detecting performance *twice* as bad for a CLEC as for an ILEC, a 0.10 critical alpha would result in all tests providing a limit of ten percent Type I errors, but would result in only sixteen percent of the tests providing a limit of ten percent Type II errors.<sup>59</sup> Additionally, we utilize a 0.05 critical alpha for larger samples. Repeated measures have net critical alphas of 0.008 and 0.0016, respectively, with much higher Type II error rates, as discussed *infra*. The only time a 0.20 critical alpha is used for payment decisions is for individual CLEC performance assessment where the likelihood of a Type II error is even higher than usual because the aggregate fails and because sample sizes are small.

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<sup>59</sup> The average Type II error rate when using a 0.10 critical alpha in this case is five times the Type I error rate, and the median Type II error rate is over six times the Type I rate. *Interim Decision*; App F. at 2, App F., Attachment 1.

#### **D. Payment Amounts**

Parties have presented economic justifications for the incentive payment amounts their respective plans would produce. Each justification makes several assumptions about economic harm to the CLECs. However, since variation in these assumptions and the potential affect of unrecognized variables could cause large changes in the economic estimates, we are reluctant to base the payment amounts on these estimates. For example, Pacific assumes that poor performance to CLEC customers would cause the CLEC to lose ten percent of those customers. Pacific's estimates are based on the net income that a CLEC would lose from each customer. We are concerned that higher percentages of customers could be lost, and in the span of time it would take for Pacific to correct the performance, a CLEC could lose so many customers that it would not be able to stay in business. The economic harm would far outweigh the individual customer profit amounts. For example, Pacific estimates that with a thirty percent failure rate, the economic harm to the CLECs would only be measured in the profit loss from ten percent of the CLEC customers leaving the CLEC, and estimates that loss to be \$219,080. Pacific Open. Comm. at 8, 11. We are not persuaded that the assumptions in this estimate are sufficiently developed for us to decide that such poor performance could be affected by such a tiny portion of Pacific's local service net return. This amount represents about four-hundredths of one percent of the payment cap.<sup>60</sup> Additionally, the incentive payment Pacific offers in severe non-parity conditions pales in comparison to the failure rate and the net return. Pacific offers a \$7 million monthly payment for a thirty-eight percent performance failure rate. Such a failure rate is likely to

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<sup>60</sup>  $\$291,080 / \$550,059,120 = 0.000398$ , or less than 0.04 %.

severely impact competition, yet the payment represents only about six percent of Pacific's local service net return.<sup>61</sup>

Parties have proposed specific payment amounts that are justified by different assumptions and calculations. These payment amounts vary widely between the plans, and for us to determine which plan has the most appropriate payment amount would require examination and verification of these assumptions and any unstated variables as discussed above. Given the need to move Pacific's 271 Section application process forward, we are not in a position to thoroughly uncover and examine all these issues at this time. However, Section 271 approvals in other states provide some guidance. There is a growing consensus that the overall cap for state performance incentives plans should be thirty-six percent of net return from local exchange service. We will adopt this amount for Pacific's incentive plan as discussed above. Yet for this cap to be a functional cap instead of just a hypothetical figure, there must be a way for this amount to be generated. In the extreme, we believe no party would object to the total cap being paid when an ILEC fails 100% of the performance measurements. This provides us with an anchor on which to base payment amounts for less deficient performance. For example, if we chose a linear method, ten percent of the cap would be paid for ten percent deficient performance. We find that this scaling method is consistent with the FCC's view of incentive payment amounts:

[I]t is important to assess whether liability under an enforcement mechanism such as the APAP would actually accrue at meaningful and significant levels when performance standards are missed. Indeed, an overall liability amount would be meaningless if there is no

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<sup>61</sup>  $(\$7,415,506 \times 12) / \$1,527,942,000 = 0.0582$ , or less than 6 %.

likelihood that payments would approach this amount, even in instances of widespread performance failure. FCC *BAND Order* at ¶ 437.

However, for several reasons we favor Pacific's proposed curvilinear relationship between payment amounts and performance. The meaning of smaller percentages of deficient performance is ambiguous relative to larger percentages. As discussed above, considerable analysis must be performed to understand the actual impact of 10 percent missed performance measures, whereas with levels of 20 percent, 30 percent, and 40 percent missed measures it becomes increasingly clear that parity is not being provided. Additionally, we suspect that after additional evidence is provided and analyzed, that some mitigation may be warranted. For these reasons we will adopt Pacific's curvilinear escalating payment concept.

However, using the payment cap as our guide, we find that Pacific's proposed payment amounts are insufficient. First, we believe that the payment cap should be reached well before 100 percent of the aggregate-level measures are being missed. While it is difficult to establish an exact missed performance percentage, we find it reasonable to conclude that when there are two missed sub-measures for every one that passes, the full cap should be paid. Given the low power of many tests, at this level of performance it is highly likely that the true percentage of misses would be closer to 100 percent. Therefore, we will anchor the payment levels on the principles that 100 percent of the cap should be paid when sixty-seven percent of the performance measures are missed, and that payments should increase in a curvilinear fashion.

Nevertheless, to adapt this "anchor" to Pacific's treatment of ordinary failure pervasiveness, we recognize that tests at the individual CLEC level will not show as high a failure rate as the industry aggregate level. Examining data

from October through December 2000, we find that the aggregate level statistical failure rate is approximately 50 percent higher than the CLEC-level rate.<sup>62</sup> This relative percentage is corroborated by more recent data when benchmarks are also included.<sup>63</sup> For the above reasons, and recognizing the variability in the relative percentages, we find a reasonable “anchor” for basing the full monthly cap payment on single-month CLEC-level failure rates to be 50 percent.

We also acknowledge and address the ambiguity inherent in the performance measures, benchmarks, and statistical tests by requiring lower relative penalty amounts for lower failure rates and by increasing the penalty rates as performance worsens. While our payment levels are lower than those proposed by some parties, they are higher than Pacific’s proposals to better coincide with the full “liability at risk,” to better account for the potential damage to competition, and to better motivate parity performance. In conclusion, we are persuaded that Pacific’s increasingly higher penalty rates (curvilinear) are more appropriate for an incentive plan than the CLECs’ more uniformly increasing rates (linear).

Figure 5 illustrates the guide we will use for payment amounts:<sup>64</sup>

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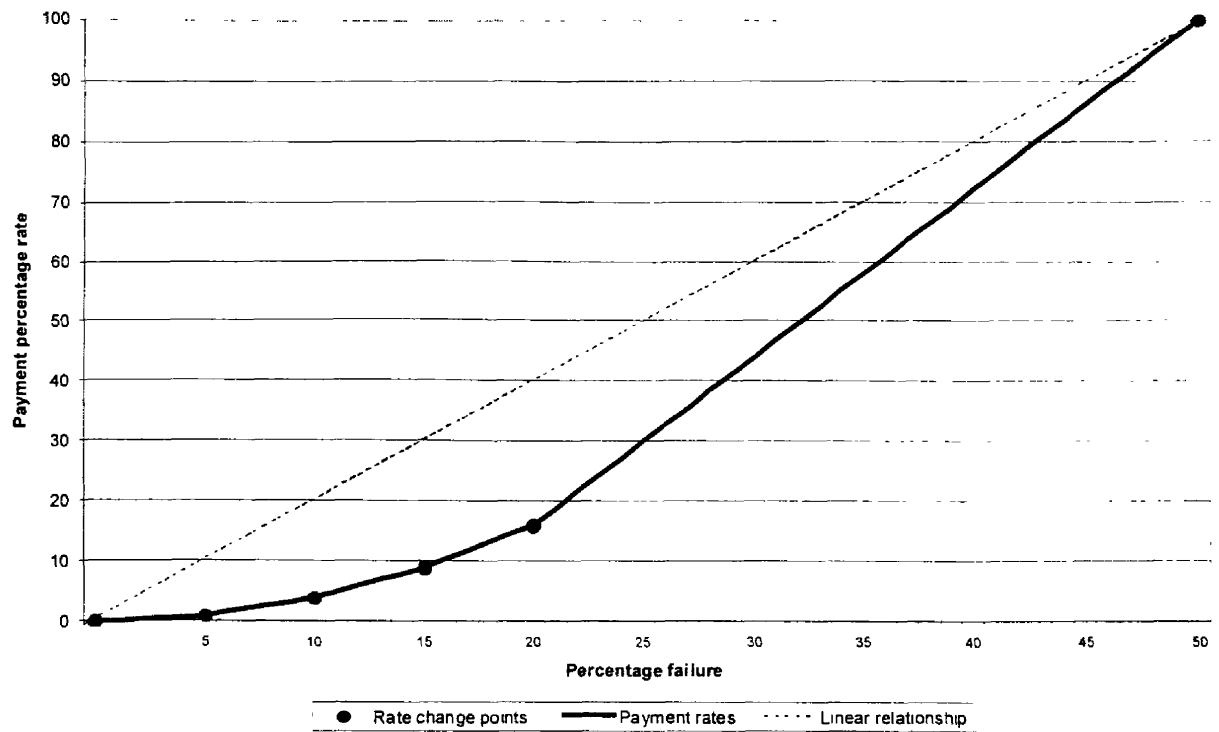
<sup>62</sup> These relative rates are illustrated in staff’s June 15, 2001 report. Figures C and E illustrate aggregate and CLEC-level failure percentage of approximately 15 and 10 percent, respectively. Init. Rept. on OSS Perf. at 16 and 18. These differences are due to the greater statistical power for tests for the larger samples (aggregate samples).

<sup>63</sup> March, April, and May 2001 overall aggregate failure rates are 75, 81, and 39 percent higher than the respective CLEC-level rates for these months. March aggregate and CLEC-level failure rates are 12.9 and 7.4 percent, respectively. April aggregate and CLEC-level failure rates are 11.4 and 6.3 percent, respectively. May aggregate and CLEC-level failure rates are 8.9 and 6.4 percent, respectively. These figures are taken from performance reports requested by staff from Pacific.

<sup>64</sup> The mathematical basis for this graph is presented in Appendix E.

R.97-10-016, I.97-10-017 ALJ/JAR/tcg \*

Figure 5  
Guide for Relationship Between Percentage of Failures and Percent of Cap Payments



The penalty rates are anchored at a zero to one percent (of cap) payment for zero to five percent failure rates, to a 100 percent cap payment for a 50 percent failure rate, with interim rates starting low and increasing.<sup>65</sup> Specifically, our guide will be the following payment rates:

**TABLE 1**

Failure rate		Payment rate
Equal to or greater than	But less than	
0	5	Linearly increasing from zero to one percent
5	10	Linearly increasing from one to four percent
10	15	Linearly increasing from four to nine percent
15	20	Linearly increasing from nine to sixteen percent
20	50	Linearly increasing from sixteen to 100 percent
50	100	100 percent

It may not be possible for us to exactly match this rate schedule because the total monthly payment amounts are generated from multiple individual origins. However, to the extent possible, the plan we adopt today will be based on this rate structure. Examples of rates we will use as a guide are included as Appendix F. This table is based on the principles proposed in Pacific’s plan. As deficient performance becomes more pervasive, the payment amounts increase.

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<sup>65</sup>Only single-month failure rates are used. Additionally, the draft decision proposed zero payment for failure rates of less than one percent. However, data analysis performed by staff, as discussed *infra*, determined that this provision produced results no different than using the actual percentage rate for this interval. Consequently, to keep the plan and resultant programming as simple as possible, we have removed this feature.



In contrast to Pacific's payment amounts, the amounts we adopt increase continuously based on the percentage failure rate. Specifically, the payment for each single-month individual CLEC performance failure will be a *base amount* multiplied by the overall single-month CLEC-level failure rate.<sup>66</sup> For example, with an overall single-month CLEC-level failure rate of eight percent, and a base amount of \$40, the basic payment would be \$320. The payments for chronic, extended, and Tier II chronic failures are 5, 10, and 25 times the basic payment. Examples of payments for different failure rates are presented in Appendix G. Compared to Pacific's proposal, the payment amounts we adopt for single-month sub-measure failures begin lower for the smallest percentages, but generally are the same as Pacific's proposed amounts. The amounts we adopt continuously increase, in contrast to Pacific's proposed amounts, which increase in four steps. Estimates of different total payment amounts generated by these individual payment amounts are presented in Appendix G. These amounts follow the curvilinear trend that we seek, except at the very worst performance levels. Since Pacific's performance is likely to remain at levels where our plan accurately follows the curvilinear target and is unlikely to deteriorate to levels where the plan misses the target, we will adopt these plan payment levels. Even in the unlikely event that Pacific's performance was to deteriorate to the worst levels represented in this guide, the payment amounts

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<sup>66</sup> While Pacific and Verizon will be subject to the same incentives plan model, they will have different *base amounts* to adjust for differences of scale between the two ILECs. The base amounts will be set so that the plan produces the same *relative* payment (percentage of net return) for similar performance levels. These amounts will also be adjusted to account for month-to-month variation in CLEC OSS activity to ensure that such volume changes do not increase or decrease payment rates even though performance rates are constant.

are still reasonable as they are sufficiently close to the target and correspond sufficiently to our payment rationale.

Additionally, to reduce the likelihood that Pacific may make incentive payments even when providing parity performance, we can make a simple modification to the plan. We have simulated performance levels that can be expected under parity conditions. That simulation shows that without any additional adjustment, Pacific will still be paying about \$60,000 per month, on the average.<sup>67</sup> We find it reasonable to reduce the payment amount when (1) Pacific's failure rates are no higher than the rates for each category in the parity simulation,<sup>68</sup> and (2) Pacific has no chronic or extended failures for those measures and sub-measures designated by the parties as sufficiently important to have no minimum sample size.<sup>69</sup> If these conditions are met, we will deduct \$60,000 from the total incentive amounts. If the generated amounts exceed \$60,000, then the remaining amounts shall be allocated for Tier II disbursement. While this provision will not affect payments when Pacific's performance is worse than the parity simulation, it will result in virtually no incentive payments being made when Pacific is at or very close to parity. We find that this

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<sup>67</sup> See App. G at 1, example A. After the issuance of the revised draft decision on February 21, 2002, Staff checked the parity simulation figures for reliability. Staff performed the calculations with a new random number seed. The average of the earlier and current calculations is presented in App. G, example A. Good reliability is evidenced by the small change in the results.

<sup>68</sup> For the criteria, we have selected the higher of the two values from the two simulations to allow for some variability.

<sup>69</sup> See *Interim Opinion*, App. H, Attach. 1. We would not want to reduce the payment amounts when Pacific has repeated failures on these critical measures and sub-measures.

added provision is a reasonable adjustment addressing the case where Pacific might achieve parity performance, and that it provides an additional incentive for Pacific to strive to achieve such performance.

A cursory review of incentive plan outcomes in New York and Texas indicates that our plan is certainly in the same “ballpark.” However, because of the many differences in the three plans it is not possible to directly compare failure rates and payment amounts at more than a “ballpark” level. The three state plans have different numbers of measures, different weightings for outcomes, and different ways to assess outcomes, among other differences that make direct comparisons difficult. For the sake of “ballpark” background information we present a table of failure rates and actual or estimated payment amounts for the New York and Texas state plans in Appendix H.

#### **E. Repeated Failures**

Pacific, the CLECs, and Verizon all propose that consecutive-month failures be identified for incentive payments. We agree that repeatedly deficient performance should be addressed. However, we share the concern that the FCC has voiced regarding local competition “gaming.” “Gaming” refers to possible strategic behavior that either incurs or avoids payments that are not correlated to reasonable OSS performance effects.<sup>70</sup>

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<sup>70</sup> For example, see the FCC’s Local Competition First Report And Order for references to concern about “gaming” in other areas. *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-98, First Report and Order, 11 FCC Rcd 15499, (1996) (Local Competition First Report and Order). ¶¶ 239, 884, 889, 1040, 1101, and Separate Statement of Commissioner Susan Ness at D2.

An ILEC might be able to “game” the repeated-failure provisions.<sup>71</sup> Under the proposed repeated-failure treatments, if an ILEC had sufficient control over its OSS processes it could strategically avoid any repeated-failure payments by giving deficient service every other month or never for more than two consecutive months. If this occurs, it would likely be more of a problem for the “extended chronic” identifications, which require six-month consecutive deficient performance. For example, if the test passed in the sixth month, no identification could be made until six additional consecutive monthly tests failed.

Another concern we have for the repeated-failure assessments is that they decrease Type I error at the expense of Type II error. For example, using a single-month test with a Type I error cutoff of 0.20 and a Type II error of 0.30, a failure identification decision based on three consecutive monthly failures would have a net result with a Type I error limit of 0.008 and a Type II error of 0.657.<sup>72</sup> Intuitively, the effect on Type I error is illustrated by the fact that to fail to identify good performance as good, there must be three misses in a row, and the

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<sup>71</sup> We also recognize that a CLEC may also be able to “game” the performance incentives system. For example, a CLEC could hold its orders and submit them all at once at the end of the month. The OSS overload would cause the CLEC’s orders to be more slowly processed than the ILEC’s orders because the ILEC’s orders would be spread across the rest of the month. This particular example may not be a real concern for several reasons. One reason is that such a strategy would be self-defeating for the CLEC. Submitting orders to solicit deficient service for its customers could cause the CLEC to lose too many customers. Additionally, we can include provisions to exclude such intentional “clustering” of orders from penalty payments. The forecasting requirements proposed by several parties may adequately address this issue. Pacific Plan at 20-21; CLEC Plan at 18-19.

<sup>72</sup> The resultant Type I error when all three out of three tests must fail individually at the 0.20 level to reach a performance failure decision:  $p = 0.20^3 = 0.008$ ; The resultant Type II error when three out of three tests with individual Type II errors of 0.30 must fail to reach a performance decision:  $p = 1 - (1 - 0.30)^3 = 0.657$ .

resultant probability is lower. For example, when flipping a coin with “heads” representing a Type I error, getting a coin to come up “heads” three times in three tosses is far less likely than getting the coin to come up “heads” in just one toss.<sup>73</sup> On the other hand, the effect on Type II error is illustrated by the fact that to fail to identify bad performance as bad, there only needs to be at least one miss out of three, and the resultant probability is higher. For example, when flipping a coin with “heads” representing a Type II error, getting the coin to come up “heads” at least once in three tosses is far more likely than getting a coin to come up “heads” in just one toss.<sup>74</sup>

As with the gaming possibility, the extended chronic failure test is the most susceptible to this increased Type II error problem. Even with relatively very high power such as a seventy percent chance to detect poor performance when it occurs (a Type II error of 0.30 for a single test), the net Type II error when six consecutive statistical test failures are required is 0.882. In other words, under non-parity conditions a Type II error is virtually assured.

Because of this imbalance between these two types of errors, we will implement two provisions designed to mitigate the discrepancy. First, for the

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<sup>73</sup> There are two possible outcomes for one coin toss: H (“heads”) or T (“tails”). The probability of a “heads” is one out of two chances, expressed as one-half, 50 percent, or 0.50. There are eight possible outcomes for three coin tosses: TTT, TTH, THT, HTT, HHT, HTH, THH, and HHH. As there is only one three-headed outcome (HHH), the probability of three heads is one out of eight chances, expressed as one-eighth, 12.5 percent, or 0.125.

<sup>74</sup> Again, there are two possible outcomes for one coin toss: H (“heads”) or T (“tails”), with the probability of a “heads” being one out of two chances, or 0.50. Again, there are eight possible outcomes for three coin tosses: TTT, TTH, THT, HTT, HHT, HTH, THH, and HHH. However, since seven of these outcome have at least one “heads,” the probability is seven out of eight chances, expressed as seven-eighths, 87.5 percent, or 0.875.

extended chronic failures to be identified, we will only require five out of six consecutive tests to fail.<sup>75</sup> Second, to ensure that parity performance has been achieved subsequent to a repeated-failure identification, we will require two consecutive months to pass before sub-measure failure payments are returned to non-chronic or non-extended chronic payment levels. The CLECs proposed this provision for their chronic failure treatment (CLEC Plan at 9), and we agree that it is an appropriate provision to reduce the chances of gaming and to increase the chances of identifying and correcting poor performance when it occurs.

Pacific proposes that when there is no activity by a CLEC or CLEC aggregate<sup>76</sup> for a month during an otherwise consecutive “run” of performance failures, that the “run” not be considered a repeated failure. Pacific Repl. Comm. at 4-5 (June 1, 2001). The CLECs disagree, and Verizon’s plan ignores such a month without activity. CLEC Open. Comm. at 9 (May 11, 2001); Verizon Assumptions documentation (May 16, 2001).<sup>77</sup> For example, Pacific would not consider the performance failures during the months of January through April except for inactivity in March, to constitute a repeated (chronic) failure, whereas the CLECs and Verizon would identify it as a repeated failure. We wish to avoid

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<sup>75</sup> Requiring five out of six months to fail at the 0.20 critical alpha level produces a net critical alpha of 0.0016 (Type I error), and assuming a single-month beta of 0.30, produces a net beta of 0.580 (Type II error). Staff determined these values using a binomial calculation.

<sup>76</sup> When individual CLEC results do not meet sample size minimums, they are aggregated with other sub-minimum CLEC samples to create a CLEC small sample aggregate. D.01-01-037, App. C at 4.

<sup>77</sup> Two-page document setting forth the assumptions used to code each plan for the simulation. Distributed by Verizon Communications by electronic mail to the active technical experts on the service list. Originally titled “VZASSUMPTIONS.doc.”

the situation where the only performance received by a CLEC or the CLEC industry on a particular submeasure is failing, yet payments stay at a one-month failure payment amount as if it were an isolated incident. Therefore, we will adopt the CLEC-Verizon position, except that a gap of inactivity of three months will interrupt the “run” unless the sub-measure is one that is identified as having no minimum sample size.<sup>78</sup>

#### **F. Severity**

Adjustments for the severity of performance failures can enhance an incentive plan’s ability to target the most deficient performance by making incentive payments greater for the more severe failures. While Pacific’s plan does not address severity, the CLECs’, Verizon’s, and ORA’s plan include severity adjustments.

The CLECs’ and ORA’s plans indirectly address severity by using the probability statistic,  $Z$  or  $t$ , as a surrogate for severity<sup>79</sup>. All other things being equal, as a performance failure becomes more severe, the corresponding  $Z$ -statistic becomes larger (smaller  $p$ -values). However, all things are not equal. For example, the  $Z$ -statistic is also influenced by sample size. This influence can easily overshadow actual performance differences to the point where a less severe performance result can have a larger  $Z$ -statistic than a much worse result if its sample size is sufficiently larger. Citing one actual sub-measure example, an ILEC took an average of nine days to provision service for its own retail

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<sup>78</sup> The payment for the current month will be the same as if the one or two months without activity did not exist. CLEC Open. Comm. DD, Attachment at 3. The current month would be assessed using the repeated measures critical alpha.

<sup>79</sup> The following discussion also applies to  $t$  statistics.

customers, an average of 15 days for CLEC A's customers, and an average of 12 days for CLEC B's customers. With sample sizes of 9 and 118 cases for CLEC A and B, respectively, the statistical test produced a Z-statistic of 2.0 for CLEC A and 3.5 for CLEC B.<sup>80</sup> Even though performance was worse for CLEC A, CLEC B received a larger Z-statistic because of the larger sample size. This is simply because we can have greater confidence (higher Z-statistics, lower p-values) in results for larger samples. However, the CLEC and ORA severity proposals would identify CLEC B's less severe results as more severe than CLEC A's results even though this is not the case. Because of the possible confounding with other variables, such as sample size, we decline to adopt the severity adjustment proposals of either the CLECs or ORA.

In contrast, Verizon's plan addresses severity by calculating how much worse performance is to CLEC customers than to Verizon's own customers. In general, Verizon's plan calculates the percentage of customers who receive service worse than the average ILEC customer (or the benchmark), and then uses that number as a measure of severity to adjust payment amounts. The severity measure is an integral part of Verizon's transaction-based incentive payment system, and we find it difficult to convert to the sub-measure-based approach we adopt. As a consequence, we decline to adopt Verizon's severity adjustments. However, we appreciate these development efforts and encourage Verizon to continue this development in the next phase of the incentive plan.

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<sup>80</sup> As listed in Pacific's performance reports using the *Interim Opinion* statistical model. The mean of the logs for each result was transformed back into days for the performance figures listed here. The non-transformed means were 20 days for CLEC A and 12 days for both CLEC B and Pacific.



We encourage all parties to continue to develop severity measures for the incentive plan. Insofar as a severity adjustment might scale payments to the degree of harm and help ILECs focus on the most needed OSS enhancements, we are interested in adopting such adjustments in the future.

### **G. Statistical Testing for Benchmarks**

Pacific proposes statistical testing for benchmarks and focuses its justification on reducing random variation effects on assessments with underlying compliant conditions. Pacific Open. Comm. at 19-21 (May 18, 2001). However, for us to fairly implement such a treatment, we would need to also examine the effect of random variation on assessments with underlying non-compliant conditions. We struck a balance between the two effect types, or error, in the *Interim Opinion*, and without additional study and justification we will not change that balance. *Interim Opinion* at 116-124. Consequently, we will not apply statistical testing to benchmark sub-measure results.

### **H. Functionality**

An important distinction between the plans is their functionality in fundamental areas. A plan should be consistent across time and should reflect differences in performance. Since we will adopt one plan for both ILECs, we need to know that the plan we select will produce equitable outcomes for both ILECs. The plans should also produce payment amount levels that are consistent with the “curvilinear” payment amount guide we established above.

Pacific’s plan provides relatively consistent output and is correlated to aggregate failure rates for the year 2000. The other plans’ payment amounts are either not significantly correlated to aggregate failure rates and/or are

inconsistent month-to-month.<sup>81</sup> Since Pacific's plan is not based on volume metrics, the payment amounts can be adjusted for Pacific and Verizon to account for the different size of the two companies and to match the "curvilinear" payment guide.

The CLEC plan payment amounts are much higher than our payment amount guide. The plan does not appear to be as sensitive to overall failure rates as the Pacific plan. Verizon's and ORA's plans are inconsistent from month-to-month, producing wide variations in payment amounts that are not related to the relatively small variations in aggregate failure rates. Other problems with severity and volume-related metrics make the Verizon, CLEC, and ORA plans difficult to implement consistent with the criteria we have discussed in this decision.

For the above reasons, we find that Pacific provides the best base plan. However, as discussed, we find that several significant modifications are necessary for the plan to be consistent with the criteria we deem important. We will adopt a plan generally based on Pacific's plan, but with several major modifications.

### **I. Measures**

Not all performance measures will be subject to incentive payments. In the February 2001 workshops the parties referred to an existing agreement regarding excluded measures. At staff request, Verizon later submitted the list of

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<sup>81</sup> For Pacific's performance and payments, the correlations between payment amounts and failure rates are 0.42 for Pacific's plan, 0.13 for the CLECs' plan, -0.12 for Verizon's plan, and -0.01 for ORA's plan. Only Pacific's correlation is significant at the 0.10 level (N = 12). The graphs at the end of Appendix B illustrate the relationship between monthly payment amounts and failure rates.

performance measures and sub-measures to be excluded from the incentive payment plans.<sup>82</sup> That document is included in the record in this proceeding and is reproduced here as Appendix I. However, in their recent comments, Verizon proposes only a subset of these measures be used because other measures are correlated to the remaining set. Their rationale is that paying on a measure as well as a correlated measure results in duplicative payments. Verizon Plan at 4 (May 4, 2001). However, since the plan we adopt is scaled to Pacific's and Verizon's individual payment caps, their total payment amounts are no different than if fewer measures were used. Where there may be correlated measures, there is still value in multiple measurements, unless the measures have perfect or near-perfect correlations.<sup>83</sup> We have no evidence to suggest that these performance measures are so highly correlated that they add no value to the assessment. Additionally, these measures were established in a collaborative process and we do not wish to depart from the conclusions in that collaboration because of the wishes of one party. For the above reasons, we will use all performance measures except for those that the parties have agreed to exclude as listed in 2000 GTE Workpaper #13.

#### **J. Remedy Exclusivity**

Both Pacific and Verizon ask that payments made under the adopted incentives plan be the exclusive remedy for deficient performance. The CLECs

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<sup>82</sup> The document states that Pacific, GTE, and the CLECs agreed to these exclusions. The document was resubmitted following the February 7, 8, and 9, 2001, workshops and was received in this proceeding as 2000 GTE Workpaper #13 on April 2, 2000.

<sup>83</sup> See W. Hays, Statistics at 717-720 (5<sup>th</sup> ed. 1994), for a statistical explanation. See also E. Ghiselli, J. Campbell, and S. Zedeck, Measurement Theory for the Behavioral Sciences, at 162-168, 261 (1981).

oppose exclusivity, however, and point out that Pacific and the CLECs agreed in 1998 that performance incentives would not be the sole remedy. CLEC Open. Comm. at 36.<sup>84</sup>

Pacific now supports payment exclusivity asserting that performance related payments must be defined as liquidated damages or penalties, and that penalties are unenforceable under California law. Pacific Open. Comm. at 26. Pacific asserts that as a consequence, “performance-related contractual payments must be considered liquidated damages.” *Id.*

Verizon also takes the position that payments should be the sole remedy and should be defined as liquidated damages. Verizon Reply Comm. at 29. Verizon argues that to define payments as penalties would require that penalties be paid only under the provisions of Pub. Util. Code § 2104, which would require Superior Court action. Verizon argues that as a consequence, payments defined as penalties could not be “self-executing” as intended in the plans. Verizon further argues that since a self-executing plan cannot impose monetary penalties, any payments must be a “reasonable estimate of fair compensation” and thus must be treated as liquidated damages as the sole remedy for failed OSS performance. Verizon fears that without this protection a CLEC will be able to automatically recover compensation for deficient OSS

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<sup>84</sup> The agreement reads: “The parties agree that monetary performance incentives are not the exclusive remedy available to address Pacific’s service problems.” Late Filed Joint Comments Regarding Report on Performance Incentives, filed October 5, 1998, by Pacific Bell and the CLECs, at 48. Verizon (then GTE California Incorporated) participated in some discussions that led to the joint motion. *Id.* at 1. However, Verizon did not participate in incentives discussions, and was not a party to the motion itself. *Id.* at 1, fn. 1; Motion to Accept Joint Comments Regarding Report on Performance Incentives, filed October 5, 1998, Pacific Bell and the CLECs, at 1, fn. 1.

performance and then sue for further damage payments. Verizon Reply Comm. at 29-33.

The CLECs argue that neither the FCC nor the Commission in this proceeding has sought incentive payments as "fair compensation," and that payments should be treated as penalties. CLEC Open. Comm. at 36-40. The CLECs distinguish between the ILECs' asserted goals of "fair compensation" and the goal of the plan as an "incentive" mechanism. The CLECs' arguments imply that "fair compensation" for losses due to OSS disadvantages would not provide sufficient incentive for an ILEC to provide OSS parity. *Id.* As a consequence, the CLECs argue that incentive payments must be deemed "penalties" which are not the exclusive remedy for deficient OSS performance to their customers. *Id.* at 39.

We are not persuaded by Pacific's and Verizon's arguments that this Commission should declare the incentive payments to be the exclusive remedy for deficient performance. In fact, we note that in its *BANY Order* the FCC asserted that "[i]t is not necessary that the state [enforcement] mechanisms alone provide full protection against potential anti-competitive behavior by the incumbent."<sup>85</sup> The FCC further acknowledged that the ILEC might be subject to "payment of liquidated damages through many of its individual interconnection agreements" and "risks liability through antitrust and other private causes of action if it performs in an unlawfully discriminatory manner."<sup>86</sup>

We likewise reject Verizon's insistence that Pub. Util. Code § 2104 compels us to decree the incentive payments to be liquidated damages and the

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<sup>85</sup> *BANY Order* at ¶ 430, 15 FCC Rcd 4165.

<sup>86</sup> *Id.*

CLECs' exclusive remedy for discriminatory ILEC performance. Given the level at which we set the payments or billing credits today, we consider them to be an inducement of appropriate market behavior rather than penalties.<sup>87</sup> This record does not support the determination that the incentive payments will be "fair compensation" to a harmed CLEC. What constitutes fair compensation to the CLECs would be extremely difficult to calculate. Moreover, the goal of the proceeding is not to provide "insurance" payments to a CLEC (that it will receive fair compensation while it is being discriminated against), but to ensure that there is a competitive market. Significantly, this Commission has the authority to award reparations, not damages. See Garcia v. PT&T Co. 3 CPUC2d 534 (1980). In addition, we have crafted this plan in concert with the parties in order to implement the federally mandated restructuring of the local market.

#### **K. Implementation**

The ILECs in particular will have a number of tasks to complete before the plan we adopt can be implemented. They must establish procedures for monitoring, assessment, reporting, and making payments. The CLECs and the ILECs must prepare for possible dispute resolution. Some of the performance assessment requirements may require modification in view of Pacific's experience with *Interim Opinion* implementation. To aid the parties in these implementation tasks, we establish specific requirements. Some of these requirements are in response to issues raised in the various briefs and in

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<sup>87</sup> The Commission has previously used financial incentive mechanisms to encourage utility behavior. See In the Matter of Used Household Goods Transportation by Truck 1998 Cal. PUC LEXIS 431; In Application of Pacific Gas and Electric Company 12 CPUC2d 604 (1983); and CPUC Resolution E-3657 (February 17, 2000).

comments on the draft decision. Other issues may not have been formally presented, but must be addressed in order to expedite the implementation process.

### **1. Forecasting**

Pacific and the CLECs have agreed that forecasts of OSS demand are important to smooth and efficient OSS operation, and that inadequate CLEC forecasts should be cause for excluding incentive payments in the event that deficient OSS performance resulted from such forecasts. CLEC Plan at 18-19; Pacific Plan at 20-21. ORA is concerned that Pacific may unilaterally define forecast inadequacy. ORA Open. Comm. at 7. However, the CLECs have agreed to provide forecasts as proposed by Pacific. CLEC Plan at 18-19; Pacific Plan at 20-21. As the CLECs and the ILECs are in the best position to know how to implement forecasts for the purposes of OSS operation, we adopt these provisions.

### **2. Monitoring and Reporting**

The ILECs will monitor OSS performance continuously. In the performance measurements proceeding we have established the performance measures on which the incentive payments will be based as well as the performance measures that are used solely for diagnostic purposes. These measures undergo periodic review and updating. D.01-05-087 (May 24, 2001) (*JPSA Opinion*).

The *JPSA Opinion* also established performance-reporting requirements. Pacific is now required to report performance results by the

twentieth calendar day of the month succeeding the reporting period. *JPSA Opinion* at 106.<sup>88</sup>

### **3. Payments**

Pacific proposes to make payments within thirty days of the due date of the performance results report. Pacific Plan at 16. For example, performance reports for August 2001 would be due on or before September 20, 2001. Payments arising from the August 2001 performance results would be due on or before October 19, 2001. No parties oppose Pacific's proposed payment schedule. As the schedule has no opposition, and seems to provide a reasonable amount of time to ensure accurate payment, we will adopt it as proposed.

### **4. Payment Recipients**

Two goals will guide our selection of who receives the performance incentives plan payments or billing credits. First, the plan should provide some compensation to each CLEC when it receives poor performance as established by the performance criteria and payment structures we have established in this Decision and D.01-01-037. Second, since the payments or billing credits to the CLECs are not likely to create sufficient incentives for optimal OSS behavior, the overall industry-wide effect of OSS performance on competition should generate additional incentive payments. This will be especially true while CLEC market share is low. With a small percentage of the market, compensation for poor performance necessarily based on that small percentage is not likely to provide much incentive to the ILECs. These payments could simply end up being seen as

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<sup>88</sup> The *JPSA Opinion* contained several requirements that needed to be completed before the due date of the 15<sup>th</sup> of each month was shifted to the 20<sup>th</sup>. *Id.* Upon staff inquiry, Pacific personnel reported that those conditions were met and Pacific is currently reporting on the 20<sup>th</sup> of each month.



the “cost of doing business,” and not be effective in motivating optimal OSS performance. Additional payments based on overall industry effects will provide an incentive for this potential problem.

To address the first goal, we will require that payments as billing credits go directly to each CLEC whose monthly sub-measure results the plan identifies as warranting payment for failing performance. These credits will be termed Tier I payments and include payments for individual CLEC results and for aggregate CLEC results where the only logical measure is at the industry level.<sup>89</sup> These credits will be adjustments to the rates that each CLEC pays to Pacific for OSS services and for local exchange wholesale services. Consequently, since a rate paid for these services can never be less than zero, each credit to each CLEC will be limited by the total amount that each CLEC pays to Pacific for OSS services and for local exchange for its customers. The surplus credit amounts are added to Tier II as discussed, *infra*.

The second goal, incentive payments based on overall industry effects, is achieved through incentive payments generated by industry-wide ILEC OSS performance. Individual CLEC results are aggregated into one performance result for each sub-measure. Payments are generated from each sub-measure with failing performance. These payments, as billing credits, will be termed Tier II payments. Recognizing that the total payment made by an ILEC is designed to be an incentive for good OSS performance, and thus will exceed the measure of CLEC economic harm, it is appropriate for these credits to go to the ratepayers as proposed by ORA. See *supra*. Additionally, any surplus

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<sup>89</sup> For example, Measure 42, Percent of Time Interface is Available, is only tracked at the CLEC industry-aggregate level since the interface either works and is open to all CLECs, or it does not work and is closed to all CLECs.

Tier I credit amounts will be added to Tier II payment amounts in order to keep the scale of the total incentive payment proportional to Pacific's performance consistent with our target payment amounts.

ORA proposes that incentive payments go to ratepayers through Pacific's Rule 33<sup>90</sup> and Verizon's Tariff 38<sup>91</sup> surcharge and surcredit mechanisms. ORA's rationale is that incentive payments should go to ratepayers because the ratepayers paid for the infrastructure changes and upgrades that the ILECs made to effectuate local exchange competition.<sup>92</sup> ORA argues that since ratepayers are making a significant investment in the ILECs' OSS infrastructures, it follows that they should receive incentive payments, which are directly related to the extent that those infrastructures do not perform as they should. ORA argues that to the extent that OSS performance presents competition barriers, not only will ratepayers have borne the cost for the ILECs' OSS-related infrastructure, they also will not have received the economic and social benefits of competition which motivated the 1996 Telecommunications Act.

Under ORA's plan, incentive payments would be calculated on an annual basis and paid in monthly increments during the following year through the Rule 33 and Tariff 38 mechanisms. As authorized in D.00-09-037 and D.01-09-063, Rule 33 and Tariff 38 billing surcharges are used to compensate Pacific and Verizon for the costs they incurred to implement local competition. The

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<sup>90</sup> Schedule Cal. P.U.C. No. A2.1.33 - Billing Surcharges of Pacific's tariffs ("Rule 33").

<sup>91</sup> Schedule Cal. P.U.C. No. 38 - Billing Surcharges of Verizon's tariffs ("Tariff 38").

<sup>92</sup> D.00-09-037 authorized Pacific to recover \$87.5 million in claimed Local Competition Implementation Costs from California ratepayers. Similarly, D.01-09-063 authorized Verizon to recover \$12 million in claimed costs.

Rule 33/Tariff 38 billing mechanisms would flow the incentive payments back to all ratepayers, including CLECs and inter-exchange carriers, in the same proportion as the local competition implementation infrastructure costs that each customer class (e.g. toll, access, and exchange) is paying through annual surcharges. ORA points out that the Commission adopted "Service Quality Assurance Mechanisms" for both Citizens Telephone (D.95-11-024) and GTE California, Inc., (D.94-06-011) in which violations of the service standards resulted in surcredits to ratepayers, and that CPUC General Order 133 (GO-133) also provides for ratepayer surcredits in the event of poor service by a regulated telephone company.

Exogenous cost changes and other regulatory surcharges and surcredits are included in the annual Price Cap filings that Pacific and Verizon are required to make every October. In the annual filings, the utilities identify specific cost changes (increases and decreases) that occurred in the prior period (e.g., from October 1 through September 30). These cost changes are combined and summed to determine the dollar amount of surcredits or surcharges to be reflected on a customer's monthly bills during the next calendar year. Surcredits and surcharges, such as Pacific's merger savings and local competition implementation costs, are distributed between three groups of services in proportion to each group's share of Pacific's total annual billing base. These groups are IntraLATA Exchange, IntraLATA Toll Services, and IntraLATA Access Services. The new surcredit or surcharge percentages are applied to the tariffed rate of the individual services that comprise each of the three service groups (IntraLATA toll, access, and exchange). The adopted surcharge or surcredit percentage is applied to the tariffed rate for the services in each service group. This is the price that the customer pays for the respective service for the following year.

In D.00-09-037 and D.01-09-063 we used Rule 33 and Tariff 38 as the mechanisms for the payment of Pacific's and Verizon's local competition implementation infrastructure costs by their customers. Rule 33 and Tariff 38 surcharges/surcredits appear as separate line items on Pacific's and Verizon's bills respectively.<sup>93</sup> ORA argues that since the line items have already been established, there is no need for the Commission to authorize the creation of new line items, thus avoiding billing system modification expenses.

We are persuaded by ORA's arguments. Pub. Util. Code § 454 gives the Commission statutory authority to establish rates and charges for regulated telecommunications companies. Commission decisions provide precedents for service standard violations generating surcredits to ratepayers, as described by ORA, discussed *supra*. Additionally, paying into the General Fund does not provide the equitable outcome that payment to the ratepayers provides. Unlike the ratepayers, the General Fund has no investment in ILEC OSS infrastructures and is not directly affected by OSS outcomes. For the above reasons, for Tier II incentive payments, we will adopt ORA's basic proposal to make payments to the ratepayers.

However, using Rule 33/Tariff 38 mechanisms will delay payment disbursements to the ratepayers. For example, a payment incurred in January 2003 would not be reflected in the surcredits to be disbursed until 2004. In addition to the Rule 33/Tariff 38 mechanism delays, there are built-in delays for performance result and incentive payment calculations. Payments are not due until about seven weeks after the end of the month in which the performance

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<sup>93</sup> For example, ORA points out that the Rule 33-related line item is located in the Taxes and Surcharges section on Pacific's bills as item 6 "rate surcharge."

occurred.<sup>94</sup> As a consequence, for example, performance incentive payments for August 2002 through July 2003 would be the most recent twelve-month's incentive payments available for the Price Cap filing in October 2003. The total Tier II incentive payment amounts for these twelve months would then be credited to the ratepayers in equal monthly increments from January 2004 through December 2004.

Given these delays, we are concerned that the performance incentives plan would not provide a timely incentive for an ILEC to provide good performance. To the extent possible, payments should immediately follow poor performance when it is identified. However, we realize that there would be numerous logistical and efficiency problems in creating an entirely new structure to provide immediate payments to each individual ratepayer. To remedy the payment time-lag, we will adopt ORA's proposal with the modification that incentive payments be made monthly into a memorandum account. However, payment *disbursements* still would be delayed. Recognizing a basic economic principle, that a monetary amount received in the future has less value to the recipient as the same amount received in the present, we will require that the payment account accrue interest. A ratepayer should be "indifferent" to an amount received in the future versus an amount received now if the future amount were to be increased as if the ratepayer had spent or invested the money now. Additionally, ratepayers should be "indifferent" to future payments if they perceive equity when comparing the interest rates they receive to the interest rates they pay to Pacific and Verizon. Consequently, we will require the ILECs

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<sup>94</sup> For example, performance results for July are due August 20<sup>th</sup>, and incentive payments generated by those results are due 30 days later, September 19<sup>th</sup>. *Supra*.

to make monthly payments into an interest-bearing memorandum account with an interest rate equal to the tariffed rate the respective ILEC's charge their customers for late payment. The interest shall be compounded monthly, and interest accrual shall begin immediately after the incentive payments are due and shall continue to accrue on all amounts not yet credited to the ratepayers.

It is not our intent to disadvantage ratepayers as a result of the ILECs paying into the performance incentive memorandum account. Therefore, we shall require that Pacific Bell identify in its separated intrastate results of operations monitoring reports<sup>95</sup> an adjustment clearly identifying the annual performance incentive payments. This adjustment shall remove from the California intrastate results of operations, and the earnings monitoring reports, the payments made to the memorandum account.

### **5. Root Cause Analysis and Expedited Dispute Resolution**

Pacific proposes that it be allowed to "use Root Cause Analysis to demonstrate that an apparent out-of-parity condition was attributable to an atypical event beyond the reasonable control of Pacific Bell." Pacific Plan at 14. Pacific would have the burden of proof, and if it met that burden would be able to exclude the condition (performance result) from its incentive payments. *Id.* at 15. The CLECs concur with the root cause analysis Provisions Pacific proposes except for a concern about *force majeure* events. CLEC Open. Comm. at 35. The CLECs argue that *force majeure* should not allow Pacific to treat its customers

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<sup>95</sup> The Pacific Bell intrastate separated earnings report is referred to as the Intrastate Earnings Monitoring Report (IEMR) and has the NRF monitoring report code PD-01-27. Verizon's report is entitled the Recorded and Adjusted Separated Results of Operations Report and has the NRF monitoring report code GD-04-01

preferentially, and request that parity measures still be eligible for incentive payments. For example, in the event of *force majeure* service outages, the CLECs believe that their customers should regain service at parity with Pacific's customers.

We agree that discrimination in restoring normal OSS services could damage competition. Following the September 2001 terrorist attacks, we believe customers have become especially sensitized to infrastructure recovery issues, and an ILEC could easily gain an advantageous reputation for superior recovery and robust service. However, in their comments to the draft decision, Pacific points out that outages usually occur in a particular limited location. If that location has a disproportionate number of CLEC customers, even though Pacific would restore services in a perfectly non-discriminate manner Pacific could fail the measure because their performance average would be based on a much larger area where resources were not taxed as much as in the troubled area. Pacific Open. Comm. DD at 22 - 24. For these reasons, we agree that *force majeure* events should be included as excluded events for parity as well as benchmark measures. CLEC and customer protection will still be provided by the fact that Pacific will have the burden of showing that but for the event, performance would not have failed. In the example discussed here, it will be important to also examine the nature of the event, and we change the plan to reflect this fact.

In 1999, Pacific and the CLECs were apparently close to an agreement on expedited dispute resolution (EDR) provisions. However, upon passage of Senate Bill 960 the CLECs introduced adaptations that Pacific

rejected.<sup>96</sup> Even though there were many points of agreement, an implementable EDR process is not currently available for the incentives plan. Numerous issues critical to an effective EDR process are either unresolved or unacknowledged. For instance, parties have not been able to agree on what, if any, procedural timelines and rights they are willing to waive in the interest of expedited process. Moreover, it is not clear what resource impact a formal EDR process will have on this Commission.

Pacific's current position is:

Any dispute regarding whether a Pacific Bell performance failure is excused will be resolved, through negotiation, through a dispute resolution proceeding under applicable Commission rules or, if the Parties agree, through commercial arbitration with the American Arbitration Association. Pacific Plan at 15 (March 23, 2001).

However, there is nothing about what Pacific offers here that is "expedited." If the incentives plan we adopt did not have this paragraph, it would be no different than if it did. Given the need for further examination and discussion of these essential issues, we cannot order an EDR process at this time. We urge the parties to address these unresolved issues no later than at the conclusion of the initial implementation period. Until an EDR process is implemented, the ILECs must automatically make incentive payments as indicated by the incentive plan we adopt. The parties must use currently available Commission procedures in any disputes regarding these payments.

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<sup>96</sup> CLEC Open. Br. at 39 - 53 (March 22, 1999); Pacific Open. Br., at 26-39 (March 22, 1999); CLEC Reply. Br. at 26-42 (April 5, 1999); and Pacific Reply. Br. at 18-23 (April 5, 1999).



## **6. Payment Delays for New Measures**

Pacific proposes that when new measures are introduced, payments not be made on performance failures until the fourth month:

None of the payment provisions set forth in this plan will apply during the first three months after a CLEC first purchases the type of service or unbundled network element(s) associated with a particular performance measurement or introduction of a new measure. Pacific Plan at 14.

The CLECs partially agree. They agree that upon introduction of a new measure, the results will not be subject to incentive payments until the third full month of reportable results. CLEC Open. Comm. at 33. However, we note that new measures are adopted by the Commission after the parties have performed these initial trials. Once the Commission adopts these new measures they may produce incentive payments immediately. Prior to this implementation, however, the JPSA adopted in D.01-05-087 must be modified for a new measure to be included in the incentives plan. Proceedings to modify the JPSA and D.01-05-087 must be completed before any new measure can produce payment. It is more appropriate for the Pacific-CLEC agreement regarding new measure implementation to be included in JPSA modification proceedings. Therefore, we do not need to include this provision in the incentives plan, and we decline to do so.

Regarding Pacific's desire to be free of liability for poor performance for the three months after a CLEC first orders a new service, we do not find consensus among the parties. The CLECs object and point out that the first months can be the most critical months for a CLEC. CLEC Open. Comm. at 34. We agree. We are particularly concerned about the viability of new small CLECs who may invest precious resources in marketing new services. For an ILEC to be

free of liability for three months could easily put such new competition in jeopardy. For this reason, we decline to adopt this provision.

### **7. Small Sample Aggregates**

Pacific commented that the draft decision's "Category 2" small sample aggregate assessments are no longer useful, and add considerable complexity to the plan, contrary to our goal of simplicity.<sup>97</sup> Pacific Open. Comm. DD at 15 - 16. We agree that the category would add considerable complexity. Category 2 consisted of special aggregates created by combining the smallest samples. These aggregates are comprised of results from different CLECs each month because as CLEC sample sizes vary, many CLECs have sample sizes that qualify them for inclusion in some months but not others. This variation makes it difficult to track chronic and extended chronic failures, either with the programming that Pacific must create or in any reviews that might be performed by staff or independent auditors. While Pacific originally opposed the CLEC desire to assess sample sizes down to those with only a single case,<sup>98</sup> they now have agreed to include all small samples in the draft decision's Category 1, which we now designate Category A.

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<sup>97</sup> To avoid confusion between category numbers in the draft decision and the plan we adopt, we have changed the category designations from numeric to alphabetic. Categories 1, 3 and 4 are now designated A, B, and C, respectively. We no longer include the category designated Category 2 in draft decision.

<sup>98</sup> *Post-workshop Reply Brief of AT&T Communications of California, Inc. (U-5002-C), MGC Communications, Inc. (U-5859-C), WorldCom, Inc. on Performance Incentives* at 2, May 5, 2000.

We take official notice of an assessment by staff to determine the effect of abolishing Category 2.<sup>99</sup> Staff found that without Category 2 and including all samples in Category 1 (now Category A), incentive payments were greater by an average of \$18,645 per month from July 1999 to November 2001, and greater by an average of \$14,179 per month for the most recent twelve-months in that period. We find that this change is a reasonable correction to our plan since it reduces complexity, represents a better agreement between Pacific and the CLECs, and has no apparent detrimental effects.

### **8. Performance Assessments and Measurements**

As Pacific worked to implement the *Interim Opinion* performance assessment requirements, it found a few problems. Pacific proposes modifications to correct those implementation problems. Pacific Open. Comm. at 27-28. Specifically, Pacific requests three changes: (1) that an additive constant be used for all log transformations, (2) that the Modified t-test be applied to Measure 44 without transformations, and (3) that the Fisher's Exact Test be used for all percentage-based results regardless of sample size. No party opposes these changes. For the reasons cited by Pacific, we adopt these changes. *Id.*

More recently, Pacific found measurement errors in Performance Measure 16, *Percentage Troubles in 30 Days for New Orders*. Pacific Open. Comm. at 20. Not only was the measurement's validity questionable, but in some cases the statistical test required by the *Interim Opinion* could not be applied. This mis-measurement is evidenced in the *JPSA*, which defines the calculation as:

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<sup>99</sup> In response to staff's request, Pacific's consultant provided performance data and programming to allow staff to compare the plan with and without Category 2.

“Total Number of Customer Trouble reports received within 30 calendar days of special service order completion [divided by] Total number of new, move, and change orders.” *JPSA*, May 24, 2001, Attachment C at 57.

The measure ideally would document the same set of orders for both the numerator and denominator. That is, the total number of orders would be compared to the number of trouble reports for those specific orders. However, when read literally this definition requires trouble report and order counts to be taken from the same month. If the number of orders is constant from month to month for each CLEC, then the literal definition produces the same results as the ideal measurement. However, that is not the case. For example, if there were 10 orders in January and three orders in February, if four of the January orders had trouble reports registered in February, then a February trouble report percentage would be calculated as 133 percent ( $4/3$ ), even though the correct percentage was forty percent ( $4/10$ ) for the actual orders. True percentages over 100 percent are not only impossible,<sup>100</sup> but the Fisher’s Exact Test cannot be applied, as it cannot calculate probabilities for percentages over 100. Trouble reports occurring in February for the February orders could further distort the measurement. This problem is exacerbated by small samples. Small samples tend to vary proportionally more than large samples, and thus can more easily lead to a mismatch of orders versus trouble reports.

Pacific proposed two potential corrections to this problem. Staff requested that Pacific test both potential solutions and report the results. The option of combining two months data caused problems with chronic and

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<sup>100</sup> I.e., when there are three orders, there is no way that more than three orders can have troubles.

extended chronic assessments and did not reduce the number of test application errors.<sup>101</sup> In contrast, the option of performing the test only on aggregate results reduced the number of test errors from twenty-two to three. Additionally, staff determined that the proposed solution did not result in a windfall of reduced payments.<sup>102</sup> For the above reasons, for this initial plan implementation we adopt Pacific's second recommendation, which assesses performance and payment amounts for industry-aggregate performance. However, we recognize that while this solution provides improved assessment, it may be reasonable only as a temporary solution as it still does not capture the ideal data. We instruct Pacific to assist the staff and the parties in evaluating this and other potential solutions, and instruct the parties to revisit and resolve Performance Measure 16 problems, and if necessary, to revise Performance Measure 16 measurement rules.

Pacific also requested a correction for two count-based sub-measures in Performance Measures 20 and 23, pointing out that there was no aggregate measure for these performance measures.<sup>103</sup> Pacific Open. Comm. DD at 17. We find that this correction simply adds an aggregate-level measurement where one previously did not exist, and thus is non-controversial. We adopt this correction.

## **9. Additional Corrections**

The CLECs point out that the draft decision did not include benchmark performance measures in Tier II assessments and payments. CLEC

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<sup>101</sup> I.e., the number of results over 100 percent.

<sup>102</sup> The failure rate increased slightly when PM 16 was included in Category B. We take official notice of these failure rates: 7.5% for the original analyses and 9.6% for the aggregate analysis, and that with the addition of an appropriate weight for Category B *Ordinary Failures*, the payment amount increased slightly.

<sup>103</sup> These two count-based sub-measures are 2097401 and 2393801.

Open. Comm. DD, Attachment at 3. We agree that given the purpose of Tier II assessments and payments, it would be a mistake to exclude benchmark measures. We will make the correction they suggest.

The CLECs also point out that Category B (ex-Category 3) failed to list *Ordinary Failure* payments, and as a consequence Category B payments were too low. CLEC Open. Comm. DD at 17, Attachment at 3. We agree that to exclude *Ordinary Failures*, and an appropriate weighting, overlooks the importance of single-month performance. We have added *Ordinary Failures* to the Category B assessments. Regarding the weighting for Category B, it should have a weight that will provide the same impact as if these measures were not aggregated. Multiplying by the average number of CLECs “touching” these sub-measures will ensure corresponding impact, and we adopt this weight for *Ordinary Failures* for Category B.<sup>104</sup>

In its comments on the draft decision, Pacific pointed out that by including all Performance Measure 1 sub-measures in Category B, the draft decision included some measures of manual processes, and thus was inconsistent with the purpose of Category B. Pacific Open. Comm. at 17. We correct this oversight. Pacific also points out that benchmark small sample adjustment tables need to be established for new benchmark performance levels and that the plan should be explicit regarding the application of small sample adjustment tables to aggregate data. *Id.* at 18. We agree. In the *Interim Opinion* we described the method we used to create these tables so new tables could be constructed for new benchmarks. *Interim Opinion*, App. K at 8, fn. 6. We have added new tables

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<sup>104</sup> We take official notice of staff’s calculation results. Using data and programs supplied by Pacific’s consultant, staff calculated that the average number of CLECs touching Category B sub-measures is approximately ten.

for the new benchmarks and have simplified the method used to create these tables.<sup>105</sup> Additionally, we will add language to the performance incentives plan to clarify that benchmark small sample adjustment tables are used for industry-aggregates consistent with the *Interim Opinion*. *Id.* at 11 - 12, steps 1 and 2.

#### **10. Incorporation into Interconnection Agreements**

In their comments to the draft decision, Pacific and the CLECs point out that they have previously agreed that any performance incentives plan adopted by the Commission could be an option that the CLECs could elect in lieu of remedies negotiated in interconnection agreements. Pacific Open. Comm. DD at 21 -22; CLEC Repl. Comm. DD at 4 - 5. We agree that Pacific and the CLECs should be able to choose one of the two options, but only as long as it does not affect the third party in the plan, the ratepayers. Consequently, we will allow Pacific and the CLECs this option subject to Commission approval. Pacific shall offer our performance incentives plan to each CLEC doing business in California with any alterations agreed to by Pacific and the CLECs subject to Commission approval.

#### **11. Verizon**

While we have intended to adopt simultaneously the same plan for Verizon as we adopt for Pacific, as Verizon notes in its comments on the DD, most of our analyses in this decision have been performed for Pacific. We could delay adoption of a plan for Pacific while we perform additional analyses for

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<sup>105</sup> Documentation for this simplified method is included in the attachments to our performance incentives plan. The new method produces tables identical to those created by the more complicated method used in the *Interim Opinion*. The simplified method does not alter the rationale, criteria, or outcomes of the *Interim Opinion* method. See *Interim Opinion*, App. K, Attach. 2.

Verizon, but do not wish to delay Pacific further. We anticipate that this performance incentives plan will be a key component of Pacific's 271 application to enter the long-distance market, and our disposition of their application will partly depend on the implementation of this plan. In contrast, Verizon is already in the long-distance market. Verizon was not a regional Bell operating company before its merger with Bell Atlantic of New York, and consequently was not prohibited from offering long-distance services. So to prevent undue delay to Pacific, we will adopt this performance incentives plan only for Pacific at this time. We intend to adopt this plan for Verizon, by means of a separate decision, within the next few weeks pending further analyses.

## **V. Conclusions**

Pacific is anxious to complete this component of their quest into the long distance market, we are anxious to bring enhanced competition to California, and a performance incentives plan is an essential part of that effort. We adopt a plan that is generally based on Pacific's plan because we find it to be more stable and functionally appropriate. We have made many significant modifications to the plan to better follow the criteria we have discussed in this decision. We offer this plan for Pacific's OSS performance to the parties so that they may get on with the business of providing competitive phone services to California residents.

We believe this plan is sufficient and appropriate to give Pacific incentives to provide non-discriminatory OSS access. We anticipate enhancements and refinements to this plan as a result of the experience and insights gained during and beyond the six-month initial implementation. In fact, we expect that the first review after the six-month initial implementation will be followed by regular periodic reviews and modifications. While this plan likely can be improved, as any state plan now in existence can be improved, it is more important to



recognize that the plan is sufficient and that any instant improvements are not as important as bringing the benefits of a more competitive market to California's citizens.

We consider this Performance Incentive plan to be an integral part of Pacific's request for long distance authorization in California pursuant to Section 271. As Pacific concedes in its comments on the DD, the plan we adopt today provides a public interest showing that the FCC will give significant weight to in determining whether a sufficient anti-backsliding mechanism exists to support a Section 271 application. In offering this plan to the CLECs as part of its showing that it is in the public interest, Pacific will need to agree that the Commission retains jurisdiction over the plan, including the authority to modify any provision, and that the plan will continue in effect until terminated by the Commission.

## **VI. Comments on Draft Decision**

The draft decision of ALJ Reed in this matter was mailed to the parties in accordance with Pub. Util. Code § 311(g)(1) and Rule 77.7 of the Rules of Practice and Procedure. Comments were filed on December 28, 2001 and reply comments were filed on January 4, 2002. We have reviewed the comments, and taken them into account, as appropriate, in finalizing this order.

### **Findings of Fact**

1. Performance measurements have been adopted in D.01-05-087.
2. Performance assessment criteria have been adopted in D.01-01-037.
3. The FCC has strongly encouraged states to establish regulatory incentives to ensure that ILEC OSS performance does not present barriers to competition.
4. The FCC has stated that RBOC Section 271 applications must be in the public interest to be approved.

5. The FCC has stated that “the fact that a BOC will be subject to performance monitoring and enforcement mechanisms would constitute probative evidence that the BOC will continue to meet its section 271 obligations and that its entry would be consistent with the public interest.”

6. Since the initial filing of this proceeding, the parties have collaborated to establish performance measures, performance assessment criteria, and incentive payment structures.

7. The Administrative Law Judge convened a three-day workshop to develop a payment structure that would determine monetary amounts (performance incentives) paid by the ILEC for deficient OSS performance.

8. Pacific, Verizon, the CLECs, and ORA submitted performance incentive payment structure plan proposals.

9. Pacific and Verizon performed data runs on the submitted plans to assess the payment amounts generated by actual and simulated performance.

10. To prevent undue delay to Pacific, we will adopt this performance incentives plan only for Pacific at this time.

11. The payment amounts generated by Pacific, Verizon, the CLECs, and ORA’s plans vary widely, ranging from approximately \$50,000 per month for Pacific’s plan to approximately \$9 million per month for the CLEC’s plan when the plans are projected onto Pacific’s performance for the last quarter of 2000.

12. At parity performance levels simulated by Pacific, the payments range from approximately \$10,000 per month for Pacific’s plan to over \$3 million per month for the CLECs’ plan.

13. At non-parity performance levels simulated by Pacific that result in a 38 percent failure rate, the payments range from approximately \$1 million per month for ORA’s plan to over \$48 million per month for the CLEC’s plan.

14. Pacific's and the CLECs' plans propose a maximum annual liability at risk of thirty-six percent of Pacific's annual net return from local exchange service.

15. Pacific's net return from local exchange service in 2000 was \$1,527,942,000.

16. Pacific's proposed maximum annual liability at risk is currently \$550,059,120.

17. Pacific's plan's payments per performance failure are increased depending on the pervasiveness of performance failures, also termed the failure rate.

18. Pacific's plan proposes that Pacific be forgiven for up to the percentage of failures that would be expected under parity conditions except for the worst ten percent of the time.

19. Pacific's plan increases payment amounts for repeated failures.

20. Pacific's plan applies the 0.20 conditional critical alpha level to aggregate monthly samples larger than 30 cases.

21. Pacific's 0.20 conditional critical alpha level is applied only to three-month consecutive failures.

22. The CLECs' plan increases payments for repeated failures.

23. The CLECs' plan increases payments for the severity of the individual failures effectively using the statistical test p-value as a surrogate for severity.

24. The CLEC's plan forgives a maximum of fifteen percent performance failures, except that severe failures are excluded from the forgiveness plan.

25. The CLECs' 0.20 conditional critical alpha level is applied to sample sizes of less than 30 cases.

26. The CLEC's conditional alpha provisions include a decreased critical alpha level of 0.05 percent for aggregate samples.

27. Verizon's plan proposes a maximum annual liability at risk rising from approximately \$20 million in year one to \$40 million in year three.

28. Thirty-six percent of Verizon's 2000 net return from local exchange service was approximately \$166 million.

29. Verizon's plan payment amounts are based on transaction volumes, generally the number of CLEC customers who experience service worse than the average level for Verizon's retail customers.

30. Verizon's plan payment amounts are based on a severity measure, the percentage of CLEC customers who experience service worse than the average level for Verizon's retail customers.

31. Verizon's plan proposes a 0.20 conditional critical alpha level, the same as Pacific's conditional alpha provision.

32. Verizon's plan has a forgiveness provision similar to Pacific's.

33. Verizon's plan leaves out performance measures required by D.01-05-087 and agreements between the parties.

34. ORA's plan proposes no payment caps.

35. ORA's plan would have the payments go the ratepayers.

36. ORA's plan does not forgive any identified failures.

37. ORA's plan increases payments for the severity of the individual failures effectively using the statistical test p-value as a surrogate for severity.

38. ORA's plan does not specify a 0.20 conditional critical alpha level.

39. A payment cap of thirty-six percent of annual net return from local exchange service has been adopted by four of the seven states with Section 271 approval, and the two other states have adopted similar percentages.

40. The FCC has approved a payment cap of thirty-six percent of annual net return from local exchange service as being a sufficient incentive to motivate non-discriminatory OSS behavior, in conjunction with other incentives.

41. Procedural caps are necessary to protect ILECs against unintended financial liability caused by unforeseen circumstances.

42. Monthly procedural caps payment amounts proportional to those adopted in New York and Texas are \$15 million for Pacific and \$4.5 million for Verizon.

43. The new provisions the ILECs have proposed in response to our instructions in the *Interim Opinion* only reduce Type I error.

44. Proposed mitigation provisions decrease Type I error at the expense of Type II error.

45. Type II error disadvantages the CLECs.

46. The appropriate percentage of statistical failures that occurs from random variation has not been accurately estimated because it is affected to an undetermined degree by statistical artifacts and by the provision of better service.

47. Log transformations have not completely normalized average-based measure data.

48. The appropriate percentage of statistical failures that occurs from random variation can be calculated from accurate performance simulations.

49. The purpose of our incentive plan is not to reward or credit an ILEC for giving OSS advantages to the CLECs.

50. The purpose of our incentive plan is to ensure that an ILEC does not present OSS barriers to the CLECs.

51. A mitigation plan equal to or greater than the critical alpha level could serve as an incentive for gaming behavior.

52. If an ILEC provided ninety percent of its OSS service that was so good that random variation had been eliminated as a potential cause for missing a sub-measure, and the remaining ten percent of the service failed the performance statistical tests, it is most likely that nearly all of the ten percent missed performance measures are actual failures.

53. There is insufficient information in the record of this proceeding to appropriately apply a correction for random variation because each type of test will have a different failure rate at parity and non-parity levels.

54. The effect of a forgiveness percentage based on the critical alpha level would be arbitrary since critical alpha levels are selected without considering forgiveness percentage effects.

55. There is insufficient information in the record of this proceeding to determine the accuracy of the performance simulations.

56. Mitigation provisions are most important when an ILEC is providing parity OSS access.

57. It is unlikely that Pacific will provide *complete parity* within the six-month implementation period of our performance incentives plan. Complete parity is defined for the specific purpose of developing a statistically-based self-executing performance incentives plan. This assessment of parity will not necessarily generalize to the context of Pacific's 271 application.

58. The net resultant alpha level for Pacific's and Verizon's conditional alpha proposal is 0.008, much smaller than the unconditional standard, 0.10.

59. Pacific's and Verizon's conditional alpha proposals increase net resultant Type II error compared to the single-month application of the 0.10 alpha level.

60. Pacific's and Verizon's conditional alpha proposals reduce Type II error compared to using a 0.10 alpha level to assess each of the three months results for the Tier II chronic failure identification.

61. The application condition for the CLEC conditional alpha proposal is sample sizes of less than thirty.

62. Alpha level adjustments are helpful to decrease Type I error especially for large samples.

63. Pacific's assessment of the economic harm suffered by the CLECs from inequitable OSS access depends on multiple assumptions.

64. Changes in the assumptions in Pacific's assessment of economic harm from inequitable OSS access for CLECs cause large changes in economic harm.

65. Pacific estimates economic harm from thirty percent discriminatory service to be less than 0.04 percent of its net return from local exchange service.

66. Pacific offers payments equaling six percent of its local exchange service net return for thirty-eight percent performance failure rate.

67. The payment cap can provide a guide for setting payments for different failure rates.

68. The interpretation of lower failure rate outcomes is more ambiguous than the interpretation of higher failure rate outcomes.

69. A curvilinear relationship between the percentage of the payment cap and the percentage of performance failures can mitigate the ambiguity of lower failure rates if lower payment percentages are established for lower failure rates and payment percentages become increasingly higher as performance worsens.

70. Establishing a curvilinear payment guide that starts with a payment of from zero to one percent of the payment cap for service with a one to five percent failure rate adjusts for the ambiguity of lower failure rates.

71. Given the low power of the statistical tests ordered in D.01-01-037, it is likely that when two out of three statistical tests fail, the actual failure rate is closer to 100 percent.

72. Payments of 100 percent of the payment cap are warranted for identified failure rates of less than 100 percent.

73. Industry aggregate performance rates are generally about fifty-percent higher than CLEC-specific performance rates.

74. Establishing a curvilinear payment guide that reaches a payment of 100 percent of the payment cap for service with a fifty percent failure rate adjusts for small samples and low statistical test power.

75. Using the curvilinear payment guide for setting payments in relation to performance, Pacific's proposed payment amounts are much less than the guide.

76. The payment amounts follow the curvilinear trend that we seek, except at the very worst performance levels.

77. Pacific's performance is likely to remain at levels where our plan accurately follows the curvilinear target.

78. Pacific is unlikely to deteriorate to levels where the plan payments miss the target.

79. A simulation of parity performance shows that without any additional adjustment, Pacific will still be paying about \$60,000 per month, on the average, when its performance corresponds to the simulation performance levels.

80. The provision deducting \$60,000 from Pacific's incentive payments when it reaches parity simulation performance levels will not affect payments when Pacific's performance is worse than the parity simulation

81. When Pacific's performance is at or close to parity it will be making virtually no incentive payments.

82. Because of the existence of many different variables that affect payment amounts and failure rates, comparisons with payment and failure rates in other states with Section 271 approval are not precise.

83. Holding the single-month alpha level constant for identifications requiring consecutive monthly failures produces a much lower net Type I error rate than the rate for the single-month assessment.

84. When the single-month critical alpha level (maximum Type I error) is 0.20, a statistical assessment requiring three consecutive month failures to be



identified as a failure for the purposes of incentive payments has a net critical alpha level of 0.008 as calculated by the formula:  $p = 0.20^3$ .

85. When the single-month beta result is 0.30 (Type II error), a statistical assessment requiring three consecutive month failures to be identified as a failure for the purposes of incentive payments has a net beta result of 0.657 as calculated by the formula:  $p = 1 - (1 - 0.30)^3$ .

86. When the single-month beta result is 0.30 (Type II error), a statistical assessment requiring six consecutive month failures to be identified as a failure for the purposes of incentive payments has a net beta result of 0.882 as calculated by the formula:  $p = 1 - (1 - 0.30)^6$ .

87. A binomial calculation shows that requiring five out of six consecutive month results to fail a 0.20 critical alpha statistical test to identify a statistical failure for the purposes of incentive payments results in a 0.0016 net maximum alpha level.

88. A binomial calculation shows that when the single-month beta result is 0.30 (Type II error), a statistical assessment requiring five out of six consecutive month results to fail to be identified as a failure for the purposes of incentive payments has a net beta result of 0.58.

89. Requiring the higher payment levels for chronic failure identifications to continue for subsequent single-month failures until two consecutive months pass performance tests will reduce the potential for gaming behavior.

90. Requiring the higher payment levels for chronic failure identifications to continue for subsequent single-month failures until two consecutive months pass performance tests will increase the chances of identifying and correcting poor performance when it occurs.

91. The CLECs' and ORA's plans indirectly address severity by using the probability statistic,  $Z$ , as a surrogate for severity.

92. All other things being equal, as a performance failure becomes more severe, the corresponding Z-statistic becomes larger (smaller p-values).

93. A Z-statistic is also influenced by sample size.

94. A less severe performance result can have a larger Z-statistic than a much worse result if its sample size is sufficiently larger.

95. The CLEC and ORA severity proposals could identify one CLEC's less severe results as more severe than another CLEC's results even when this is not the case.

96. In general, Verizon's plan calculates the percentage of customers who receive service worse than the average ILEC customer (or the benchmark), and then uses that number as a measure of severity to adjust payment amounts.

97. The severity measure is an integral part of Verizon's transaction-based incentive payment system, and is difficult to convert to a sub-measure-based approach.

98. Pacific's proposal to apply statistical testing to benchmarks does not examine the effect of random variation on assessments with underlying non-compliant conditions.

99. Pacific's plan provides relatively consistent output and is correlated to aggregate failure rates for the year 2000.

100. The CLEC, Verizon, and ORA plans' payment amounts are either not significantly correlated to aggregate failure rates and/or are inconsistent month-to-month.

101. For Pacific's performance and payments, the correlations between payment amounts and failure rates are 0.42 for Pacific, 0.13 for the CLECs, -0.12 for Verizon, and -0.01 for ORA and only Pacific's correlation is significant at the 0.10 level (N = 12).

102. Pacific's plan payment amounts can be adjusted for Pacific and Verizon to account for the different size of the two companies and to match the "curvilinear" payment guide.

103. The CLEC plan payment amounts are much higher than our payment amount guide.

104. Verizon's and ORA's plans are inconsistent from month-to-month, producing wide variations in payment amounts that are not related to the relatively small variations in aggregate failure rates.

105. Other problems with severity and volume-related metrics make the Verizon, CLEC, and ORA plans difficult to implement consistent with the criteria established in this decision.

106. Several significant modifications are necessary for Pacific's plan to be consistent with important criteria.

107. Pacific, GTE, and the CLECs collaborated on 2000 GTE Workpaper #13, a list of performance measures and sub-measures to be excluded from the incentive payment plans.

108. Since our plan is scaled to Pacific's and Verizon's individual payment caps, their total payment amounts are no different than if fewer measures were used.

109. Where measures may be correlated in a performance incentive plan, there is still value in multiple measurements, unless the measures have perfect or near-perfect correlations.

110. There is no evidence in the record to suggest that the performance measures to be used in the incentive plan are so highly correlated that they add no value to the assessment.

111. The performance measures to be used in the incentive plan were established in a collaborative process.

112. To implement the performance incentive plan, the ILECs will need to implement monitoring, assessment, reporting, and payment provisions.

113. Inadequate CLEC forecasts of OSS demand would be cause for excluding incentive payments in the event that deficient OSS performance resulted from such forecasts.

114. The CLECs have agreed to provide forecasts as proposed by Pacific.

115. The CLECs and the ILECs are in the best position to know how to implement forecasts for the purposes of OSS operation.

116. In accordance with D.01-05-087, Pacific is required to report performance results by the twentieth calendar day of the month succeeding the reporting period.

117. Pacific proposes to make payments within thirty days of the due date of the performance results report.

118. Ratepayers are making a significant investment in the ILECs' OSS infrastructures.

119. To the extent that OSS performance presents competition barriers, the ratepayers will not benefit from their investment in the ILECs' OSS-related infrastructure and they will not have received the economic and social benefits of competition which motivated the 1996 Telecommunications Act.

120. Rule 33 and Tariff 38 billing surcharges are used to compensate Pacific and Verizon for the costs they incurred to implement local competition.

121. The Commission provides for surcredits to ratepayer in the event of poor service by a regulated telephone company.

122. Exogenous cost changes and other regulatory surcharges and surcredits are included in the annual Price Cap filings that Pacific and Verizon are required to make every October.

123. In the annual filings, the utilities identify specific cost changes (increases and decreases) that occurred in the prior period (e.g., from October 1 through September 30).

124. These cost changes are combined and summed to determine the dollar amount of surcredits or surcharges to be reflected on a customer's monthly bills during the next calendar year.

125. Surcredits and surcharges, such as Pacific's merger savings and local competition implementation costs, are distributed between three groups of services, IntraLATA Exchange, IntraLATA Toll Services, and IntraLATA Access Services, in proportion to each group's share of Pacific's total annual billing base.

126. The surcredit or surcharge percentages are applied to the tariffed rate of the individual services that comprise each of the three service groups (IntraLATA toll, access, and exchange).

127. The adopted surcharge or surcredit percentage is applied to the tariffed rate for the services in each service group and modifies the price that the customer pays for the respective service for the following year.

128. In D.00-09-037 and D.01-09-063 the Commission used Rule 33 and Tariff 38 as the mechanisms for the payment of Pacific's and Verizon's local competition implementation infrastructure costs by their customers.

129. Rule 33 and Tariff 38 surcharges/surcredits appear as separate line items on Pacific's and Verizon's bills respectively.

130. Using Rule 33/Tariff 38 mechanisms will delay payment disbursements to the ratepayers. For example, a payment incurred in January 2003 would not be reflected in the surcredits to be disbursed until 2004.

131. Since the line items have already been established, there is no need for the Commission to authorize the creation of new line items, thus avoiding billing system modification expenses.

132. There would be numerous logistical and efficiency problems in creating an entirely new structure to provide immediate payments to each individual ratepayer.

133. A monetary amount received in the future has less value to the recipient as the same amount received in the present.

134. A ratepayer should be “indifferent” to an amount received in the future versus an amount received now if the future amount were to be increased as if the ratepayer had spent or invested the money now.

135. Ratepayers should be “indifferent” to future payments if they perceive equity when comparing the interest rates they receive to the interest rates they pay to Pacific and Verizon.

136. Discrimination in restoring normal OSS services following widespread disruption due to accidents or other events could damage competition.

137. The record does not include an implementable EDR process.

138. A timeline for commencement of payments generated by new measures can be established in the performance measurement part of this proceeding.

139. Absence of ILEC liability for poor OSS performance to CLEC customers for the first three months of a CLEC’s new service could jeopardize new competition.

140. Abolishing the draft decision’s Category 2 reduces complexity, represents a better agreement between Pacific and the CLECs, and has no apparent detrimental effects.

141. Moving Performance Measure 16 into Category B (ex-Category 3) assessments improve the plan and is reasonable only as a temporary solution.

142. Moving Performance Measure 16 into Category B (ex-Category 3) assessments still does not capture the ideal data.

143. The plan we adopt today provides a public interest showing that the FCC will give significant weight to in determining whether a sufficient anti-backsliding mechanism exists to support a Section 271 application.

### **Conclusions of Law**

1. Through this incentive plan, Pacific should be subject to performance monitoring and enforcement mechanisms.

2. Procedural caps should be adopted to protect ILECs against unintended financial liability caused by unforeseen circumstances.

3. The selection of an appropriate forgiveness percentage would be arbitrary because it is dependent on the critical alpha level selected for other reasons.

4. As determined by the Commission-approved performance measures and assessments, for the purposes of establishing the statistical procedures for this performance incentives plan, Pacific is not providing OSS parity.

5. The CLEC conditional alpha proposal is consistent with our directions in D.01-01-037.

6. Our estimated payment amounts in California are roughly comparable to actual payment amounts in Texas and New York.

7. Information that indicates an increased Type II error likelihood will help target alpha level adjustments to decrease Type II error where it is likely to be more beneficial.

8. Information that indicates an increased Type I error likelihood will help target alpha level adjustments to decrease Type I error where it is likely to be more beneficial.

9. A reasonable "anchor" for assessing the full monthly payment cap amount is a single-month CLEC-specific failure rate of fifty percent.

10. Using the curvilinear payment guide for setting payments in relation to performance, Pacific's proposed payment amounts are insufficient.

11. Adjustments for the severity of performance failures can enhance an incentive plan's ability to target the most deficient performance by making incentive payments greater for the more severe failures.

12. Statistical tests provide greater confidence (higher Z-statistics, lower p-values) when applied to larger samples, compared to otherwise equal small samples.

13. Without an examination of the effect of random variation on assessments with both underlying compliant and non-compliant conditions, we cannot fairly implement statistical testing for benchmarks.

14. A performance incentives plan should be consistent over time.

15. A performance incentives plan should reflect differences in performance.

16. A performance incentives plan should produce equitable outcomes for both ILECs.

17. Pacific's plan, with several significant modifications set forth in Appendix J, should be adopted as the best base plan consistent with important criteria.

18. The list of all the measures and sub-measures excluded from incentive payments, set forth in 2000 GTE Workpaper #13, should be adopted.

19. The CLECs should provide forecasts as proposed by Pacific in its March 23, 2001 proposed plan.

20. Pub. Util. Code § 2104 does not compel us to decree the incentive payments to be liquidated damages and the CLECs' exclusive remedy for discriminatory ILEC performance.

21. The performance incentive plan payments should not be considered to be the exclusive remedy for deficient OSS performance.

22. We have crafted this plan in concert with the parties in order to implement the federally mandated restructuring of the local market.



23. Pub. Util. Code § 454 gives the Commission statutory authority to establish rates and charges for regulated telecommunications companies.

24. The Commission should require Tier I performance incentive amounts to become billing credits to adjust the rates that CLECs pay to Pacific for local exchange services. Incentive amounts in excess of a CLEC's monthly bill should be added to Tier II amounts.

25. The Commission should require Tier II performance incentive payments to go to ratepayers through Pacific's surcharge and surcredit mechanisms: Pacific's Rule 33 (Schedule Cal. P.U.C. No. A2.1.33 - Billing Surcharges of Pacific's tariffs).

26. Since ratepayers are making a significant investment in the ILECs' OSS infrastructures, it follows that they should receive incentive payments, which are directly related to the extent that those infrastructures do not perform as they should.

27. Rule 33 billing surcharges are appropriately used to compensate Pacific for the costs it incurred to implement local competition.

28. The Commission should provide surcredits to ratepayers in the event of poor service by a regulated telephone company.

29. The Commission should require Pacific to make monthly payments into an interest-bearing memorandum account, with an interest rate equal to the tariffed rate Pacific charges its customers for late payment, with the interest compounded monthly, and with interest accrual beginning immediately after the incentive payments are due and continuing to accrue on all amounts not yet credited to the ratepayers.

30. The Commission should require that Pacific Bell identify in its separated intrastate results of operations monitoring reports an adjustment clearly identifying the annual performance incentive payments, and remove from the

California intrastate results of operations, and the earnings monitoring reports, the payments made to the performance incentive memorandum account.

31. Incentive payments should not be the exclusive remedy for deficient performance.

32. An implementable EDR process is not currently available for the incentives plan.

33. Until an EDR process is implemented, the ILECs should automatically make incentive payments as indicated by the incentive plan we adopt.

34. Until an EDR process is implemented, the parties should use currently available Commission procedures in any disputes regarding these payments.

35. When new measures are introduced, payments should not be made on performance failures until the fourth month.

36. Under the adopted incentive plan, results for the first three months with activity for a new measure should not be subject to payments.

37. Regardless of which day during the month a CLEC first accesses the newly measured OSS function, that month should be deemed the first month for calculation purposes under the adopted payment plan.

38. The first, second, and third months' performance results should not be subject to incentive payments, and the fourth month should be subject to payments, with the results reported on the 20<sup>th</sup> day of the fifth month, and payments due thirty days thereafter.

39. Delineated changes to the performance assessment requirements of D.01-01-037 should be made to successfully and efficiently implement the performance incentives plan.

40. The payment amounts generated by the plan, are close to the payment target, correspond to our payment rationale, and are reasonable.

41. It is reasonable to reduce Pacific's payment amount when (1) Pacific's failure rates are no higher than the rates for each category in the parity simulation, and (2) Pacific has no chronic or extended failures for those measures and sub-measures designated by the parties as sufficiently important to have no minimum sample size.

42. In offering this plan to the CLECs as part of its showing that it is in the public interest, Pacific will need to agree that the Commission retains jurisdiction over the plan, including the authority to modify any provision, and that the plan will continue in effect until terminated by the Commission.

43. We intend to adopt this plan for Verizon, by means of a separate decision, within the next few weeks pending further analyses.

44. The incentive plan set forth in Appendix J is reasonable, consistent with law, and in the public interest.

45. This decision should be effective today so that the incentive plan can be promptly implemented.

## **O R D E R**

### **IT IS ORDERED that:**

1. A performance incentives plan, which identifies performance failures and non-failures, as specified in Appendix J incorporated by reference herein, shall be adopted for Pacific Bell (Pacific) to offer to CLECs.

2. The performance incentives plan, comprised of the performance measurements adopted in Decision (D.) 01-05-087, the decision model adopted in D.01-01-037 and as modified herein, and an incentive payment component adopted herein, shall be offered to the CLECs, and where accepted, implemented

for an initial period of at least six months or until otherwise modified by this Commission.

3. Pacific and any CLEC may agree to use a different performance incentives plan, subject to approval by this Commission.

4. Parties to this proceeding shall collaborate to review and recommend any appropriate revisions for the definition and/or use of Performance Measure 16.

5. Incentive payments, as specified in Appendix J of this decision, shall commence the first full month following the effective date of this order.

6. Following the six-month initial period, the performance of the incentives plan model shall be reviewed. Such review shall examine how the incentives plan model is functioning and shall include any adjustments and modifications to the components as well as the resolution of any issues remaining from D.01-01-037.

7. The schedule for the incentives plan model review shall be set by separate ruling.

This order is effective today.

Dated March 6, 2002, at San Francisco, California.

LORETTA M. LYNCH  
President  
HENRY M. DUQUE  
RICHARD A. BILAS  
CARL W. WOOD  
GEOFFREY F. BROWN  
Commissioners

## **APPENDICES A THRU K**

Appendices A thru K to R9710016, I9710017

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**Appendix A: List of Filings Containing Parties' Final Proposed Incentive Plans, Plan Data Runs, and Plan Comments****Final Proposed Plans**

Pacific Bell Telephone Company's (U 1001 C) Submission of Performance Remedies Plan. Filed March 23, 2001, Pacific Bell Telephone Company.

Revised Interim Verizon Performance Plan for the State of California. Filed May 4, 2001, Verizon California, Inc.

Updated Interim Incentive Model. Filed May 4, 2001, Office of Ratepayers Advocates, California Public Utilities Commission.

Participating Competitive Local Exchange Carriers' Second Revised Interim Performance Incentives Plan. Filed May 11, 2001, Participating Competitive Local Exchange Carriers (CLECs).<sup>1</sup>

**Data Runs**

Pacific Bell Telephone Company's Submission of Comparisons of Proposed Performance Incentives Models. Filed April 27, 2001, Pacific Bell Telephone Company.

Pacific Bell Telephone Company's Second Submission of Comparisons of Proposed Performance Incentives Models. Filed May 7, 2001, Pacific Bell Telephone Company.

Attachment to: Pacific Bell Telephone Company's (U 1001 C) Opening Comments on Performance Remedies Plan (May 18, 2001). Filed May 18, 2001, Pacific Bell Telephone Company.

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<sup>1</sup> The Participating CLECs include AT&T Communications of California, Inc. (U-5002-C), ICG Telecom Group, Inc.. (U-5406-C), New Edge Networks, Inc. (U-6226-C), Pac-West Telecomm, Inc. (U-5266-C), WorldCom, Inc., and XO California, Inc. (U-6272-C).

Submission of Verizon California Inc. of Data Results for Proposed Interim Incentive Plans, and Correction of Verizon's Proposed Interim Incentive Proposal. Filed May 4, 2001, Verizon California, Inc.

Second Data Results Submission of Verizon California Inc. Filed May 11, 2001, Verizon California, Inc.

Verizon's letter to the Docket Office re: Second Data Results Submission of Verizon California Inc. (5 copies of CD-ROM discs) Filed May 16, 2001, Verizon California, Inc.

Appendix A to: Pacific Bell Telephone Company's (U 1001 C) Opening Comments On Draft Decision On The Performance Incentives Plan, Filed December 28, 2001, Pacific Bell Telephone Company.

Data Results Submission Of Verizon California Inc. (U 1002 C), Filed December 28, 2001, Verizon California, Inc.

### **Comments**

Pacific Bell Telephone Company's (U 1001 C) Opening Comments on Performance Remedies Plan (May 18, 2001). Filed May 18, 2001, Pacific Bell Telephone Company.

Opening Comments of Verizon California Inc. (U 1002) Concerning Exchanged Data Runs Applicable to Proposed Interim Incentive Plans. Filed May 18, 2001, Verizon California, Inc.

Comments of the Participating Local Exchange Carriers Regarding Performance Remedies Plans. Filed May 18, 2001, CLECs.

Opening Comments of the Office of Ratepayers Advocates to the Proposed Interim Performance Incentives Plan. Filed May 18, 2001, Office of Ratepayers Advocates, California Public Utilities Commission.

Pacific Bell Telephone Company's (U 1001 C) Opening Comments on the CLECs' and Verizon's Proposed Performance Remedies Plan (May 25, 2001). Filed May 25, 2001, Pacific Bell Telephone Company.



Opening Comments of Verizon California Inc. (U 1002 C) Regarding May 11, 2001 Data Runs Performed By Pacific Bell. Filed May 25, 2001, Verizon California Inc.

Supplemental Comments of the Office of Ratepayer Advocates to Pacific Bell's May 18 Data Analysis of the Proposed Interim Performance Incentives Plans Submitted By Verizon, Inc. and the Competitive Local Exchange Carriers, Filed May 25, 2001, Office of Ratepayer Advocates, California Public Utilities Commission.

Pacific Bell Telephone Company's (U 1001 C) Reply to the Comments Filed May 18, 2001 on the Proposed Performance Remedies Plan (June 1, 2001). Filed June 1, 2001, Pacific Bell Telephone Company.

Reply Comments of Verizon California Inc. (U 1002C) Concerning Exchanged Data Runs Applicable to Interim Incentive Plans. Filed June 1, 2001, Verizon California, Inc.

Responses of the Participating Competitive Local Exchange Carriers Regarding the May 18, 2001 Filings of Pacific Bell and Verizon California, Inc. Filed June 1, 2001, CLECs.

Concurrent Reply Comments of the Office of Ratepayer Advocates to the Opening Comments on Proposed Interim Performance Incentive Plans. Filed June 1, 2001, Office of Ratepayer Advocates, California Public Utilities Commission.

Errata to the Concurrent Reply Comments of the Office of Ratepayer Advocates to the Opening Comments on Proposed Interim Performance Incentive Plans. Filed June 1, 2001, Office of Ratepayer Advocates, California Public Utilities Commission.

Comments of the Participating Competitive Local Exchange Carriers (CLECs) Regarding the Pacific Bell Data Outcomes For the Plans Submitted By Verizon California, Inc. and the CLECs, and the Verizon Data Outcome For the CLECs Plan, Filed on May 18, 2001. Filed June 4, 2001, CLECs.

Opening Comments of the Office of Ratepayer Advocates to Verizon's Revised Data Analyses of the Proposed Interim Performance Incentive Plans. Filed June 4,

2001, Office of Ratepayer Advocates, California Public Utilities Commission.

Pacific Bell Telephone Company's (U 1001 C) Reply to the Clecs' Comments Filed June 4, 2001 on the Proposed Performance Remedies Plan (June 8, 2001). Filed June 8, 2001, Pacific Bell Telephone Company.

Reply Comments of Verizon California Inc. (U 1002 C) to the Further Opening Comments of the Clecs and Ora. Filed June 8, 2001, Verizon California, Inc.

Comments of the Participating Competitive Local Exchange Carriers (CLECs) Regarding the Opening Comments of Pacific Bell on the CLECs' and Verizons' Plans Filed May 25, 2001. Filed June 8, 2001, CLECs.

Concurrent Reply Comments of the Office of Ratepayer Advocates to the Opening Comments on Exchanged Data Runs Applicable to Proposed Interim Performance Incentive Plans. Filed June 8, 2001, Office of Ratepayer Advocates, California Public Utilities Commission.

Pacific Bell Telephone Company's (U 1001 C) Opening Comments on Draft Decision on the Performance Incentives Plan, Filed December 28, 2001, Pacific Bell Telephone Company.

Opening Comments of the Participating Competitive Local Exchange Carriers on the Draft Decision Adopting a Performance Incentives Plan, Filed December 28, 2001, CLECs.

Comments of Verizon California Inc. (U 1002 C) to the Commission's Draft Decision Regarding Incentive Payments, Filed December 28, 2001, Verizon California, Inc.

Comments of the Office of Ratepayer Advocates to the Draft Decision of Administrative Law Judge Reed, Filed December 28, 2001, Office of Ratepayer Advocates, California Public Utilities Commission..

Pacific Bell Telephone Company's (U 1001 C) Reply Comments on Draft Decision on the Performance Incentives Plan, Filed January 4, 2002, Pacific Bell Telephone Company.

Reply Comments of the Participating Competitive Local Exchange Carriers on the Draft Decision Adopting a Performance Incentives Plan, Filed January 4,

Reply Comments of Verizon California Inc. (U 1002 C) to the Commission's Proposed Incentive Payment Opinion, Filed January 4, 2002, Verizon California, Inc..

Concurrent Reply Comments of the Office of Ratepayer Advocates on the Draft Decision of Administrative Law Judge Reed, Filed January 4, 2002, Office of Ratepayer Advocates, California Public Utilities Commission.

**Appendix B: Payment Amounts Generated by the Proposed Plans.**

Sources:

Payment amounts: Attachment to *Pacific Bell Telephone Company's (U 1001 C) Opening Comments on Performance Remedies Plan (May 18, 2001)*. Filed May 18, 2001, Pacific Bell Telephone Company.

Graphed aggregate failure rates: Calculated by staff using program and data files provided by Pacific Bell.

5/7/2001

Results from the Pacific Plan on Real Data without Logs

Year	Month	Mitigation and Conditional Failure			Mitigation and No Conditional Failure			No Mitigation and Conditional Failure			No Mitigation and No Conditional Failure		
		Tier I	Tier II	Total	Tier I	Tier II	Total	Tier I	Tier II	Total	Tier I	Tier II	Total
2000	Jan	\$52,400	\$12,000	\$64,400	\$52,400	\$0	\$52,400	\$164,300	\$28,000	\$192,300	\$164,300	\$0	\$164,300
2000	Feb	\$37,150	\$7,500	\$44,650	\$37,150	\$0	\$37,150	\$108,550	\$9,500	\$118,050	\$108,550	\$0	\$108,550
2000	Mar	\$28,450	\$5,000	\$33,450	\$28,450	\$0	\$28,450	\$82,300	\$7,500	\$89,800	\$82,300	\$0	\$82,300
2000	Apr	\$28,050	\$4,500	\$32,550	\$28,050	\$0	\$28,050	\$104,600	\$6,500	\$111,100	\$104,600	\$0	\$104,600
2000	May	\$28,900	\$4,000	\$32,900	\$28,900	\$0	\$28,900	\$96,200	\$6,500	\$102,700	\$96,200	\$0	\$96,200
2000	Jun	\$25,750	\$6,500	\$32,250	\$25,750	\$0	\$25,750	\$101,200	\$9,000	\$110,200	\$101,200	\$0	\$101,200
2000	Jul	\$33,300	\$7,000	\$40,300	\$33,300	\$0	\$33,300	\$113,650	\$9,000	\$122,650	\$113,650	\$0	\$113,650
2000	Aug	\$38,150	\$10,000	\$48,150	\$38,150	\$0	\$38,150	\$136,200	\$12,000	\$148,200	\$136,200	\$0	\$136,200
2000	Sep	\$34,050	\$8,500	\$42,550	\$34,050	\$0	\$34,050	\$128,800	\$10,500	\$139,300	\$128,800	\$0	\$128,800
2000	Oct	\$39,150	\$11,000	\$50,150	\$39,150	\$0	\$39,150	\$110,850	\$13,000	\$123,850	\$110,850	\$0	\$110,850
2000	Nov	\$30,900	\$11,000	\$41,900	\$30,900	\$0	\$30,900	\$115,650	\$13,000	\$128,650	\$115,650	\$0	\$115,650
2000	Dec	\$29,150	\$5,500	\$34,650	\$29,150	\$0	\$29,150	\$96,450	\$7,500	\$103,950	\$96,450	\$0	\$96,450
Total		\$405,400	\$92,500	\$497,900	\$405,400	\$0	\$405,400	\$1,358,750	\$132,000	\$1,490,750	\$1,358,750	\$0	\$1,358,750
Avg		\$33,783	\$7,708	\$41,492	\$33,783	\$0	\$33,783	\$113,229	\$11,000	\$124,229	\$113,229	\$0	\$113,229

Results from the Pacific Plan on Real Data with Logs

Year	Month	Mitigation and Conditional Failure			Mitigation and No Conditional Failure			No Mitigation and Conditional Failure			No Mitigation and No Conditional Failure		
		Tier I	Tier II	Total	Tier I	Tier II	Total	Tier I	Tier II	Total	Tier I	Tier II	Total
2000	Oct	\$41,750	\$11,500	\$53,250	\$41,750	\$0	\$41,750	\$128,200	\$13,500	\$141,700	\$128,200	\$0	\$128,200
2000	Nov	\$40,900	\$12,000	\$52,900	\$40,900	\$0	\$40,900	\$149,150	\$14,000	\$163,150	\$149,150	\$0	\$149,150
2000	Dec	\$38,550	\$8,000	\$46,550	\$38,550	\$0	\$38,550	\$123,400	\$10,000	\$133,400	\$123,400	\$0	\$123,400
Total		\$427,400	\$96,500	\$523,900	\$427,400	\$0	\$427,400	\$1,436,550	\$136,000	\$1,572,550	\$1,436,550	\$0	\$1,436,550

5/11 REVISED CLEC PLAN

5/15/2001

Results from the CLEC Plan on Real Data without Logs

Year	Month	Mitigation and Conditional Failure			Mitigation and No Conditional Failure			No Mitigation and Conditional Failure			No Mitigation and No Conditional Failure		
		Tier I	Tier II	Total	Tier I	Tier II	Total	Tier I	Tier II	Total	Tier I	Tier II	Total
2000	Jan	\$4,677,944	\$4,126,673	\$8,804,617	\$4,640,444	\$4,087,503	\$8,727,947	\$4,771,919	\$4,126,673	\$8,898,592	\$4,679,337	\$4,087,503	\$8,766,839
2000	Feb	\$3,420,514	\$3,750,714	\$7,171,229	\$3,383,225	\$3,711,466	\$7,094,692	\$3,546,613	\$3,750,714	\$7,297,327	\$3,450,447	\$3,711,466	\$7,161,913
2000	Mar	\$3,402,581	\$3,600,408	\$7,002,989	\$3,355,144	\$3,449,780	\$6,804,925	\$3,499,307	\$3,600,408	\$7,099,715	\$3,417,984	\$3,449,780	\$6,867,765
2000	Apr	\$3,990,822	\$3,809,043	\$7,799,866	\$3,911,896	\$3,754,165	\$7,666,061	\$4,109,129	\$3,809,043	\$7,918,172	\$3,969,809	\$3,754,165	\$7,723,974
2000	May	\$4,108,831	\$3,033,594	\$7,142,426	\$4,077,224	\$3,020,808	\$7,098,033	\$4,201,633	\$3,033,594	\$7,235,228	\$4,129,394	\$3,020,808	\$7,150,203
2000	Jun	\$4,553,750	\$3,953,712	\$8,507,462	\$4,464,562	\$3,927,309	\$8,391,871	\$4,683,618	\$3,953,712	\$8,637,330	\$4,547,229	\$3,927,309	\$8,474,538
2000	Jul	\$3,395,739	\$3,132,964	\$6,528,703	\$3,341,272	\$3,080,467	\$6,421,739	\$3,516,469	\$3,132,964	\$6,649,434	\$3,405,554	\$3,080,467	\$6,486,021
2000	Aug	\$4,584,810	\$4,480,216	\$9,065,026	\$4,494,537	\$4,277,437	\$8,771,974	\$4,781,330	\$4,480,216	\$9,261,546	\$4,598,029	\$4,277,437	\$8,875,467
2000	Sep	\$4,570,444	\$4,179,979	\$8,750,423	\$4,524,723	\$4,152,586	\$8,677,308	\$4,706,468	\$4,179,979	\$8,886,447	\$4,588,281	\$4,152,586	\$8,740,867
2000	Oct	\$4,083,838	\$4,786,303	\$8,870,141	\$4,000,724	\$4,661,303	\$8,662,028	\$4,201,199	\$4,786,303	\$8,987,502	\$4,060,651	\$4,661,303	\$8,721,954
2000	Nov	\$3,810,718	\$4,339,456	\$8,150,174	\$3,651,799	\$4,298,232	\$7,950,031	\$3,939,890	\$4,339,456	\$8,279,346	\$3,744,905	\$4,298,232	\$8,043,136
2000	Dec	\$4,045,131	\$3,532,986	\$7,578,117	\$3,974,544	\$3,520,399	\$7,494,944	\$4,136,295	\$3,532,986	\$7,669,281	\$4,023,263	\$3,520,399	\$7,543,662
<b>Total</b>		<b>\$48,645,123</b>	<b>\$46,726,049</b>	<b>\$95,371,173</b>	<b>\$47,820,095</b>	<b>\$45,941,456</b>	<b>\$93,761,551</b>	<b>\$50,093,869</b>	<b>\$46,726,049</b>	<b>\$96,819,919</b>	<b>\$48,614,883</b>	<b>\$45,941,456</b>	<b>\$94,556,339</b>

Results from the CLEC Plan on Real Data with Logs

Year	Month	Mitigation and Conditional Failure			Mitigation and No Conditional Failure			No Mitigation and Conditional Failure			No Mitigation and No Conditional Failure		
		Tier I	Tier II	Total	Tier I	Tier II	Total	Tier I	Tier II	Total	Tier I	Tier II	Total
2000	Oct	\$4,475,533	\$5,300,023	\$9,775,556	\$4,372,795	\$5,170,322	\$9,543,116	\$4,618,196	\$5,300,023	\$9,918,220	\$4,440,998	\$5,170,322	\$9,611,320
2000	Nov	\$4,757,330	\$4,924,324	\$9,681,653	\$4,654,107	\$4,884,769	\$9,538,877	\$4,898,140	\$4,924,324	\$9,822,463	\$4,723,539	\$4,884,769	\$9,608,309
2000	Dec	\$4,695,756	\$4,078,302	\$8,774,058	\$4,543,414	\$3,887,470	\$8,430,884	\$4,821,681	\$4,078,302	\$8,899,983	\$4,616,838	\$3,887,470	\$8,504,308
<b>Total</b>		<b>\$50,634,054</b>	<b>\$48,369,953</b>	<b>\$99,004,007</b>	<b>\$49,763,343</b>	<b>\$47,404,084</b>	<b>\$97,167,427</b>	<b>\$52,154,504</b>	<b>\$48,369,953</b>	<b>#####</b>	<b>\$50,567,441</b>	<b>\$47,404,084</b>	<b>\$97,971,525</b>

5/4/2001

Results from the ORA Plan on Real Data without Logs

Year	Month	Mitigation and Conditional Failure	Mitigation and No Conditional Failure	No Mitigation and Conditional Failure	No Mitigation and No Conditional Failure
2000	Jan	\$480,359	\$480,359	\$480,359	\$480,359
2000	Feb	\$6,195,173	\$6,195,173	\$6,195,173	\$6,195,173
2000	Mar	\$14,651,867	\$14,651,867	\$14,651,867	\$14,651,867
2000	Apr	\$8,286,242	\$8,286,242	\$8,286,242	\$8,286,242
2000	May	\$1,447,820	\$1,447,820	\$1,447,820	\$1,447,820
2000	Jun	\$783,058	\$783,058	\$783,058	\$783,058
2000	Jul	\$1,274,248	\$1,274,248	\$1,274,248	\$1,274,248
2000	Aug	\$689,755	\$689,755	\$689,755	\$689,755
2000	Sep	\$13,232,020	\$13,232,020	\$13,232,020	\$13,232,020
2000	Oct	\$2,472,857	\$2,472,857	\$2,472,857	\$2,472,857
2000	Nov	\$1,957,299	\$1,957,299	\$1,957,299	\$1,957,299
2000	Dec	\$1,003,870	\$1,003,870	\$1,003,870	\$1,003,870
	<b>Total</b>	<b>\$52,474,567</b>	<b>\$52,474,567</b>	<b>\$52,474,567</b>	<b>\$52,474,567</b>

Results from the ORA Plan on Real Data with Logs

Year	Month	Mitigation and Conditional Failure	Mitigation and No Conditional Failure	No Mitigation and Conditional Failure	No Mitigation and No Conditional Failure
2000	Oct	\$2,687,169	\$2,687,169	\$2,687,169	\$2,687,169
2000	Nov	\$2,345,315	\$2,345,315	\$2,345,315	\$2,345,315
2000	Dec	\$2,238,154	\$2,238,154	\$2,238,154	\$2,238,154
	<b>Total</b>	<b>\$54,311,179</b>	<b>\$54,311,179</b>	<b>\$54,311,179</b>	<b>\$54,311,179</b>

5/17/2001

Results from the Verizon Plan on Real Data without Logs

Year	Month	Mitigation and Conditional Failure			Mitigation and No Conditional Failure			No Mitigation and Conditional Failure			No Mitigation and No Conditional Failure		
		Tier I	Tier II	Total	Tier I	Tier II	Total	Tier I	Tier II	Total	Tier I	Tier II	Total
2000	Jan	\$239,916	\$1,978	\$241,894	\$239,916	\$0	\$239,916	\$249,327	\$1,978	\$251,305	\$249,327	\$0	\$249,327
2000	Feb	\$6,576,514	\$1,160	\$6,577,674	\$6,576,514	\$0	\$6,576,514	\$8,927,055	\$1,160	\$8,928,215	\$8,927,055	\$0	\$8,927,055
2000	Mar	\$2,499,795	\$721	\$2,500,516	\$2,499,795	\$0	\$2,499,795	\$2,691,077	\$721	\$2,691,798	\$2,691,077	\$0	\$2,691,077
2000	Apr	\$1,548,027	\$675	\$1,548,702	\$1,548,027	\$0	\$1,548,027	\$5,413,374	\$675	\$5,414,049	\$5,413,374	\$0	\$5,413,374
2000	May	\$297,482	\$575	\$298,057	\$297,482	\$0	\$297,482	\$562,944	\$575	\$563,519	\$562,944	\$0	\$562,944
2000	Jun	\$699,323	\$953	\$700,276	\$699,323	\$0	\$699,323	\$703,571	\$953	\$704,524	\$703,571	\$0	\$703,571
2000	Jul	\$414,511	\$1,145	\$415,656	\$414,511	\$0	\$414,511	\$397,468	\$1,145	\$398,614	\$397,468	\$0	\$397,468
2000	Aug	\$3,546,966	\$1,596	\$3,548,562	\$3,546,966	\$0	\$3,546,966	\$3,507,712	\$1,596	\$3,509,308	\$3,507,712	\$0	\$3,507,712
2000	Sep	\$1,107,414	\$1,347	\$1,108,761	\$1,107,414	\$0	\$1,107,414	\$1,021,098	\$1,347	\$1,022,445	\$1,021,098	\$0	\$1,021,098
2000	Oct	\$4,918,657	\$1,695	\$4,920,352	\$4,918,657	\$0	\$4,918,657	\$4,661,707	\$1,695	\$4,663,402	\$4,661,707	\$0	\$4,661,707
2000	Nov	\$911,677	\$1,719	\$913,396	\$911,677	\$0	\$911,677	\$701,546	\$1,719	\$703,265	\$701,546	\$0	\$701,546
2000	Dec	\$753,999	\$851	\$754,850	\$753,999	\$0	\$753,999	\$533,647	\$851	\$534,498	\$533,647	\$0	\$533,647
<b>Total</b>		<b>\$23,514,281</b>	<b>\$14,414</b>	<b>\$23,528,695</b>	<b>\$23,514,281</b>	<b>\$0</b>	<b>\$23,514,281</b>	<b>\$29,370,526</b>	<b>\$14,414</b>	<b>\$29,384,940</b>	<b>\$29,370,526</b>	<b>\$0</b>	<b>\$29,370,526</b>

Results from the Verizon Plan on Real Data with Logs

Year	Month	Mitigation and Conditional Failure			Mitigation and No Conditional Failure			No Mitigation and Conditional Failure			No Mitigation and No Conditional Failure		
		Tier I	Tier II	Total	Tier I	Tier II	Total	Tier I	Tier II	Total	Tier I	Tier II	Total
2000	Oct	\$4,968,175	\$1,772	\$4,969,947	\$4,968,175	\$0	\$4,968,175	\$4,727,610	\$1,772	\$4,729,382	\$4,727,610	\$0	\$4,727,610
2000	Nov	\$970,826	\$1,875	\$972,701	\$970,826	\$0	\$970,826	\$694,587	\$1,875	\$696,462	\$694,587	\$0	\$694,587
2000	Dec	\$835,328	\$1,237	\$836,565	\$835,328	\$0	\$835,328	\$595,984	\$1,237	\$597,221	\$595,984	\$0	\$595,984
<b>Total</b>		<b>\$23,704,276</b>	<b>\$15,034</b>	<b>\$23,719,311</b>	<b>\$23,704,276</b>	<b>\$0</b>	<b>\$23,704,276</b>	<b>\$29,491,807</b>	<b>\$15,034</b>	<b>\$29,506,841</b>	<b>\$29,491,807</b>	<b>\$0</b>	<b>\$29,491,807</b>



5/17/2001

Results from Simulated Data

Pacific	Scenario	Mitigation and Conditional Failure			Mitigation and No Conditional Failure			No Mitigation and Conditional Failure			No Mitigation and No Conditional Failure		
		Tier I	Tier II	Total	Tier I	Tier II	Total	Tier I	Tier II	Total	Tier I	Tier II	Total
		A	\$10,486	\$28	\$10,514	\$10,486	\$0	\$10,486	\$67,656	\$1,167	\$68,822	\$67,656	\$0
B	\$145,775	\$47,333	\$193,108	\$145,775	\$0	\$145,775	\$409,867	\$74,000	\$483,867	\$409,867	\$0	\$409,867	
C	\$772,194	\$420,667	\$1,192,861	\$772,194	\$0	\$772,194	\$2,119,675	\$462,222	\$2,581,897	\$2,119,675	\$0	\$2,119,675	
D	\$5,905,283	\$1,510,222	\$7,415,506	\$5,905,283	\$0	\$5,905,283	\$8,850,008	\$1,538,667	\$10,388,675	\$8,850,008	\$0	\$8,850,008	

CLEC	Scenario	Mitigation and Conditional Failure			Mitigation and No Conditional Failure			No Mitigation and Conditional Failure			No Mitigation and No Conditional Failure		
		Tier I	Tier II	Total	Tier I	Tier II	Total	Tier I	Tier II	Total	Tier I	Tier II	Total
		A	\$2,672,580	\$574,900	\$3,247,479	\$2,564,531	\$528,879	\$3,093,410	\$2,935,031	\$574,900	\$3,509,931	\$2,722,515	\$528,879
B	\$7,282,435	\$7,116,099	\$14,398,534	\$6,993,435	\$6,988,307	\$13,981,742	\$7,552,789	\$7,116,099	\$14,668,888	\$7,162,742	\$6,988,307	\$14,151,049	
C	\$12,289,368	\$13,733,851	\$26,023,218	\$11,748,467	\$13,258,808	\$25,007,275	\$12,585,647	\$13,733,851	\$26,319,498	\$11,939,778	\$13,258,808	\$25,198,586	
D	\$22,509,064	\$26,361,808	\$48,870,872	\$21,393,516	\$25,674,070	\$47,067,586	\$22,834,535	\$26,361,808	\$49,196,343	\$21,615,928	\$25,674,070	\$47,289,998	

ORA	Scenario	Mitigation and Conditional Failure	Mitigation and No Conditional Failure	No Mitigation and Conditional Failure	No Mitigation and No Conditional Failure
		Failure	Failure	Failure	Failure
		A	\$65,329	\$65,329	\$65,329
B	\$401,540	\$401,540	\$401,540	\$401,540	
C	\$639,355	\$639,355	\$639,355	\$639,355	
D	\$1,250,400	\$1,250,400	\$1,250,400	\$1,250,400	

Verizon	Scenario	Mitigation and Conditional Failure			Mitigation and No Conditional Failure			No Mitigation and Conditional Failure			No Mitigation and No Conditional Failure		
		Tier I	Tier II	Total	Tier I	Tier II	Total	Tier I	Tier II	Total	Tier I	Tier II	Total
		A	\$81,835	\$0	\$81,835	\$81,835	\$0	\$81,835	\$200,591	\$0	\$200,591	\$200,591	\$0
B	\$3,343,006	\$3,603	\$3,346,609	\$3,343,006	\$0	\$3,343,006	\$2,355,210	\$3,603	\$2,358,813	\$2,355,210	\$0	\$2,355,210	
C	\$6,281,303	\$7,656	\$6,288,959	\$6,281,303	\$0	\$6,281,303	\$4,507,864	\$7,656	\$4,515,520	\$4,507,864	\$0	\$4,507,864	
D	\$12,929,103	\$14,697	\$12,943,800	\$12,929,103	\$0	\$12,929,103	\$8,535,089	\$14,697	\$8,549,786	\$8,535,089	\$0	\$8,535,089	

4/26/2001

**Failure Rates by Scenario**

<b>Scenario</b>	<b>Miss</b>	<b>Chronic</b>	<b>Extended</b>
<b>A</b>	7%	0.30%	0.02%
<b>B</b>	14%	5%	3%
<b>C</b>	23%	11%	8%
<b>D</b>	38%	21%	14%

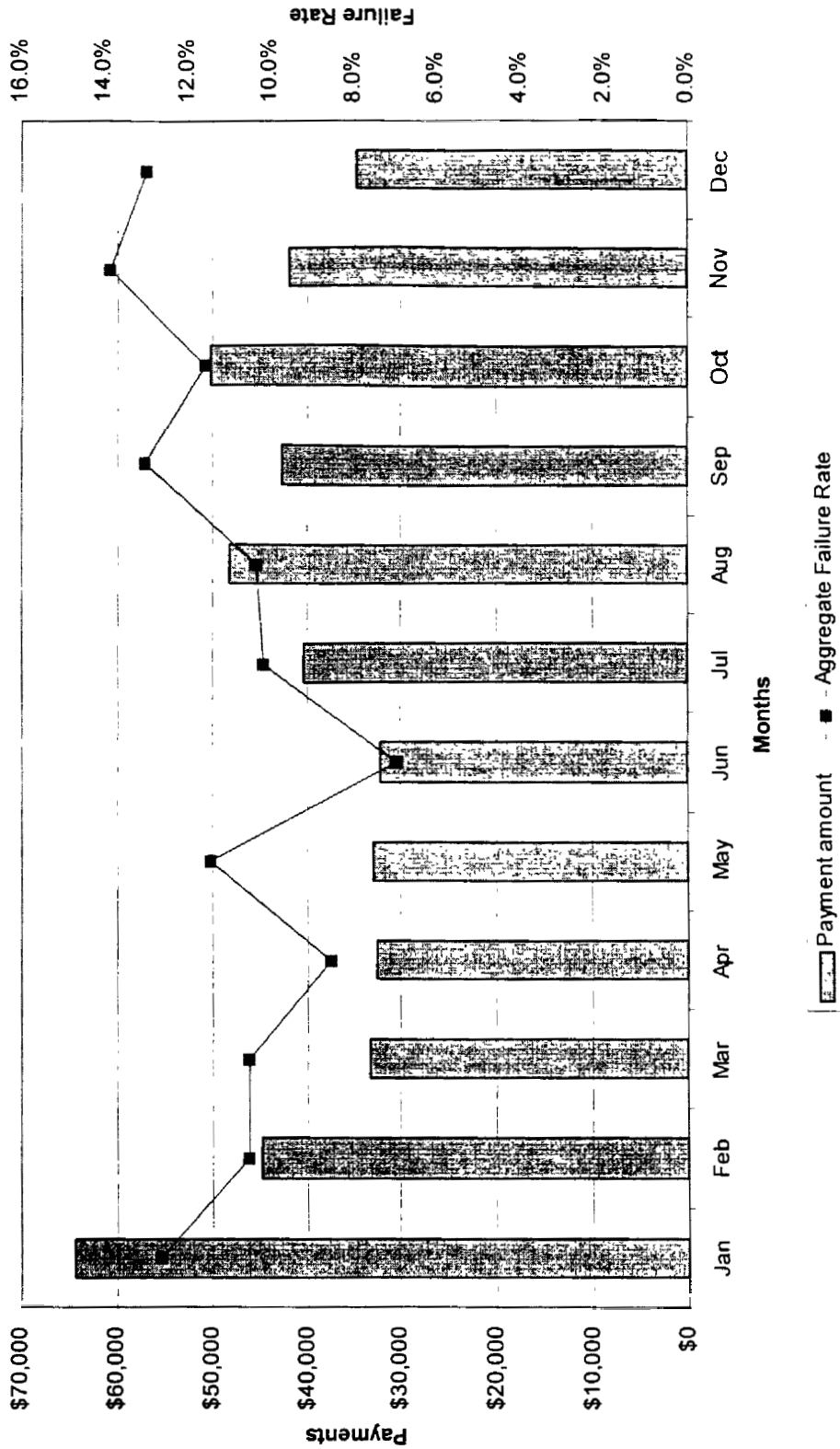
**Note:**

**Miss** Average percentage of observations missed using a 10% alpha for parity measures and the Interim Decision rules for benchmarks

**Chronic** The percentage of observations missed for three (or more) consecutive months

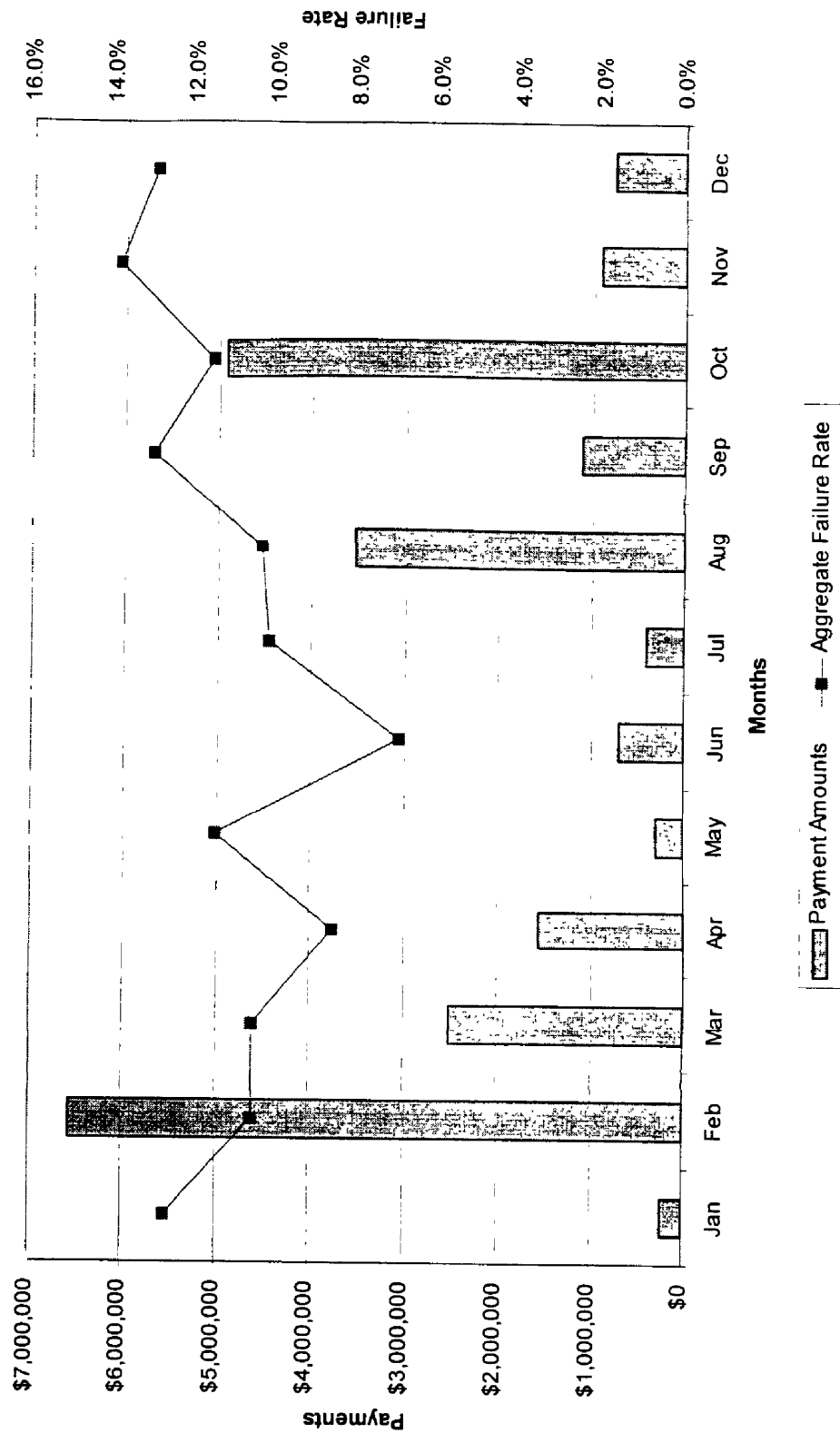
**Extended** The percentage of observations missed for six (or more) consecutive months

**Pacific Plan Monthly Payments Projected on Pacific's Year 2000 Performance  
Calculated Without Log Transformations**

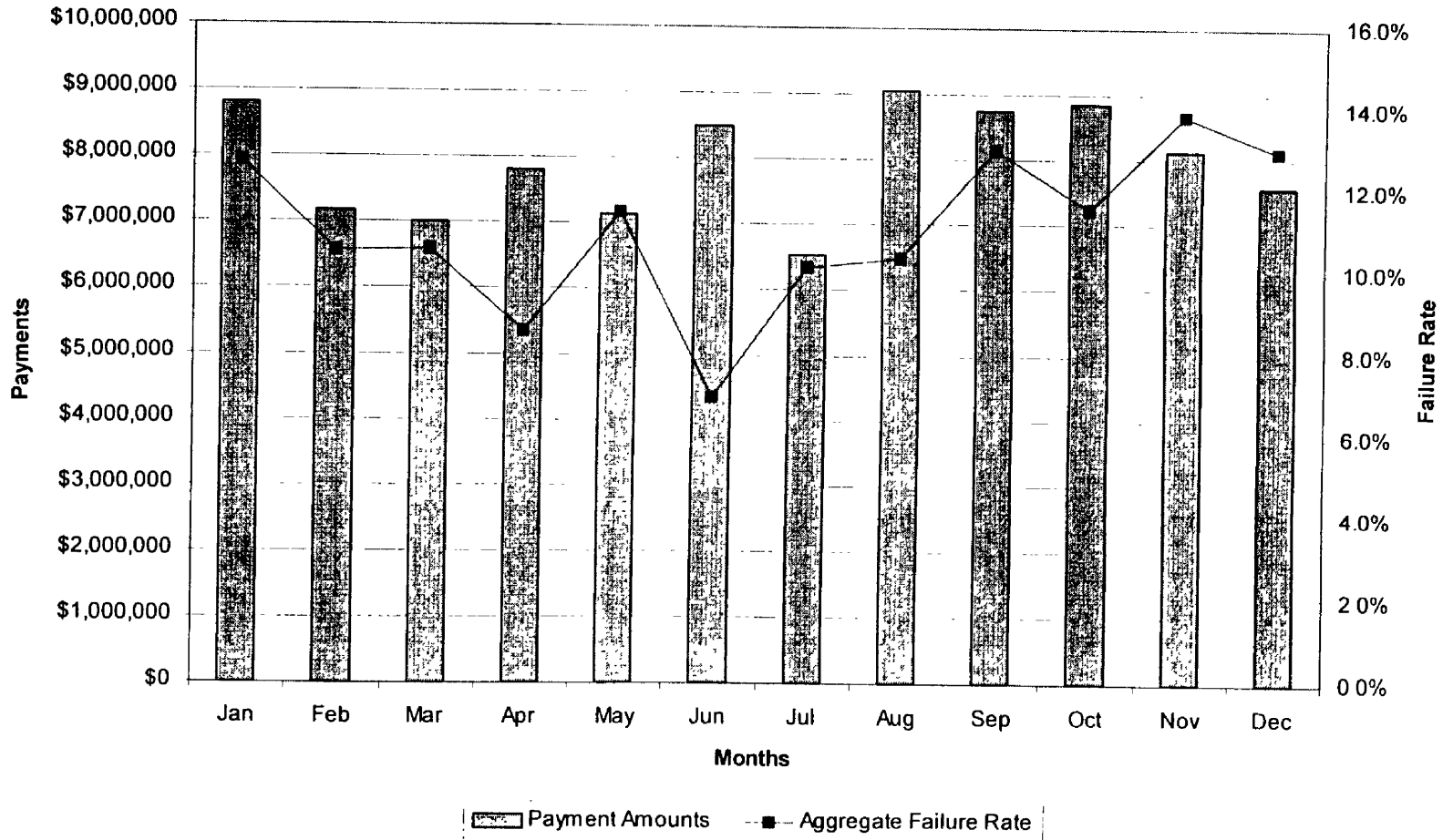


Note: The charts on this and following pages have different vertical scales for payment amounts. The payment amounts differ greatly between plans, and to illustrate each plan's month-to-month variability it was necessary to graph the results on separate charts. The percentage-failure scales on the right side of each graph are the same for all graphs.

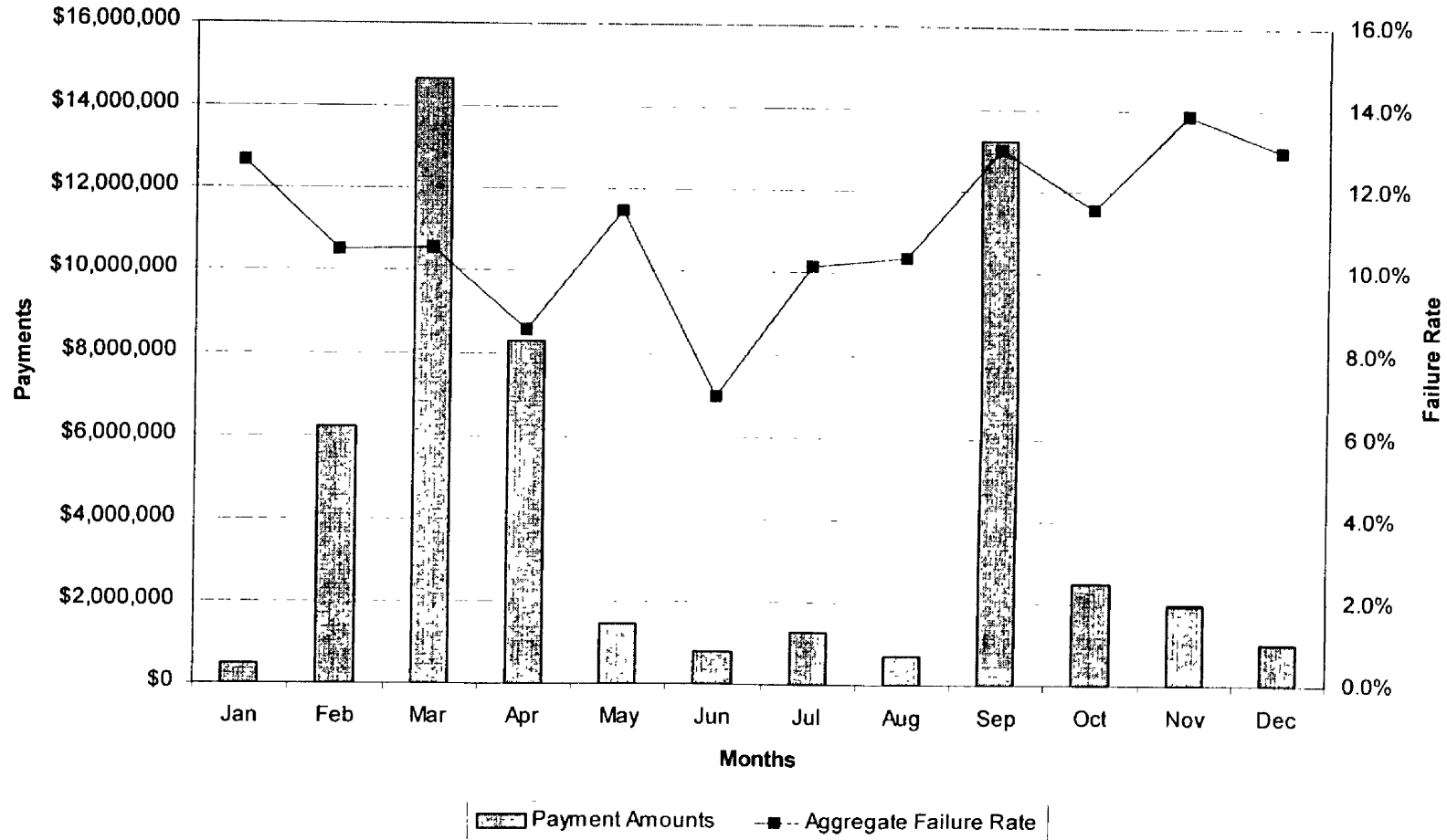
**Verizon Plan Monthly Payments Projected on Pacific's Year 2000 Performance  
Calculated Without Log Transformations**



**CLEC Plan Monthly Payments Projected on Pacific's Year 2000 Performance  
Calculated Without Log Transformations**



**ORA Plan Monthly Payments Projected on Pacific's Year 2000 Performance  
Calculated Without Log Transformations**



**Appendix C: ARMIS 43-01 Cost and Revenue Table****43-01: Table I. Cost and Revenue Table**

Amounts are in thousands of dollars

Year	Company Name	Row_#	Row_Title	State	Interstate	Total
1999	Pacific Bell - California	1090	Total Operating Revenues	6756623	2224451	
1999	Pacific Bell - California	1190	Total Operating Expenses	4966092	1420923	
1999	Pacific Bell - California	1290	Other Operating Income/Losses	7129	1990	
1999	Pacific Bell - California	1390	Total Non-operating Items (Exp)	462168	-4596	
1999	Pacific Bell - California	1490	Total Other Taxes	241580	106806	
1999	Pacific Bell - California	1590	Federal Income Taxes (Exp)	239303	205737	
1999	Pacific Bell - California	1915	Net Return	854609	497572	1352181
1999	GTE/California	1090	Total Operating Revenues	2136807	619986	
1999	GTE/California	1190	Total Operating Expenses	1316914	337785	
1999	GTE/California	1290	Other Operating Income/Losses	297	82	
1999	GTE/California	1390	Total Non-operating Items (Exp)	62015	427	
1999	GTE/California	1490	Total Other Taxes	94807	32679	
1999	GTE/California	1590	Federal Income Taxes (Exp)	198151	78216	
1999	GTE/California	1915	Net Return	465217	170961	636178
2000	Pacific Bell - California	1090	Total Operating Revenues	6819557	2424598	
2000	Pacific Bell - California	1190	Total Operating Expenses	4832501	1533942	
2000	Pacific Bell - California	1290	Other Operating Income/Losses	848	285	
2000	Pacific Bell - California	1390	Total Non-operating Items (Exp)	444109	-10272	
2000	Pacific Bell - California	1490	Total Other Taxes	265990	111167	
2000	Pacific Bell - California	1590	Federal Income Taxes (Exp)	308431	231478	
2000	Pacific Bell - California	1915	Net Return	969374	558568	1527942
2000	GTE/California	1090	Total Operating Revenues	2036288	688796	
2000	GTE/California	1190	Total Operating Expenses	1335789	336626	
2000	GTE/California	1290	Other Operating Income/Losses	2014	570	
2000	GTE/California	1390	Total Non-operating Items (Exp)	295688	327	
2000	GTE/California	1490	Total Other Taxes	72279	41581	
2000	GTE/California	1590	Federal Income Taxes (Exp)	83803	100125	
2000	GTE/California	1915	Net Return	250743	210707	461450

Source: FCC website, <http://www.fcc.gov/ccb/armis/db/> (except for shaded areas)

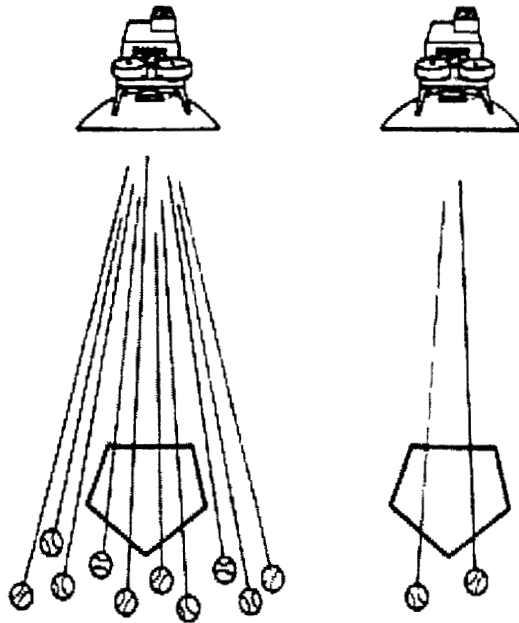
Data in shaded areas are CPUC staff calculations from table data. Net Return is calculated by adding rows 1090 and 1290 and subtracting rows 1190, 1390, 1490 and 1590.

**Appendix D: Verizon's Illustrations**

This appendix contains graphics created by Verizon with the intention of illustrating certain concepts. Their presentation here does not imply that the Commission necessarily agrees with these illustrations as adequate analogies for OSS processes. The analogies presented may be helpful in some contexts, but may be either inadequate and/or unhelpful in other contexts. They are presented here solely for the purpose of discussing Verizon's positions.



Verizon's page 27 illustration:

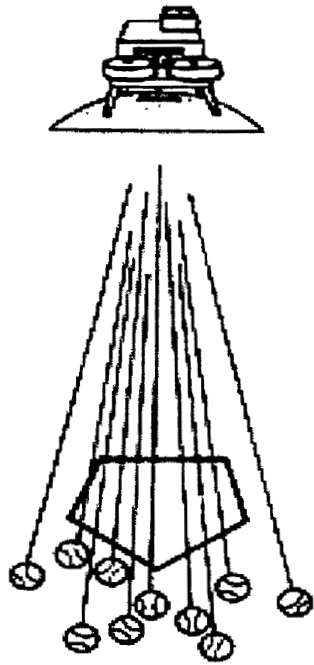


OUT OF PARITY PROCESS  
FOR CLECS

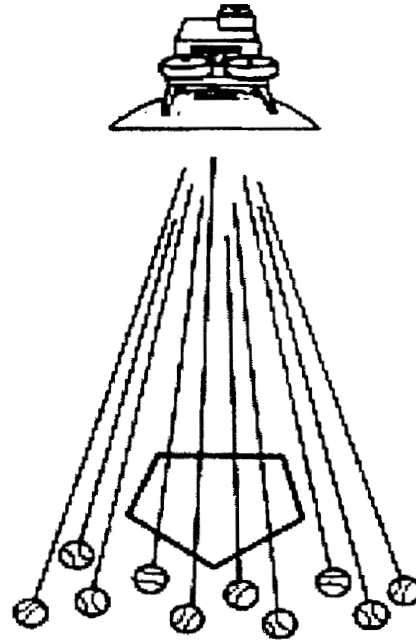
CLEC SAMPLE

Verizon's page 26 illustration:

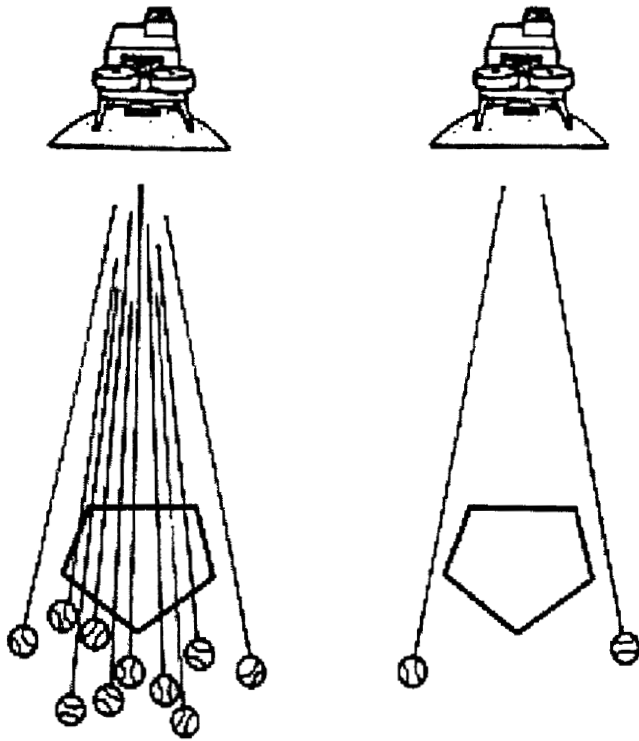
ILEC RETAIL PROCESSES



CLEC WHOLESALE PROCESS



Verizon's page 25 illustration:



PARITY PROCESSES FOR  
ILEC AND CLEC

CLEC SAMPLE

**Appendix E: Payment Rate Guide**

Failure rate "F"		Payment Rate "R"		
Equal to or greater than	But less than	Minimum Percent of Cap	Maximum Percent of Cap	Formula
0	1	0	0.2	$R = 0.2 \times F$
0	2	0	0.4	
2	3	0.4	0.6	"
3	4	0.6	0.8	"
4	5	0.8	1	"
5	6	1	1.6	$R = - 2.00 + 0.60 \times F$
6	7	1.6	2.2	"
7	8	2.2	2.8	"
8	9	2.8	3.4	"
9	10	3.4	4	"
10	11	4	5	$R = - 6.00 + 1.00 \times F$
11	12	5	6	"
12	13	6	7	"
13	14	7	8	"
14	15	8	9	"
15	16	9	10.4	$R = - 12.00 + 1.40 \times F$
16	17	10.4	11.8	"
17	18	11.8	13.2	"
18	19	13.2	14.6	"
19	20	14.6	16	"
20	21	16	18.8	$R = - 40.00 + 2.80 \times F$
21	22	18.8	21.6	"
22	23	21.6	24.4	"
23	24	24.4	27.2	"
24	25	27.2	30	"
25	26	30	32.8	"
26	27	32.8	35.6	"
27	28	35.6	38.4	"
28	29	38.4	41.2	"
29	30	41.2	44	"
30	31	44	46.8	"
31	32	46.8	49.6	"
32	33	49.6	52.4	"
33	34	52.4	55.2	"
34	35	55.2	58	"
35	36	58	60.8	"
36	37	60.8	63.6	"
37	38	63.6	66.4	"
38	39	66.4	69.2	"
39	40	69.2	72	"
40	41	72	74.8	"
41	42	74.8	77.6	"
42	43	77.6	80.4	"

43	44	80.4	83.2	"
44	45	83.2	86	"
45	46	86	88.8	"
46	47	88.8	91.6	"
47	48	91.6	94.4	"
48	49	94.4	97.2	"
49	50	97.2	100	"
50	100	100	100	"

### Appendix F: Individual Performance Result Payment Rate Examples

Payment Rate Examples				
Percentage of Failures*	Individual Payment Amounts			
	Ordinary	Chronic	Extended	Tier II
0.0	0	0	0	0
1.0	40	200	400	800
5.0	200	1000	2000	4000
10.0	400	2000	4000	8000
20.0	800	4000	8000	16000
30.0	1200	6000	12000	24000
40.0	1600	8000	16000	32000
50.0	2000	10000	20000	40000
60.0	2000	10000	20000	40000
70.0	2000	10000	20000	40000
80.0	2000	10000	20000	40000
90.0	2000	10000	20000	40000
100.0	2000	10000	20000	40000
4.0	160	800	1600	3200
7.9	314	1570	3140	6280
16.0	640	3200	6400	12800
21.0	840	4200	8400	16800
31.0	1240	6200	12400	24800
41.0	1640	8200	16400	32800
50.0	2000	10000	20000	40000

\* Tier I rates are based on Tier I failure rates, and Tier II rates are based on Tier II failure rates. The above examples are calculated using a \$40 adjusted base amount.

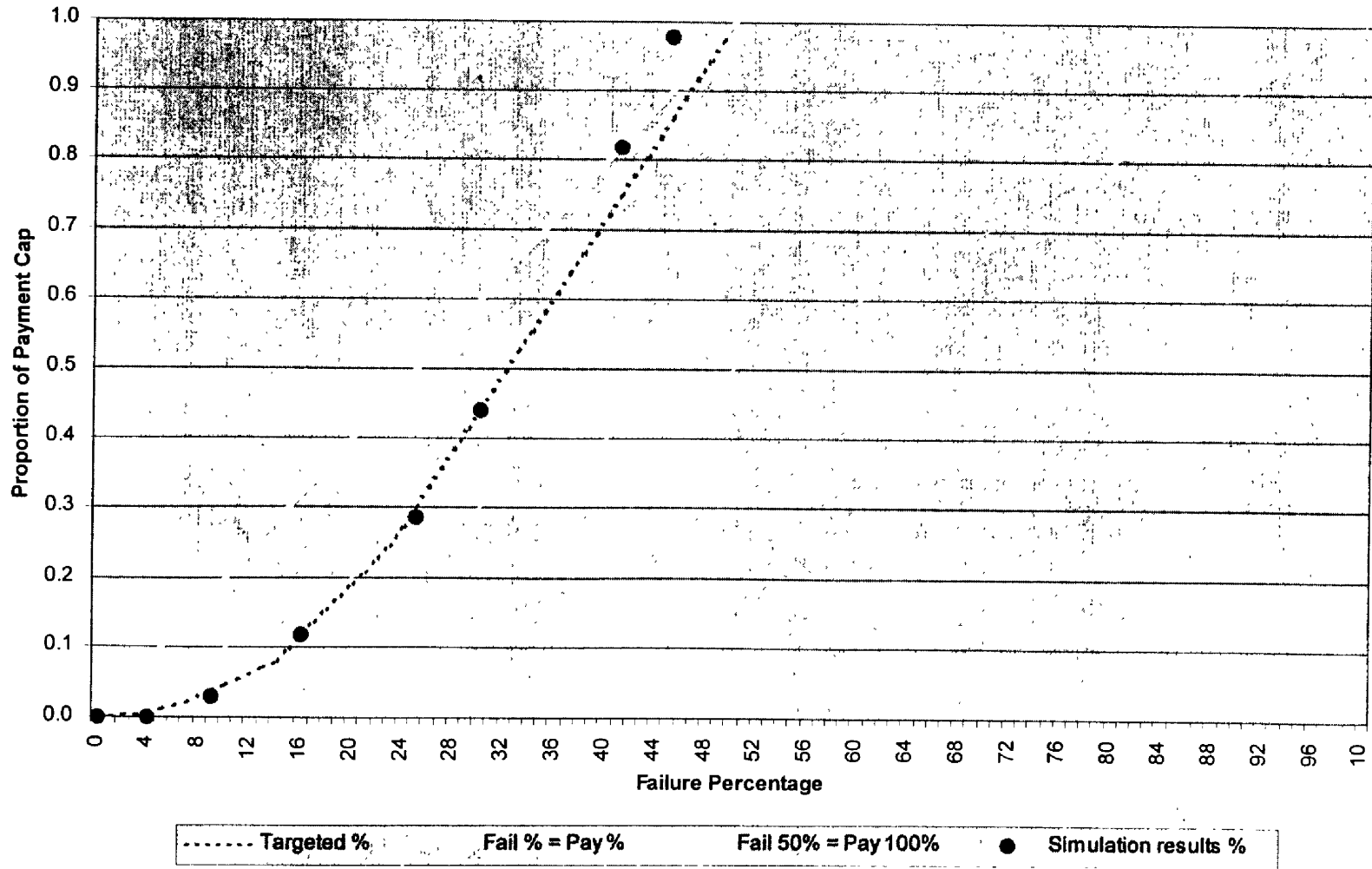
Appendix G

**Appendix G: Payments Generated by Estimated Failure Rates**

For Pacific Bell			Adjusted base amount = \$38						Monthly cap =		\$45,838,260		
Example	Description		Failure Category									Total payment	
			Category A			Category B			Category C			Simulated or Historical	Target Amount
			Ordinary	Chronic	Extended	Ordinary	Chronic	Extended	Ordinary	Chronic			
A	Parity Simulation	Failure rate Payment	3.96% \$34,632	0.32% \$10,289	0.05% \$2,935	1.41% \$921	0.18% \$216	0.00% \$0	3.31% \$7,621	0.77% \$7,621	\$56,614	\$363,039	
B	Historical Nov '01	Failure rate Payment	5.70% \$59,798	1.73% \$92,876	1.08% \$112,031	7.06% \$11,859	3.53% \$29,647	2.35% \$39,529	8.12% \$102,320	4.18% \$102,320	\$448,061	\$650,903	
C	Historical Mar '01	Failure rate Payment	7.97% \$116,111	3.22% \$249,752	2.48% \$395,198	2.25% \$1,393	2.25% \$6,966	0.00% \$0	10.80% \$226,086	6.20% \$226,086	\$995,506	\$1,275,220	
D	Non-parity Simulation	Failure rate Payment	9.25% \$138,886	4.19% \$328,614	3.27% \$589,004	4.67% \$4,168	3.77% \$16,543	3.54% \$32,930	13.24% \$221,652	5.71% \$221,652	\$1,331,797	\$1,627,258	
E	Non-parity Simulation	Failure rate Payment	16.62% \$402,615	11.32% \$1,341,486	10.62% \$2,512,747	9.88% \$18,106	9.23% \$84,727	8.79% \$166,422	22.32% \$834,643	14.15% \$834,643	\$5,360,746	\$5,165,055	
F	Non-parity Simulation	Failure rate Payment	24.75% \$880,387	18.76% \$3,335,811	17.86% \$6,381,528	15.78% \$45,802	15.38% \$222,535	15.14% \$441,197	29.33% \$1,830,714	21.31% \$1,830,714	\$13,137,974	\$13,430,610	
G	Non-parity Simulation	Failure rate Payment	30.04% \$1,282,418	23.20% \$4,970,710	22.05% \$9,487,648	24.25% \$107,893	21.08% \$466,839	18.17% \$799,929	36.52% \$3,078,382	28.76% \$3,078,382	\$20,193,819	\$20,220,173	
H	Non-parity Simulation	Failure rate Payment	41.13% \$2,359,661	32.90% \$9,491,095	31.35% \$18,143,435	25.49% \$119,913	24.80% \$576,116	24.54% \$1,138,046	48.45% \$5,714,018	40.13% \$5,714,018	\$37,542,284	\$34,453,870	
I	Non-parity Simulation	Failure rate Payment	44.55% \$2,765,803	36.05% \$11,265,350	34.41% \$21,543,108	29.10% \$156,099	27.98% \$744,132	27.72% \$1,470,891	52.79% \$6,860,469	44.29% \$6,860,469	\$44,805,852	\$38,702,160	



**Comparison of Simulated versus Targeted Percentage Payment of Total Payment Cap as a Function of Failure Rate**  
**Simulated Data from Pacific Bell November 2001 Results**

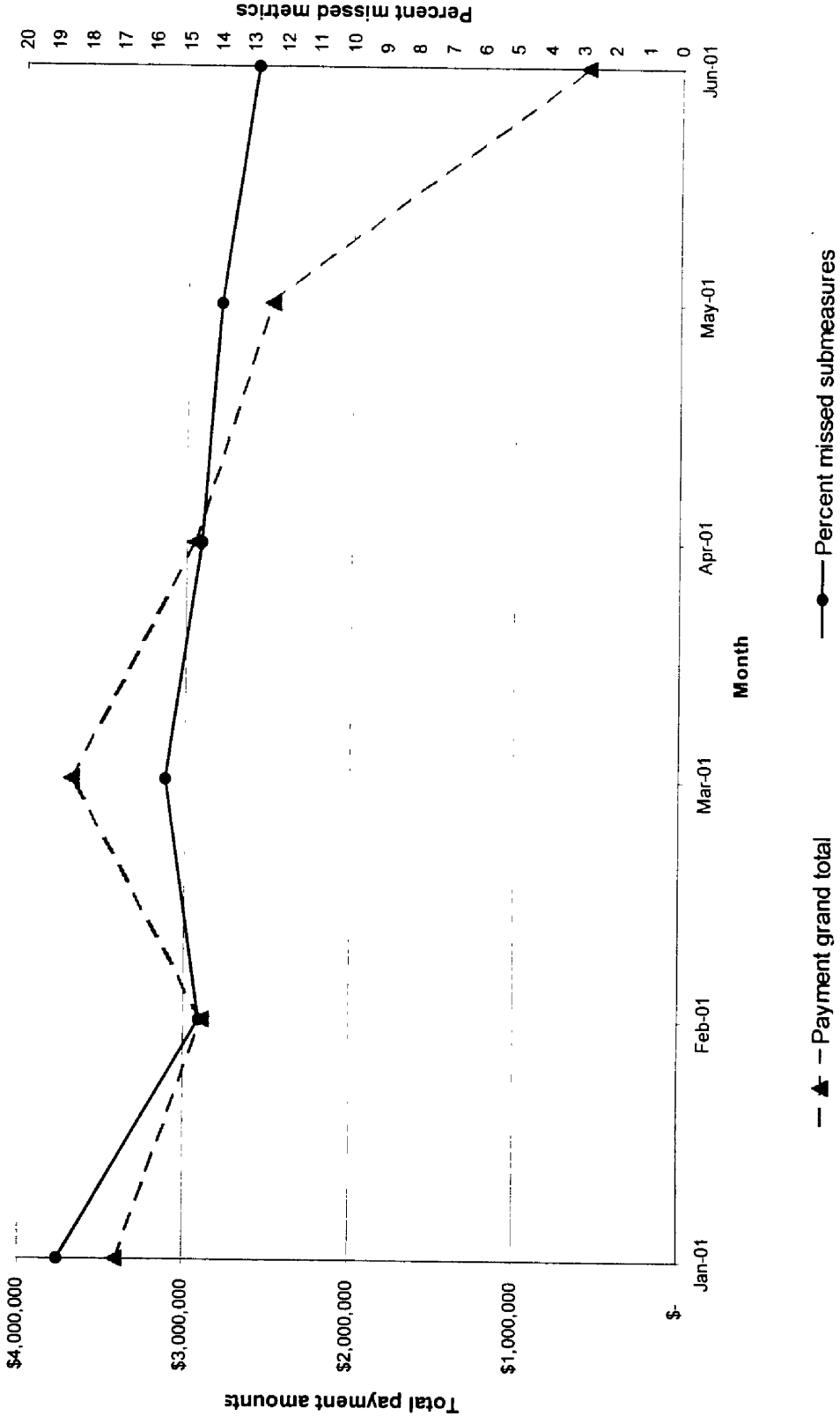


Ordinary

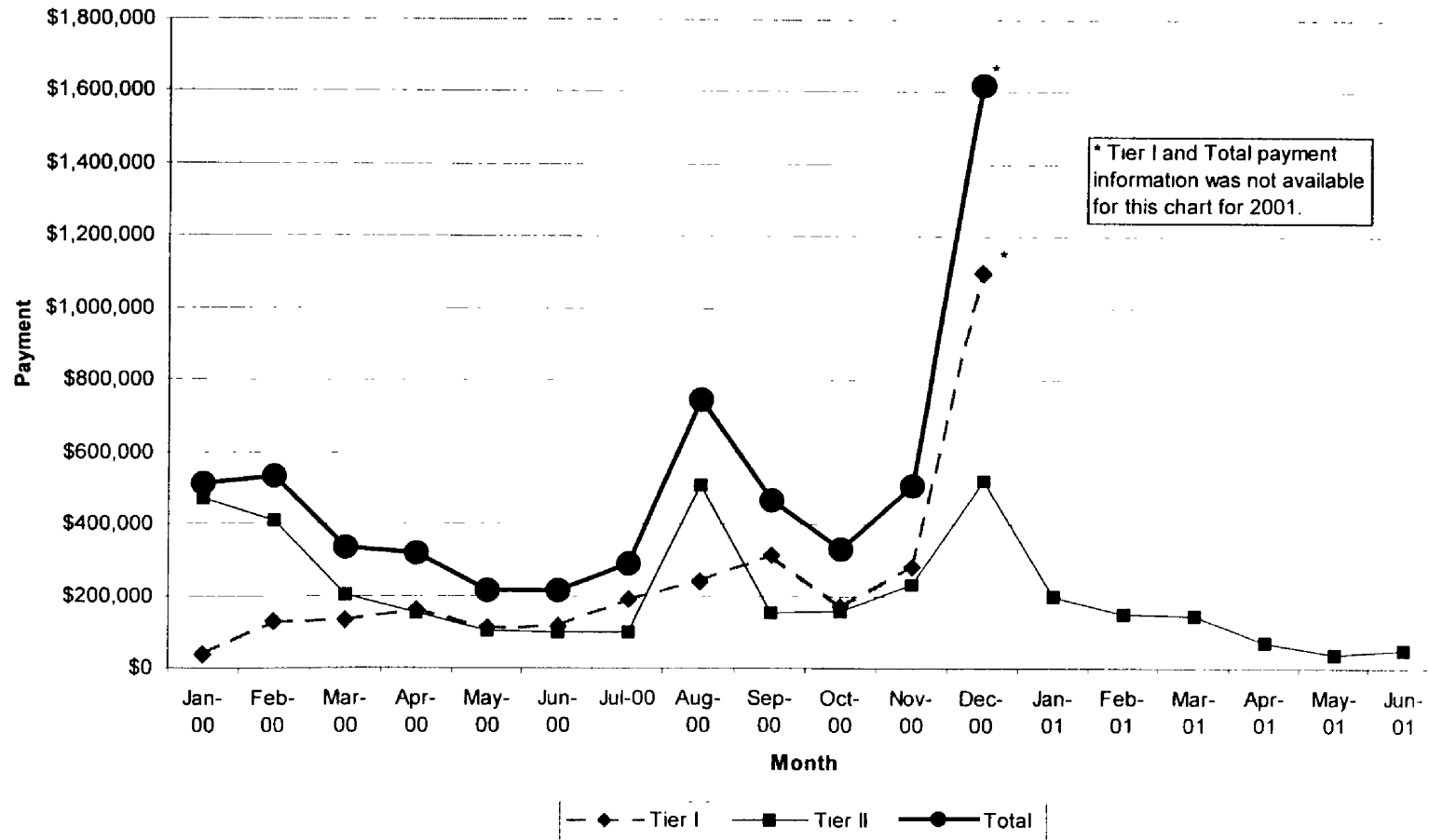
Month	failure rate
Jan-00	8.99%
Feb-00	7.09%
Mar-00	6.09%
Apr-00	6.95%
May-00	6.78%
Jun-00	7.61%
Jul-00	6.52%
Aug-00	7.46%
Sep-00	7.33%
Oct-00	8.03%
Nov-00	9.70%
Dec-00	8.89%
Jan-01	8.53%
Feb-01	7.90%
Mar-01	7.97%
Apr-01	7.72%
May-01	6.66%
Jun-01	5.93%
Jul-01	5.46%
Aug-01	5.88%
Sep-01	5.86%
Oct-01	5.09%
Nov-01	5.70%

**Appendix H: Failure Rates and Payments in Texas and New York**

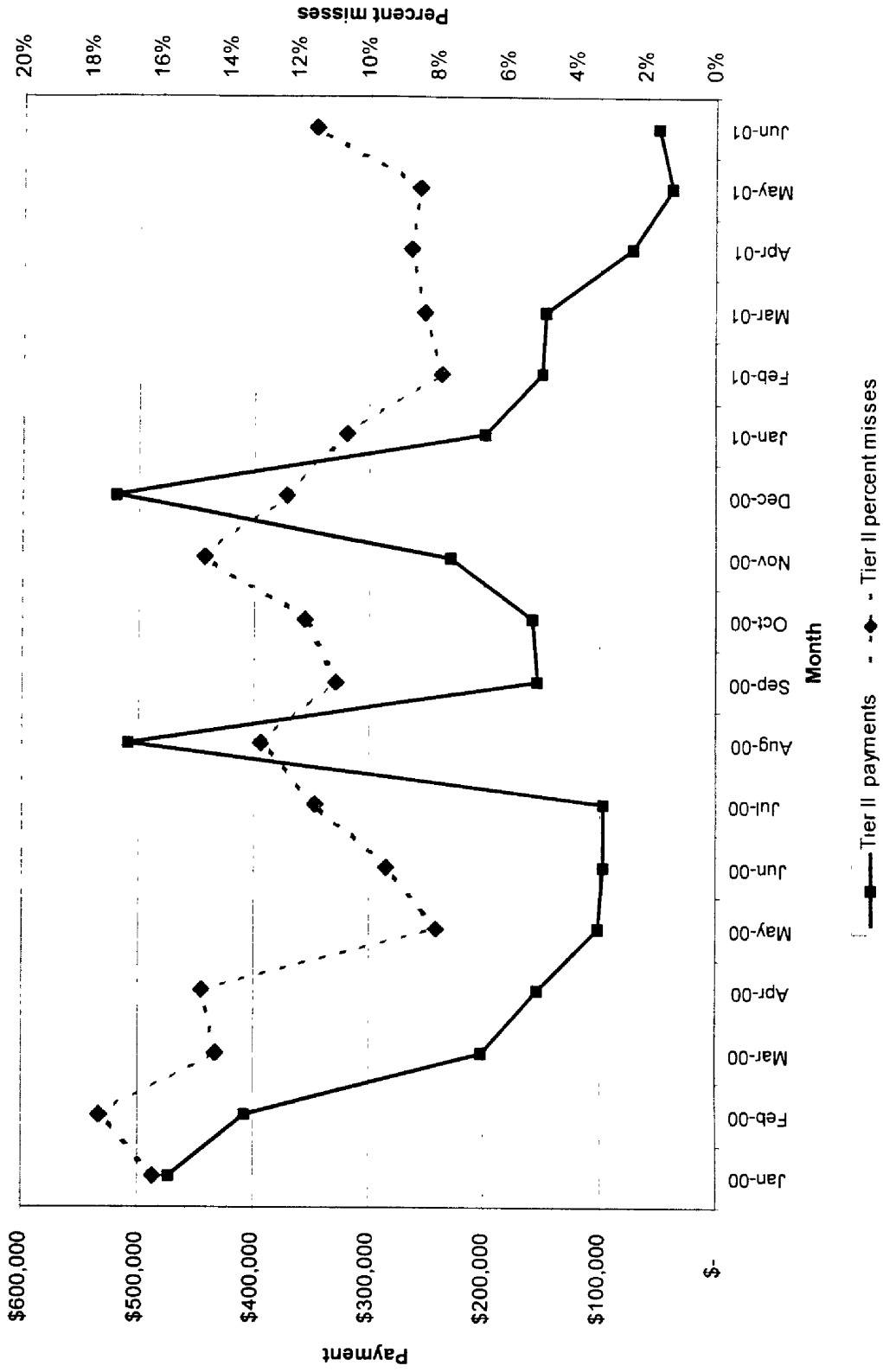
**Verizon New York  
Market Adjustment Summary  
Total Payment Amounts and Percent Missed Metrics**



**Payment Summary for Texas  
January 2000 through June 2001**



Tier II Payments and Metric Misses Summary for Texas  
January 2000 through June 2001



**Appendix I: Workpaper #13, April 2, 2001, R.97-10-016/I.97-10-017.**

This document was received as an e-mail. The "Sent" date is not correct, and is apparently an automatic-dating error.

-----Original Message-----

From: Faye Raynor [<mailto:faye.raynor@telops.gte.com>]  
Sent: Wednesday, December 31, 1969 4:00 PM  
To: [jmgibson@newpointgroup.com](mailto:jmgibson@newpointgroup.com); [jar@cpuc.ca.gov](mailto:jar@cpuc.ca.gov)  
Cc: [stephen.vivien@wcom.com](mailto:stephen.vivien@wcom.com); [gsjohns@pacbell.com](mailto:gsjohns@pacbell.com)  
Subject: Measures Excluded from Incentive Plan

The CLECs, Pacific Bell and GTE reached an agreement in mid-1999 that several of the performance measures included for reporting under the Stipulated Agreement were duplicative in nature and would not be subject to penalty assessment. This agreement was memorialized in 1) February technical workshops on incentives (PB/CLECs) and subsequent briefs filed March 22, 1999 and 2) the GTE/CLEC OSS Incentive Technical Workshop held July 13-14, 1999 and subsequent briefs. The measures with industry agreement identified for penalty exclusion were:

Measurement 8 - Percent Completed Within Standard Interval  
Measurement 12 - Percent of Due Dates Missed Due To Lack of Facilities  
Measurement 13 - Delay Order Interval to Completion Date (For Lack of Facilities)  
Measurement 22 - POTS Out of Service Less than 24 Hours

Additionally, submeasures identified for exclusion were:

Measurement 3 - Error Types (Syntax and content)  
Measurement 5 - Jeopardy Type (lack of facilities and other)  
Measurement 6 - Jeopardy Type (lack of facilities and other)  
Measurement 34 - Charge Type( Usage, Recurring, NonRecurring)

The Parties also agreed this list of excluded measurements is subject to review on a periodic basis after incentive plan implementation.

faye h. raynor  
Manager-Performance Measures Integration  
972-718-8897



**Appendix J: California Performance Incentives Plan****1. GENERAL PRINCIPLES**

- 1.1 The Performance Incentive Plan (hereafter the *Incentive Plan*) consists of the following elements: (1) a collection of measures that assess service delivery; (2) a set of testing rules for deciding whether service delivery is in parity (where there are retail analogues) or in compliance (where there are benchmarks); (3) a mechanism for calculating incentive payments for those sub-measures found to be out of parity or out of compliance; (4) a specification of the payment amounts to be paid for out-of-parity or non-compliant performance; (5) a provision for Absolute and Procedural caps on payments; and (6) a provision for Root Cause analysis that can excuse service delivery failures that were outside the control of the Pacific Bell or Verizon.
- 1.2 **Performance Measures.** The performance measures used in the Incentive Plan are specified in the Performance Measurements Joint Partial Settlement Agreement (JPSA) as amended by D.01-05-087. Payments apply to those non-diagnostic sub-measures designated in Section 5 herein that have data for a given month when Pacific Bell or Verizon delivers out-of-parity or non-compliant performance.
- 1.3 **Testing Rules.** The rules for assessing whether specific sub-measures are out-of-parity or non-compliant are applied from Exhibit 3 attached to this plan.
- 1.4 **Incentive Payment Calculations.** Incentive payment calculations are applied to those performance results for each month that are deemed to be out-of-parity or non-compliant.
- 1.5 **Incentive Payment Amounts.** The size of the incentive payments depends on performance failure pervasiveness (that is, the number of performance failures affecting a CLEC), and whether performance failures are repeated. The incentive amounts increase as the number of performance failures increase or as they are repeated.
- 1.6 **Absolute and Procedural Caps.** In any month, the following caps on payments apply: (1) a procedural cap of \$15,000,000 for Pacific Bell for all CLECs.; (2) a procedural cap of \$4,500,000 for Verizon for all CLECs, and (3) an absolute monthly cap of 1/12 of 36% of annual net revenue from local exchange service for both Pacific Bell and Verizon. Using the same methodology that was used to determine these amounts, these

amounts will be updated to reflect new ARMIS data published each year.

**1.7 Root Cause Analysis.** A procedure for Root Cause Analysis and subsequent action is included.

**1.8 Modifications.** The Commission shall retain authority to modify any element of this plan.

## **2. THE ASSESSMENT OF PARITY AND COMPLIANCE**

**2.1** The specific mechanism for assessing parity and compliance depends on the classification of the sub-measure being assessed. Sub-measures can be classified according to four dimensions: (1) the *type* of the comparison: parity where there is a retail analogue or benchmarks where no retail analogues are available or feasible, (2) the *basis* for the measurement: averages, percentages (proportions), rates, indices, or counts; (3) the *direction* of good service: either high values or low values; and (4) the *applicability of aggregation rules*. The table below gives a summary of the tests that are applied to sub-measures according to their first two dimensions. These tests are described in more detail below.

### **2.2 Statistical Criteria for Deciding Parity.**

**2.2.1.** A statistical test is applied that yields a probability of the data given the null hypothesis of parity. Except where different critical alpha levels are applied conditionally, a sub-measure will be deemed out of parity (i.e., the sub-measure *fails*) if the probability is less than 10% (0.10 critical alpha). Otherwise the sub-measure *passes*.

**2.2.2.** Under the following conditions, the sub-measure will be deemed out of parity if the probability is less than 20% (0.20 critical alpha level): (1) When sample sizes are less than 30 for single-month individual CLEC tests where the aggregate sub-measure test indicates non-parity, or (2) for all tests for repeated failures.

**2.2.3.** Under the following conditions, the sub-measure will be deemed out of parity if the probability is less than 5% (0.05 critical alpha level): (1) When sample sizes are 100 or greater for single-month individual CLEC tests where the aggregate sub-measure test indicates parity, or (2) when single-month sample sizes are 500 or greater.

2.2.4. A step-by-step application of the above critical alpha applications is provided in the Decision Model attached as Exhibit 3.

2.3. **Benchmarks.** Small sample adjustment tables shall be used for both individual CLEC tests and industry-aggregate tests.

2.4. Statistical tests shall be applied as specified in the Interim Opinion, D.01-01-037, unless otherwise specified herein. The test applications are summarized in the following table:

<b>Testing Procedures Applied to Sub-measures According to their Basis and Type</b>		
<b>Basis</b>	<b>Parity</b>	<b>Benchmarks</b>
Averages	Modified <i>t</i> -test applied to the logs of the data except for Measures 34 and 44 for which the test is applied to the raw data.	Benchmark is used as an absolute comparison standard
Percentage	Fisher's exact test applied to all sub-measures.	Small Sample Adjustment table is applied where applicable, otherwise the benchmark is used as an absolute standard.
Rates	Binomial test applied to all sub-measures	Small Sample Adjustment table is applied where applicable, otherwise the benchmark is used as an absolute standard.
Index	The performance difference is compared to an absolute standard	The performance is compared to an absolute standard
Count	No sub-measures of this kind	The CLEC numerator is compared to the benchmark as an absolute standard. Applicable to LNP sub-measures in Measures 20 and 23.

### 3. CALCULATION OF INCENTIVE VALUES

3.1 The assessment of incentive payments for non-compliance is performed in three ways: (1) on a CLEC-by-CLEC basis, each month, by examining

all the sub-measures “touched” by an individual CLEC (hereafter the *portfolio of touched sub-measures*) that do not fall into the specialized categories discussed below, (2) on an industry aggregate basis, each month, for those sub-measures covering processes that only involve computer processing and are therefore designed to automatically provide parity (covered by Measures 1, 24, 38, 42, and 44, and the *fully-electronic* sub-measures of 2, 3, and 18), and (3) on an industry aggregate basis, each month, for those parity measures that have chronic conditional failures. The calculation and assessment of incentive amounts are different for each of these four categories of sub-measures. Categories A, and B are termed Tier I categories. Tier I payments are made to the CLECs. Category C is termed Tier II, and payments are made to the ratepayers.<sup>2</sup>

3.2 A base amount (BA) of \$38 will be used as a starting point for calculating Pacific Bell’s payment amounts.

3.3 A base amount (BA) of \$23 will be used as a starting point for calculating Verizon’s payment amounts.

3.4 Actual payment amounts will be calculated using an adjusted base amount. The base amount (BA) will be adjusted according to the total number of observations (total number of sub-measure performance results for all CLECs) each month. The adjusted base amount (ABA) will be determined by the following formula:  $ABA = BA \times (\text{total number of observations listed for each ILEC in Appendix G} / \text{current total number of observations for each ILEC})$ , rounded to the closest dollar. For example, if in a future month Pacific had a 5000 observation total, then the adjusted base amount would be  $\$38 \times (4243/5000) = \$32$ .

3.5 Tier I incentive payments will be limited to an amount equal to the total amount that each CLEC pays for OSS and wholesale local exchange services. Any payment surplus amounts generated by Tier I payment mechanisms shall be added to Tier II payment amounts for distribution.

3.6 **Category A.** Includes all sub-measures for all incentive payment measures (specified in Section 5), except those included in Category B.

---

<sup>2</sup> In prior drafts of this plan, Categories A, B, and C were designated Categories 1, 3, and 4, respectively. The category designated Category 2 in prior drafts is not used in this plan.

In this category there is a portfolio of touched sub-measures for each CLEC. The following description applies to this portfolio for a single CLEC.

- 3.6.1 **Ordinary Failures.** To calculate payments for *Ordinary Failures*, the following steps are required for each CLEC.
  - 3.6.1.1 Calculate the size of the portfolio of touched sub-measures for each CLEC. Those sub-measures that fall into Category B are excluded in calculating the size of the CLEC's portfolio of touched sub-measures.
  - 3.6.1.2 Determine the CLEC's portfolio failure rate in percentage points by calculating its percentage of touched sub-measures that failed the statistical tests or benchmarks.
  - 3.6.1.3 The amount paid to the CLEC for each failure is then determined by multiplying its *Ordinary Failure* rate percentage points by the adjusted base amount. (E.g., with a \$40 adjusted base amount and a 12% *Ordinary Failure* rate:  $12 \times ABA = \$480$ .)
- 3.6.2 **Chronic Failures.** Sub-measure failures that occur for three or more consecutive months are called *Chronic Failures*. The procedure for *Chronic Failures* is similar to that for *Ordinary failures*.
  - 3.6.2.1 Determine the number of *Chronic Failures* for each CLEC.
  - 3.6.2.2 The amount paid to the CLEC for each *Chronic Failure* is then determined by multiplying the *Ordinary Failure* payment amount by five (5). (E.g., with a \$40 adjusted base amount and a 12% *Ordinary Failure* rate,  $12 \times \$40 \times 5 = \$2400$ ).
  - 3.6.2.3 To identify *Chronic Failures* for the first two months of implementation, performance results from the CLEC's current month and two previous months will be used.
  - 3.6.2.4 Except where there are three consecutive months of inactivity by a CLEC, the months immediately preceding and following these months without individual OSS sub-measure activity by that CLEC,

will be considered consecutive months for the purposes of identifying *Chronic Failures*. Exception: Measures and sub-measures identified as having no minimum sample size will have no limit to the number of intervening months of inactivity that will be ingored for the purposes of determining *Chronic Failures*. See Exhibit 4.

3.6.3 **Extended Failures.** Sub-measure failures for five or six out of six consecutive months are called *Extended Failures*.

3.6.3.1 To identify *Extended Failures* for the first five months of implementation, performance results from the current month and the five previous months will be used.

3.6.3.2 The amount paid to the CLEC for each *Extended Failure* is determined by multiplying the *Ordinary Failure* payment amount by ten (10). (E.g., with a \$40 adjusted base amount and a 12% *Ordinary Failure* rate,  $12 \times \$40 \times 10 = \$4800$ ).

3.6.3.3 Except where there are three consecutive months of inactivity by a CLEC, the months immediately preceding and following these months without individual OSS sub-measure activity by that CLEC, will be considered consecutive months for the purposes of identifying *Extended Failures*. Exception: Measures and sub-measures identified as having no minimum sample size will have no limit to the number of intervening months of inactivity that will be ingored for the purposes of determining *Extended Failures*. See Exhibit 4.

**3.7 Category B (Industry Aggregates).** All those sub-measures that fall under treatment as an Industry Aggregate are considered as a single portfolio. The procedure for determining incentive payments for this portfolio is as follows.

3.7.1 Calculate the size of the portfolio for the Industry Aggregates for:

3.7.1.1 Performance Measures 1, 16, 24, 38, 42, and 44 (all sub-measures except for manual processes in Measure 1).

- 3.7.1.2 Performance Measures 2 and 3, all sub-measures where orders are electronically received *and* electronically handled.
  - 3.7.1.3 Performance Measure 18, Sub-measures 1800101 (LEX/EDI LASR), 180201 (LEX/EDI CLEO), 1800502 (LEX/EDI LASR - not reported by DSS), and 1800503 (LEX/EDI CLEO - not reported by DSS), only. Sub-measures 1800502 and 1800503 track additional conditions that must be met in order to pass 1800101 and 1800201, respectively, and are not assessed penalties independently.
  - 3.7.2 Determine the number of failures.
  - 3.7.3 The incentive amount is then determined by multiplying the failure rate percentage points by the adjusted base amount and then by 10 for the *Ordinary Failures*, 50 for *Chronic Failures* and 100 for *Extended Failures*.
  - 3.7.4 The sum of all payments for Industry Aggregate sub-measures is divided equally among all CLECs eligible for incentive payments.
- 3.8 Category C (Tier II).** Includes all sub-measures for all incentive payment measures (specified in Section 5). Each sub-measure is aggregated on an industry basis and the set of aggregated sub-measures is considered as a single portfolio. The aggregate sub-measures are tested using the same procedures as for individual CLEC tests. To create industry-aggregate performance results for the count-based sub-measures in Performance Measures 20 and 23, the average count over all CLECs shall be compared to the benchmarks.
- 3.8.1 Calculate the size of the portfolio for the Tier II Industry Aggregates.
  - 3.8.2 Determine the number of Category C single-month failures.
  - 3.8.3 Determine the failure rate percentage points. (E.g., 0.15 = 15 percent = 15 percentage points.)
  - 3.8.4 Determine the number of sub-measures that have failed the current month and the previous two months.
  - 3.8.5 The payment amount for each failed sub-measure is then determined by multiplying the Industry Aggregate single-month failure rate percentage points by the adjusted base



amount (e.g., with a \$40 base amount and a 15 percent failure rate:  $15 \times ABA = \$600$ ), and then by 25.

- 3.8.6 To identify Tier II failures for the first two months of implementation, performance results from the current month and the two previous months will be used.
- 3.8.7 Except where there are three consecutive months of inactivity, the months immediately preceding and following these months without CLEC aggregate OSS sub-measure activity will be considered consecutive months for the purposes of identifying Tier II failures. Exception: Measures and sub-measures identified as having no minimum sample size will have no limit to the number of intervening months of inactivity that will be ingored for the purposes of determining *Chronic Failures*. See Exhibit 4.
- 3.8.8 Payments calculated for this category are paid to the ratepayers as follows:
  - 3.8.8.1 Pacific and Verizon shall deposit Tier II incentive payments monthly into an interest-bearing memorandum account with a monthly-compounded interest rate equal to the tariffed rate the respective ILEC's charge their customers for late payment.
  - 3.8.8.2 Each ILEC shall be responsible for maintaining these performance incentive accounts, which will be subject to audit by Commission staff.
  - 3.8.8.3 When the annual Price Cap filings are made and the surcharge and surcredit amounts are calculated, the most recent twelve-month's incentive payments (August of the previous year through July of the current year) shall be added to the surcredit amounts included in Pacific's Rule 33 (Schedule Cal. P.U.C. No. A2.1.33) and Verizon's Tariff 38 (Schedule Cal. P.U.C. No. 38) disbursement mechanisms.
  - 3.8.8.4 Interest shall accrue beginning with the first monthly incentive payment due date and shall continue to accrue on all amounts not yet credited to the ratepayers.
  - 3.8.8.5 Pacific Bell shall identify in its Intrastate Earnings Monitoring Report (IEMR), NRF monitoring report

code PD-01-27, an adjustment clearly identifying the annual performance incentive payments. This adjustment shall remove from the California intrastate results of operations, and the earnings monitoring reports, the payments made to the memorandum account.

3.8.8.6 Verizon shall identify in its Recorded and Adjusted Separated Results of Operations Report, NRF monitoring report code GD-04-01, an adjustment clearly identifying the annual performance incentive payments. This adjustment shall remove from the California intrastate results of operations, and the earnings monitoring reports, the payments made to the memorandum account.

**3.9 Payment reduction.** When the conditions in both of the following subparagraphs are met, \$60,000 shall be deducted from the total payment amount. Any amounts in excess of the \$60,000 shall be disbursed through Tier II mechanisms.

3.9.1 All Category A, B, and C failure rates are less than or equal to the following respective rates

Category A:

Ordinary Failures 4.0 percent  
Chronic Failures 0.33 percent  
Extended Failures 0.062 percent

Category B:

Ordinary Failures 1.7 percent  
Chronic Failures 0.2 percent  
Extended Failures 0.0 percent

Category C:

Ordinary Failures 3.4 percent  
Chronic Failures 0.85 percent

3.9.2 None of the measures or sub-measures listed in Exhibit 4 have chronic or extended failures.

**4. SPECIFIC MEASURES TO WHICH INCENTIVE PAYMENTS APPLY**

4.1 Payments for Pacific Bell's failure to meet specified performance measures will only apply to the Specified Measures listed below:

**4.2 Pre-Ordering**

Measure 1-Average Response Time (to Pre-Order Queries)

**4.3 Ordering**

Measure 2 - Average FOC Notice Interval

Measure 3 - Average Reject Notice Interval

- For Measure 3, remedies will be paid on the service group type disaggregations only. Error type levels of disaggregation will be reported diagnostically, and not subject to incentive payments.

Measure 4 - Percentage of Flow Through (once measures of success are ordered for this measure by the Commission)

**4.4 Provisioning**

Measure 5 - Percentage of Orders Jeopardized

Measure 6 - Average Jeopardy Notice Interval

Measure 7 - Average Completed Interval

Measure 9 - Coordinated Customer Conversion as a Percentage On-Time

Measure 9A - Frame Due Time Conversions as a Percentage On-Time

Measure 10 -LNP Network Provisioning

Measure 11 - Percent of Due Dates Missed

Measure 14 - Held Order Interval

Measure 15 - Provisioning Trouble Reports (Prior to Service Order Completion)

Measure 16 - Percent Troubles in 30 Days for New Orders (Specials)

Measure 17 - Percent Troubles in 10 Days for New Orders (Non-Specials)

Measure 18 - Average Completion Notice Interval

#### 4.5 Maintenance

Measure 19 - Customer Trouble Report Rate

Measure 20 - Percent of Customer Trouble Not Resolved Within Estimated Time

Measure 21 - Average Time to Restore

Measure 23 - Frequency of Repeat Troubles in 30 Day Period

#### 4.6 Network Performance

Measure 24 - Percent Blocking on Common Trunks

Measure 25 - Percent Blocking on Interconnection Trunks

Measure 26 -NXX Loaded by LERG Effective Date

#### 4.7 Billing

Measure 28 - Usage Timeliness

Measure 29 - Accuracy of Usage Feed

Measure 30 - Wholesale Bill Timeliness

Measure 31 - Usage Completeness

Measure 32 - Recurring Charge Completeness

Measure 33 - Non-Recurring Charge Completeness

Measure 34 - Bill Accuracy

- For Measure 34, incentive payments will be paid on the service group type disaggregations only. Charge types will be reported diagnostically, and will be not subject to incentive payments.

Measure 35 - Billing Completion Notice Interval

Measure 36 - Accuracy of Mechanized Bill Feed

#### 4.8 Database Updates

Measure 37 - Average Database Update Interval

Measure 38 - Percent Database Accuracy

Measure 39 - E911/911 MS Database Update Average

**4.9 Collocation**

Measure 40 - Average Time to Respond to a Collocation Request

Measure 41 - Average Time to Provide a Collocation Arrangement

**4.10 Interfaces**

Measure 42 - Percentage of Time Interface is Available

Measure 44 - Center Responsiveness

## 5. ROOT CAUSE ANALYSIS

- 5.1 Pacific Bell may use Root Cause Analysis to demonstrate that an apparent out-of-parity condition was attributable to an atypical event beyond the reasonable control of Pacific Bell. The list of “excludable events” that could be considered as part of Pacific Bell’s Root Cause Analysis is reflected in Exhibit 1 hereto. In addition, the following provisions apply to Root Cause Analysis:
- 5.2 Where performance data suggests an out-of-parity condition exists, Pacific Bell may use Root Cause Analysis to demonstrate there was no discriminatory treatment (the situations in which Pacific Bell may invoke Root Cause Analysis - referred to as “excludable events” - are reflected in Exhibit 1). When Root Cause Analysis is invoked, Pacific Bell will have the burden of proving that but for the occurrence and nature of an “exclusion event” Pacific Bell would have succeeded on the measure in question.
- 5.3 If a dispute arises over whether Pacific Bell’s Root Cause Analysis is sufficient to excuse an apparent out-of-parity condition, the Parties will first attempt to resolve the disagreement through an informal discussion. Pacific Bell will prepare a Root Cause Analysis report and provide it to any affected CLEC. If the Parties agree that the Root Cause Analysis report is sufficient to excuse Pacific Bell, the Parties will sign the report and Pacific Bell will be relieved from any associated payments. If CLEC does not accept Pacific Bell’s Root Cause Analysis, the Parties agree to seek resolution by the Commission.
- 5.4 Pending the resolution of any dispute, Pacific Bell shall place the payments in an interest-bearing escrow account. The funds in question will be transferred to the CLEC when and if it is determined through the EDR process that Pacific’s Root Cause Analysis is not sufficient to excuse Pacific Bell.
- 5.5 Exhibit 1 identifies the categories of events that may form the basis of Root Cause Analysis and provides examples of the types of events within each category. The list is only illustrative; it is not definitive.
- 5.6 Force majeure events will be treated as excludable events.
- 5.7 Pacific Bell will provide to the CLEC, at the time of submitting a Root Cause Analysis report to the CLEC, all non-confidential documents that were used as part of Pacific Bell’s Root Cause Analysis.
- 5.8 Inadequate forecasts shall also be treated as an excludable event. Pacific Bell may demonstrate as part of its Root Cause Analysis that but for the

inadequate forecast provided by CLEC, Pacific Bell would have complied with the performance measure at issue. Exhibit 2 hereto provides the terms of the forecasting exclusion.

5.9 Delays or other problems resulting from actions of a Service Bureau Provider acting on the CLEC's behalf for connection to Pacific Bell's OSS, including Service Bureau Provider provided processes, services, systems or connectivity shall be treated as excludable events.

## **6 PERFORMANCE INCENTIVE PAYMENTS**

### **6.1 Payments/Credits**

**6.1.1 Schedule.** Pacific Bell will provide billing credits for the incentive amounts generated by the plan, on or before the 30th day following the due date of the performance report for the month in which the obligation arose.

**6.1.2 Absolute and Procedural Caps.** In any given month, the payment to CLECs shall not exceed the following amounts. When the limit is reached, payments shall be prorated among the CLECs in the amounts proportional to what they would otherwise be entitled to collect absent a cap: 1) a procedural cap of \$15,000,000 (Pacific) and \$4,500,000 (Verizon) for all CLECs; 2) an absolute cap of 1/12 of 36% of annual net revenue from local exchange service. If a procedural cap is reached in a month, the Commission should conduct a hearing to determine whether it would be reasonable under the circumstances, and in light of the evidence, to require Pacific to pay any amounts in excess of the procedural caps. If the procedural cap is met, the amounts owed up to the cap will be prorated among the CLECs to whom incentive payments are owed and will be paid regardless of the outcome of the hearing.

**6.1.3 Eligibility.** Only CLECs who have submitted orders for services to Pacific during the month under report shall be eligible for incentive payments.

## **7. Clarifications and illustrations to aid performance incentive plan implementation.**

**General Issues.**

Application of the Small Sample Adjustment Table to sub-measures where low values are associated with good service is done by subtracting the benchmark from 1 and using the result as the point of entry into the table.

The Small Sample Adjustment table is applied to aggregates as well as CLEC observations.

Aggregations of Count-based sub-measures are evaluated by comparing the average of the numerators for all the CLECs in the aggregation to the benchmark for the sub-measure.

The following definitions are used throughout:

*An Observation* is the data for a single CLEC on a sub-measure in a single month.  
*An Aggregate* is any collection of observations within a given sub-measure in a single month.

*A Single-month evaluation* is a pass/fail test on an observation or an aggregate using the single-month evaluation rules given in Exhibit 3, section B.

*A Repeated Failures evaluation* is a pass/fail test on an observation or aggregate using the repeated failures evaluation rules given in Exhibit 3, section B.

*An Ordinary Failure* is a failure determined using a single-month evaluation.

*A Chronic Failure* is an observation or aggregate failure that is determined using the repeated failures evaluation and is at least the third in a string of consecutive months of repeated failures (allowing for months with inactivity). Once a sub-measure has a chronic failure, all subsequent failures using the repeated failures critical alpha criterion will be deemed chronic until two consecutive passes are obtained or three months intervene with no activity.

*An Extended Failure* is an observation or aggregate failure that is determined using the repeated failures evaluation and that is preceded by at least five repeated failures in the preceding six months of tests (allowing for months with inactivity). Once a sub-measure has an extended chronic failure, all subsequent failures using the repeated failures critical alpha criterion will be deemed extended chronic until two consecutive passes are obtained or three months intervene with no activity.



The denominator used to calculate the Adjusted Base Amount is taken as the total number of remedy-relevant observations for those CLECs having reportable data for the month. The aggregate measures, 24, 42, and 44, contribute just the number of sub-measures with data.

The following formulae specify how payments are calculated in each category

**General Parameters.**

$M$  = the number of remedy-relevant observations in the month.

$K = 4243 / M$

$ABA = \$38 \times K$  (rounded to the nearest dollar).

**Category A.**

$N(A)$  = the number of observations for a CLEC in a month excluding Category B sub-measures.

$FO(A)$  = the number of ordinary failures for the CLEC.

$FC(A)$  = the number of chronic failures for the CLEC.

$FE(A)$  = the number of extended chronic failures for the CLEC.

$P(A) = 100 \times FO(A) / N(A)$

$PPM(A) = ABA \times P(A)$  (pay-per-miss amount)

$PO(A) = PPM(A) \times FO(A)$  (payment for ordinary failures)

$PC(A) = PPM(A) \times FC(A) \times 5$  (payment for chronic failures)

$PE(A) = PPM(A) \times FE(A) \times 10$  (payment for extended chronic failures)

**Category B.**

**N(B)** = the number of Industry Aggregate sub-measures falling in Category B.

**FO(B)** = the number of ordinary failures for Category B.

**FC(B)** = the number of chronic failures for Category B.

**FE(B)** = the number of extended chronic failures for Category B.

**P(B)** =  $100 \times \text{FO(B)} / \text{N(B)}$

**PPM(B)** =  $\text{ABA} \times \text{P(B)}$  (pay-per-miss amount)

**PO(B)** =  $\text{PPM(B)} \times \text{FO(B)} \times 10$  (payment for ordinary failures)

**PC(B)** =  $\text{PPM(B)} \times \text{FC(B)} \times 50$  (payment for chronic failures)

**PE(B)** =  $\text{PPM(B)} \times \text{FE(B)} \times 100$  (payment for extended chronic failures)

**Category C.**

**N(C)** = the number of Aggregate sub-measures falling in Category C.

**FO(C)** = the number of ordinary failures for Category C.

**FC(C)** = the number of chronic failures for Category C.

**P(C)** =  $100 \times \text{FO(C)} / \text{N(C)}$

**PPM(C)** =  $\text{ABA} \times \text{P(C)}$  (pay-per-miss amount)

**PC(C)** =  $\text{PPM(C)} \times \text{FC(C)} \times 25$  (payment for chronic failures)

**Special Issues.**

The CLECs qualifying for Category B incentive payments are those that touch sub-measures in Measure 2, 3, and 40.

Category C is applied to all sub-measures.

The Category C failure rate is determined by the number of single-month failures in the month in question.

The rules for entering and leaving the chronic state (there is no extended chronic state) are the same as those for the other categories.

**EXHIBIT 1****FACTUAL ANALYSIS**

The following incidences are reasonable exceptions that can be used to mitigate a statistical finding of out-of-parity (or benchmark miss) provided that the incident impacted the CLEC to such a degree as to make otherwise compliant performance non-compliant:

I. Significant activity by a third party external to Pacific Bell\* (not controllable by Pacific Bell)

A. Damage to facilities :

- major cable cuts
- gas/water main break
- manhole/structure fire
- central office/facilities fires not caused or under control of Pacific Bell
- other damage to facilities cause by a third party

B. Failure of third party systems

- LNP-service degradation/out-of-service of NPAC

C. Threats to personal safety

- Bomb threat causing evacuation of a Pacific Bell building (service center, central office, etc.)
- Other threats to personal safety which impact the execution of Pacific Bell's activities on behalf of the CLEC

II. Environmental events not considered force majeure

A. Environmental events causing service center evacuation/building condemnation

- building fire
- building damage cause by external force
- hazardous condition (gas or chemical leaks, presence of hazardous material)

III. Failure of CLEC process/system or those of a third party vendor, including a Service Bureau Provider, acting on behalf of CLEC

A. CLEC ordering system with degraded service or out-of-service for an extended period of time, resulting in:

- a backlog of requests sent all at once
- the CLEC changing from electronic transmission to manual (fax) for duration of the outage

B. Chronic, severely impaired testing capabilities on part of CLECs

C. Chronic failure on the part of the CLEC to provision their own network in a timely manner in establishing new or migrated end user service which also involves activities on the part of Pacific

\*Note: Pacific Bell's sub-contractors or other Pacific Bell agents are not considered an external third party.

**EXHIBIT 2**  
**FORECASTING PLAN**

CLECs shall submit forecasts to Pacific Bell for the following categories of products/services:

- Collocation
- Interconnection Trunks
- Service Requests by:
  - Resale
    - Non-designed
    - Designed
  - UNE
    - Loops
      - Non-designed
      - Designed
    - Loop/Port Combinations
    - Unbundled Transport
- Forecasts shall cover a six-month period (two quarters) and shall be submitted one quarter in advance of the commencement of the six-month period.
  - Forecasts may be updated quarterly, or sooner, if the CLEC determines that conditions warrant an update.
    - For example, a forecast of 3<sup>rd</sup> and 4<sup>th</sup> Quarter 2001 must be submitted by March 31, 2001. However, the 4<sup>th</sup> Quarter forecast may be updated as part of the quarterly submission on or before June 30, 2001 (which covers 4<sup>th</sup> Quarter 2001 and 1<sup>st</sup> Quarter 2002).
  - For Service Request forecasts, forecasts shall be submitted on a statewide basis. For Interconnection forecasts, forecasts shall be submitted by wire center. Tandem interconnection shall be by tandem with identification of estimated traffic to and from subtending end offices.
  - For collocation, forecasts shall be submitted by wire center.
  - Forecasts shall be disaggregated on a monthly level.

- If Pacific Bell misses a mapped sub-measure (see Exhibit 2) for which a CLEC's actual volumes are 20% greater than the forecasted volume, on a monthly basis, a root cause analysis may be triggered.
- If Pacific Bell misses a mapped sub-measure (see Exhibit 2) for which the CLEC has not provided any forecast, a root cause analysis may be triggered.
- Pacific Bell may address the effect on Pacific Bell of an inaccurate forecast in its limited root cause analysis of a missed mapped sub-measure. In this review, Pacific must document how, but for the variance in the CLEC's forecast and actual volumes for one of the categories above (i.e., service requests, interconnection trunks or collocation), Pacific Bell would not have missed the mapped sub-measure. For purposes of the limited root cause analysis, the performance measures potentially affected by forecasting are set forth, or mapped, on the attached chart.
- Forecasts may contain commercially sensitive information and must be kept confidential. Pacific shall protect forecasts against disclosure to any unauthorized persons, including personnel responsible for retail sales or marketing. In addition, Pacific shall limit the disclosure of CLEC forecasts to personnel with a need to know for the purpose of ensuring Pacific's compliance with OSS performance measures and their applicable incentive plan, including compliance with the underlying wholesale obligations.

## EXHIBIT 2

## FORECAST MAPPING TO PERFORMANCE MEASURES

	TYPE OF FORECAST		
	Service Order	Collocation	Interconnection
<p><b><i>Pre-Ordering</i></b></p> <ul style="list-style-type: none"> <li>• 1 - Av. Response Time</li> </ul>	X		
<p><b><i>Ordering</i></b></p> <ul style="list-style-type: none"> <li>• 2 - Av. FOC Notice Interval</li> <li>• 3 - Av. Reject Notice Interval</li> </ul>	X  X		X  X
<p><b><i>Provisioning</i></b></p> <ul style="list-style-type: none"> <li>• 5 - Percent of Orders Jeopardized</li> <li>• 6 - Av. Jeopardy Notice Interval</li> <li>• 7 - Av. Completed Interval</li> <li>• 9 - Coordinated Customer Conversions</li> <li>• 9A - Frame Due Time Customer Conversions</li> <li>• 10 - PNP Network Provisioning</li> <li>• 11 - Percent of Due Dates Missed</li> <li>• 14 - Held Order</li> </ul>	X  X  X		X  X



<p>Interval</p> <ul style="list-style-type: none"> <li>• 15 - Provisioning Trouble Reports</li> <li>• 16 - Percent Troubles in 30 Days for New Orders</li> <li>• 18 - Av. Comp. Notice Interval</li> </ul>	X		X
	TYPE OF FORECAST		
	Service Order	Collocation	Interconnection
<p><b><i>Maintenance</i></b></p> <ul style="list-style-type: none"> <li>• 19 - Customer Trouble Report Rate</li> <li>• 20 - Percent of Customer Trouble not Resolved within Est. Time</li> <li>• 21 - Av. Time to Restore</li> <li>• 23- Frequency of Repeat Troubles in 30 day period</li> </ul>			
<p><b><i>Network Performance</i></b></p> <ul style="list-style-type: none"> <li>• 24 - Percent Blocking on Common Trunks</li> </ul>			

<ul style="list-style-type: none"> <li>• 25 - Percent Blocking on Interconnection Trunks</li> <li>• 26 - NXX Loaded by LERG Effective Date</li> </ul>			X
<p><b><i>Billing</i></b></p> <ul style="list-style-type: none"> <li>• 28 - Usage Timeliness</li> <li>• 29 - Accuracy of Usage Feed</li> <li>• 30 - Wholesale Bill Timeliness</li> <li>• 31 - Usage Completeness</li> <li>• 32 - Recurring Charge Completeness</li> <li>• 33 - Non-recurring Charge Completeness</li> <li>• 34 - Bill Accuracy</li> <li>• 35 - Billing Notice Completion Interval</li> <li>• 36 - Accuracy of Mech. Bill Feed</li> </ul>	<p>X</p> <p>X</p> <p>X</p>		<p>X</p> <p>X</p> <p>X</p>

	TYPE OF FORECAST		
	Service Order	Collocation	Interconnection
<p><b>Database Updates</b></p> <ul style="list-style-type: none"> <li>• 37 - Av. Database Update Interval</li> <li>• 38 - Percent Database Accuracy</li> <li>• 39 - E911/911 MS Database Update Interval</li> </ul>	X		
<p><b>Collocation</b></p> <ul style="list-style-type: none"> <li>• 40 - Av. Time to Respond to Collocation Requests</li> <li>• 41 - Av. Time to Provide a Collocation Arrangement</li> </ul>		X  X	
<p><b>Interfaces</b></p> <ul style="list-style-type: none"> <li>• 42 - Percent of Time Interface is Available</li> <li>• 44 - Center Responsiveness</li> </ul>			

## **Exhibit 3**

### **Decision Model Revised from D.01-01-037, Appendix C**

## I. Parity measures

### A. Statistical Tests

All statistical tests will be one-tailed tests.

#### 1. Average-based Parity Measures

The Modified *t*-test will be used for all average-based parity measures as specified in:

**Brownie, C., Boos, D., & Hughes-Oliver, J. (1990). Modifying the *t* and ANOVA *F* tests when treatment is expected to increase variability relative to controls. *Biometrics*, 46, 259-266.**

The Modified *t*-test for the difference in means (averages) between the ILEC and the CLEC populations is:

$$t = (M_i - M_c) / [S_i \cdot \sqrt{1/N_c + 1/N_i}]$$

Where:

$M_c$  = the CLEC mean result

$M_i$  = the ILEC mean result

$S_i$  = the standard deviation of the results for the ILEC

$N_c$  = the CLEC sample size

$N_i$  = the ILEC sample size

sqrt = square root

For measures of time intervals, the raw score distribution will be normalized by taking the natural log of each score after a constant of 0.4 of the smallest unit of measurement is added to each score. For example, if the smallest unit of measurement is an integer, then the added constant would be 0.4:

$$x_{\text{tran}} = \ln(x + 0.4)$$

Similarly, if the smallest unit of measurement is 0.01, then the added constant would be 0.004:

$$x_{\text{tran}} = \ln(x + 0.004)$$

Results that are not measures of time intervals (e.g., Measure 34) will not be transformed. Results for Measure 44 will not be transformed.

The Modified *t*-test calculation for average parity measures will be structured so that a negative sign indicates “worst” performance. Specifically, when a lower value represents better performance, such as time to provision a service, the CLEC mean will be subtracted from the ILEC mean. Different performance measures may require reversing the means in the equation to have a negative sign indicate poorer performance.

The *t*-statistic will be converted to a p-value (probability value) using a *t*-distribution table or calculation. Degrees of freedom (*df*) will be based only on the ILEC sample size consistent with Brownie, et al. If the obtained p-value is less than the critical alpha ( $\alpha$ ) value, then the result will be deemed not in parity.

## **2. Proportion Parity Measures**

The Fisher’s Exact Test will be used for all percentage or proportion parity measures as specified in:

**Sheskin, D. (1997). *Handbook of parametric and nonparametric statistical procedures*. Boca Raton: CRC Press, pp. 221-225.**

If the obtained p-value is less than the critical  $\alpha$  value, then the result will be deemed out-of-parity.

## **3. Rate-based Parity Measures**

The Binomial Exact Test will be used for all rate parity measures. The Binomial Exact Test is specified in GTECs Exhibit C, Section 3, “Permutation Test for Rates”, Equations 3.1 and 3.2 (Deliverable #7, Facilitated Work Group, April 2000).

## **4. Indexed-based Parity Measures**

Measure 42 provides an index of parity performance that will be assessed by comparing ILEC and CLEC performance as follows:

Non-parity will be identified when the ILEC percentage minus the CLEC percentage exceeds 0.05 percentage points.

## **B. Critical Alpha Level for Parity Tests**

The p-values obtained from the parity statistical tests will be compared to the critical alpha values as specified below. A performance result with a p-value less than the critical alpha will be deemed a performance failure. The critical alphas to be applied are listed below:

### **For Tier I:**

Examine the single-month industry aggregate using:

- 0.10 for sample sizes of 1 to 499.
- 0.05 for sample sizes of 500 and greater.

### **For CLEC-level analyses:**

For multiple-month tests:

- Use 0.20 for the test for each and every individual month (i.e., Chronic: months 1, 2, and 3. Extended: months 1, 2, 3, 4, 5, and 6).

For single-month tests:

If the industry aggregate fails:

- For each CLEC with a sample size of 1 to 29 use 0.20.
- For each CLEC with a sample size of 30 to 499 use 0.10.
- For each CLEC with a sample size of 500 or greater, use 0.05.

If the industry aggregate passes:

- For each CLEC with a sample size of 1 to 99 use 0.10.
- For each CLEC with a sample size of 100 or greater, use 0.05.

### **For Tier II:**

Since all Tier II tests are repeated failure tests, use 0.20 for the test for each and every individual month (i.e., months 1, 2, and 3).

(Note: the single-month aggregate failure rate used as a multiplier

for calculating the payment amounts will follow the single-month industry aggregate test rules listed above.)



### **C. Sample Sizes and Aggregation Rules**

Statistical tests will be applied to the monthly performance results specified in the Joint Partial Settlement Agreement (D.01-05-087 or "JPSA") and in any Commission-approved modifications to the JPSA. Statistical analyses and decision rules will be applied to determine performance subject to the performance incentives plan for all samples regardless of sample size.

### **D. Measures without Retail Analogues.**

In months where there are no retail analogue performance data, the prior six months of ILEC data be aggregated (to the extent that such data exist) and used in place of the data-deficient month. If the aggregate does not produce sufficient ILEC data, the sub-measure will not be evaluated for the month.

## **II. Benchmark Measures**

For large samples, the actual performance will be compared to the benchmark nominal percentage according to the percentage set in the Joint Partial Settlement Agreement approved by the Commission. For small samples, maximum permitted "misses" shall be determined by small sample adjustment tables. Small samples are defined as follows:

- 90 percent benchmarks - 50 cases or less
- 95 percent benchmarks - 100 cases or less
- 98 percent benchmarks - 250 cases or less
- 99 percent benchmarks - 500 cases or less
- 99.65 (and 0.0035) percent benchmarks - 1429 cases or less
- 99.75 (and 0.0025) percent benchmarks - 2000 cases or less

**SMALL SAMPLE ADJUSTMENT TABLES**

<b>Maximum Permitted Misses</b>	<b>Benchmark = 90%</b>		<b>Benchmark = 95%</b>		<b>Benchmark = 98%</b>		<b>Benchmark = 99%</b>		<b>Benchmark = 99.65%</b>		<b>Benchmark = 99.75%</b>	
	<b>Minimum Sample Size</b>	<b>Maximum Sample Size</b>	<b>Minimum Sample Size</b>	<b>Maximum Sample Size</b>	<b>Minimum Sample Size</b>	<b>Maximum Sample Size</b>	<b>Minimum Sample Size</b>	<b>Maximum Sample Size</b>	<b>Minimum Sample Size</b>	<b>Maximum Sample Size</b>	<b>Minimum Sample Size</b>	<b>Maximum Sample Size</b>
<b>0</b>	1	1	1	3	1	9	1	19	1	55	1	77
<b>1</b>	2	9	4	19	10	48	20	97	56	304	78	390
<b>2</b>	10	20	20	40	49	101	98	202	305	631	391	808
<b>3</b>	21	31	41	63	102	159	203	319	632	999	809	1279
<b>4</b>	32	44	64	88	160	222	320	445	1000	1393	1280	1783
<b>5</b>	45	50	89	100	223	250	446	500	1394	1429	1784	2000

The small sample adjustment tables shall be used in the following steps:

1. The number of performance “misses” for the CLEC industry-wide aggregate for each remedy plan benchmark sub-measure will be compared to the number of permitted misses for all sample sizes covered by the related adjustment table. Industry aggregate performance will be identified as passing if the number of actual misses is less than or equal to the number of permitted misses, and identified as failing if otherwise.
2. For CLEC industry-wide aggregate sample sizes not covered by the related adjustment table, the actual performance percentage result will be compared to the benchmark nominal percentage value. Industry aggregate performance will be identified as passing if the actual performance percentage result is greater than or equal to the benchmark nominal percentage value, and identified as failing if otherwise.
3. For each sub-measure where the CLEC industry-wide aggregate performance *fails* the benchmark, the actual performance percentage result for each non-aggregated CLEC result will be compared to the benchmark nominal percentage value. Each individual performance result will be identified as passing if the actual performance percentage result is greater than or equal to the benchmark nominal percentage value, and identified as failing if otherwise.
4. For sample sizes *covered* by the related adjustment table where the CLEC industry-wide aggregate performance *passes* the benchmark, the following shall apply for each sub-measure. For each benchmark sub-measure, the number of performance “misses” for each non-aggregated CLEC will be compared to the number of permitted misses. CLEC performance will be identified as passing if the number of actual misses is less than or equal to the number of permitted misses, and identified as failing if otherwise.
5. For sample sizes *not covered* by the related adjustment table where the CLEC industry-wide aggregate performance *passes* the benchmark, the following shall apply. The actual performance percentage result for each non-aggregated CLEC result will be compared to the benchmark nominal percentage value. Each individual performance result will be identified as passing if the actual performance percentage result is greater than or equal to the benchmark nominal percentage value, and identified as failing if otherwise.



### Small Sample Adjustment Table Calculation Procedure

1. Set the benchmark to **B**. In this procedure it is assumed that **B** is a number close to 1.0. If the benchmark is small, simply use  $1 - \mathbf{B}$ .
2. Set the maximum length of the table,  $L$ , according to the formula

$$L = \frac{5}{1 - B}$$

3. Set the derivation (reference) sample size according the formula

$$N = 3 * L$$

4. Calculate the implied performance level,  $P$ , as that value which solves the equation

$$b = \text{ceiling}(B * N) - 1$$

$$\sum_{k=0}^b \binom{N}{k} P^k (1 - P)^{N-k} = .01$$

5. Calculate the permitted number of misses,  $m$  for the sample size  $n$ , as the largest value of  $k$  that satisfies the following:

$$\sum_{t=0}^k \binom{n}{n-t} P^t (1 - P)^{n-t} \geq .1$$

**Mathcad worksheet to calculate small sample tables for percentage benchmarks.**

Set benchmark.

$$B := .90$$

Set probability of failing the benchmark at the reference sample size.

$$P_{\text{crit}} := .01$$

Set probability of failing the benchmark with small samples (Type I error rate).

$$P_{\text{T1E}} := .1$$

Calculate the length of the Small Sample Adjustment Table

$$L := \text{floor} \left( \frac{5}{1 - B} + .1 \right)$$

$$L = 50$$

Calculate the reference (derivation) sample size.

$$N := 3 \cdot L$$

$$N = 150$$

"p" gives initial guesses at the required performance levels

$$p := \frac{1 + B}{2}$$

The following function calculates the performance level that is consistent with the reference sample size  $N$  and criterion probability  $P$ .

Given

$\text{pbinom}(b - 1, N, p) = P_{\text{crit}}$

$f(b, N) := \text{Find}(p)$

This is the required performance level.

$PL := f(\text{ceil}(B \cdot N), N)$

$PL = 0.9441636$

$\text{pbinom}(\text{ceil}(B \cdot N) - 1, N, PL) = 10 \cdot 10^{-3}$

Calculate the minimum number of misses for which the cumulative probability is less than the Type I error criterion.

```
miss(n, P) := | k ← 1
               | while pbinom(n - k, n, P) ≥ P_T1E
               |   k ← k + 1
               | return k - 1
```

$n := 2..L$

$M_n := \text{miss}(n, PL)$

$k := 1..5$

```
set(h, L, d) := | j ← 2
                | x ← L · (1 - d)
                | while M_j < h
                |   j ← j + 1
                | while (j ≤ L) ∧ (M_j = h)
                |   | x ← j if (d = 0) · (j < x) + (d = 1) · (j > x)
                |   | j ← j + 1
                | return x
```

$$A_{k,0} = \text{set}(k, L, 0)$$

$$x_k = k$$

$$\text{set}(1, 50, 0) = 2$$

$$A_{k,1} = \text{set}(k, L, 1)$$

$$A = \text{augment}(x, A)$$

In the following matrix,

the first column is the number of permitted misses,

the second column is the minimum sample size that gets this number, and

the third column is the maximum sample size that gets the number.

$$A = \begin{bmatrix} 0 & 0 & 0 \\ 1 & 2 & 9 \\ 2 & 10 & 20 \\ 3 & 21 & 31 \\ 4 & 32 & 44 \\ 5 & 45 & 50 \end{bmatrix}$$



**Exhibit 4**  
**Measures and sub-measures identified**  
**as having no minimum samples size\***

**Measure 30:** Wholesale bill timeliness.

**Measure 40:** Average time to respond to a collocation request.

**Measure 41:** Average time to provide a collocation request.

**UNE Loop DS-3:** (Disaggregated as an Service Group Type).

**UNE-Transport DS-1:** (Disaggregated within UNE-Transport).

**UNE-Transport DS-3:** (Disaggregated within UNE-Transport).

**Interconnection Trunks.**

**OC level services:** (Service group type).

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\* See *Interim Opinion* (D.01-01-037), App. H, Attach. 1. OC services were added since they were included as a service group type in D.01-05-087.

**Appendix K: List of Appearances**

**Respondents:** Ed Kolto-Wininger and James B. Young, Attorneys at Law, for Pacific Bell; Marlin Ard and Elaine M. Duncan, Attorneys at Law, for Verizon California Inc.

**Interested Parties:** Evelyn C. Lee, Attorney at Law, for WorldCom, Inc.; Randolph Deutsch and Joseph Faber, Attorneys at Law, for AT&T Communications of California, Inc.; Richard L. Goldberg, Attorney at Law, for Sprint Communications Company LP; Theresa L. Cabral, Attorney at Law, for Mediaone Telecommunications of California and Karen Potkul, Attorney at Law, for XO, Inc. (formerly, Nextlink, Inc.)

**Office of Ratepayer Advocates:** Julio Ramos, Attorney at Law.

## **ATTACHMENT 2**

# REQUEST FOR PROPOSAL

For Audit of  
GTE's OSS Performance Measurement Reporting System  
As Defined by the California Commission in D.99-08-020

September 17, 1999

## **I. General Instructions**

The CLECs and GTE will evaluate all responses on the basis of net program cost, the completeness of your response, and your ability to meet all specifications, schedules and requirements. Additional evaluation factors will include your financial stability, management support, and related business functions in concert with the quality and service expected by CLECs and GTE.

In the following sections, “you” refers to the supplier (or seller) and “we or us” refer to CLECs and GTE

### **1. Instructions**

- 1.1. Responses should not be conditional or incomplete or contain any alterations from the forms supplied or other defects or irregularities of any kind.
- 1.2. Prior to the due date of proposals given in paragraph 1.9, we may modify this RFP by issuance of one or more addenda to all prospective suppliers.
- 1.3. We reserve the absolute right to withdraw this RFP, by written notice or to reject any or all proposals submitted in response to this RFP. In no event shall we be liable for any expenses incurred by you in preparing a response to this RFP. We further reserve the right to accept proposals from one or more prospective suppliers. We shall not incur any liability whatsoever by reason of such withdrawal, rejection or acceptance.
- 1.4. If the Specifications indicate that we have estimated our requirements for the purposes of this RFP, we reserve the right to modify any estimated requirements prior to signing the agreement with the selected supplier. No prospective supplier shall have a claim on us in the event that any estimated requirements are modified for whatever reason. Any projections of future requirements (forecasts) are for estimating purposes only and are in no way to be construed as a commitment to purchase this or any amount of product or service.
- 1.5. This RFP has been prepared with the intended purpose of outlining the audit requirements. You should prepare any proposal simply and economically, providing a clear, concise delineation of your capabilities to satisfy the requirements of this RFP.
- 1.6. You are invited to be innovative in order to make attainment of the audit’s stated objectives simpler, more efficient and less expensive. All alternatives should be clearly defined.

- 1.7. You **must** sequence your response to the RFP questions in the section on Proposal Response in the same order in which they appear in this package. You should restate the question, then follow with your response.
- 1.8. Should you discover any material ambiguity, conflict, discrepancy, omission or other error in this RFP, please immediately notify us **in writing** of such discovery with a request for modification or clarification of this RFP, and cite the specific paragraph in question. Direct all questions which arise concerning this RFP by phone, fax or in writing to Leigh Ross at P.O. Box 152092, Irving, TX 75015 -Phone (972) 507-1715), Fax (972) 507-1269- before 5:00pm CST on September 27, 1999. **GTE will not be bound by any oral or written interpretation of this RFP from any individual other than that named above.**
- 1.9. CLECs and GTE solely reserve the right to determine the materiality of such discovery or question. If, in the opinion of the CLECs and GTE, such discovery or question may cause an ambiguity in the bid responses, we shall issue an Addendum to amend the RFP, extend the RFP due date if necessary, and/or provide answers to questions received in writing or clarifications to remove the ambiguity. Otherwise, we reserve the right to negotiate minor exceptions, irregularities, or errors in the RFP and/or the bid responses.
- 1.10. Please prepare, seal, label and submit ten (10) copies along with two diskette copies of each proposal. **The proposals must be delivered no later than 5:00pm CST on Friday October 1, 1999 at the following address:**

Leigh Ross  
919 Hidden Ridge  
Irving, TX 75038  
(972) 507-1715
- 1.11. A proposal will be considered invalid if not received on or before the date and time set forth above. We will not grant an extension to this date except as stated per paragraph 1.8 above.
- 1.12. Your response **MUST** be addressed as above and marked to the attention of the **QUOTATION REGISTRAR: RFP**. Failure to comply with this requirement will prevent consideration of your proposal. Return receipt requested mail or other special delivery is recommended.
- 1.13. **DO NOT ATTEMPT TO DELIVER YOUR PROPOSAL IN PERSON. IT CANNOT BE ACCEPTED.** Your response **MUST** be submitted by mail or other special delivery such as: Airborne, Federal Express, United Parcel Service, etc.
- 1.14. You must include in your proposal a separately signed statement that all offers are firm for not less than one hundred twenty (120) days after the due date of this RFP.

- 1.15. A letter of transmittal must accompany your proposal. Please have the letter signed by a person authorized to contractually obligate your company to the scope, terms, specifications and pricing contained in your proposal.
- 1.16. You may modify your proposal after its submission by withdrawal and resubmission prior to the due date for proposals. Modifications offered in any other manner, whether written or oral, will not be considered.
- 1.17. Each prospective supplier may be requested, at our sole option, to make an oral presentation of its proposal to CLEC and GTE representatives, at a date, time, and location to be solely determined by CLECs and GTE. Supplier's failure to keep such an appointment for a presentation, once established, may be grounds for rejection of supplier's proposal.
- 1.18. All proposals and any other materials submitted in response to this RFP will become the property of CLECs and GTE and may be returned only at our sole option and at the prospective supplier's expense. In any event, we may, at our option, retain one (1) copy for our official files.
- 1.19. We assume no obligation regarding confidentiality of all or any portion of a proposal or any other material except that portion which prospective supplier clearly designates as containing proprietary information by affixing the legend "**CONFIDENTIAL INFORMATION: Do not disclose**" to the upper right-hand corner of each page of supplier's proposal which contains such proprietary information. In such event, our sole responsibility shall be limited to maintaining the confidentiality of the information to the same extent that supplier maintains its own proprietary information.
- 1.20. Prospective supplier shall consider all information furnished by GTE and CLECS to be confidential and shall not disclose any such information to any other person, or use such information itself for any purpose other than responding to this RFP. This requirement shall apply to all specifications, forecasts, business information/plans, and other documents or information prepared by GTE or CLECs. Suppliers shall not advertise or publish the fact that GTE has requested a response to this RFP.
- 1.21. Should you choose not to respond to this solicitation, please notify GTE in writing to that effect no later than the due date of this RFP. This request and all documents attached shall be returned by supplier to GTE and their confidentiality maintained.
- 1.22. All unsuccessful suppliers will be notified by letter. GTE has no obligation to detail to any supplier the results of the RFP evaluation process or the reason(s) why a respondent was or was not successful.

## **2. Contract Requirements**

- 2.1. The contents of submitted proposals in response to this request will be considered contractual obligations of the selected supplier(s) unless otherwise agreed to by GTE. No proposal should be submitted that cannot be incorporated into a Purchase Agreement containing GTE's standard terms and conditions. Proposals submitted should be your best competitive offer in response to this RFP. Should GTE proceed with this project, successful supplier(s) will be expected to enter into a formal Purchase Agreement with GTE.
- 2.2. If you have an existing Purchase Agreement with GTE, you should reference that Agreement where appropriate in the proposal. Selected supplier(s) should recognize that the terms and conditions of an existing Agreement may apply or, as a result of the acceptance or negotiation of this RFP, may be amended or superseded, in writing, as determined by GTE.
- 2.3. In the event you desire to make any additions, deletions or changes in the Agreement, you must set forth the specific proposed contractual language in detail in your proposal. Your setting forth the specific proposed contractual language may be ground for rejecting your proposal, and such proposed language may be subject to negotiation prior to the selection of a supplier.

## **3. Minority, Women and Disabled Veteran Business Enterprises**

- 3.1. It is the policy of GTE to promote and increase the participation of minority, women and disabled veteran business enterprises in its purchasing and contractual business. Maximum practicable opportunity shall be given to minority, women and disabled veteran business enterprises to participate as suppliers and contractors to GTE. To achieve this goal, GTE encourages additional opportunities for minority, women and disabled veteran business enterprises by requiring MBE/WBE/DVBE subcontracting plans from our primary suppliers.
- 3.2. For purchases under this Agreement by GTE, Minority and Women Business Enterprises (MBEs/WBEs) are defined as businesses which satisfy the requirements of paragraph 3.3. below and are certified as MBEs/WBEs by the California Public Utilities Commission Clearinghouse ("CPUC-certified").
- 3.3. MBEs/WBEs must be at least 51% owned by a minority individual or group or by one or more women (for publicly-held businesses, at least 51% of the stock must be owned by one or more of those individuals), and the MBEs/WBEs' management and daily business operations must be controlled by one or more of those individuals, and these individuals must be either U.S. citizens or legal aliens with permanent residence status. For the purpose of this definition, minority



group members include male or female Asian Americans, Black Americans, Filipino Americans, Hispanic Americans, Native Americans (i.e., American Indians, Eskimos, Aleuts and Native Hawaiians), Polynesian Americans, and multi-ethnic (i.e., any combination of MBEs and WBEs where no one specific group has a 51% ownership and control of the business, but when aggregated, the ownership and control combination meets or exceeds the 51% rule). “Control” in this context means exercising the power to make policy decisions. “Operate” in this context means actively involved in the day-to-day management of the business and not merely acting as officers or directors.

- 3.4. For purchases under this Agreement by GTE, Disabled Veteran Business Enterprises (DVBEs) are defined as business concerns that satisfy the requirements of paragraph 3.5 below and are certified as DVBEs by the California State Office of Small and Minority Business (OSMB). The DVBE must be a resident of the State of California, and must satisfy the requirements of paragraph 3.5. below.
- 3.5. The DVBE must be (1) a sole proprietorship at least 51% owned by one or more disabled veterans; or (2) a publicly-owned business in which at least 51% of the stock is owned by one or more disabled veterans; or (3) a subsidiary which is wholly owned by a parent corporation, but only if at least 51% of the voting stock of the parent corporation is owned by one or more disabled veterans; or (4) a joint venture in which at least 51% of the joint venture’s management and control and earnings are held by one or more disabled veterans. In each case, the management and control of the daily business operations must be by one or more disabled veterans. A disabled veteran is a veteran of the military, naval or air service of the United States with a service-connected disability. “Management and control” in this context means exercising the power to make policy decisions and actively involved in the day-to-day management of the business and not merely acting as officers or directors.
- 3.6. As part of your response, please indicate if your firm is a minority, women or disabled veteran business enterprise, by ethnic group, if applicable. Also, please include a subcontracting plan which would include the use of minority, women and/or disabled veteran business enterprises in fulfilling the obligations which would be assumed if you were to be awarded the contract under this RFP. A subcontracting plan should include, but not be limited to:
  - a. The estimated percentage of the dollar quotation that will be subcontracted to MBE/WBE/DVBEs.
  - b. The principal goods and/or services to be subcontracted to MBE/WBE/DVBEs.

- c. A statement agreeing to maintain, if awarded the resulting contract, all necessary documents and records to support your efforts to achieve the estimated MBE/WBE/DVBE subcontracting goal.
  - d. Identify the individual, acting in the capacity of MBE/WBE/DVBE coordinator for your company who will administer the MBE/WBE/DVBE subcontracting plan, submit summary reports to GTE and cooperate in any studies or surveys as may be required by GTE in order to determine the extent of compliance by you with the subcontracting plan.
- 3.7. Supplier utilizing a MBE/WBE/DVBE subcontracting plan will be responsible for identifying, soliciting and qualifying MBE/WBE/DVBE subcontractors.
- 3.8. Falsification or misrepresentation of your status as an MBE/WBE/DVBE; or falsification or misrepresentation of the MBE/WBE/DVBE status of a subcontractor utilized by you will constitute grounds for cancellation of any contract resulting from this RFP.

## **II. Overview**

The Telecommunications Act of 1996 requires incumbent Local Exchange Carriers (ILECs), such as GTE, to provide CLECs with nondiscriminatory access to its Operations Support Systems (OSS). OSS is a collection of systems that a carrier uses to supply telecommunication services. Generally, access to OSS allows the carrier to perform pre-ordering, ordering, provisioning, billing, repair and maintenance functions and other associated sub-functions.

Pursuant to D.99-08-020, the CLECs and GTE negotiated a set of performance measurements to monitor whether GTE provides CLECs access to OSS in substantially the same time and manner as it provides for itself. The performance measurements agreed to by parties were formally documented in the Joint Partial Settlement Agreement (“JPSA”). The agreement was jointly filed with the Commission on January 7, 1999 and was amended and refiled on May 3, 1999. A conforming JPSA was filed jointly on September 7, 1999 in compliance with D.99-08-020 (“Order”). The September 7 version is the controlling document.

The OSS performance measurement plan contained in the Order includes 44 measures (41 of which are currently applicable to GTE) and approximately 400 sub-measures, after the appropriate levels of disaggregation are applied. Measurements 37 and 38 are not included as part of this Initial Audit. Measurement 35 requires further definition before reporting is required and is not included in the scope of the audit. Comparative analogs and/or benchmarks have been ordered for most measures/sub-measures.

The CLECs and GTE, (“We”), are seeking a vendor to conduct an initial audit of GTE’s OSS performance measurement system as prescribed in the Order. This audit represents an initial independent validation of GTE’s OSS performance measurement system that

includes all reporting requirements for pre-ordering, ordering, provisioning, maintenance, network performance, billing, collocation, database updates, and interfaces and the associated reporting process as described in the Order. The audit will validate that the OSS performance measurement system used for reporting results is consistent with the measurement reporting business rules, method of calculation, reporting structures, disaggregation, and measurable standards as defined by the Order. The audit will also assess whether the OSS performance reports are made available to the CLECs and the Commission by the fifteenth calendar day of the month succeeding the reporting period. It will also verify that the reports are available through a web-site and available to each CLEC with its own data, aggregate CLEC data, and ILEC data.

### **III. Purpose of Engagement**

The purpose of the engagement is to perform an Initial Audit, to be completed in two phases, to ensure that GTE's OSS performance reporting procedures are sound and that data collection and reporting are timely, accurate and complete. Phase One of the Initial Audit will include those measures reported prior to the commencement of the Initial Audit. Any other measurements for which the CLECs are receiving results but which were not audited in Phase One of the Initial Audit will be audited in Phase Two. The parties agreed to this Initial Audit as defined in the Order.

This initial Audit, which will commence no later than November 1, 1999 will be performed by a third party auditor. The third party auditor will be jointly selected by the CLECs and GTE in accordance with the terms of the conforming JPSA.

Results of the audit will be submitted by GTE to the Commission. GTE will also distribute copies (which include only non-proprietary information) to parties to the OSS OII proceeding (OSS OII Service List).

**Proposals are due October 1, 1999.** To the extent that specific requirements described in this RFP are in conflict with those contained in the Order or any ruling in the OSS OII Proceeding, the Commission ruling shall be the governing document.

### **IV. Scope**

The initial audit of GTE's CLEC performance measurement reporting process will be national in scope, and will verify that GTE's performance measurement reporting system in California complies with D.99-08-020. Upon completion of the initial audit, the auditor may be asked to testify in regulatory proceedings concerning the audit.

Listed are the major service categories of the performance measurements to be reported by GTE, as documented in the Order:

- Pre-Ordering

- Ordering
- Provisioning
- Maintenance
- Network Performance
- Billing
- Database Updates
- Collocation
- Interfaces

The audit plan should enable the verification of the following during the actual audit:

- Existence of measurement reporting business rule requirements, reporting methods and procedures, and reporting system documentation specifying performance measurement definitions, calculations, performance standards, exclusions, disaggregation, data sources, data acquisition and data retention procedures.
- Compliance of documentation with the Commission Order and adherence and completeness of the implementation of data collection, calculation, reasons for exclusions, sampling as appropriate, and retention with the documentation relied upon by GTE
- Accuracy, timeliness and completeness of reported results including data retention, data protection, and raw data provided to the CLECs.
- Mechanism for documenting version/change control for OSS performance measurement system requirements, business rule requirements, and reports posted on the web-site.
- Implementation of ordered statistical methodology for determining GTE's compliance with performance requirements.

The audit will examine the performance reporting GTE provides for itself and its Affiliates as well as for individual CLECs and the CLEC industry in the aggregate. Appendix A provides the proposed program steps for the audit. It is intended as a guideline and cannot override the scope of the audit as detailed in this RFP.

The third party auditor will provide a weekly written progress report that provides status on the rate of completion of the audit. The weekly progress report shall include any findings on conclusive material deficiencies within the scope of the audit.

The auditor is expected to provide a document that includes a final report on the assessment results. In addition, the final report will include any amendments to prior findings of material deficiencies identified in weekly reports. This final report should provide results of the validation and should specifically provide details as to where GTE has met requirements specified in the audit plan. This final report also includes findings

on material deficiencies within the scope of the audit and provides status as to whether corrective actions have been completed. The status on corrective actions will include description, implementation date, and audit of corrective actions if applicable.

The third party auditor has discretion to take reasonably necessary steps to make attainment of the stated requirements of this Initial Audit as precise, concise, more effective, more efficient, and less expensive. Any steps resulting in additional audit costs must be pre-approved by GTE.

All status reports, interim reviews, final reviews, and face-to-face meetings necessary during the course of the audit will, unless otherwise agreed to by GTE, be held at its Irving, Texas location. CLEC attendance by conference call or in person is permitted, but only at their expense.

## **V. Schedule**

RFP Issued	September 17, 1999
Vendor Proposals	October 1, 1999
Vendor Interviews	October 12-14, 1999
Vendor Selected	October 22, 1999
Phase 1 Audit Begins	November 1, 1999
Phase 2 Audit Begins	January 31, 2000

Vendor Interviews will be conducted in Irving, Texas. CLEC attendance by conference call or in person is permitted, but only at their expense.

If GTE and the CLECs select different audit companies, the two companies selected will choose a third auditor to actually perform the audit.

## **VI. Proposal Response Form**

**A.** The undersigned has carefully examined the RFP documents relating to the furnishing of an Audit of GTE's CLEC performance reporting measurement system.

**B.** The documents examined include the following which the undersigned has received in connection with this RFP:

- General Instructions
- Overview
- Purpose of Engagement
- Scope
- Appendix A: Proposed Audit Program Steps
- Final Order
- Amended JPSA dated September 7, 1999

C. In accordance with the specifications and other provisions of the RFP, the contract documents and any addenda received, the undersigned respondent submits the following information and proposal:

- Certificate of Insurance.
- MWBE/DVBE Certification (if applicable).
- Responses to Sections D through J must be complete.

In order to be considered as a candidate for this RFP, you must answer the following questions. Please list them in the order in which they appear. You may answer these questions on different paper, however please reference the question number. If you have no answer or decline to answer a question, please so state. In the following questions, “you” refers to the supplier (or seller) and “we” refers to CLECs and GTE.

The following questions and requests for information are designed to provide the information required to evaluate your capacity to provide these services.

### **Questions for Response**

#### **D. Project Basis**

1. Please provide a proposal detailing how you will meet our requirements as listed in this RFP.
2. The data covered in this audit will be national in scope. How would you propose to automate the flow of data?
3. Are there any requirements of this RFP that you cannot meet (yes/no)? If you can only meet some of the requirements, please explain. Inability to provide all services does not preclude you from being considered for this RFP.
4. Are you available during normal business hours from 8:00 A.M. to 5:00 P.M. CST, Monday through Friday, to answer questions or provide required support? How will you support after hour, weekend and holiday requirements?
5. We require response time to inquiries to be no more than 24-48 hours. Can your company provide this?
6. A single-point-of-contact within your organization is required to coordinate all services. Describe how you will fulfill this requirement.
7. Describe the range of services your company offers.
8. Would your company be able to provide testimony concerning the audit?
9. Would your company be able to conduct annual audits of GTE’s OSS performance reporting system?
10. Would your company be able to conduct periodic “mini audits” of GTE’s OSS performance measurement reporting system?
11. Most of the audit activities will take place in Irving, TX. Travel to the following areas may also be required: San Angelo, TX; North Carolina; Idaho; Indiana; California; and Florida. Travel and lodging costs should be included in the cost estimate.

#### **E. Corporate Background**

1. Please provide background information on your company:
  - Full Legal Name
  - Date established
  - Organizational structure
  - Headquarters location
  - Branch offices or subsidiaries
  - Number/distribution of employees
2. Describe your company's prior experience or contractual relationship with GTE and any of the CLECs who are signatories to the JPSSA, and any of their operating entities (see attached list). What percent of your total business revenue is from GTE and each such company?
3. Based on the information provided in this RFP, describe your previous experience as a supplier for an effort with comparable magnitude and complexity.
4. Does your company have business knowledge of the telecommunications industry? If so, please explain.
5. Is your company a MWBE/DVBE? If so, please list your classification and any certifications you have received.
6. Provide your company's most current annual financial statement and a brief discussion of your firm's financials from that date to present.
7. What unique value added services put you ahead of your competitors for providing the services described in this proposal?

#### **F. Quality Assurance/Security**

1. Describe your quality assurance and quality control processes.
2. We intend to jointly develop an evaluative performance report card with the supplier(s) awarded this RFP. Do you agree with this plan? Describe a potential process, including appropriate metrics, for the report card.
3. Explain how you will ensure quality service from other suppliers contributing to the audit.
4. Describe your security procedures for safeguarding proprietary and confidential information, including screening tests and selection instruments.
5. What processes do you have in place to assess client satisfaction with your service and processes?
6. Describe your process for handling complaints.

#### **G. Client Resources/References**

1. Provide a list of at least four current references by company, contact and telephone number. Describe the services provided to each client.
2. How would you describe a successful relationship with a client?
3. Please provide the names of your three largest clients.
4. Please list the top three industries served by your company.

5. Provide a list of vendor's team: name and credentials of team members who will be directly involved in this engagement.
6. Provide an organizational structure of this team. Describe roles and responsibilities.

#### **H. Billing**

1. What is your normal billing cycle and process?
2. Describe your ability for customized billing and flexibility within the billing process.
3. What is your process for ensuring invoice accuracy and reconciling discrepancies?

#### **I. Pricing**

1. All pricing information should be provided in detail according to the functions you are proposing to provide.
2. Provide information regarding pricing variables and opportunities for cost reduction, e.g. volume discounts, early payment discounts, etc.
3. If you charge for additional products/services not identified in this RFP, please quote them and describe the circumstances under which they would be needed.
4. Within your pricing matrix, please provide due dates for deliverables, a timeline of how long the job will take, job classifications required and job title descriptions of each employee that is needed.
5. Within your established pricing, please provide both a fixed fee proposal and a time and materials proposal for us to choose from. Give hours and rates and a total dollar amount.
6. If you are asked to perform additional work beyond the scope of the RFP (for example, auditing any corrective actions taken by GTE), please state what your hourly rates and associated costs would be and provide your availability after the expected completion date of the audit.

#### **J. Supplier Statements**

1. Please add any information that you believe is applicable to your ability to perform these services if awarded this contract.
2. Please include a statement describing why your company should be selected.



The undersigned Preparer and Authorized Officer represent that all offers made in this Response to RFP including, but not limited to, prices, allowances, terms and delivery dates are firm for not less than ninety (90) days from the date thereof.

The undersigned Preparer and Authorized Officer further represent that they have read and understood this RFP, and that they agree to be bound by the terms of the attached agreement, except as otherwise noted on this Response Form.

Official Business Name of Company Submitting Proposal:

\_\_\_\_\_

Corporation \_\_\_\_\_

Partnership \_\_\_\_\_

Individual \_\_\_\_\_

Signature of Preparer:

\_\_\_\_\_

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

Complete Business Address:

Telephone Number:

Approved By:

\_\_\_\_\_

## **APPENDIX A – PROPOSED AUDIT PROGRAM STEPS**

*The following highlights some key steps that may be taken to effectively address the audit request:*

### **Step 1 General CLEC/ILEC Orientation**

Participate in review session covering the following:

- ⇒ History
- ⇒ Impacted parties
- ⇒ Audit goal and purpose
- ⇒ Critical timeframes
- ⇒ Key contacts
- ⇒ Available resources (e.g. office space, computer access, etc.)

### **Step 2 General Understanding of the Reporting Process**

Obtain and review the following reporting documentation:

- ⇒ CPUC Order
- ⇒ Any relevant subsequent e-mail correspondence the parties agree is necessary
- ⇒ Performance Measurement Website Reports
- ⇒ CLEC Handbook
- ⇒ Performance Measurement System Methods & Procedures defined by ILEC
- ⇒ Supporting documentation for the measures prepared by ILEC
- ⇒ Reporting process documentation such as flowcharts, narratives, etc. for Pre-ordering, Ordering, Provisioning, Billing, Network Performance, Maintenance, Collocation, Database Updates and Interfaces employed by ILEC
- ⇒ Obtain and review procedures used to monitor the overall reporting process
- ⇒ Data Retention Methods & Procedures
- ⇒ Amended JPSA dated September 7, 1999

Formulas overview including the following:

- ⇒ Define the formulas that are being used for all performance report calculations
- ⇒ Define the separate components (e.g. data elements) that make up each formula including their sources
- ⇒ Identify any and all exclusions and reasons for which they are to be considered exclusions, the basis for the exclusion, and the decision rule(s) for determining that a particular exclusion is applicable.
- ⇒ Describe start and end points for calculation

### **Step 3 General Understanding of Reporting System**

Reporting System Information

- ⇒ Obtain and review a general OSS Interface and Legacy system flowchart as it relates to the Performance Reporting System
- ⇒ Obtain and review Performance Reporting System flowchart
- ⇒ Obtain reporting system database table descriptions

- ⇒ Review Reporting System Methods & Procedures for documenting change requests

#### **Step 4 On-Line OSS Interface/Legacy System Data Comparison**

##### Select Data Records for Data Comparison

##### Obtain & Review The Following.

- ⇒ M&P's used by employees during the ordering, preordering, provisioning, billing and maintenance processes
- ⇒ Compare data warehouse records to source system records
- ⇒ Validate accuracy of components (e.g. data elements) used for results computation by comparing data entry elements or system timestamps to data warehouse records
- ⇒ Document data comparison results

#### **Step 5 Report Generation**

##### Obtain & Review the following:

- ⇒ Report generation M&P's
- ⇒ Raw data associated with a specific report

##### Recreate Designated Performance Measurement Reports

- ⇒ Determine raw data sample type and size to be extracted
- ⇒ Manually prepare reports using acquired raw data
- ⇒ Compare prepared reports to ILEC versions of reports
- ⇒ Review and document results of testing

#### **Step 6 Data Retention**

##### Data Retention Policies and Procedures

- ⇒ Obtain and review record retention policies and procedures
- ⇒ Confirm data is stored in sufficient detail to permit subsequent independent review and analysis
- ⇒ Assess ILEC's ability to generate CLEC raw data detail in a timely and accurate manner (including security protections for individual CLEC data)

#### **Step 7 Document findings and Issue Final Report**

##### Issue Final Report and Findings

- ⇒ Document any open issues
- ⇒ Document adequacy of documentation, including recommended corrective actions
- ⇒ Document any potential claims (variance between documentation and practice) and gather documentation to support claim
- ⇒ Integrate report and finding into overall audit report, including any exception of ILEC, any CLEC or the Commission
- ⇒ The final report will reflect any amendments to prior findings of material deficiencies identified in weekly reports.