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November 19, 2002

Mrs. Blanca S. Bayó
Director, Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 000121A-TP (OSS)

Dear Ms. Bayó:

Enclosed is an original and 15 copies of BellSouth Telecommunications, Inc.'s Comments On Disputed Service Quality Measurement Issues, which we ask that you file in the referenced docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,

J. Phillip Carver (KA)

J. Phillip Carver

Enclosures

cc: All parties of record
Marshall M. Criser, III
Nancy B. White
R. Douglas Lackey

CERTIFICATE OF SERVICE
Docket No. 000121A-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via U. S. Mail this 19th day of November, 2002 to the following:

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J. Phillip Carver (CRA)

(+) Signed Protective Agreement

#237366

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In Re:	)	
	)	
Performance Measurements for Telecommunications Interconnection, Unbundling and Resale	)	Docket No. 000121A-TP

BELLSOUTH TELECOMMUNICATIONS, INC.'S COMMENTS ON DISPUTED SERVICE QUALITY MEASUREMENT ISSUES

BellSouth Telecommunications, Inc. ("BellSouth") hereby files its Comments on Disputed Service Quality Measurement Issues and states the following:

I. INTRODUCTION

On October 22, 2002, the Florida Public Service Commission ("Commission") Staff issued, as part of the ongoing Six Month Review, a table of disputed issues. The parties were requested to file additional comments to address these issues by November 8, 2002. This filing date was subsequently changed to November 19, 2002. BellSouth files these Comments in response to that request.

In evaluating the changes to the Service Quality Measurement ("SQM") plan proposed by all parties, it is important to consider the purpose of the Six Month Review. The Six Month Review should not present an opportunity for parties to merely reargue without substantial new information positions that they originally took in the proceeding, and which the Commission rejected in the Final Order Requiring Performance Assessment Plan (issued September 10, 2002, Order No. PSC-01-1819-FOF-TP) ("Final Order") or in the Order Approving BellSouth Performance Assessment Plan (issued February 12, 2002, Order No. PSC-02-0187-FOF-TP ("Order Approving BellSouth

PAP"). In other words, this is not a situation in which the parties should be allowed to advocate positions contrary to the Commission's prior rulings as if these rulings do not exist. To the contrary, the Commission has already approved a particular SQM, and there must be a presumption that, in the absence of some new information raised by a party, the Commission ruled correctly[1].

Thus, the point of the Six-Month Review should be to give the parties an opportunity to raise specific issues or problems that have arisen after implementation of the plan, to demonstrate with actual facts that these problems exist and to propose changes to the SQM that constitute reasonable solutions to these problems. Of the proposals made by BellSouth, 22 remain in dispute. Judged by the above-noted standard, BellSouth's proposed changes should be approved. Each proposal by BellSouth is specific, each involves a concrete aspect of the plan that needs change, and BellSouth's proposals to make necessary changes each have a logical, factual basis. The same cannot be said of the ALECs' proposals.

Whereas BellSouth made a limited number of proposed changes to the SQM, the ALECs proposed over 130 changes. Of these 130, 98 remain in dispute. Further, the ALECs have proposed virtually all of these 98 changes without providing any real reason that the respective change is necessary. Instead, the ALECs have, in many instances, simply taken the proposals that they made during the original proceeding, which the Commission rejected, ignored this rejection, and repeated the original proposal again, as if the Commission had never ruled. ALEC proposals that reflect this approach include requests to add measurements, requests to add penalties to go with existing measurements

[1] In contrast, certain SEEM issues have been identified by the Commission and Staff to be addressed in the Six Month Review, such as the severity factor and the need to move to a transaction based

that currently have no penalty, and arguments for benchmarks higher than those that the Commission set in the Final Order. Moreover, the ALECs frequently provide little or nothing in support of their arguments that these positions (including the previously rejected ones) should be adopted.

Again, in a proceeding of this sort, the presumption should be that the Commission ruled correctly when it ordered the approval of the current SQM. The purpose of this proceeding should be to bring to light instances in which the plan is in need of change based on some specific factual showing such as, for example, a review of data produced after implementation of the plan. For this reason, the burden should obviously be on the party making the proposal. The ALECs have uniformly failed to sustain this burden.

II. BELLSOUTH'S PROPOSED CHANGES[2]

1. (Original Issue No. 3) - Measurement OSS-2: BellSouth has proposed to modify the definition of this measurement to clarify the meaning of the terms "function availability" and "schedule availability." BellSouth's intention in doing this was to make changes consistent with what it believes the ALECs agreed to in Georgia. In other words, BellSouth made this proposal because it believed that this is not only a change that the ALECs would agree to, but one that they would seek. During the course of the Workshops, the ALECs stated that BellSouth's proposal is not what they agreed to in

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plan.

[2] The disputed issues list contained four categories of proposed changes: 1) BellSouth proposals; 2) BellSouth SQM changes (or redline changes), 3) ALEC proposals, 4) ALEC SQM changes (or redline changes). Each list of all the original proposed changes was originally numbered consecutively, but the resolved issues were removed from each list. For clarity's sake, BellSouth has renumbered the disputed issues so that there is one consecutively numbered list of BellSouth issues and one of ALEC issues. A cross reference to the original issue number is provided for each issue.

Georgia and Louisiana, and that they oppose this proposal. Given this, BellSouth hereby withdraws this proposed change.

2. (Original Issue No. 11) – Measurement 0-2: BellSouth proposed to change the benchmark for this measurement from 100% to 99.5% for both TAG and for EDI. The reason for this proposal is that a 100% benchmark, i.e., perfection., is simply not attainable for these ordering and pre-ordering systems. The ALECs agreed to BellSouth's proposal to lower the benchmark for TAG. They did not agree, however, to BellSouth's proposal to lower the benchmark for EDI.

The benchmark for EDI should be lowered from level of perfection as well. Whether the interface is TAG or EDI, the potential exists for system failures and for very small order volumes that are not counted correctly. Although BellSouth has procedures and processes in place to mitigate the possibility of system failure or missing transactions in the measure, avoiding failures altogether, and thereby achieving perfection, is not possible. With a 100% benchmark, every possible potential problem, no matter how small, would have to be predicted and resolved before it occurs. In fact, current performance frequently reflects 100% performance, but still indicates a lack of parity because a few transactions cannot be accounted for in the measured results. Given this, a 99.5% benchmark for acknowledgement message completeness is a ambitious, reasonable benchmark. A 99.5% benchmark is also stringent enough to hold BellSouth to a very high standard, and it provides some reasonable allowance for minor system errors.

For example, in September, EDI had over 170,000 acknowledgement transactions for the region. Just one failure, a .0006% probability, would cause a failure in this measurement if the benchmark were set at 100%. Furthermore, since this is a measurement of acknowledgements across the region, one acknowledgement not returned in the region would cause a failure even though the business operations in Florida were unaffected.

3. (Original Issue No. 15) – Measurement 0-7: For this Measurement (O-7), Percent Rejected Service Requests, BellSouth has proposed to add to the list of exclusions local service requests (LSRs) that are identified as "projects." The issue regarding this exclusion applies equally to measurements O-7, O-8, O-9, and O-11. "Projects" should be excluded from each of these measurements for exactly the same reason. This exclusion currently appears for measurements O-8 and O-9, but not for O-7 and O-11. Therefore, BellSouth has proposed to add the exclusion to O-7 and O-11, while the ALECs have proposed to delete the exclusion from O-8 and O-9 (See ALEC Issue Numbers 35, 37, 39 and 40; Original ALEC SQM Changes 10, 12, 14 and 16).

Given the unique nature of projects, BellSouth submits that it is appropriate to exclude these orders from measurement O-7 (and each of the other measurements referenced above). In response to BellSouth's proposal, the ALECs proposed during the workshop to include projects, but to disaggregate them separately, and to make the submeasure for projects diagnostic only. BellSouth submits, however, that the very nature of projects is such that they should not be included in the measurement in any form, even diagnostic.

A project is, by definition, an order that cannot be accommodated within the normal LSR process. When an ALEC plans to send a service request that meets project criteria, it first makes special arrangements with the LCSC, a project manager is assigned. After the project is received in the LCSC, additional work is required by both the service representative and a project manager before a firm order confirmation is issued to the CLEC. This additional work involves multiple steps and a variable length of time to complete.

First, the service representative must issue orders and place these orders in "Held Negotiation" status. The service representative then sends an e-mail notification to the project management group. This group of project managers has a 24-hour period in which to contact the service representative and verify the order information. The project manager must validate the Project Identification Number or PRN. In most cases, the project manager must contact the CLEC for additional information. If the project involves an end user that has a term agreement with BellSouth, the request will also involve another department. If the project involves porting numbers after normal business hours, or a large number of lines, for an end-user such as a hospital, the project manager will have to form and facilitate an interdepartmental coordination meeting to ensure that BellSouth can handle the request. Next the project manager must establish a provisioning schedule with input from this team and provide that schedule to the CLECs and Account Team. At this point, the service representative will update the orders, ensure the project number is populated, and appointment codes are populated before releasing the orders. All of these events occur before the firm order confirmation is returned. This work, performed in a diligent manner, requires time not accounted for in

the benchmarks established for the vast majority of LSRs that are processed during the course of normal operations.

Recently, BellSouth recently conducted an analysis of projects submitted in Florida during July and August 2002. Again, these projects are currently excluded from the O-8, Reject Interval, and O-9 Firm Order Confirmation Timeliness Measurements. In July, there were 145 projects excluded, out of a total number of 171,153 LSR, i.e., 0.085% of the total. In August, there were 120 projects excluded, out of a total number of 159,390 LSRs, i.e., 0.075% of the total. These small volumes of projects do not fit in the normal measurements because projects often have long intervals for the reasons described above before a firm order commitment date is provided.

Again, the ALECs propose that special projects be measured, but measured separately. Given the very nature of the measurement, however, this makes no sense. Measurement O-7 (and the other ordering metrics) address the mainstream ordering process, not the extremely small number of LSRs that require negotiated due dates and implementation.

Moreover, as stated above, the nature and complexity of projects, and the time required to complete them, can vary tremendously from one to the next. Thus, even if it were possible to put projects into BellSouth's systems in a way that would allow them to be measured, the resulting diagnostic measure would only reflect what everyone is well aware of, that the process varies greatly from one project to the next. For this additional reason, a diagnostic measure, even if it were possible, would be of little use.

4. (Original Issue No. 16) – Measurement O-9: In its Comments dated August 30, 2002, BellSouth noted that it believed that aspects of this measurement (FOC

Timeliness) needs to be changed in order to accommodate the requirement ordered by the Commission that the Firm Order Confirmation (FOC) include an electronic facilities check. Specifically, BellSouth requested leave to obtain additional data (beyond the two months data that it had at that time), and to propose modifications (either to the interval for this measurement, or otherwise) depending on what the data revealed to be appropriate.

The result of BellSouth's analysis thus far shows that the facility check for about 2% of the LSRs adds one minute or more to the FOC time. As a result, the requirement for a facilities check could cause the measurement to be missed for these LSRs under the existing benchmark of 95% within 3 hours for Fully Mechanized Firm Order Confirmation Timeliness. Consequently, this data would indicate that the benchmark should be reduced to 93% within 3 hours. As an alternative to recommending an across the board change in the benchmark for the FOC Timeliness, BellSouth requests that it be allowed to conduct further analyses of this data over a longer period of time to determine if certain product groups or ordering types are consistently affected by the requirement for an electronic facility check. Under this alternative approach, BellSouth would submit the data and recommendations prior to the conclusion of these proceedings.

5. (Original Issue No. 17) – Measurement O-11: For Measurement O-11 (as with Measurement O-7), BellSouth advocates that projects be excluded. The reasons for this position are discussed above in detail in Issue 3 (Original Issue 15).

6. (Original Issue No. 19) – Measurement P-2: BellSouth proposes to add to the list of exclusions for this measurement, orders for which a jeopardy is identified on the due date. BellSouth has always structured the measurement so that this type of

jeopardy is excluded. BellSouth's request to change the description of this measurement is only to make clear what is currently excluded.

BellSouth has not included jeopardies on the due date until now because these jeopardies are not encompassed within the definition of the measurement. Specifically, measurement P-2 currently states that "when BellSouth can determine in advance that a committed due date is in jeopardy for facility delay, it will provide advance notice to the CLEC (Ordering Approving BellSouth's SQM, Attachment A, p. 60). The interval for the measurement is that the jeopardy notice should be provided 48 hours before 5 p.m. the commitment date of the order. Thus, when a jeopardy occurs on the committed due date, this is not a situation in which where BellSouth can determine "in advance" that the due date is in jeopardy. If these jeopardies were counted as misses, then each one would, in effect, constitute an automatic failure, i.e., as soon as the jeopardy is discovered, the notice is already late. Given this, it only makes sense to exclude these jeopardies.

BellSouth is unsure as to why the ALECs object to this proposed change. When BellSouth made the same change in the context of the Georgia Six Month Review, the ALECs appeared to agree provided that the exclusion would be limited to situations in which the technician is on the premises attempting to provide service and must refer the order to Engineering or Cable Repair due to a facility jeopardy. Subsequently, the ALECs agreed to this change during a conference call in early November, 2002, which related to the KPMG Adequacy Review. In BellSouth's Comments, filed August 30, 2002 in this proceeding, it stated explicitly that this limitation applies. (BellSouth Comments, p. 9). Therefore, again, it is unclear why the ALECs object.

During the Florida workshops, the only possible basis for objection that was voiced was that some ALECs, primarily AT&T, claimed that they were receiving too many jeopardy notices on the due date. This, however, does not provide a basis to prohibit this exclusion for at least two reasons: 1) Again, BellSouth is not proposing to exclude all jeopardies identified on the due date, but only those that comply with the strict limitation set forth above. Thus, even if there were an inordinate number of jeopardy notices on the due date, these would only be excluded if they met this limitation. 2) Given the structure of the measurement, any jeopardy situation that is discovered on the due date would automatically fail the measurement if not excluded. This is a very harsh approach to take unless there is some absolutely compelling reason to treat these jeopardies in such a severe manner. There is no such reason.

Again, although AT&T claimed that it receives an inordinate number of jeopardies on the due date, BellSouth's efforts to date indicate that precisely the opposite is true. Obtaining information regarding jeopardies occurring on the due date is a relatively difficult, labor-intensive, manual process because these records are excluded from the jeopardy calculation. For this reason, it takes a great deal of time to pull the records for even a single ALEC in even a single month. Nevertheless, BellSouth has done so for AT&T for the month of August, 2002. BellSouth's investigation reveals that AT&T received only 28 jeopardy notices throughout the entire nine state BellSouth region. Of these, only one was issued on the due date. Thus, based on this limited (but very labor intensive) review, it appears that the problem AT&T alleges does not exist. To the extent that AT&T believes otherwise, it should not be allowed to simply allege that the problem exists without some demonstration that this is the case. Instead, if

AT&T truly believes that jeopardy notices issued on the due date are a problem, then it should come forth with some facts to prove this. Again, based on its review to date, BellSouth does not believe that this is the case.

7. (Original Issue No. 21) – Measurement P-3A: BellSouth proposes to eliminate Measurement P-3A, and to replace it with Measurement P-3. In effect, this would eliminate from the measurement subsequent missed appointments. BellSouth believes that this is an appropriate change for several reasons. First, subsequent missed appointments are already captured in the order completion interval. In other words, when an initial due date is missed, the order completion interval continues to accrue until the order is completed, regardless of whether a subsequent appointment is met or missed. Thus, any delay in the time it takes to complete the order (whether attributable to the subsequent miss or not) will be counted against BellSouth in that measurement.

Second, the volume of subsequent misses is very low. The following tables summarize subsequent missed appointments for the period June through August 2002 in Florida. Taking June as an example, there were 106,492 orders in Florida for which there were 1,951 misses of the initial installation appointment. Of these missed appointments, 451 were due to BellSouth reasons; 1500 were due to ALEC or end user reasons. As also shown in the table below, for the 451 initial misses due to BellSouth reasons, BellSouth missed 13 subsequent appointments that resulted from the initial BellSouth misses.

Continuing on, BellSouth did miss an additional 50 subsequent appointments. However, in each instance, the initial appointment was missed due to ALEC or end user reasons. There were also 204 subsequent misses attributable to the ALEC or end used

where the ALEC or end user caused the original miss. In the month of June, the ALECs and end-users were responsible for 77% of the misses in the subsequent appointments.

Data for the months of July and August are also provided as is a summary for the 3 month period June – August.[3]

June 2002 Florida - ALEC orders

Initial Appointment Misses Caused by:		Subsequent misses caused by:	
		BellSo	ALEC or End User
BellSouth	451	13	10
ALEC or End User*	1500	50	204
Total	1951	63	214
		23%	77%
Total Orders	106,492		
BST misses as percent of Orders	0.4%	0.01%	0.01%
ALEC / EU misses as pct of Orders	1.4%	0.05%	0.19%
Total misses as percent of Orders	1.8%	0.06%	0.20%

July 2002 Florida - ALEC orders

Initial Appointment Misses Caused by:		Subsequent misses caused by:	
		BellSo	ALEC or End User
BellSouth	461	20	11
ALEC or End User*	1437	64	239
Total	1898	84	250
		25%	75%
Total Orders	124,074		
BST misses as percent of Orders	0.4%	0.02%	0.01%
ALEC / EU misses as pct of Orders	1.2%	0.05%	0.19%
Total misses as percent of Orders	1.5%	0.07%	0.20%

August 2002 Florida - ALEC orders

Initial Appointment Misses Caused by:		Subsequent misses caused by:	
		BellSo	ALEC or End User
BellSouth	419	14	5
ALEC or End User*	1194	70	176
Total	1613	84	181

[3] BellSouth's PMAP system data does not contain all of the information used in these tables. For instance, the PMAP system captures initial and subsequent appointment misses but does not have the data necessary to associate a subsequent miss due to BellSouth with an initial miss due to the ALEC. This information was obtained by customized queries in a legacy system. As a result, these numbers are very close to the numbers on the MSS but may not be an exact match.

		32%	68%
Total Orders	114,503		
BST misses as percent of Orders	0.4%	0.01%	0.00%
ALEC / EU misses as pct of Orders	1.0%	0.06%	0.15%
Total misses as percent of Orders	1.4%	0.07%	0.16%

June - August 2002 Florida - ALEC orders

Initial Appointment Misses Caused by:		**Subsequent misses caused by:**	
		BellSo	**ALEC or End User**
BellSouth	1331	47	26
ALEC or End User*	4131	184	619
Total	5462	231	645
		26%	74%
Total Orders	345,069		
BST misses as percent of Orders	0.4%	0.01%	0.01%
ALEC / EU misses as pct of Orders	1.2%	0.05%	0.18%
Total misses as percent of Orders	1.6%	0.07%	0.19%

*When an appointment is missed due to ALEC or end user reasons, the ALEC submits a new LSR with a subsequent due date. The initial service order is then updated with the new due date, but a new service order is not created. Since missed appointments are based on the service order, a second miss on the same order would be counted as a subsequent missed appointment.

Thus, including subsequent misses makes very little difference in measurement results. At the same time, attempting to include subsequent misses interjects a level of complexity into the measurement calculation and the interpretation of the measurement results that is simply not justified, given the extremely low volume of subsequent misses.

In a situation in which subsequent misses do not count, i.e., in which the measure includes only missed initial appointments, calculation is very simple. The denominator is the number of misses, the numerator is the number of completed orders. If subsequent appointments are included, then this calculation does not work, because the possibility exists of having performance at less than zero. In other words, if both an initial and subsequent appointment is missed for a single order, the calculation will reflect that there were more misses than there were opportunities. Thus, if subsequent missed

appointments are included, the denominator has to be changed in some fashion, so that it would include either all opportunities (that is, both initial and subsequent), or some subset of all opportunities.

Determining how to change the calculation, however, is far from simple. To give one example, consider a situation in which a BellSouth technician arrives, as scheduled, for an initial appointment, but the customer is not there. A subsequent appointment is scheduled. In this instance, if BellSouth misses the subsequent appointment, should this be counted against BellSouth, even though the second appointment would not even have been necessary (much less missed), if the customer had been available the first time? In this situation, BellSouth believes that the answer is "no," in fairness, this particular subsequent appointment should be excluded. BellSouth has no doubt, however, that the ALECs would see this differently, and a question will arise as to how the calculation should be done.

This is only one example of the complexity that is added to the calculation by including subsequent appointments. At the same time, utilizing P-3, as BellSouth proposes, will not only allow a much simpler, and less controversial, calculation method, it will allow a method that has long been in place. The standard for this measurement is "retail analog." Measurement P-3, as proposed by BellSouth, reflects precisely the way that BellSouth has always performed and measured the analogous function for itself. In other words, BellSouth has not historically counted subsequent misses for itself, just as it proposes not to count them for the ALECs. Given this, BellSouth believes that the better course is to use the procedure that has long been in place for BellSouth, as opposed to attempting to develop a complex calculation to accommodate subsequent misses. This

approach is particularly appropriate given the fact that, again, the volume of subsequent misses is so low that it hardly justifies the systemic changes required to produce the data.

8. (Original Issue No. 22) – Measurement P-3A: In the Matrix of Disputed Issues, the Staff has designated this particular issue as one for which BellSouth wishes to analyze data further before making a proposal as to the benchmark. Actually, BellSouth requested an opportunity to analyze the data generally. That is, BellSouth has focused not only on the standard for this measurement, but on the measurement results in general. The results of the analysis reflect that (as mentioned previously) there is a very small number of missed subsequent appointments. Consistent with this, BellSouth's performance under P-3 (which does not include the subsequent appointments), is very similar to its performance as measured under P-3A. Therefore, BellSouth's analysis confirms at least one of the reasons (low volume of subsequent appoints) that the proposed change to this measurement described above is appropriate.

9. (Original Issue No. 23) – Measurement P-4A: In its Comments filed August 30, 2002, BellSouth addressed at length the reasons that this measurement should be changed, and will not repeat these comments in their entirety. Suffice to say that the current P-4A involves an unnecessary duplication, which BellSouth believes should be addressed by removing that measurement and replacing it with P-4. Basically, P-4 includes the order completion interval, that is, the time from the issuance of the order to order completion. Measurement P-5 addresses the time from completion until the notice of completion is provided to the ALEC. Taken together, these two measures cover the entire process at issue. Measurement P-4A, in its current form, however, also covers this entire process. It includes, by definition, both of these intervals. BellSouth believes that

it is inappropriate and unnecessary to have a single measure that addresses two entirely different processes (one a provisioning process and the other largely an OSS process), and captures two entirely different intervals. This approach is even more inappropriate when one of these processes is also captured by a different measure. For this reason, BellSouth proposes the substitution of P-4 for P-4A.

10. (Original Issue No. 24) – Measurement P-4A: As with measurement P-3, BellSouth's analysis was directed not solely to the benchmark (as stated in the Disputed Issues Matrix), but was more general. Specifically, BellSouth wished to see how the intervals and results for P-4 and P-4A compare. Not surprisingly, the intervals required to complete the processes described in P-4A are considerably longer than the interval required for P-4. This is to be expected because P-4A includes a second process, which takes time to complete. Again, this difference is mostly attributable to an interval that is already measured in P-5. For the reasons stated above, BellSouth believes that the interval in P-5 should not be measured twice. BellSouth's analysis only confirms the fact that the addition of the P-5 interval to P-4A is significant.

For the reasons stated above, BellSouth believes that P-4A should be modified to remove the interval already measured by P-5. If, however, the Commission, declines to do so, then the interval portion of the standard should be changed. Specifically, the benchmark interval that currently applies to P-5 should be added to the interval that currently applies to P-4A. This would provide an appropriate standard that would reflect the fact that P-4A includes two discrete, significant intervals.

11. (Original Issue No. 29) – Measurement TGP-1 and TGP-2: BellSouth proposes to add an exclusion for orders that are delayed or refused by the ALEC. Very

generally speaking, trunk blockage occurs when there is not adequate trunking capacity. Adequate capacity requires a reciprocal trunking arrangement in which there are both adequate trunks from the ALEC to BellSouth and from BellSouth back to the ALEC.

BellSouth has proposed this exclusion because there are instances in which blocking occurs because the trunking facilities are not adequate, but the actions of the ALEC prevent BellSouth from installing adequate facilities. Specifically, to provision the trunks that terminate in the ALEC's switch, and which carry traffic from BellSouth users to ALEC end users, BellSouth must place an order with the ALEC for these trunks. If the ALEC refuses the order, or delays the processing of the order, then it is simply not possible for BellSouth to activate these facilities and complete the trunking from BellSouth to the ALEC. If the lack of these facilities causes blocking, then, in this instance, the blockage is attributable entirely to the ALECs' refusal or delay in processing the order. In other words, the blocking is attributable to a situation that is completely outside of BellSouth's control. BellSouth has proposed this exclusion to deal with that limited circumstance because it does not believe that it should be judged as failing a measure, when the reason for this "failure" is solely the action of the ALEC.

12. (Original Issue No. 30) – Measurement TGP-1 and TGP-2: BellSouth proposes exclusions to each of these measurements for trunk groups that are blocked due to unanticipated significant increases in ALEC traffic. During the workshop, the ALECs did not state an equivocal opposition to this measurement, but did express concern that the term "unanticipated significant increases in ALEC traffic," has not been defined by BellSouth. In a recent Adequacy Study performed by KPMG, it also raised similar concerns. However, KPMG did not conclude that the exclusion is inappropriate, but

rather stated only that it should be "quantified," so that the phrase "unanticipated significant increases" is not subject to interpretation.

In an attempt to alleviate the concerns of the ALECs, BellSouth proposes the same definition that was proposed in response to the KPMG review. Specifically:

> an "unanticipated significant increase" in traffic is indicated by a 20% increase for small trunk groups or 1800 CCS (CCS=100 Call Seconds) for large groups (72 trunks or more) over the previous months traffic when the increase was not forecast by the ALEC to allow for the provisioning of additional capacity.

13. (Original Issue No. 32) – MeasurementTGP-1 and TGP-2: These measures currently refer in their respective definitions to trunk blockage for "any two hour period in 24 hours." BellSouth wishes to amend the language to refer to "any two *consecutive* hour period in 24 hours." This is another change that BellSouth is making so that the definition in the measurement will clearly reflect what BellSouth does. In other words, the measure as currently applied utilizes two consecutive hours. BellSouth believes that this has always been clear because the current language refers to a "two hour period," as opposed to two one-hour periods. However, the ALECs have stated that they were unaware of the particular manner in which BellSouth calculates this measurement (despite the fact that the data illustrating how the measure is calculated has been posted monthly). The result has been a debate over whether the use of two consecutive hours is appropriate, or whether this standard should, instead, be two single hours within a 24-hour period.

BellSouth advocates the use of two consecutive periods because the consecutive two-hour interval is a very strict measure of parity, that is not overly sensitive to normal

traffic fluctuations. In contrast, two single one hour periods with 24 hours would be overly sensitive to normal traffic fluctuations.

At the outset, it is important to understand two facts about the comparison that is being made. One, the traffic patterns for ALECs are considerably more volatile than those for BellSouth. That is, given the volume of traffic that BellSouth carries, the trunking required to carry this traffic is substantial. In contrast, the more typical ALEC pattern is to have more limited capacity, which most of the time is adequate, but which may be susceptible to high spikes of activity based on circumstances specific to the customers it serves.

Two, very specific circumstances may result in traffic patterns that include high volume of usage, and resulting spikes for the ALEC, at times that are substantially different than when BellSouth's busiest times occur. BellSouth believes that no one would contend that it is necessary to engineer a network so that blocking is non-existent. It is simply not economically feasible to engineer a network with such a vast amount of capacity that blocking never occurs. Consistent with this, blocking capacity is usually measured (and deemed to be adequate), when there is no more than a certain amount of blockage during the busiest hour of a 24 hour period. The subject measure, of course, functions somewhat differently by comparing BellSouth's performance to itself in any given hour to the performance provided to the ALEC in that same hour. However, the ALEC's busiest hour may be very different from BellSouth's. For example, consider an ALEC that performs for its customers a great amount of data transmission. It may be that its customers transmit the data in the middle of the night, so that, for example, 3 am to 4 am would be the ALEC's busiest hour. Given the traffic that BellSouth typically carries,

this would be one of the least busy hours for BellSouth. Thus, the measurement would function to see how BellSouth performs for itself when volume is very low, as opposed to how it compares to the ALEC at a time when volume is very high.

Furthermore, the busiest hour for one ALEC may differ substantially from another ALEC, solely due to the type of customers served by both ALECs. Whereas the ALEC used in the example above has 3 to 4 a.m. as its busiest hour, another ALEC may serve Internet Service Providers whose busiest hour is between 8 p.m. and 9 p.m. Given all this, BellSouth's task in providing parity in trunk blockage is difficult even under the best of circumstances.

Moreover, during the busier times for any carrier, there may be huge spikes in the number of calls initiated, which results in some short term blockage. At the same time, the measurement functions by looking at the number of calls initiated in a given hour and comparing it to the number of calls blocked. Thus, a spike in the number of calls within a given hour may amount to sufficient blockage so that the measurement is failed for that hour, even if the duration of the actual blockage is very short. These spikes are part of the normal pattern of traffic. They occur for ILECs as well as ALECs and they do not indicate any sort of a systemic problem. Nevertheless, if this measurement were applied so that any two single hour periods within a 24 hour period were used, then two of these normal spikes over the course of the day would result in measurement failure. Thus, BellSouth would be adjudged to fail the measure, even though there is no systemic problem in the trunking that BellSouth supplies to the ALEC. For this reason, BellSouth has proposed, and has used, the two consecutive hours for the simple reason that if there is a failure in two consecutive hours, then this is likely not something that can be

attributed to short term spikes. Rather blockage for two consecutive one hour periods would more likely reflect a problem of significant duration, in other words, a real problem that needs to be addressed.

III. BELLSOUTH PROPOSED SQM CHANGES

14. (Original Issue No. 10) – Measurement OSS-3: BellSouth's proposal for this measurement is essentially the same as for Measurement OSS-2 (Issue No. 1, original Issue No. 3) which is discussed above. For the reasons described above, BellSouth withdraws this issue.

15. (Original Issue No. 15) – Measurement PO-2: BellSouth has proposed to delete references in the business rules to LENS. The rationale for this change is that the current business rule refers to orders originating in LENS and TAG, but the reference to LENS is unnecessary. All preorder queries go through TAG to LFACS. It does not matter whether the order originates in LENS or in TAG. If the order originates in TAG, it goes directly to LFACS; if it originates in LENS, it goes from LENS to TAG to LFACS. Thus, measuring the performance that relates to TAG effectively measures all preorder queries. Consistent with this fact, BellSouth has proposed this administrative change to eliminate the unnecessary references to LENS. During the workshops, the ALECs appeared to be concerned that BellSouth was proposing to not count orders submitted through LENS. This is not true, however. Instead, as stated above, these LENS orders would be captured along with all orders submitted directly through TAG. During the workshops, BellSouth proposed to clarify this by adding to the business rule the following language: "LSRs submitted via LENS will be reflected in the results for the TAG interface." BellSouth was under the impression that the ALECs found this

clarification adequate to address their concerns. If this is not the case, then BellSouth is unclear as to why the ALECs remain concerned.

16. (Original Issue No. 18) – Measurement O-12: BellSouth has proposed a report structure change so that the answer time provided to ALECs will be compared to the answer time that BellSouth provides to its retail operations for both residential and business customers. When considering BellSouth's performance to the ALECs, answer time is measured by looking at all of the answer times in the LCSC. This necessarily includes answer times for calls from the ALEC related to both residential and business applications. Therefore, it is only appropriate to have as the retail analog, performance to both BellSouth residential and business customers.

BellSouth is not sure why the ALECs object to this change. In other states, certain ALECs have taken the position that the BellSouth retail analog should be "business" only. Clearly, however, this is not appropriate since it would involve a mis-match of the BellSouth retail activity with the answer time provided to the ALEC (which, again, includes residential and business). If, however, this is not the ALEC's current concern, then BellSouth does not know the reason that they have declined to agree.

17. (Original Issue No. 25) – Measurement P-3:

18. (Original Issue No. 25) – Measurement P-3:

The issue for both of these measures involves the particular retail analog that will be used to compare BellSouth's performance in providing UNEs to the ALECs. The number of missed installations obviously bears a relation to the difficulty of the particular installations, which may vary depending on the capacity of what is being installed. For this reason, BellSouth believes that it is necessary to make a like-to-like comparison

between the retail product and the UNE. The capacity of BRI (basic rate interface) equals two voice channels and one data formatted channel. In other words, 144 kilobytes. This is the same capacity as the UNE ISDN. Therefore, BellSouth proposes to use the ISDN/BRI retail offering to make the appropriate comparison.

PRI (Primary Rate Interface) has a substantially increased bandwidth (one and a half megabits). The UNE UDC/ISDL can be used to provide either BRI, or the substantially greater bandwidth of PRI, depending on the electronics that are used. Therefore, BellSouth believes that it would be inappropriate to compare the ISDL to BRI only, as the ALECs propose. Instead, when an ALEC uses the UDC/IDSL UNE, either to provide BRI or PRI, the only appropriate comparison is to look at BellSouth's combined retail ISDN (BRI and PRI), which will allow a like-to-like comparison.

19. (Original Issue No. 25) – Measurement P-3: The dispute regarding this measurement also relates to retail analogs. BellSouth proposes to use as a retail analog for the UNE line splitting, ADSL provided to retail. In other words, the ADSL retail service that would be provided to both business and residential service. Although the ALECs have been unclear as to why they object to this proposal, some of them have taken the position in other states that the retail analog should only include BellSouth retail-residential. BellSouth does not believe that this is appropriate, however, because the UNE-line splitting can be used in the context of either residential or business service. Therefore, the appropriate retail analog would combine both.

20. (Original Issue No. 28) – Measurement P-3A:

21. (Original Issue No. 28) – Measurement P-3A:

These issues regarding measure P-3A are the same as discussed for P-3 in issues 17 and 18, above.

22. (Original Issue No. 28) – Measurement P-3A: This issue regarding measurement P-3A is the same as discussed for P-3A in issue 19, above.

IV. ALEC PROPOSED CHANGES

A. There Is No Justification For The Measurement Changes The ALECs Propose.

In the Final Order, the Commission noted that "performance monitoring is necessary to ensure that ILECs are meeting their obligation to provide unbundled access, interconnection and reside to ALECs in a nondiscriminatory manner" (Final Order, p. 7) In the Order Approving BellSouth's PAP, the commission also noted that the measurement plan "establishes a standard against which ALECs and this Commission can measure performance over time to detect and correct any degradation of service provided to ALECs "(Order Approving PAP, p1). Thus, the Commission has already ruled as to the standards that are necessary to ensure non-discriminatory access. These standards should not be disturbed without a good reason to do so. Accordingly, the burden to demonstrate the need for a change to the measurement plan must fall on the party proposing the particular change. For the reasons that will be discussed below, the ALECs have failed to sustain this burden for each of the 98 changes they have proposed. Moreover, the ALECs have failed to support the general contention that permeates their comments filed August 30, 2002, that the massive changes to the plan they propose are needed to allow them to compete.

Not only has the Commission already ruled as to the appropriate performance measurement plan, the Commission has also ruled that BellSouth has satisfied the

requirements of Section 271, and has recommended to the FCC that BellSouth's application to provide long distance service in Florida be approved. The Commission's consideration of performance measures was, of course, an integral part of its determination that the local market is open to competitors. In effect, the Commission has ruled that the local market is open, and that it will remain open if BellSouth continues to perform in a way that complies with the requirements of the SQM. Of course, performance at this level is also being enforced by the payment of penalties when BellSouth falls short. Given this, there is simply no reason to gratuitously raise standards, increase penalties, or increase the number of measurements.

This fact is demonstrated even further when one considers that the measurement plan in Florida is either equal to or more stringent then the measurement plans in effect in the seven states in BellSouth's region in which the FCC has granted BellSouth Section 271 approval. This, of course, means that not only has this Commission ruled that performance by BellSouth according to the SQM in place is sufficient to guarantee that the local market remain open, the FCC also reached the same conclusion by approving plans for other states that are, in many instances, less strict than the Florida plan. The ALECs argue for stricter measurements and harsher penalties, because it is in their self interest to do so. However, the fact remains that performance under the current plan has in effect been found by both this Commission and by the FCC to constitute the provision of nondiscriminatory access. Thus, any argument by the ALECs that the "bar should be raised" is essentially an argument that the Commission should gratuitously raise the standards beyond those required, either legally or practically.

Finally, if one looks at the competitive facts that pertain to Florida, there is absolutely no justification for "raising the bar" as the ALECs propose. There are two generally accepted methods that BellSouth uses to assess market share[4]. On the chart below, BellSouth has included the percentage of market share, under both of these methods, for the seven states in BellSouth's region in which it has obtained 271 approval, and for Florida.

	FCC approvals							
	AL	**KY**	**MS**	**NC**	**SC**	**GA**	**LA**	**FL**
	June-02	June-02	June-02	June-02	June-02	June-02	June-02	June-02
Method 1								
Res	4%	5%	6%	3%	5%	8%	4%	**11%**
Bus	28%	22%	18%	31%	28%	32%	22%	**31%**
Total	12%	10%	10%	15%	13%	18%	11%	**18%**
Method 2								
Res	4%	5%	5%	4%	5%	12%	4%	**12%**
Bus	27%	16%	15%	28%	25%	31%	20%	**29%**
Total	12%	8%	8%	13%	12%	20%	10%	**18%**

Under both methods of calculation, one can see that the percentage of residential lines served by ALECs is equal to or higher in Florida than in any of the eight states for which BellSouth has been granted 271 approval. Similarly, under both methods, the percentage of business lines served by ALECs is greater in every state other than Georgia, and even there, the amount by which Georgia exceeds Florida is no more than marginal. (1% under one method; 2% under the second method). Further, the trend to

[4] Both Method One and Method Two use the actual count of resold local access lines, which is directly available from BellSouth's billing systems. Methods One and Two are then used to estimate the number of lines served by facility based ALECs. These amounts are added to the resold local access lines to arrive at the total lines served by the ALECs in Florida. Method One selects data available for each CLEC from one of three categories, E911 Listings, the UNE category (loops and platforms) and third, Interconnection ("IC") trunks. Method Two adds data from two categories, CLECs' E911 listings and UNE-Ps for the facilities-based lines estimate. As a result, lines for fewer facilities-based CLECs result under Method Two because by definition it excludes the full dataset considered in Method One, which also includes CLEC UNE loops and IC trunks.

date has generally been that once BellSouth obtains 271 approval in a given state, local competition increases. The reason is that, at that point, even the competitors of BellSouth that have been focused on keeping BellSouth out of the long distance market have no alternative but to abandon their obstructionist tactics and to move toward competing in the local market. For example, since BellSouth has obtained 271 approval in Georgia and Louisiana (i.e., May 15, 2002), the percentage of customers served by ALECs has increased. Specifically, the total lines served by ALECs in Georgia increased from approximately 17.7% in September 2001 to 21.7% in September 2002. Similarly, the number of ALEC served lines in Louisiana increased from approximately 8.4%in September 2001 to 11.6% in September 2002. However, Florida already has a greater amount of local competition than any state in BellSouth's region other than Georgia, even though BellSouth's 271 application has not yet been approved by the FCC.

Moreover, the existing local competition is substantial. For example, in the business market – which, of course, is the more lucrative market, and the market that ALECs typically focus on more - ALECs now have 30 percent of the market in Florida. This level of competition was not achieved in the long distance market until it had been open to competition for many, many years. The fact that robust competition has been achieved in Florida in the business market in so few years presents uncontrovertible evidence that competitors of BellSouth do have the means to compete. Moreover, since there were very few competitors in Florida that are completely facilities-based, the ALECs are obtaining these competitive tools from BellSouth, either in the form of unbundled network elements, or through resale.

While the ALECs frequently repeat the claim that they cannot compete, or that BellSouth has discriminated against them in some way that impedes their ability to compete, the facts simply do not bear this out. To the contrary, the level of local market penetration by the ALECs demonstrate that there is currently robust competition in Florida. This competition is, in the overwhelming majority of cases, the product of ALECs utilizing BellSouth's systems, with the level of access and the level of performance that BellSouth is required to provide by the current SQM.

Given all this, any argument by the ALECs that there is a general need to make measurements stricter or penalties greater is belied by the facts. Moreover, it is important, as mentioned previously, to also consider that performance at the levels required by the current measurement plan has been both ruled by this Commission and by the FCC (in considering the application of other states) to be sufficient to guarantee that the local market is open. Given this, the standard for sustaining a claim that a change to the plan is necessary should be difficult to meet. Paradoxically, the ALECs have made little attempt to meet any standard. Most of their claims that changes to the SQM are necessary enjoy little or no factual support, and are frequently based on nothing more than the ALECs' preference for higher standards or larger penalties. For these reasons, the ALECs proposed changes should be uniformly rejected.

B. There Should Be No New Penalties for Existing Measurements.

A good example of the way in which the ALECs ignore the previous rulings of the Commission relates to the first nine disputed changes that they propose for addition to the SEEM. Each of these changes is a proposal to add a penalty to a measurement that currently has no penalty. In the original proceeding, the ALECs argued that every

measurement should have a penalty associated with it. As noted in the Final Order, "The ALECs position is that all measures proposed by the ALEC Coalition should be included in Tier I and Tier II of the enforcement plan" (Final Order, p. 91). The Commission explicitly rejected these arguments and made the following finding:

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

(Final Order, p. 94).

The ALEC approach has also been rejected by both the FCC, and by every state Commission that has ordered a plan. In fact, the FCC stated the well settled rule almost three years ago, in its Order Granting 271 Authority to Bell Atlantic-New York, as follows:

> We also believe that the scope of performance covered by the Carrier-to-Carrier metrics is sufficiently comprehensive, and that the New York Commission reasonably selected key competition –affecting metrics from this list for inclusion in the enforcement plan. We disagree with commenters who suggest that additional metrics must be added to the plan

> in order to ensure its effectiveness, and note that the New York Commission has considered and rejected similar arguments. (footnotes omitted).

(NY, Para 439, FCC 99-404, issued December 22, 1999).

In their Comments, filed August 30, 2002, the ALECs argue a slightly modified version of the same argument previously rejected by the Commission. Specifically, they claim:

> Exclusion of certain metrics from the SEEM plan can be justified if the metrics measure activities that are designed to be the same for ALECs in BellSouth—in such cases, at least if service is poor, it is the same for everyone. With respect to other metrics, however, leaving them out of the SEEM plan makes it possible for BellSouth to discriminate openly with no ill effects.

(ALEC Comments, p. 7).

The standard for the measures to which the ALECs refer is parity by design. Thus, while the ALECs have previously argued that every measurement should have a penalty associated with it, they now, in effect, argue that every measurement should have a penalty associated with it except those that are parity by design. BellSouth certainly agrees that measurements that are parity by design should not have penalties associated with them Beyond this, however, BellSouth takes issue with not only the ALECs' position, but also the way in which the ALECs simply ignore the standard previously set by this Commission and the FCC.

Under the Commission's prior decision in the Final Order, there should be no penalties associated with these (or any other) measurements if they are correlated with other measures or are not customer affecting. BellSouth submits that there should also be

no penalty for any measurement that applies in an area in which there is little or no activity. Again, the Commission has confirmed that if a measurement is designed so that it has little impact on the end user, then there should be no penalty. There are some instances, however, in which a measurement is designed so that it might (or might not) have a customer impact if the activity that it was designed to measure were actually occurring, however, the measurements are simply not capturing any activity. When this occurs, then a logical approach would be to continue to monitor the measurement and, if no significant activity occurs after a certain period of time, to delete it from the plan. Amazingly, the ALECs have taken the opposite tact, and, in several instances, proposed that a penalty be added to the measurement even though, so far at least, there has been little or no activity.

Finally, BellSouth also submits that to the extent a measurement has no penalty, and BellSouth has consistently passed the measurement, no penalty should be considered. The ALECs have argued all along that the purpose of penalties is to incent BellSouth to provide service at a standard that the Commission deems to be appropriate. In instances in which BellSouth is meeting that standard for a particular measurement, then it is obvious that no additional incentive is needed. Thus, in each of these instances, a penalty should not be considered. Of the nine measurements at issue (10, considering that jeopardies are measured in two different ways), eight currently have performance standards. Of the seven of these eight that have been in effect for 3 months, BellSouth has almost always met the applicable performance standards. Specifically,

Measurement with a performance standard	Percent of Submetrics meeting Perf Standard		
	June	July	August
P-1	98%	99%	98%
P-2 (Percent of Orders given jeopardy status)	81%	74%	75%
P-2 (Jeopardy Notice Interval)	97%	98%	99%
P-5	95%	90%	86%
B-5	100%	100%	0% [5]
CM-2	100%	100%	100%
CM-4	100%	100%	100%

Thus, in addition to the reasons listed below, BellSouth's performance for these measurements presents another reason that there should be no associated penalties.

1. (Original Issue No. 2) - Measurement P-1: Mean Held Order Interval: There should be no penalty associated with this measurement, 1) because the activity that has been measured to date has been of an extremely low volume, and 2) because this measurement is correlated with both the OCI measurement (P-4) and Missed Installation Appointments (P-3). 3) When there is data, BellSouth performs very well. On the first point, the number of orders held past the due date are typically less than 2% of the orders. The ALECs' arguments in their Comments on (Exhibit 2, page 2) confirm the minimal impact of held orders:

> In May, BellSouth had a 2W Analog Loop order held for 8 days. [Only 1 order]. BellSouth had a 2W Analog Loop w/LNP order held for 25 days. [Only 1 order]. In June, the Held Order Interval as [sic] 8 days for UNE ISDN<10 Circuits. [This was for only 2 orders].

Measurement P-3 addresses the percentage of installation appointments that are missed. For those orders that are missed, P-1 further captures how long the orders are held past the due date. Thus, for any event measured by P-1, the event has already been captured

[5] Usage Data Delivery Timeliness measures the percentage of usage records delivered to ALECs in 6 days as compared to BellSouth. The measure is expressed so that the reported percentage is 100% if BellSouth achieves parity with retail, and 0% if BellSouth does not achieve parity with retail. For August, the data reflects that for ALECs, 97.90% of the data was delivered on time. For BellSouth, 99% was delivered on time. Thus, approximately 98% of CLEC usage was delivered in 6 days.

by measurement P-3. Since P-3 is a part of the enforcement plan, penalties would be paid accordingly. Moreover, P-1 and P-3 correlate in such a way that it would be inappropriate to have an additional penalty for P-1.

The better BellSouth's performance as measured by P-3, that is, the fewer the number of appointments that are missed, the smaller the number of orders that are part of the universe considered for P-1. If there is a situation in which BellSouth is missing very few appointments, then those that are missed are likely to be missed due to unique or special circumstances. In these instances, once an appointment is missed, there will likely be a substantial hold time before completion. An example of this would be a situation in which an ALEC has a large number of business customers in a new office building, and there are no network facilities to provide service to the building. In a situation such as this, where special construction is necessary to reach the building, the held order times may be quite long.

Thus, if BellSouth performs well on P-3, and thereby reduces its misses to extreme circumstances of the sort described above, then most of the orders that are held will necessarily have intervals that are quite long. To have an additional penalty for P-1 would have the effect of penalizing BellSouth for performing well on the missed installation measurement, i.e., by performing so well that the only orders held are the difficult ones, which will have longer hold times. BellSouth submits that the measurement should not be applied in a way that has this perverse result.

Moreover, there is also a direct correlation between P-1 and P-4. The order completion interval, by definition, does not end until the order has been completed. Thus, to the extent an order is held, its completion time will be increased. Having a

penalty for both held orders and for OCI would result in a direct duplication of penalties. For this additional reason, there should be no penalty associated with P-1.

2. (Original Issue No. 3) – Measurement P-2: This issue actually addresses two measurements: 1) The Jeopardy Notice Interval, and 2) The Percentage of Orders Given the Jeopardy Notice. The first measurement addresses, in part, whether timely notice is given of a jeopardy situation. Both parts of this measurement address a situation in which the ALEC is notified that the due date might be missed. These are not customer-affecting measurements because the customer, although affected by a missed commitment, is not affected by the mere possibility of a missed commitment. BellSouth's SEEM plan does have penalties associated with missed commitments. Clearly, there should be no additional penalty levied for measurements that involve simply informing the ALEC that a missed commitment is a possibility.

In the workshops, the ALECs stated that they need notice of jeopardy situations so that they can tell their customers that there might be a missed commitment. They contend that it is necessary for the ALECs to relay the information concerning this possibility in order to preserve customer relations. BellSouth submits, however, that this contention is at odds with the practice that is typically followed in the industry. BellSouth does not notify its customers of jeopardy situations, and does not believe that other carriers do so as well. It simply makes no sense to do so.

In most situations, a jeopardy does not result in a miss. For example, the table below shows that for the months of June, July and August of 2002, the number of actual misses was less than half the number of jeopardies:

	June	July	August	3 Month Total
# of jeopardies issued:	654	670	713	2037
# of appointments missed:	247	340	282	869
minimum # of jeopardies cleared[6]	407	330	431	1168
minimum % of jeopardies cleared	62%	49%	60%	57%
% of jeopardies not cleared	38%	51%	40%	43%
Jeopardies as pct of total orders	0.32%	0.28%	0.33%	0.31%

It would only be logical for a local carrier (whether an incumbent or an ALEC) to contact its customer in advance of a miss commitment to let them know that there would be miss, if the miss were likely. If the local carrier contacted the customer to tell them that their service would be missed when this was not the likely result, then this would harm, rather than help, to maintain goodwill with the customer. In this instance, calling up the customer to provide him/her with an unnecessary warning of trouble, and in some instances, wrong information, would only add to the frustration of that customer.

Thus, when the ALECs contend that they call customers to inform them of every jeopardy, they are really saying that they call up customers to inform them (or misinform them) that a commitment is likely to be missed, even though that commitment is not subsequently missed most of the time. BellSouth submits that the assertion that the ALECs follow this practice is implausible, at best. For this reason, BellSouth believes that to the extent ALECs actually do this, they should provide the Commission with information to demonstrate that this is the practice they follow. Again, it simply makes

[6] BellSouth actually clears more jeopardies than is shown above. The above calculation subtracts missed appointments from jeopardies to arrive at the number of jeopardies cleared prior to the due date. However, missed appointments include misses due to technician load, which has nothing to do with a facility shortage. Therefore, the number of missed appointments directly related to a jeopardy is overstated and, as a result, the number of jeopardies cleared is understated.

no sense to think that, although jeopardies result in misses less than half the time, ALECs would, nevertheless, call up their customers prior to a miss in order to unduly upset them.

There should also be no penalty associated with the portion of the measurement that addresses the percentage of orders given jeopardy notice. To associate a penalty with this measurement would not create the sort of appropriate incentive that the measurement plan is designed to encourage. If an ALEC is providing service in a new area, that is, one in which construction is necessary to provide service, the need to place the necessary facilities quickly may create a large number of jeopardy situations. However, in these situations, if BellSouth employs whatever additional personnel is necessary to work the orders, the desirable result should be that there are very few misses. This is precisely the sort of situation that should be encouraged: one in which BellSouth, when confronted with a difficult situation, deploys necessary resources to ensure that it meets its commitments. When BellSouth meets these commitments, it should not be penalized for the fact that the volume and type of the orders that it has completed may, at one point, have created a large number of jeopardy situations.

Finally, it is notable that there is negligible customer impact from jeopardies. The last line on the table above expresses the number of jeopardies as a percentage of total orders. Less than ½ of one percent of orders result in a jeopardy and, has been discussed above, half of these are cleared prior to the due date. It bears repeating that the effect on the customer comes from a missed appointment, not a jeopardy that might result in a miss. Missed Appointments are a part of the enforcement mechanism.

3. (Original Issue No. 4) – Measurement P-5[7]: This measurement is the Average Completion Notice Interval, which addresses the interval from the time that an order is completed until the ALEC is notified that the order is completed. This is not a key customer affecting measure, but rather a secondary measure. For this reason, there should be no penalty associated with it. This measurement has little or no effect on the customer. If the order requires dispatch for completion, then the technician on site will tell the customer that the service is working. Even in the event of an order that does not require dispatch, the customers knows that his or her service is working because they are able to use it. Thus, from the perspective of the end user/customer, the timeframe in which BellSouth notifies the ALEC that the order has been completed is of no real consequence.

The ALECs have made the argument, not that this measurement affects customers, but that it affects them. In other words, the ALECs have argued that they must be told when the customer's service is working so that they know when to begin billing. This argument, however, is flawed. For example, assume that under the applicable retail analog, BellSouth should notify the ALEC the day after service is completed. Assume also that service is initiated on a Monday, but BellSouth does not inform the ALEC that the order was completed on Monday by sending the appropriate notice until Friday, i.e., four days after completion and three days late. In this instance, the ALEC would, at that time, simply begin the processing of a bill that reflect the fact that service had commenced on Monday, the day of installation. In other words, while it may be necessary for CLECs to know that the customer has service so that they can bill,

[7] The table of dispute issues erroneously refers to the measurement, which involves the Average Completion Notice Interval, as P-4.

and the order completion notice is one way for this notice to be given, there is no need for the ALEC to have this notice given to them in an extremely short timeframe.

Moreover, even if the ALECs believe that they need to have notice of order completion almost immediately, they always have the option of obtaining it themselves. Order status is listed on the CSOSTS (CLEC Service Order Tracking System) which appears both on the BellSouth website and as part of the TAG and LENS interfaces. Therefore, in addition to the order completion notice, there is also a website and an interface location that the ALECs can access to determine the status of the order, and more specifically, to determine whether the order is completed. Given this, the order completion notice interval is, again, a secondary measurement, and one that should have no penalty associated with it.

4. (Original Issue No. 5) – Measurement B-9: This measurement addresses the time it takes to correct detected errors in the Daily Usage Feed (DUF) that BellSouth provides to the CLECs. This is a prime example of a situation in which the measurement has captured so little activity that should likely not even be a measurement, much less a penalty. Commencing with the initiation of the plan (in June), and running through September of this year (i.e., four months), there has not been a single instance of activity for this measurement. This measure is structured so that the interval begins to run when the ALEC detects an error and requests that BellSouth correct it. So far, no errors have been detected (or at least the ALECs have provided none to BellSouth), so this measurement has not come into play a single time. Given this, the Commission should consider removing this measurement from the plan, and if volume continues to be low (or

even nonexistent), BellSouth will likely propose this in a future review. For now, however, there is absolutely no justification for adding a penalty to this measurement.

Furthermore, this measurement is correlated with measurement B-1, Invoice Accuracy which is also a part of the enforcement plan. To the extent the ALECs actually do submit DUF errors to BellSouth and these errors result in an adjustment to the ALEC's invoice, that adjustment would be a part of Invoice Accuracy. Penalties would be paid where appropriate.

5. (Original Issue No. 6) – Measurement B-5: This measurement addresses usage data delivery timeliness, which measures the percentage of recorded usage data that BellSouth delivers to the ALECs within a certain interval. The ALECs have claimed that they need this information in order to bill features to their customers. From a practical standpoint, however, this information is almost never really needed for this purpose.

First of all, BellSouth would only have the information if BellSouth provided the switching equipment rather than the ALEC. The ALECs that might need this information are only those that serve their customers through Resale or UNE-P since these services use BellSouth's switching equipment rather than that of the ALEC. Put differently, since this information would be recorded in the BellSouth switch, any ALEC that utilizes its own switch would already have the information. Second, the information would be transmitted through the daily usage file (DUF), which is a subscription service to which only a few ALECs subscribe. Thus, under even the best of circumstances, very few ALECs would actually utilize this information.

Further, even the ALECs that at least have a theoretical need for this information generally run their business such that there is no real, practical need. Daily usage data is only necessary for billing if customers are billed on a usage basis. The overwhelming majority of ALECs bill their customers a flat fee for local service. Moreover, many ALECs block customers from using features on a "per usage" basis, and, instead, require customers to prepay for features on a flat rate basis. Recently, BellSouth performed a study in North Carolina and found that only one percent of the total features purchased by ALEC customers is billed on a per usage basis. Although BellSouth does not have this information for Florida, it believes that the North Carolina information is representative. Thus, considering all of the above, the actual amount of DUF information that would be necessary to any ALEC for billing purposes is minuscule.

Moreover, even the ALECs that actually utilize this information have no real need to receive it within the interval that is part of the measurement. The measure determines whether information is transmitted to the ALECs who subscribe to DUF within an interval of six days. In order to utilize information for billing, however, ALECs need only have the information in time to do the processing necessary to list the amount due on a particular customers next bill. Billing is typically done cyclically, so that on any given day of the month, some customer is receiving his/her bill, and the totality of bills are sent to customers throughout the month. Thus, on any given day, the bill for each ALEC customer would be due to be sent out either that day, or somewhere between one and thirty days in the future. If BellSouth consistently provided the subject information in seven days, as opposed to six days, it would fail this measurement. However, given the way in which billing cycles work, this one day delay would almost certainly have no real

effect on the ability of the ALEC to bill the customer in the normal cyclical process that exists. For this reason, this measurement is not of any great importance to the ALEC, and it is certainly not of sufficient importance to justify an associated penalty.

6. (Original Issue No. 7) – Measurement B-10[8]: This measurement involves the percentage of billing errors corrected within 45 days. First of all, it is important to note that to the extent there is a billing error, the amount of the billing error is captured in Measurement B-1, a measurement that has a penalty associated with it. Measurement B-10 simply measures how long it takes BellSouth to correct errors in excess of 45 days. This measurement has no direct impact on the customer/end user whatsoever. Further, it has no real impact upon the ALEC.

If the ALEC believes that it has been billed in error, it informs BellSouth of this, and, while the error is being resolved, the ALEC does not pay the amount that was billed in error. Thus, delays in correcting errors, or in resolving billing disputes, really have no negative impact on the ALEC because, as soon as the ALEC discovers/contends that an error has been made, it withholds payment. The fact that it may take slightly longer to resolve the situation has no impact, adverse or otherwise, on the ALECs. Since this measurement does not affect the customers and does not even affect ALECs, there should be no penalty associated with it.

7. (Original Issue No. 8) – Measurement CM-2: This measurement involves the average delay days in sending a change management notice. It is correlated with Measurement CM-1, which addresses the timeliness of change management notices. If BellSouth is sending change management notices late, it would be addressed by

[8] In the Disputed Issue Matrix, this measurement, Percent Billing Errors Corrected within X Days, is erroneously listed as B-9.

Measurement CM-1, and a penalty would be paid for the tardiness. CM-2 addresses only the average delay for these late notices. Every event measured on CM-2 has already been subject to a penalty under CM-1. Thus, these measurements are, by definition, correlated, and having a penalty with CM-2 would result in multiple penalties for the same event.

Further, there is simply no rationale to support this double penalty, even if it were otherwise allowable. In their written comments, and throughout the workshops, the ALECs provided no justification for including this measurement in the penalty plan. Moreover, there is no reason to assume that any delay measured in CM-2 is so significant that it would justify a second penalty. Further, even if there were a basis to assume that an ALEC can be damaged by a delay in receiving of notice at some point (and there is none), then the penalty should be restructured so the penalty is paid for CM-2, but not for CM-1.

In other words, the penalty is paid for CM-1 because it is simply assumed that the tardiness in providing a notice has some significant impact on the ALEC. There is no real indication that this is the case, and strictly speaking, there is really no basis to have a penalty. However, BellSouth has not, in this particular Six-Month Review, requested that that penalty be removed. At the same time, if there is some indication that, for example, a delay of ten days is the threshold that must be reached in most instances before the delay in notice actually causes a problem for the ALEC, then there would be a basis for a penalty under CM-2 if the delay exceeds that threshold. However, in this case, delays of less duration should have no penalty associated with them, which would mean that there

be no penalty associated with misses of CM-1 in the automatic fashion that is currently part of the plan.

Put simply, the ALECs are already receiving the benefit of considerable doubt by the fact that penalties are automatically levied under CM-1 without any real indication that the delay causes damage. There is no justification for having a duplicate penalty under any circumstances, and particularly in a situation such as this, when there is no basis to believe that a delay of a particular timeframe has an especially deleterious effect.

8. (Original Issue No. 9) – Measurement CM-4: Measurement CM-4 has the same relationship to CM-3 as CM-2 does to CM-1. The only difference is that, whereas CM-2 and CM-1 relate to timeliness of notices, CM-4 and CM-3 relate to timeliness of sending change documentation. To the extent the documentation is tardy, then penalties are assessed pursuant to CM-3, just as they are assessed for late notices under CM-1. There should be no additional duplicate penalty for CM-4 for precisely the same reasons as set forth above in issue number 7 (regarding CM-2).

9. (Original Issue No. 10) – Measurement CM-9[9]: This measurement relates to the number of errors in software releases for OSS. When changes are made to the software for BellSouth's systems, and there is an error, then this error would be captured by this measurement. However, any defect would also necessarily be reflected in the particular system or process affected by the error, and the specific measurement which relates to that system or process. Thus, there is total correlation between C-9 and other measures, such that having a penalty for C-9 would unquestionably result in duplicate

[9] In the disputed issue table, this measurement, which relates to the number of defects in production releases, is erroneously referred to as CM-4.

penalties. In other words, it would be almost impossible to have a C-9 failure without a systemic failure that would also be captured by some other measurement.

For example, consider O-3 and O-4, Percent Flow Through Service Requests. Many of the features in the product release are intended to improve flow through rates and increase the number of products that can be ordered electronically. To the extent that there are defects in the parts of the production release concerned with ordering, it could reduce flow through and impede BellSouth's ability to achieve the flow through benchmarks. Therefore, it would affect these two measurements. Both of these measurements are in BellSouth's SEEM plan.

Other examples are O-8, Reject Interval, O-9 Firm Order Confirmation Timeliness and O-11, FOC and Reject Response Completeness. If there are defects in product releases in the ordering systems, this would very likely lengthen the time required to return a reject notification or a firm order confirmation, and this would effect measurements O-8 and O-9. Similarly, if a software defect prevents the return of either a reject or an FOC, measurement O-11 would be affected. All of these measurements are in BellSouth's SEEM proposal.

Measurements OSS-1 Average Response Interval and OSS-2 Interface Availability, are, likewise, correlated with this measure. These two metrics, both of which are in BellSouth's SEEM would be affected by defects pertaining to the functions they measure in production releases. If the defect results in a system outage or a lengthy response time, it would be captured in one or both or these measurements. Finally, B-1, Invoice Accuracy is correlated as well. Software defects causing inaccurate billing

would obviously affect this measurement. Thus, given the complete correlation between CM-9 and other measurements, an additional penalty for CM-9 is inappropriate.

10. (Original Issue No. 13) – Measurement P-11: The ALECs have proposed to add this measurement, Service Order Accuracy, to Tier 1, once BellSouth has mechanized the measure. This request for a penalty is inappropriate for two reasons. First, this measurement already has a Tier II penalty associated with it. Adding a Tier I penalty is in fundamental conflict with the essential structure of the penalty plan, and is inappropriate for this reason. The penalty plan is structured so that Tier 1 penalties are paid to specific ALECs when measured problems occur that affect them. When a problem becomes so pervasive that it affects the entire industry, then a Tier II penalty is appropriate, and this penalty is paid to the regulatory authority. Service order accuracy, however, is a measurement of a regional process. When the process does not function properly, negative effects will be region-wide. In other words, these effects will not apply to particular ALECs in particular states in a way that can be appropriately addressed by Tier 1. Because this measurement is regional, it is already addressed by a Tier II penalty. Adding a Tier 1 penalty is not appropriate because ill effects are not isolated to a single ALEC in a single state.

Further, a Tier I penalty should not be associated with this measurement because it is correlated with other measures. Measurement P-11 addresses whether local service requests are converted to orders accurately. If orders are not accurately converted, then this will likely result in a provisioning problem or a billing problem. Provisioning problems are addressed, and penalties are paid, when appropriate, by Measurement P-9, Provisioning Troubles in 30 days. At the same time, Measurement B-1 would capture

most, if not all, billing errors. Therefore, having an additional penalty for this correlated measurement would result in an inappropriate duplication of penalties[10].

11. (Original Issue No. 15) – Measurement PARIS:

12. (Original Issue No. 16) – Measurement PARIS:

13. (Original Issue No. 17) – Measurement PARIS:

14. (Original Issue No. 18) – Measurement PARIS:

15. (Original Issue No. 19) – Measurement PARIS:

16. (Original Issue No. 20) – Measurement PARIS:

17. (Original Issue No. 21) – Measurement PARIS:

18. (Original Issue No. 22) – Measurement PARIS:

19. (Original Issue No. 23) – Measurement PARIS:

20. (Original Issue No. 24) – Measurement PARIS:

The ALECs have requested that additional information of ten different types be provided in the PARIS Reports for each submeasure. In comments filed by the ALECs on August 30, they provided no individual treatment of these various types of information, but for all of them, simply made the conclusory claim that "BellSouth PARIS reports provide only remedy amounts, not how these amounts were calculated." (ALEC Comments, p. 9). The ALECS also stated in their Comments of August 30 that they should receive as part of the PARIS report each month additional types of information to allow them to reconcile the PARIS reports with "the actual check received from BellSouth." (ALEC Comments, p. 10). Specifically, the ALECs also requested that they be provided with information on each submeasure each month for: Tier 1 metric,

[10] Since there is already a Tier II penalty associated with this measurement, there is some inappropriate duplication already, due to the correlation described above. BellSouth simply submits that

Calculated Remedy Amount on Website, Adjustment and Restate the Remedy Calculation. BellSouth has agreed to provide this second category of information. BellSouth has not agreed to provide the information requested in the ten disputed issues listed above, however, because the ALECs have provided no justification whatsoever for their demand for this information, and, indeed, there is none.

The ALECs take the tact in their Comments of simply stating that BellSouth is already providing this information for the Louisiana Public Service Commission Staff so it should have no difficulty in providing this information to the ALECs every month. Obviously, a comment as to how difficult or easy it would be for BellSouth to produce this information has nothing to do with whether the ALECs have any need for it, or whether there is otherwise any reason to produce it. However, the ALECs' representation about the production of information to the Louisiana Public Service Commission is not accurate. So even their argument that BellSouth could easily comply with the ALECs' request is flawed. The requested information is very extensive, and it is time-consuming to produce. BellSouth has produced this information a limited number of times to the Louisiana Staff strictly for compliance purposes. At the same time, the Louisiana Staff has made it clear that it will not require BellSouth to produce this information on a monthly basis in the future. Given this, and the fact that the ALECs have raised nothing to demonstrate an actual need for this information, BellSouth should not be required to add the information for any of the ten identified categories to its PARIS reports.

21. (Original Issue No. 29) – Measurement CM-6:

22. (Original Issue No. 30) – Measurement CM-7:

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this duplication should not be inappropriately worsened by the addition of a Tier 1 penalty.

23. (Original Issue No. 31) - Measurement CM-11:

In general, the proposals of the ALECs are filled with instances in which they have requested that measurements be added, penalties be added for measurements where there are currently no penalties, or penalties be raised, even though there is little or no justification for the requested change. Perhaps the most blatant, and most obviously unsupportable proposal in the entire ALEC "wish list," however, relates to the ALEC's request to drastically increase the penalties for these three new Change Management Measurements.

Each of these measurements was ordered very recently by the Commission. Each has a Tier 2 penalty of $1,000.00. The ALECs appear to propose that each of these measurements have Tier 1 penalties also, albeit according to an allocation scheme that is discussed briefly in the ALEC Comments of August 30, 2002, but never fully explained. The ALECs state no particular payment amount that they believe to be appropriate for CM-7, only that the remedy should be "more significant." At the same time, the ALECs propose to increase the penalty for CM-6 by a factor of 35 (from $1000 to $35000) and, amazingly, to increase the penalty for CM-11 by a factor of 100 (from $1,000 to $100,000). The ALECs have provided nothing more than the vaguest of justifications for the increases demanded, essentially a statement in their Comments that amounts to nothing more than an assertion that they consider these measures to be important. At the same time, the ALECs have ignored completely the process by which these measures were implemented, and the relatively early stage of the development of these measurements.

These measurements were only ordered on August 9, 2002 (Order No. PSC-02-1094-PAA-TP). Accordingly, there is very little data for measures CM-6 and CM-7, and there is no data whatsoever for CM-11. As stated previously, the burden should be on a party making a proposal to provide some justification, based on facts arising from, for example, a review of data after order implementation, to show that there is a need for any given change. Clearly, the ALECs have failed to provide any reason to increase these penalties. In fact, there can really be no factual basis for a change, because the Commission's decision to set the penalties for these measures at $1,000 occurred so recently.

The Commission set the penalties in an amount that it obviously considers to be appropriate. Although the ALECs have proposed increases of tremendous magnitude, they have nothing to support any claim that the Commission set these penalties at amounts that are too low when it recently rendered its Order. Further, nothing has changed since that decision was made. Even if something had occurred that would ostensibly justify an increase in penalties, it is hard to image what could possibly occur that would justify a penalty increase by a multiple of 100. Again, in their Comments, the ALECs provide no clue as to why they think this extreme proposal is justified in any way.

In addition to the reasons stated above that penalties should not be increased that for any of these measures at this juncture, there are specific reasons that relate to each measurement. For example, CM-6 addresses software errors that are corrected within 10, 30 and 45 days. As with Measurement CM-9, discussed previously, this measurement relates to software errors that will necessarily have an effect on BellSouth's systems.

Thus, any penalty paid for a failure to meet this measurement would almost certainly be duplicated by a penalty that relates to the specific systems or process involved. This duplication is something of a problem, albeit not an extremely serious one, as long as this measurement is limited to a Tier 2 measurement with a penalty of $1000. If this were made a Tier 1 measurement, with a penalty of $35000 per month (and perhaps $35000 per month per ALEC) as the ALECs appear to advocate, the duplication of penalties arising from this correlation would become a much more serious problem.

Also, measurement C-11 is structured so that if the request is implemented late, whether major or minor, a penalty is paid. As with Measurement CM-6, this approach is not especially problematic if, as at present, there is only a Tier 2 penalty of $1,000 per month. However, again, the ALECs have proposed to increase the penalty to $100,000 per change request. Under the ALEC proposal, even an extremely minor change, if not implemented on time, would be subject to a penalty in the wholly excessive amount of $100,000. Clearly, this proposal is unreasonable, and again, the ALECs have provided no justification whatsoever for this proposed penalty amount.

24. (Original Issue No. 32) – Measurement NEW SQM: The ALECs have proposed to add Special Access measurements to the SQM. BellSouth does not believe that Special Access measurements can appropriately be added to the SQM, or adopted in the context of this proceeding. The reasons for BellSouth's position include, in part, that performance measures are designed to apply only to interconnection unbundling and resale, the entry vehicles contemplated by Section 251 of the Telecommunications Act of 1996. BellSouth has also set forth in greater detail the reasons for its position in a letter (with attachments) filed with the Commission, dated October 16, 2002. Rather than

repeating its position in its entirety in this filing, BellSouth incorporates the letter of October 16, 2002 by reference.

25. (Original Issue No. 33) – Measurement NEW SQM: The ALECs propose to add a new measurement to address ordering trouble ticket responses in 48 hours. In typical fashion, the ALECs simply ignore the fact that the Commission has already rejected this measure once.

In the Comments filed August 30, the ALECs contend that BellSouth should be required to create a database "to measure missing notifier trouble tickets cleared." (ALEC Comments, p. 15). BellSouth is unsure of what the ALECs mean by "missing notifier trouble tickets," but this term does not refer to any process in BellSouth's current systems. At the same time, what the ALECs describe in Exhibit 6 to their filing involves a much broader, and, in fact, impractically broad, measurement. The definition of this measurement, as set forth in Exhibit 6, (page 1) is that it should measure whether ALECs "receive timely responses to problems with getting orders through system brought to help desk (LCSC, CRSG, LISC, EC Support) or account team." Thus, what the ALECs propose is to measure the response time for essentially any question the ALECs may have, and that they would pose to BellSouth employees at any one of five different locations/work groups within BellSouth. As with many other measures, the ALECs have demonstrated no need for this measurement whatsoever. Moreover, the measure, as defined specifically in Exhibit 6, is so broad that it would be virtually impossible to implement and to measure, even if there were some justification for it.

BellSouth's LCSCs and ALEC Support Centers/Help Desks consist of over 1,900 employees with different functions and in different states. Each of these people handles

multiple ALECs, as well as multiple states. Based on the proposed disaggregation for this measurement, which calls for ALEC and state specificity, the employee answering a call would have to separate the call receipt data for the centers by the relevant ALEC and the relevant state. The employee would have to log when the call was received and when an "adequate" response is provided (whatever that is). The service representative's primary function is to ensure that service orders are issued for the products and services requested by ALECs. While the service representatives are more than willing to answer ALEC questions through the LCSC, they should not be put in the position of having to spend valuable time classifying every question or request into a database, which would be the result if this proposed measure were adopted.

The burdens associated with the creation of the process to implement this new measure clearly outweigh any perceived benefit that might be gained. For this reason, this Commission rejected in the Final Order a nearly identical measurement proposed by WorldCom. First, the Commission noted the testimony of BellSouth's witness that "this measure would be dependent upon a completely manual process of tracking the responsiveness of BellSouth service representatives." (Id., p. 22). The Commission then stated: "We agree this measurement would be labor intensive to capture (Final Order, p. 22) and because of the imprecise collecting results, this metric shall not be adopted at this time." (Id.).

Even putting aside the burden to BellSouth in implementing this new measure, the measure would be an administrative nightmare. The measure is replete with imprecise terms and loosely defined rules that are practically impossible to administer, let alone audit. For example, the business rules state that the clock stops "when a response

adequate to enable ALEC to place stalled order is received." Who determines whether a particular response is adequate? Is the response "received" when a service representative calls the ALEC and leaves a voice mail or when the ALEC actually retrieves the voice mail and gets the message? Although the measure is limited to "ordering problems," the business rules do not contain a complete definition of what this means, but rather provide "examples" that are not intended to be "an exhaustive list of order-impeding problems."

Beyond this, the ALECs have also proposed an arbitrary benchmark that would require BellSouth to provide responses 95% of the time within 48 hours. No support is provided for this arbitrary benchmark, and in fact, there is none. The types of questions or problems that ALECs may raise with BellSouth are virtually limitless. Given this, the reasonable amount of time that it takes to provide an answer also varies tremendously. Simply pulling from thin air the interval of 48 hours and requiring that 95% of all questions of any sort to any location be answered in this way is patently unreasonable. Furthermore, the ALECs' requirement that this measurement be ALEC specific, coupled with a 95% benchmark, implies that each ALEC in Florida has a minimum of 20 calls per month that are not answered on the initial call. Otherwise the benchmark is effectively 100%.

Finally, the ALECs attempt to buttress their proposal by stating that it was recommended by the Georgia Staff. This is not accurate. To the contrary, the Georgia Staff had a comparable measurement in a preliminary recommendation, but did not ultimately recommend this measurement to the Commission. The Georgia Commission has not adopted this measure, and neither has any other Commission in BellSouth's region.

26. (Original Issue No. 34) – Measurement NEW SQM: The ALECs propose to add a new measurement for Percent Line Lost Notifications Returned within 24 hours of Disconnect Order Completion and Average Delay For Line Lost Notification. Essentially, this new measurement would determine how well BellSouth is able to tell an ALEC that one of its customers has discontinued its service with the ALEC. BellSouth objects to the addition of this measurement. Since the customer in question is served by the ALEC, the ALEC should have contact with the customer, and keep track of the status of the customer's service rather than expecting BellSouth to do so. Further, it would only be possible for BellSouth to keep track of the ALEC customers in situations in which the ALEC is using BellSouth facilities, including switches, so that BellSouth would have the ability to determine whether there is a line loss. Given the fact that BellSouth is capable of providing this information to ALECs in only some situations, the ALECs obviously should not rely on BellSouth as the primary means to determine line loss, or to determine the actions of their customers.

Moreover, the ALEC customer obviously has responsibility to tell the ALEC that he/she no longer wants service from the ALEC. BellSouth believes that the ALECs should encourage their customers to do so, just as BellSouth encourages this type of communication of its customers.

The above notwithstanding, BellSouth has previously agreed to provide to the ALECs, purely as a convenience to them, a report to reflect the activity in question, at least to the extent that BellSouth performs switching for the ALEC and can, therefore, be aware of this activity. BellSouth obviously did not intend for this courtesy to the ALECs to be misconstrued as the basis for the ALECs to stop appropriate communications with

their customers or to take other steps necessary to determine what their customers are doing. Nevertheless, the ALECs have responded to BellSouth's generosity by now demanding that the report be formalized, and that it be judged according to strict standards.

This measurement would have no real customer impact. The ALECs have stated in the workshops that they need to know when a customer terminates service so that they will not overbill the customer. They have also stated that overbilling a customer in this situation would upset the customer so (presumably) they need this information to remain on good terms with the customer that is no longer purchasing service from them. In this case, however, any overbilling would be the direct result of the customer's failure to inform the ALEC that they are terminating service. Given this, it is difficult to see how a customer could blame the ALEC for not disconnecting the customer's service in the absence of some notification from the customer.

Even if it were appropriate to shift this obligation to determine when ALEC customers terminate their service from the ALEC to BellSouth, the standard that the ALECs propose to apply is unreasonable. Exhibit 6 to the ALEC's Comments reflect (pages 3 and 4) that the ALECs are proposing that BellSouth be obligated to provide the disconnect information 90% of the time within 24 hours. The ALECs have done nothing to establish that there is any need to have this information in 24 hours. Moreover, there is no such need.

This information that BellSouth would provide under this measure regarding line loss is much like all of the billing information BellSouth provides to ALECs, in that, to the extent that the ALECs need the information from BellSouth, they only need it in time

to bill the customer, i.e., before the customer's bill would be sent out according to the normal billing cycle. On any given day, a given customer's next bill would be sent out somewhere between one and thirty days in the future. Thus, a 24 hour interval is not necessary, even if this measurement were appropriate.

Finally, but not surprisingly, the ALECs have proposed to make this both a Tier 1 and Tier 2 penalty. Thus, viewed in toto, the ALECs' proposal is to create a new measurement to impose upon BellSouth a duty that, from any reasonable standpoint should not be BellSouth's, to impose unreasonably strict standards, and then to penalize BellSouth if it does not meet these standards. Taken together, the ALECs' proposal is completely unreasonable.

It is also noteworthy that the ALECs state that they have "proposed" this measurement in other states (Comments, p. 16). The ALECs have obviously been very careful not to claim that any other state has adopted this measurement. BellSouth knows that no state in its region has adopted this measurement, and to its knowledge, no state in the country has adopted the measurement. This Commission should likewise reject this patently unreasonable proposal.

27. (Original Issue No. 36) – Measurement ADM: The issue as stated in the ALEC Comments is that BellSouth should make available to the ALECs raw data necessary to verify the accuracy of BellSouth's reports (Comments, p. 17). However, BellSouth does provide this information. A review of the ALEC's Comments reveals that they are not really asking for information to verify the reports, but rather for raw data that relates to items that are excluded from the reports.

In general, BellSouth does not believe that it should be required to provide this information because any ALEC that is interested in obtaining data that was excluded from the performance measurement calculation can do so by extracting this information from its own data. For example, when an ALEC submits an order, the ALEC's ordering system will have a record of all the information submitted on the order, including information that is excluded from the measurement calculation. To give one example, Disconnect (D&F) Orders are excluded from many of the provisioning measurements. The ALEC's ordering systems have records of these Disconnect Orders. Accordingly, there is no need for BellSouth to provide essentially duplicate information to the ALEC.

Nevertheless, BellSouth has proposed to provide the data related to excluded information in the Other Supporting Data Files (OSDF). To the extent any ALEC wants BellSouth to provide this information, they will be able to obtain it by accessing the OSDF.

28. (Original Issue No. 37) – Measurement ADM: The ALECs propose as an administrative issue that BellSouth should be required to respond to requests for data reconciliation in a "timely manner." Specifically, the ALECs propose that BellSouth should do three things: 1) make an initial acknowledgement of receipt of the request. 2) provide a committed due date for a response within five business days of the request, and 3) answer the request within 15 days. BellSouth agrees to the first two of these proposals, but opposes the third. A particular request for data reconciliation may be very simple or they may be extremely complex. Given this, it is unreasonable to set a standard that would require that for absolutely every inquiry, regardless of complexity, the answer would be provided within 15 days. Additionally, because BellSouth cannot anticipate the

frequency or the complexity of the data reconciliation requests, BellSouth objects to any fixed benchmark, other than an obligation to respond within a reasonable time frame. Again, BellSouth agrees to the first two of the requests, and will handle ALEC requests for data reconciliation as described in the policy provided on November 1, 2002 in response to the Action Items. However, doing so in 15 days is not a reasonable requirement.

Finally, this issue has no place in a Six Month Review. This is a new process that the ALECs want to define, not a measurement issue.

29. (Original Issue No. 38) – Measurement ADM: The ALECs have requested that BellSouth be required to re-post any report that changes because of a revision in the underlying data. BellSouth objects to this request. The ALECs contend that because BellSouth uses a specific set of criteria to determine when performance data should be reposted BellSouth "could hide a large quantity of errors in the original data." (ALEC Comments, p. 21). The ALECs also assert that "[r]epostings might be the only signal to Staff and the ALECs that problems are occurring with BellSouth's performance reporting." Id.

On a fundamental level, the ALECs confuse the data reposting policy with the processes already in place for the specific purpose of identifying and providing notice of any discovered data errors. The reposting policy has never been represented as a vehicle for error notification. (A copy of BellSouth's current Reposting Policy was provided on November 1, 2002 as part of the Responses to Action Items). Specifically, BellSouth has a data notification process in place, which brings to the attention of the ALECs and regulators any data problems of which BellSouth has become aware. Additionally,

BellSouth's data has been and continues to be subject to a third party audit by BearingPoint, formerly KPMG Consulting.[11] After this audit is completed, the SQM provides for annual audits of the data. BearingPoint in turn reports any data issues/discrepancies identified during the audit through its periodic status reports. Thus, BellSouth's reposting policy is not an attempt to hide errors in its data as intimated by the ALECs. To the contrary, it is one of the many efforts, above and beyond that which is necessary, that BellSouth makes to ensure that its data are as accurate as possible.[12]

Beyond the ALECs' apparent confusion with respect to the function of BellSouth's reposting policy, the ALECs submit the very impractical and ill-conceived proposition that "BellSouth should be required to repost data when it discovers any inaccuracies in its reporting in all measures ordered by the Commission, not just large changes in – a limited set of metrics." (ALEC Comments, p. 21)(emphasis added). It is patently unreasonable to suggest that BellSouth should repost performance data whenever there is "any" error in the reported data, no matter how insignificant, or in "any" metric, no matter how marginal and insignificant its importance. From a cost and effort standpoint, it is necessary to understand that the resources that are used to produce the corrected (reposted) data for previous months are the same ones used to produce the current month's data. To duplicate resources would require BellSouth to essentially double its already huge capacity and potentially jeopardize production of the current month's data.[13]

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[11] KPMG Consulting changed its name to BearingPoint effective October 2, 2002.
[12] It appears from public filings that Verizon does not repost performance data at all in some states, which is a reasonable approach given all the other mechanisms available to monitor a BOC's performance.
[13] For a more detailed discussion of BellSouth's reposting policy see the Reply Affidavit of Alphonso J. Varner ¶¶ 4 – 23, filed as part of BellSouth's Florida and Tennessee 271 application to the FCC (WC Docket No. 02-307).

BellSouth's reposting policy reflects a careful and necessary balance between retroactively restating data where corrections would produce meaningful changes, keeping the data stable enough to be useful to ALECs and regulators alike, and producing enormous amounts of data. The parameters set forth in the policy are designed to ensure that any data that change in a potentially meaningful way are reposted retroactively; data that change in minor ways, conversely, should not be reposted retroactively. Reposting every data point, without regard to the significance of the change, would cause confusion among the data users and could jeopardize the production of the current month's data without adding any value to the overall assessment of BellSouth's performance vis-à-vis its wholesale customers. Thus, a practical and reasonable approach is suggested where only potentially meaningful changes should be reposted.

To ensure that BellSouth only reposts potentially meaningful changes to its performance data, only reposts data from the Key Measures (and associated submetrics). While the ALECs express a concern regarding the number of measures subject to reposting, the Key Measures used by BellSouth were derived from three sources: the FCC's Section 271 Orders in New York and Texas, specifically Texas paragraphs 147, 170, 194, 201 and 210; the FCC's proposed measures in its recent NPRM in CC Docket No. 01-318; and those measures responsive to areas of interest to the FCC in BellSouth's initial Georgia/Louisiana application. Moreover, under BellSouth's current reposting policy, all measures included in the Florida SEEM are subject to reposting. The additional reposting criteria (*i.e.*, for measures using a benchmark standard reposting occurs whenever there is a $\geq 2\%$ deviation in performance at the sub-metric level or for measures with a parity standard reposting occurs whenever there is a .5 change in the z-

score at the sub-metric level, provided that there are at least 100 ALEC transactions in the sub-metric[14]) are further designed to avoid excessive and unnecessary disruption to the performance reporting process and to provide stability without sacrificing value.

In summary, BellSouth's data reposting policy is not designed to "hide" errors in the data as alleged by the ALECs. Rather, it is only one aspect of the data production process, and not the principal means for disclosing errors or changes in the measurement calculations. The criteria of the policy are designed to strike a careful and necessary balance between restating potentially meaningful changes in the data, keeping the data stable to be of maximum use to ALECs and regulators, and limiting unnecessary cost and expense to Bellsouth. Reposting data without regard to the significance of a potential change could cause confusion among data users, add unnecessary cost to the process, and jeopardize the production of the next month's data without adding any value to the overall assessment of BellSouth's performance. In short, the policy is designed to best meet the needs of regulators, ALECs, and BellSouth alike.

V. ALEC PROPOSED SQM CHANGES

30. (Original Issue No. 1) – Measurement CM-9: The ALECs propose in their redlined SQM to add a Tier 1 and Tier 2 penalty for this measurement, which addresses the number of defects in production releases. This change is simply to implement the proposed change mentioned above as part of Issue 9 (Original ALEC Proposal Number 10). BellSouth opposes this change for the reasons set forth in response to that issue.

In addition to the general reasons discussed above that no penalty is appropriate, the reasons that there should be no Tier 1 penalty are especially compelling. There is one

[14] This 100 ALEC transaction threshold does not apply to those sub-metrics associated with Local Interconnection Trunks and those performance measures involving BellSouth's collocation and change

change management process that affects everyone equally, so there is no basis to have Tier 1 payments. Tier I payments are, by definition, designed to go to specific ALECs that are affected in some individual way by BellSouth's failure to achieve a measurement. This particular measurement relates to a point in the change management process after a change has been accepted and BellSouth is attempting to implement the change. The measurement addresses software errors that occur at this point. The software error would affect all ALECs. Thus, even if there were any basis for a Tier I penalty (and there is not), and it would be exceedingly difficult to determine which ALECs would even receive these penalty payments.

In workshops, the ALECs have proposed that any ALEC that would normally use the affected interface should receive a Tier 1 penalty. This approach, however, would fundamentally violate the structure of Tier I and Tier II penalties. Again, a Tier I penalty is to address problems that actually have an effect on individual ALECs. However, under the ALEC proposal, one would presumably determine the ALECs that had signed up to use any given interface and pay them a Tier 1 penalty, regardless of whether they had actually utilized the interface, or done anything else that would cause them to be damaged by the failure. The essence of the ALEC proposal is really a double penalty scheme: a Tier 2 penalty would be assessed because the measurement is industry-effecting, then virtually every ALEC the industry would also receive a gratuitous and unnecessary Tier 1 penalty in addition to the Tier 2 penalty. While this is an approach that ALECs would obviously find desirable, this approach would only serve to unjustly enriching the ALECs, and would accomplish nothing else. There is no justification whatsoever for this approach.

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management performance.

31. (Original Issue No. 2) – Measurement OSS-2:

32. (Original Issue No. 4) – Measurement OSS-3:

For each of these two measurements, the ALECs have proposed to modify the business rules regarding down time. The ALECs actually make two different modification proposals. First, the ALECs propose that BellSouth should add language clarifying that if any one component of the route to its backend systems is down, all the other components on that route will be counted as down as well. However, this proposal ignores the structure of the measurement. BellSouth measures each system individually, so a failure of any component will be reflected in the measure. The so called "routes" ALECs refer to are not even defined for this measure. Each component is measured, just not in the ill-defined manner that the ALECs propose.

In order to determine OSS availability, BellSouth measures an application's servers by dividing the actual uptime for its servers by the scheduled uptime. To determine overall application availability, all server uptimes are averaged to provide an accurate reflection of the ALEC experience with the application as a whole.

Each application has necessary servers performing key functions in order for the overall application to function properly. Within TAG, there are Gateway, BLP, and Security servers. Within LENS, there are Web, Application, and Database servers. Because each of these functions is required for application functionality, the OSS Availability metric must measure all servers. The applications require the processes of each functional server to effectively process ALEC orders, so each server's actual uptime is measured against its scheduled uptime in order to determine availability. If one server

goes down, the application can still process orders, depending on the severity of the situation.

Also, BellSouth keeps many servers at a ready state for production in case the primary servers go down. Resources are expended to keep these backup servers at the necessary readiness level to be moved into production, if necessary. For example, these servers are updated with new software releases just like the primary servers. They are also tested to ensure they will function when called upon. If a primary server goes down and cannot be brought back online, the backup servers can quickly be moved into production for processing ALEC orders. Because the backup servers are kept at the same level of readiness as the production servers and could become production servers at any time, they are also counted within the scope of the metric. ALECs benefit from these backup servers because they reduce the downtime that would otherwise occur when a primary server goes down.

The ALECs have also proposed that the business rule should be changed to state that in the calculation for the measurement "the denominator will include the scheduled hours of operability in a month where the whole route to the backend system is up." (ALEC Comments, Exhibit 3, p. 7). In this regard, the ALECs complain that BST "has been multiplying the denominator by the number of servers supporting each interface." (Id.). In essence, the gist of the calculation issue is that, for example, if there are six EDI servers and one of the six is down, the ALECs want the entire EDI interface to be counted as being down. BellSouth, however, believes that this is inappropriate because if only one of the six EDI servers is down, then EDI can still function. Put simply, if the interface functions, then the interface should not be counted as being down. The ALECs

of course, contend that BellSouth's way of calculating the measurement "makes the benchmark easier to meet." The reverse is obviously also true, that the ALECs' proposed way of calculating the measurement makes the benchmark harder to meet. The question should be whether the ALEC approach or BellSouth's makes more sense from a practical standpoint.

Again, BellSouth submits that since EDI can function in a situation where, for example, only one of six servers is down, then it makes no practical sense to count the entire interface as down in this situation. Finally, even if the ALECs' approach were logical, there is no real need for it, because there is no current problem with system availability. The ALECs acknowledge as much in their Comments but state that "even if there is no major problem now with system availability, . . . [BellSouth's] . . . practice could be used to mask future problems (Exhibit 3, page 1) (emphasis added). Thus, the ALECs are actually proposing an extremely harsh, inappropriate calculation method in anticipation that there might be some future problem with the calculation that BellSouth utilizes currently. Clearly, this is not enough to support the requested change.

33. (Original Issue No. 8) – Measurement O-3:

34. (Original Issue No. 9) – Measurement O-4:

For each of these measurements, the ALECs propose that the benchmark be UNE-P at 95% and UNE and LNP at 90%. These benchmarks are inappropriately high.

First, the FCC has found that BellSouth's OSS systems are currently capable of flowing through UNE orders in a manner that allows competitive carriers a meaningful opportunity to compete, at the current benchmarks for flow through. The FCC also

found, in the recent Order granting BellSouth entry into long distance in North Carolina, South Carolina, Alabama, Mississippi and Kentucky, that the ability of orders to flow through BellSouth's OSS is dependent, in part, on the ALECs.[15] For example, in this Order, the FCC stated the following:

> We have previously stated that a BOC's ability to flow-through orders at high rates is dependent, in part, on the performance of competing carriers to place orders electronically. We find it particularly informative that several competing carriers are achieving much higher flow-through rates than other carriers. Specifically, data regarding UNE orders shows that the flow-through rates of the top five competitive LECs range from 77.06 percent to 94.64 percent for the first quarter of 2002. In addition, flow-through rates for three of these competitive LECs range from 90.19 percent to 94.64 percent during the first quarter. During the second quarter of 2002, data regarding UNE orders shows that the flow-through rates of the top five competitive LECs range from 75.50 percent to 95.10 percent. The flow-through rates for three of these competitive LECs range from 85.80 percent to 95.10 percent during the second quarter. This evidence indicates that BellSouth's systems are capable of flowing through UNE orders in a manner that allows competitive carriers a meaningful opportunity to compete. Because the record demonstrates that a number of competitive LECs experience high flow-through rates, we conclude that it is inappropriate to attribute the wide range of flow-through results entirely to BellSouth. As the Commission previously stated, a BOC is not accountable for orders that fail to flow-through due to competing carrier-caused errors. Our conclusion that BellSouth's OSS are capable of achieving high flow-through level is further bolstered by KPMG's Georgia testing.

(Memorandum Opinion, Par. 152)(emphasis added).

In addition to the rulings that BellSouth's flow-through is sufficient and that actual flow-through percentages may be attributable to the actions of ALECs, the FCC has also clarified that flow-through measurements are not the only (or even the best) way

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[15] *In the Matter of Joint Application by BellSouth Corporation, BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc. for Provision of In-Region, InterLATA Services in Alabama, Kentucky, Mississippi, North Carolina, and South Carolina*, WC Docket No. 02-150, *Memorandum Opinion and Order*, FCC 02-260 (rel. Sept. 18, 2002)("*Memorandum Opinion*").

to determine whether an incumbent is providing nondiscriminatory access to its OSS. As the FCC stated in its Kansas/Oklahoma 271 Order[16]:

> The Commission traditionally uses order 'flow-through' as a potential indicator of a wide range of problems that we consider in determining whether a BOC provides nondiscriminatory access to its OSS. (citations omitted). However, we have not considered flow-through rates as the sole indicium of parity and thus have not limited our analysis of a BOC's ordering processes to a review of its flow-through performance data. Instead, we have held that factors that are linked to order flow-through but are more directly indicative of a BOC's OSS performance, such as a BOC's overall ability to return timely order confirmation and rejection notices, accurately process manually handled orders, and scale its systems, are relevant and probative for analyzing a BOC's ability to provide access to its ordering functions in a nondiscriminatory manner.

(*Id.* at 6305, n. 397.)

Given the above, there is simply no reason to raise the flow-through benchmarks as the ALECs advocate.

For the flow-through measurements, the ALECs also propose to add, in effect, a separate measurement (with separate penalties) of what they refer to as "achieved/total flow through." In the current measurement orders that do not flow through as a matter of design do not count as misses. The ALECs advocate adding a measurement in which it is assumed that 100% of all orders should flow through, so that even an order that falls out by design would be counted as a miss. The ALECs have further advocated a 95% benchmark for this measurement, and that it should be enforced by a $2.5 million quarterly fine. (ALEC Comments, Exhibit 3, page 2).

This rather impractical (but typically greedy) proposal by the ALECs ignores the fact that some orders must be processed manually. This is simply the reality, and this

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[16] *In the Matter of Joint Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance*

reality exists whether the service to the customer is being provided by BellSouth or by an ALEC. Despite this, BellSouth has made electronic ordering available for many types of orders. In other words, BellSouth has designed its ordering systems so that ALECs can place orders electronically, even though some orders received electronically will necessarily require manual handling. In these instances, the electronic ordering capability is only a convenience to the ALEC that BellSouth has designed so that ALECs will not have to order an item manually just because it has to be processed manually.

The ALECs proposal is that BellSouth should be required to somehow develop the immediate capability to make every order of every sort flow through without manual handling, and that the Commission should punish BellSouth with financial sanctions if it is not able to do so. The ALECs have offered no suggestion as to how this could be accomplished. They also have not dealt with the fact that the manual processing of some orders is a reality that applies equally to BellSouth and to ALECs. Instead, the ALECs, in their typical fashion, take the position that they want what they want, and the Commission should use excessive penalties to coerce BellSouth to find a way to achieve these improbable or even impossible results. Clearly, the Commission should reject this approach.

It is important to remember that BellSouth is not required to flow through every order. In early 1999, the Common Carrier Bureau of the FCC first articulated this in a letter stating that, "in principle, complex orders that are manually processed for BellSouth's retail customers [can] be excluded from flow-through calculators." (Letter from Lawrence E. Strickling, Chief Common Carrier Bureau to Sid Boren, February 10,

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for Provision of In-Region, InterLATA Services in Kansas and Oklahoma, CC Docket No. 00-217, *Memorandum Opinion and Order*, 16 FCC Rcd 6237 (2001).

1999.) Thus, the ALECs demand that BellSouth flow through all orders, or be severely penalized for failing to do so, is a regrettable (but typical) refusal to deal with the reality of the current environment, and of the regulatory standards that pertain.

Finally, BellSouth emphasizes again that any effort to set benchmarks for flow-through of extremely high levels should be viewed with skepticism, since BellSouth's ability to meet these benchmarks can be affected by the action of the ALECs in an additional way (beyond what was noted by the FCC, as stated above). Flow through issues (i.e., determining ways to achieve greater flow through) are addressed, along with other systematic changes, in the change control management process. ALECs, of course, have a considerable voice in determining the priority of changes made through this process. Their ability to play such a large role in determining what gets done sooner and what gets done later provides the ALECs with the opportunity to rank other types of changes higher than flow through changes. Assigning a low priority to flow through changes would obviously result in a delay in the implementation of these changes. At the same time, any delay in the systematic changes that would increase flow through, would also negatively effect BellSouth's ability to achieve any given benchmark, and increase the likelihood of penalties. Thus, to the extent that ALECs have input into this process, this should be considered when setting an appropriate benchmark[17].

35. (Original Issue No. 10) – Measurement O-8:

The previous discussion relating to BellSouth Issue 3 (Original Issue No. 15) apply equally to this measurement.

36. (Original Issue No. 11) – Measurement O-8:

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[17] See also the flow-through discussion in BellSouth's Comments In Response To KPMG Adequacy Study, filed October 31, 2002.

The purpose of this ALEC-proposed change would be to include in the reject interval measurement both the LCSC (which is currently included) and the Complex Resale Support Group (CRSG). These two cannot be appropriately combined, however. Despite the name, the CRSG does not only deal with resale orders. In fact, most of the orders that the CRSG processes are UNE orders. Further, the purpose of the CRSG is to process service requests by the ALECs that for some reason, require additional work before an LSR can be created. The CRSG deals with a small number of orders (about 1000 per month regionally), and most of the orders that it deals with are problematic in some fashion. Moreover, the CRSG handles orders manually, unlike the LCSC.

Not only are the tasks performed by the CRSG center, at times, complex and difficult, these tasks do not occur within the interval that is measured by 0-8. The reject interval is measured from the time that an LSR is submitted until a reject is returned for those orders that are rejected. The work done by the CSRG, however, occurs before this interval begins. In order words, the orders that require special attention go to the CSRG first. The CRSG does the processing necessary to convert these orders into a form that allows them to be submitted as LSRs. At that point the submission occurs. When this submission occurs, this LSR is measured for the purpose of O-8 just as would every other LSR for which a reject is issued. Thus, all orders that go into the CRSG are subject to the reject interval, they are merely subject to the appropriate interval, after the request leaves the CRSG and becomes an LSR.

To include the CRSG with the LSR in this measurement would be to include an additional process that is completely different from that which is measured by the defined interval. Further, for the reasons noted above, this additional process is time consuming

and labor intensive, which would skew the results and create an inaccurate representation of the time that it actually takes, in the main, to return rejected orders.

37. (Original Issue No. 12) – Measurement O-8:

Please refer to the previous discussion, which relates to this issue, under BellSouth Issue 3 (Original Issue No. 15).

38. (Original Issue No. 13) – Measurement O-8:

The ALECs propose generally to keep the benchmark the same for this measurement (except for the proposed changes noted above), but to reduce the intervals to $\leq$ 5 hours for partially mechanized orders and $\leq$ 10 hours for non-mechanized orders. As with most of their requests regarding increased benchmarks or lower intervals, the ALECs have stated no substantive basis for the proposed change. That is, they have not alleged any specific problem (either operational or otherwise) to justify shortening the interval. Further, as discussed previously, the current level of competition in Florida shows that there is simply no justification for this (and other) requests that more exacting standards be imposed on BellSouth.

In their comments, the only rationale the ALECs offer to support this proposal is that the Georgia Commission Staff proposed the same, shorter interval (ALEC Comments, Exhibit 3, page 3). This, however, is not accurate. The Georgia Staff did propose in their preliminary recommendation an interval similar to that which the ALECs request. In the final Staff recommendation, however, which the Commission approved, the non-mechanized interval recommended was $\leq$ 10 hours. However, the interval for mechanized was $\leq$ 7 hours, not the 5 hour interval that the ALECs request here. Again, nothing has been presented by the ALECs to justify raising the standard as they propose.

39. (Original Issue No. 14) – Measurement O-9:

40. (Original Issue No. 16) – Measurement O-9:

Please refer to the previous discussion, which relates to these issues, under BellSouth Issue 3 (Original Issue No. 15).

41. (Original Issue No. 17) – Measurement O-9:

BellSouth's Comments in reference to ALEC Issue Number 37 (ALEC Proposed SQM Change Number 13) apply equally to this proposed change.

42. (Original Issue No. 19) – Measurement O-11:

The ALECs propose to raise the benchmark for this measurement from 95% to 97%. As with other benchmarks, the ALECs have offered absolutely no justification for this proposed increase, and their proposal should fail for this reason alone. Further, again as with other benchmarks, the current level of competition in Florida demonstrates that the proposed benchmark increase is unnecessary. Beyond this, BellSouth would add only that, in considering this benchmark, it is important to note that the ALECs have proposed a change of considerable magnitude. An increase of 2%, from 95% to 97%, may not seem especially significant. However, at a 95% benchmark, BellSouth would be allowed to miss 1 in 20 opportunities and still achieve acceptable performance. A 97% benchmark would allow BellSouth to miss only 1 in 33 opportunities. This represents a 40% increase in the required level of performance, which is certainly a substantial increase and one that would be difficult to achieve under any circumstances. Combining this fact with the additional fact that the ALECs have offered no justification for this increase, prompts the conclusion that this proposal should be rejected.

43. (Original Issue No. 20) – Measurement O-12:

44. (Original Issue No. 21) – Measurement O-12:

The effect on these two proposed changes to measurement 0-12 is, as the ALECs stated in their Comments, is that BellSouth would "add the CRSG and EC-SPOC support desks to the order centers measured." (ALEC Comments, Exhibit 3, p. 4). In other words, the ALECs propose to take the speed of answer in the order center (the LCSC), and add to it the speed of answer in 2 centers that are functionally very different from the LCSC.

It is important to note at the outset that the purpose of the calls from the ALECs that are the subject of this measure (unlike calls by retail customers calling into BellSouth) is not to place orders, but rather to ask questions, or to raise issues or problems. Therefore, answer time is not as critical as it would be if the purpose of the calls were to process orders. In other words, answering any of a wide variety of ALEC inquiries is not as time sensitive as processing orders.

The LCSC is designed to accommodate mass inbound calls. That is, the center is staffed so that there are a large number of people available to answer questions. Both the CRSG (which was discussed previously), and the EC support desks are different. The CRSG deals with particular problem orders, and does so in a way that may be very time consuming. Further, this center is neither designed nor purported to be a center that conducts substantial business via incoming calls. Consequently, it only handles a fairly low volume of calls and handles problems that are sometimes complex. Also, the work load in this center may vary drastically from time to time, which makes it quite difficult to maintain a very quick answer time.

Also, regarding the EC support center specifically, there are currently 6 administrators and 2 contractors in the EC Support Desk. The EC Support Desk is a work group set up to provide first level support for the electronic interface systems for both ALECs and IXCs. It is not a center where orders are placed. Calls in to this group are related to system issues, not individual transaction issues. Any system issues (e.g., outages), affecting the flow of LSRs would be captured in the other OSS and Ordering measurements.

For all these reasons, these centers are fundamentally different then the LCSC, and it would be inappropriate to combine them with the LCSC in a single measurement. Doing so would only artificially lengthen the average answer time in a way that would cause it to no longer represent the time it takes for more typical calls (i.e., calls to the LCSC) to be answered.

Finally, and perhaps most importantly, it is inappropriate to combine the LCSC with the CRSG or EC-SPOC because, if this were done, there would no longer be a like-to-like comparison with the retail analog. The answer times in BellSouth's retail operations are the analog for this measure. However, nothing occurs on the retail side that is like the work performed in the CRSG or EC-SPOC. Thus, if the answer times in these centers were added to the LCSC answer time, the retail analog would no longer truly be analogous.

The ALEC's proposed addition of the CRSC and EC support desk to this measurement should be rejected.

45. (Original Issue No. 22) - Measurement O-12:

Although this measurement relates to data retained, the purpose of the change is the same as that discussed immediately above in reference to ALEC issues number 43 and 44 (Original ALEC SQM Changes Nos. 20 and 21). This requested change should be denied for the same reasons discussed above.

46. (Original Issue No. 23) – Measurement O-12:

47. (Original Issue No. 24) – Measurement O-12:

These ALEC-proposed changes should also be denied for the reasons discussed above in reference to ALEC issues 43 and 44. In those issues the ALECs proposed to add the CRSG and the EC support desk to the measurement. In the two subject proposals, the ALECs advocate disaggregating the measurement of these two centers, so that answer time would be measured separately for each of them. Not only should these centers not be measured through disaggregated sub- measures, they should not be included in this measurement at all for the reasons stated above.

Further, in their redlined SQM, the ALECs propose that the standard for this measurement be "parity with retail." As discussed above, there is no retail function/location analogous to the CRSG or EC Support Desk. Thus, this proposal is flawed for this additional reason.

48. (Original Issue No. 26) – Measurement P-1:

49. (Original Issue No. 27) – Measurement P-2:

The ALECs have proposed for both measurements P-1 (Mean Held Order Interval) and P-2 (Average Jeopardy Notice Interval) that the disaggregation for each be changed by putting the word "industrial" after ADSL. According to the somewhat counter-intuitive terminology that has been in effect for quite a long time, "industrial"

service in this context refers to residential service. Thus, the ALECs are proposing that, for these two measurements, ADSL (UNE) service provided to ALECs be compared to BellSouth's comparable retail service to residential customers only. This is an inappropriate mismatch because ADSL UNE is used by ALECs to provide service to both residential and business customers. Likewise, BellSouth ADSL service is available to all end-users in BellSouth's service area, whether residence or business. Thus, the appropriate retail analog should combine both types of services.

Moreover, the ALECs' proposal appears to be an attempt to create an artificially difficult standard for BellSouth, i.e., one that would be in excess of parity. Using held orders as an example, business orders will generally be more complex and provided in more congested areas than residential. This complexity increases the likelihood of an order being held, and it also increases the likelihood that a given held order will involve a more complicated issue that will take a significant amount of time to resolve. Thus, the mean held order interval for retail business orders would typically be longer than for retail residential orders. By proposing retail residential as the analog rather than the retail business and residential that is comparable to the ALECs' usage of the ASDL UNE, the ALECs are seeking an artificially short timeframe (i.e., a higher standard) that BellSouth would be required to meet. Put differently, by proposing that the retail analog be only residential service, the ALECs are trying to weed out the longer retail held order intervals associated with business service, which would result in a shorter interval for the standard applied to BellSouth. Again, since ALECs use ADSL for both business and residential, the proposal would result in a mismatch with the retail analog, an artificially short

interval, and an unsupportively high standard. For this reason, the ALEC proposal should be rejected.

Although measurements P-2 relates to jeopardies rather than held order intervals, the exact same rationale applies.

50. (Original Issue No. 28) – Measurement P-2:

This disaggregation proposal relates to Issue No. 2 (Original ALEC Proposed Issue No. 3) and it should be rejected for the reasons discussed above in reference to that issue.

51. (Original Issue No. 30) – Measurement P-3A:

For measurement P-3A, the ALECs propose to change the exclusion so that it does not cover all cancelled service orders (the present approach), but only those orders cancelled prior to the due date. First of all, BellSouth notes that this is an issue of parity in treatment. In other words, BellSouth, in measuring the performance that it provides to its retail customers, has always excluded all cancellations from the measurements to missed installation. BellSouth is only doing the same for ALECs as it does for itself.

Moreover, the ALEC proposal would address situations that occur infrequently, but it addresses them in a way that would be very difficult to implement. Specifically, installation orders are very infrequently cancelled after the due date. Thus, changing the exclusion as proposed by the ALECs would not significantly reduce the number of excluded items. However, the ALEC proposal would be almost impossible to implement.

If an installation appointment is missed on the original due date, and the miss is not the fault of BellSouth, then it does not count against BellSouth, i.e., it is excluded. So under the ALEC approach, a missed appointment would count against BellSouth only if

the miss on the due date was the fault of BellSouth, and the order was subsequently cancelled after the due date. The difficulty of this approach is that the reason for a miss is not required to be recorded until an order is edited at the time of completion. If an order is cancelled, there is no completion. Thus, the editing process that would allow BellSouth to track the reason for the miss would never occur in the event of a cancellation. When an order is cancelled, it is possible for BellSouth to tell when the cancellation occurred, but not to determine whether the miss would have otherwise counted against BellSouth in some cases.

Moreover, BellSouth processes a considerable volume of zero due date orders, i.e., orders that are to be provisioned on the same day they are placed. If there is a cancellation of one of these zero due date orders, the cancellation notice would, by definition, not be prior to the due date. Thus, every one of these orders would be counted as a cancellation after the due date even though this does not reflect the reality of what has occurred. The result, under the ALEC proposal, would be an inaccurately high indication of failure.

52. (Original Issue No. 31) – Measurement P-3A:

The CLECs propose to delete from the missed installation appointment measurement the exclusions for disconnect (D) and from (F) orders. An F order is simply a type of disconnect order that is issued when a customer moves. D and F orders should properly be excluded, because missed appointments for these orders do not have the sort of impact on customers that missing other types of installation appointments would undeniably have. Although a disconnect order is designated as an "appointment," there is no actual "appointment" with a customer. In other words, a technician would not go to

the premises and meet the customer in order to disconnect the service. Instead, the service is simply disconnected at the time scheduled for disconnection.

If an installation appointment is missed, a customer may very well be on the premises to meet the technician, and missing the installation appointment would inconvenience the customer. However, disconnecting an order at a predetermined time, when there is no meeting with the customer and no action required by the customer, clearly cannot have any significant impact on the customer. Thus, if these orders were not excluded then the result would be to count among missed appointments, events that are not really appointments and that the customer really does not care about. Of course, deleting the exclusion of these orders may make it more likely that BellSouth would fail the measurement and would increase the size of any penalty, a result that the ALECs always support, even when, as in this case, that result is unreasonable.

The only potential impact of missing a disconnect appointment would not be on the customer, but rather on the ALEC. Even in this instance, the possible impact would likely not occur. Specifically, if a disconnect appointment is missed by an extremely long time, then this could affect customer billing under the normal billing cycle. However, as discussed previously, the billing cycle is spread out over the course of any given month, so it is extremely unlikely that missing a disconnect appointment by, for example, one day, would actually cause a problem. Moreover, although the ALECs allege in their Comments that a billing problem could occur (Exhibit 3, p. 4), they have described no scenario under which this could actually happen. Finally, if there were billing problems, then the billing measurements would capture these problems. Thus,

even under the worse case scenario, the addition of disconnect orders to this measurement is not necessary.

53. (Original Issue No. 32) – Measurement P-3A:

The ALEC proposal regarding this issue should be rejected for the reasons discussed previously in BellSouth's issue 18 (BellSouth Original Proposed SQM Change No. 25).

54. (Original Issue No. 33) – Measurement P-3A:

55. (Original Issue No. 34) – Measurement P-3A:

56. (Original Issue No. 35) – Measurement P-3A:

57. (Original Issue No. 36) – Measurement P-3A:

These proposed changes should be rejected for the same reasons discussed in reference to ALEC Issue No. 52 (Original ALEC Proposed SQM Change No. 31). In response to that proposal, BellSouth explained why disconnect orders should be excluded from this measurement. In each of these four issues, the ALECs propose to disaggregate the disconnect orders, and to apply a 95% benchmark to each. The ALECs have provided no rationale whatsoever in their Comments as to why the disaggregation is needed or why the benchmark should be set at 95%. Thus, even if there were reasons to include disconnects in the measurement (and there is not) the ALECs have failed to provide any basis for the proposed disaggregation and benchmark.

58. (Original Issue No. 38) – Measurement P-4A:

The ALECs recommend modifying Measure P-4A to measure the order completion interval from the receipt of a valid Local Service Request ("LSR"), rather than when a service order is generated. This change would result in duplicating

information that is currently captured in the SQM in five separate measures: O-9, which measures the time from the receipt of the LSR to the return of the firm order confirmation ("FOC"); P-4, which currently measures the time from when the FOC is issued until the order is completed in SOCs; P-4A which currently measures the time from when the FOC is issued until the completion notice is issued; P-5 which measures the time from order completion until the completion notice is issued; and, finally, P-10 Total Service Order Cycle Time, which essentially is the very measurement that would result from the ALECs' modification of P-4A.

There are three different processes captured in the modified measurement advocated by the ALECs: 1) Order processing; 2) Provisioning; 3) Issuance of the Completion Notice. It is not appropriate to combine measurements of these three discrete processes into a single measurement. Specifically, O-9 is a measure of the ordering process, and it relates to functions performed by BellSouth's ordering systems and by the local carrier service center. Measure P-4 relates to the provisioning process carried out by other BellSouth work groups such as the network organization. Measurement P-5 captures the completion notice interval, which is largely an electronic process. Measurement P-4A is currently a combination of the two measurements P-4 and P-5. The ALECs' proposal would add the FOC interval (as measured by 0-9) to the front-end of the existing measurement P-4A. As discussed earlier under BellSouth Issue 9 (Original BellSouth Proposal 23), BellSouth is proposing to eliminate P-4A in favor of the two measurements P-4 and P-5.

The FOC process measured by O-9 does not have an analogous process in BellSouth's retail operation, and, as a result, the Commission has adopted benchmarks as

the standard to judge BellSouth's FOC performance. Measure P-4A, by contrast, *does* have a BellSouth retail analog, and this analog is applied as the appropriate standard. Combining these two measurements would result in a fundamental mismatch of processes that cannot be properly measured in the framework of a single measurement. Moreover, there is simply no need to attempt to capture these multiple processes in a single measurement. As stated previously, all pertinent processes are captured (albeit separately and appropriately) in the combination of measurements that the Commission approved when it adopted the SQM.

The ALEC's proposal to include Measure O-9 in Measure P-4A would be bad enough if this were as far as it went. However, in addition to including FOC time as part of Measure P-4A, the ALECs also recommend that the FOC interval measurement continue to stand as a separate measure. Thus, under the ALEC's proposal, the FOC interval would be captured twice, once in a standalone measurement and once in the context of a measurement that would inappropriately combine this interval with the interval for a distinctly different provisioning process. Furthermore, the ALEC's proposal would have this duplication in the measurement plan serve as the basis for duplicate penalties, since they recommend that Measure O-9 and P-4A both be included in the SEEM Plan[18].

Also, this change would make this measure exactly like TSOCT (P-10), which measures the FOC Interval to the ACNI timestamp, thus measuring FOC, OCI, and ACNI. The result of this proposal would, thus, be multiple redundant, duplicated measures.

59. (Original Issue No. 39) – Measurement P-4A:

The ALECs propose to add to the disaggregation for this measure a separate category for UNE UCL (Non design). Currently UCL is included in UNE XDSL, which is disaggregated into UNE XDSL without conditioning (which has an interval of $\leq$ five days) and with conditioning (which has an interval of $\leq$ 12 days). Apparently, the ALECs are proposing to keep UCL as part of the UNE XDSL, but then to additionally measure UCL (non-design) as a separate disaggregated sub-measure, with no distinction in the interval applied between UCL "without conditioning" and "with conditioning". The ALECs, however, have provided no rationale to support this additional disaggregation. Further, the way they appear to have structured the proposed disaggregation (and it is unclear exactly what they propose) would seem to result in a duplication in which UCL would be counted in two different submeasures.

Finally, this duplication in measurements would be internally inconsistent. In one instance, UCL would be counted, along with the other UNE XDSL products, and the interval applied would depend on whether there is conditioning. However, the interval for the newly proposed UCL submeasure would be the same (and the standard would be five days) regardless of whether there is conditioning or not. The ALECs have provided no reason to reduce the interval in this new measurement of the time allowed for BellSouth to provide UCL with conditioning.

60. (Original Issue No. 40) – Measurement P-4A:

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[18] Similarly, the ALECs have also advocated making the Completion Notice Interval Measurement, P-5, a part of SEEM even this process is already a part of measurement P-4A. BellSouth's objections to including P-5 with SEEM are discussed in ALEC issue 3 (Original ALEC Proposal 4).

The ALECs proposal regarding this measure should be rejected for the same reasons as discussed previously in response to BellSouth's Issue No. 18 (Original SQM Proposal No. 25).

61. (Original Issue No. 41) – Measurement P-4A:

This ALEC proposal should be rejected for the reasons discussed previously in the context of ALEC Issue No. 48 (Original ALEC SQM Proposed Change No. 26).

62. (Original Issue No. 44) – Measurement P-5 (P-4 in ALEC Comments):

The ALECs proposal to add tier I and tier II penalties should be rejected for the reasons discussed previously in response to ALEC Issue No. 3 (Original ALEC Proposal No. 4). Although BellSouth is proposing to eliminate measurement P-4A (for reasons discussed earlier), should the Commission determine that P-4A is to be retained, the completion notice interval is captured in measurement P-4A, which is part of Tier I and Tier II enforcement. Therefore, the ALECs' proposal to assign Tier I and Tier II penalties to P-5 is duplicative and has no value other than to improperly enrich the ALECs with a windfall of duplicative penalty payments.

63. (Original Issue No. 45) – Measurement P-5 (P-4 in ALEC Comments):

The ALECs propose additional disaggregation in the way that this measurement appears in the SEEM plan. The issue raised is not an SQM issue, but rather a SEEM issue. Sometimes the line between SQM issues and SEEM issues can blur. For example, the question of whether a particular measurement should be added to SEEM is addressed in these Comments. The instant issue, however, is purely a SEEM issue, which relates to the appropriate degree of disaggregation in the SEEM plan. Therefore, this issue should not be addressed in this part of the review process. BellSouth will note,

however, that it is opposed to this proposed additional disaggregation for the reasons discussed at length in its filing on September 7, 2002, which relates specifically to SEEM issues.

64. (Original Issue No. 47) – Measurement P-7B:

65. (Original Issue No. 48) – Measurement P-7B:

Both of these issues relate to measurement P-7B, Coordinated Customer Conversions-Average Recovery Time. These measurements relate to hot cuts that apply to unbundled loops, with interim number portability (issue 64) or local number portability (issue 65). Currently, both measures are diagnostic. The ALECs have proposed that these measurements each be changed to a benchmark of 98% in 1 hour and 100% in 2 hours.

BellSouth has discussed previously a number of reasons that the ALEC requests for higher benchmarks should be rejected. All of these reasons apply equally to these measures. In this case (as with almost every ALEC request for a higher benchmark), there is absolutely no need for the increase, and the ALECs have not even attempted to demonstrate a need. In this particular case, the ALECs' position is particularly outrageous, because they are not just trying to raise a benchmark, they are attempting to take a diagnostic measure and establish for it an extremely high benchmark coupled with an extremely short interval.

This measurement captures the time required to clear troubles that occur during a hot cut. The interval for this measurement begins after BellSouth has completed its testing of the facility and has turned the circuit over to the ALEC. If the ALEC encounters a trouble on this circuit before the ALEC accepts the circuit as complete, the

time that the ALEC reports that trouble is the beginning of the interval for this measure. The interval ends when the trouble is cleared. Since this measure should only apply to circuits that have passed initial testing, troubles reported in this measure are by definition the troubles that are more difficult to diagnose and clear. ALECS propose to apply the most stringent benchmarks to these trouble that, by definition, would take longer times to clear.

The ALECs can also cause the interval in this measure to be elongated. A trouble can be reported under this measure anytime after the circuit is turned over to the ALEC, but before the ALEC accepts the circuit. It is not unusual for that interval to be an hour or more. If it is an outside trouble, which requires a technician to be dispatched to resolve it, the original technician will have already left the work location, so another technician will have to be dispatched before any diagnosis of the trouble can begin. Of course had the ALEC's acceptance of the circuit not been delayed, this time to dispatch another technician would be avoided. Nevertheless, the ALECs want a standard of 100% cleared in 2 hours, even though their actions could easily cause delays that exceed most if not all of that time.

The ALECs have not provided any basis for their proposed 1 and 2 hour benchmarks for this measurement, and these standards are inconsistent with the standard established and historically used by regulators to monitor out of service conditions. For other troubles, which constitute most of the troubles reported, the standard for measuring out of service conditions is 24 hours. In fact, the measurement used for this purpose is titled Out of Service > 24 hours; i.e., only the percent of troubles that result in an out of service conditions that exceeds 24 hours in duration is reported. This standard has been in

place for many years and has been used by regulators to monitor BellSouth's retail performance. ALECs provide no reason why this standard should be ignored and their burdensome 1 and 2 hour standards should apply to this small subset of troubles.

Further, the small volume of troubles means that a failure would be registered in this measure if any trouble took more than 1 hour to clear. In Florida, the volume of troubles in this measure averages about 25 per month. At this volume, 1 trouble that was not cleared in an hour would cause failure under the 98% in 1 hour benchmark. Consequently, the 100% in 2 hours benchmark is superfluous. Again ALECs have provided no rationale for why their proposed arbitrary, burdensome, inconsistent and irrational standards should be adopted. Clearly their proposal should be rejected and this measure should remain diagnostic.

Finally, the ALECs proposal is especially extreme as applied to interim number portability. Again, this measurement relates to hot cuts. Interim number portability occurs in rural areas. A hot cut can only take place if an ALEC has its own switch, and ALECs seldom place their own switches in rural areas. Thus, the instances, in which activity would occur that this measurement would capture are all but nonexistent. The ALECs request that a standard be added to this measurement is completely pointless.

66. (Original Issue No. 50) – Measurement P-7C:

Once again, the ALECs have proposed to increase the level of the particular benchmark, but have provided no justification whatsoever. Accordingly, this proposal, like all unsupported proposals to increase benchmarks, should be rejected.

Further, this measure is correlated with other measures. Troubles captured in P-7C are also included in P-9. Also, P-7C troubles are included in measurement M&R-2,

Customer Trouble Report Rate and M&R-3, Maintenance Average Duration, both of which have Tier I and Tier II penalties.

67. (Original Issue No. 52) - Measurement P-9:

This proposal should be rejected for the reasons discussed previously in reference to ALEC Issue Number 48 (Original ALEC Proposed SQM Change Number 26).

68. (Original Issue No. 53) – Measurement P-10:

The ALECs propose to delete this measures from the SQM and to modify the average completion interval as noted previously. BellSouth has no objection to deleting this measurement. BellSouth does object, however, to adding the FOC interval to Measurement P-4A, as the ALECs propose. BellSouth's reasons for opposing this approach were discussed previously in the context of Issue No 58 (ALEC Proposed SQM Change No. 38).

69. (Original Issue No. 54) – Measurement P-11:

The ALECs propose to modify the business rule for this Measurement (Service Order Accuracy) so that BellSouth would "implement a mechanized method of measuring partially mechanized orders, and continue sampling for manual orders" as recommended by the Georgia Staff. (ALEC Comments, Exhibit 3, page 4) Once again, the ALECs have relied upon a Georgia Staff preliminary recommendation that is different from the Staff final recommendation and the decision of the Georgia Commission. Essentially, the preliminary Georgia Staff recommendation was that fully mechanized orders would no longer be measured. Partially mechanized orders would be measured by census, (i.e., a complete count), and non-mechanized orders would continue to be sampled. This would vary from the process in place today because currently, partially

mechanized orders and non-mechanized orders are both sampled. The final Staff recommendation, which was approved by the Georgia Commission, was that there would be a census of partially mechanized orders, and that non-mechanized orders (like fully mechanized orders) would not be measured.

BellSouth is agreeable to leaving the measurement as it is in Florida, and BellSouth is also agreeable to adopting the process contained in the Georgia Staff's final recommendation. BellSouth is opposed, however, to the approach advocated by the ALECs because this will result in structuring the measurement in a way that would create an unnecessary burden for BellSouth.

Any census would have to be done electronically. This means that a special program would have to be developed and maintained to conduct a census for partially mechanized orders. Nonmechanized orders would continue to be handled according to the current sampling process. Thus, under the ALEC proposal, although there would be only one measurement, two entirely separate measurement processes would have to be set up to deal with partial-mech orders and non-mech orders. BellSouth believes that this proposal is too burdensome. BellSouth submits that this Commission could well determine, as did the Georgia Commission, that there is no need to continue to measure non-mech orders. In this instance, BellSouth would be agreeable to developing programs to measure partial mech orders by census. At the same time, the ALECs have demonstrated no real need for a census, as opposed to a sample. Therefore, BellSouth would also be agreeable to keeping the existing measurement as it is.

Again, BellSouth does not object to removing from the measurements fully mechanized orders. If this is done, however, then the benchmark should change from

95% to 90%. Fully mechanized orders rarely have problems that are addressed by this measurement. It is the partially mechanized and manual orders that are more difficult, and that involve more problems. Thus, if the Commission were to remove from this measurement the less difficult orders, the benchmark should be changed to reflect the fact that only the more difficult orders remain.

Finally, the ALECs have stated that they want a separate category for manually processed orders for which the ALECs have no alternative to manual processing. The ALECs have stated in workshops that they believe it will help BellSouth to split out this category in this way. BellSouth, however, has no process to determine whether the manual orders could have been submitted some other way. For this reason, BellSouth opposes the additional separate category. Moreover, the percentage of nonmechanized orders that must be sent nonmechanized is very low. For example, in Louisiana, for the months of March, April and May 2002, the respective percentage of manual orders that could only be submitted manually were 12.5%, 11.93% and 10.38%. Furthermore, since manual orders are typically less than 5% of the total ordering volume, the above percentages applied to the 5% produces approximately ½ of one percent of total orders. BellSouth believes that there is no real need to create a separate category for this very small number of orders.

70. (Original Issue No. 55) – Measurement P-11: The ALECs propose to delete the exclusion for listing orders, i.e., directory listings. BellSouth has no objection to providing information for listing orders, but believes that it is not practical to do so as part of this measurement. The information regarding directory listings is not captured in the measurement, Missed Installation Appointments, and the data compiled for that

measurement is the source from which samples are pulled for the Service Order Accuracy measurement.

As an alternative, BellSouth would propose to include directory listing information as part of measurement D-2, which relates to Database Accuracy. That measurement encompasses a number of databases, including the directory assistance database. The directory listing information is included in that database. Thus, BellSouth would propose to provide the directory listing information that ALECs seek as part of the report for measurement D-2.

71. (Original Issue No. 56) – Measurement P-11: This measurement relates to issue 69 (original Proposed ALEC SQM Change No. 54), and BellSouth opposes the adoption of that proposal for the reasons previously described at length in reference to issue 69. The purpose of this particular ALEC proposal would be to remove fully mechanized orders from the measurement. As stated in response to Issue 69, this is acceptable to BellSouth, as long as the benchmark is adjusted accordingly and there is no requirement remaining to sample orders.

72. (Original Issue No. 57) – Measurement P-11: The ALECs propose to add to the business rule the statement that "for mechanized orders, BST will compare the LSR as sent by the CLECs to the final CSR after order completion determine accuracy." (Matrix of the Issues, p. 11). BellSouth opposes this because the LSR and final CSR cannot be used to make this comparison.

The customer service record is cumulative. In other words, it reflects the result of all orders that have been completed on the customer's account sine the account was first established. In contrast, the LSR is the vehicle for changing something on the

customer's account. An LSR can add or delete products and features for an existing account or it can terminate the account in its entirety. Therefore, if multiple LSRs have been submitted on the account, it is impossible to track these LSRs to the "snapshot" that constitutes the CSR at any given time. For example, if the CSR reflects 5 lines at a given point in time and an LSR adds 2, the new CSR should reflect all 7 lines. However, the CSR will only show the 7 lines, at that point, not the number of lines that were on the CSR at any point in the past. Thus, the CSR cannot be used to make the sort of "before and after" comparison that would be needed to determine if the number of lines in any given LSR was accurately reflected in the CSR "snapshot."

Tracking the service record becomes even more of a problem when multiple LSRs are submitted. In the example above, the CSR snapshot would show a cumulative number of lines that would be correct if all the LSRs had been properly processed. However, the information contained in the CSR does not allow for the tracking of the various LSRs to determine if they are accurately reflected in the CSR. Thus, the comparison simply cannot be done in the way that the ALECs advocate.

During both the Louisiana and Florida workshops, there were discussions regarding the above, and BellSouth believes that the ALECs accepted the explanation for why this proposal is not feasible. BellSouth also believed that this item had been moved to the list of resolved issues.

73. (Original Issue No. 58) – Measurement P-11: This proposed change also relates to changes proposed in Issue 69 above, and BellSouth is opposed to it for the same discussed previously. Specifically, in the current business rule, the language refers to a

statistically valid sampling of all service orders. The ALECs want this change so that the business rule will refer to a sample of only non-mechanized orders.

74. (Original Issue No. 59) – Measurement P-11:

The ALECS propose to modify the business rule for Measurement P-11 to change the current process for handling a situation in which a service order exists, but the LSR cannot be located. This problem typically occurs because of a PON (purchase order number) error. The Service Order Accuracy measurement utilizes a sampling process. This process uses a formula to determine the number of orders to be reviewed for each disaggregated submeasure. Once the sample size is determined, the appropriate number of orders for each disaggregation are pulled for review. In the current process, if a particular LSR cannot be found, no adjustment is made for large samples because the other LSRs sampled are adequate to achieve a statistically valid result. For small samples, the universe of LSRs is resampled, so that there is a substitute LSR that will be used as part of the sample.

The ALECs propose to change this procedure so that when a LSR cannot be located, it will be counted as a miss. The ALEC proposed procedure is wrong, however, because the failure to locate an LSR does not mean that the order is inaccurate in any way that affects the customer. This just means that the LSR cannot be located, which makes it impossible to determine whether the particular order is accurate or not. In this case, the appropriate approach is to resample whenever the universe is small and it is possible to conduct a re-sample. Moreover, it is also not appropriate to count missing LSRs as failures, because measurement P-11 is structured so that it only samples particular service affecting fields on the LSR. The PON field is not "customer affecting."

75. (Original Issue No. 60) – Measurement P-11:

This is yet another change that is necessary to implement the proposed change discussed above in Issue 69. Specifically, this change would have the effect of excluding fully mechanized orders from the measurement. BellSouth is not opposed to removing fully mechanized orders from the measurement, but is opposed to the other aspects of the change proposed by the ALECs in Issue 69, as discussed above.

76. (Original Issue No. 61) – Measurement P-11:

The ALECs propose two different types of changes to the report structure. One, the ALECs proposed to delete the reporting of separate categories based on the number of lines/circuits and whether the order is dispatched/non-dispatched. BellSouth agrees with this proposal. Service Order Accuracy should not vary by line count or dispatch status. Therefore, there is really no reason to have these separate reporting categories.

Two, the ALECs propose to make this a State specific rather than a regional measure. BellSouth is opposed to this proposal. The Service Order Accuracy measurement addresses a regional process. In other words, orders are processed in the LCSC on a regional basis. The various orders are not treated differently according to the state in which they originate. In fact, there is no difference whatsoever in the processing of these orders. Thus, any difference in the results from one state to another is simply happenstance, not the result of any systematic process. For this reason, BellSouth does not believe that this measurement should be artificially disaggregated into state-specific results in a way that ignores the regional nature of the measurement.

Also, during the development of this measurement, BellSouth looked at the prospect of state by state disaggregation, but found that the universe of certain types of

orders in each state is so small that it would be very difficult, if not impossible, to obtain a meaningful number of orders. In other words, in order to have a statistically valid sample, and in order for the measurement to work as contemplated, it is necessary to have the volume of orders that are produced by the entire nine-state region.

77. (Original Issue No. 64) – Measurement M&R-1:

78. (Original Issue No. 65) – Measurement M&R-2:

79. (Original Issue No. 66) – Measurement M&R-3:

80. (Original Issue No. 67) – Measurement M&R-4:

82. (Original Issue No. 69) – Measurement M&R-5:

For each of these measurements, the ALECs request that BellSouth provide them with the number of trouble tickets that are excluded from the measurement. As discussed previously, there is a general problem with tracking excluded information. As BellSouth has explained in other contexts, in order to make the PMAP system capable of functioning efficiently to meet the reporting deadlines established by the state commissions, it is necessary to streamline the data in the system. To accomplish this, any data that is not used in measurement calculations is removed from the active database used in PMAP. Thus, the excluded data simply is no longer in the data base, and this excluded data would include excluded trouble tickets.

In response to ALEC Issue No. 27 (Original ALEC Proposed No. 36), BellSouth stated that it would undertake the labor necessary to provide excluded data.. The data that BellSouth has agreed to produce will include the trouble ticket information. BellSouth should not be required to undergo this burdensome process a second time in order to produce trouble ticket information separately in response to this request.

81. (Original Issue No. 68) – Measurement M&R-4:

The change that the ALECs propose for this measurement would have the effect of counting a second trouble as a "repeat," even if the first trouble was not the fault of BellSouth, but is rather something properly attributable to the customer. The term "repeat trouble" is generally used as a means to indicate a situation in which a second trouble occurs because the first trouble was not properly repaired. The ALEC proposal is obviously inappropriate because, in the situation at issue, there is no "repeat trouble." Instead, in this situation, there are two separate troubles, one attributable to the customer, and a second, which is the first trouble attributable to BellSouth. As articulated in the Workshops, the ALECs' rationale is that when two troubles occur, the second must be attributable to a failure to fix the first, so the second trouble should be counted as a repeat, even if the first trouble is caused by the customer.

This logic, however, simply does not square with the reality of what occurs. To provide a simple example, assume that the first trouble is a report that the line is dead, and it turns out that the line is dead because the customer has left the receiver off the hook. This would clearly be a trouble attributable to the customer. Assume that the second trouble report is for noise on the line, and upon investigation, it is determined that this is the result of a bad cable pair. In this case, the second reported trouble would definitely be attributable to BellSouth, but would have absolutely nothing to do with the first.

Another example would be a situation in which the first trouble report relates to a situation in which the customer has misprogrammed his/her memory call. The second trouble report is that there is "no dial tone," a situation which turns out to be attributable

to a cable cut. Both troubles would be reported on the same line. Again, the second trouble has nothing to do with the first, and, therefore, could not possibly have been avoided by resolving the first differently.

Both of these examples are very realistic illustrations of what actually occurs. Yet under the ALEC proposal, the second trouble in each example would be counted as a repeat, even though only the second trouble is properly attributable to BellSouth and no action by BellSouth could have avoided the second trouble. Clearly, this is not a proper approach.

83. (Original Issue No. 74) – Measurement B-5: BellSouth is opposed to this ALEC proposal for the reasons referred to previously in ALEC Issue No. 5 (ALEC Original Proposal No. 6).

84. (Original Issue No. 75) – Measurement B-5: This issue concerns the level of disaggregation in SEEM. As discussed previously, issues that relate solely to SEEM disaggregation should not be considered as a part of the proposed changes to the SQM. Moreover, even if it were appropriate to consider this issue in the context of SQM changes, the standard proposed by the ALECs is inconsistent with other positions they have taken. Specifically, the ALECs propose a standard of parity with retail. However, the ALECs have also already agreed to utilize a benchmark for this measure (See Issue 27 on the list of Agreed Issues).

85. (Original Issue No. 83) – Measurement B-10: The ALECs proposed to change measurement B-10 from a diagnostic measurement to one having an interval of "95% in 45 days." BellSouth has discussed previously (in response to issue no. 6,

Original ALEC proposal no. 7) the reasons why a penalty should not be added to this measurement. The same rationale supports keeping this measurement as diagnostic.

Also, this is not a particularly significant measure because it represents an extremely small amount of the total amount billed to the ALEC. For example, 95% of the disputed items are less than $20 per item. Also, 95% of the disputes represent 0.2% of the total ALEC aggregate amount in dispute. Moreover, this measurement treats all billing errors the same, regardless of the amount at issue.

Moreover, there is a correlation between this measurement and the invoice accuracy measurement. That is, to the extent that there is a legitimate billing error, it will show up in the Invoice Accuracy measurement (along with other adjustments that are not related to billing errors).

Finally, to the extent there are delays in correcting errors, these delays may well be caused by the ALECs. In order for BellSouth to correct errors, it is necessary in most instances for ALECs to supply information. If the ALECs do not supply the information in a timely manner, or if the information is inadequate, this may result in delays. BellSouth should not be adjudged as failing this measure because of ALEC delays, and BellSouth should certainly not be penalized. The fact that the actions of ALECs may affect BellSouth's ability to provide timely performance mitigates in favor of leaving the measurement as diagnostic.

86. (Original Issue No. 84) – Measurement B-10: This issue also relates to the ALEC proposal to attach a penalty to this measurement. BellSouth is opposed to this proposal for the reasons discussed previously in response to ALEC Issue 6 (Original ALEC SQM Proposal 7).

87. (Original Issue No. 90) – Measurement TGP-1:

(Original Issue No. 93) – Measurement TGP-2: The ALECS propose to change the business rule that relates to these trunk group measurements. However, what they propose precisely is not clear. In their Comments (Ex. 3, p. 6), the ALECs explain that the point of this proposed addition to the business rule is to deal with the "time consistent busy hour." Specifically, the ALECs contend that the use of time consistent busy hour is not a proper way to measure trunk blockage in the current environment. BellSouth agrees, and BellSouth does not use a single time consistent busy hour for this reason. Under the time consistent busy hour approach, blocking would be measured based on the amount that occurs during the busiest hour of the day. Trunk blockage at other times of the day would not be counted. Again, this is not BellSouth's approach to this measurement. Instead, in any instance in which trunk blockage exceeds the allowable threshold, this counts against BellSouth and is reflected in the measurement regardless of the time of day that the blockage occurs. Thus, BellSouth is already doing what the ALECs appear to request through this change in the measurements, which means that the change is unnecessary.

Moreover, given the fact that the change is unclear, BellSouth does not know how this change would be implemented, even if it were necessary.

88. (Original Issue No. 91) – Measurement TGP-1

(Original Issue No. 94) – Measurement TGP-2: These ALEC-proposed changes would have the effect of implementing the ALEC's proposal that blockage that occurs in any two single hours in a 24 hour period should count as a failure, as opposed to the current standard of two consecutive hours. BellSouth is opposed to these changes

for the reasons addressed previously as part of BellSouth Issue ____ (Original BellSouth Proposal No. 32).

89. (Original Issue No. 92) – Measurement TGP-1:

(Original Issue No. 95) – Measurement TGP-2: The ALECs propose to remove from these measures what they refer to as an unacceptable 0.5% buffer. (ALEC Comments, Ex. 3, p. 7). This reference is to the fact that these measures are currently structured so that ALEC blockage may not exceed BellSouth blockage by more than 0.5%. BellSouth opposes this change to the current standard.

BellSouth uses 0.5% as a materiality threshold because, from a practical as well as a statistical standpoint, parity does not mean that trunk blockage for ALECs and for BellSouth is exactly the same for each hour reported. Indeed, the chances are very small that the ALEC and BellSouth trunk blocking will be exactly the same for any given hour measured. Therefore, given that the numbers will be different in almost every case, the question becomes how much of a difference can reasonably be considered as satisfying a parity standard? In considering standard trunk group design and engineering criteria, the 0.5% margin used by BellSouth is certainly reasonable.

Trunk groups are not designed so that there is never any blocking on a specific trunk group. It would, of course, be infeasible to attempt such a design. Therefore, the percent blocking thresholds, based on the industry standard just discussed, range from 1% to 2% overall blocking. In comparing performance on ALEC and BellSouth trunk groups, BellSouth uses the 0.5% materiality threshold to account for the variability that exists because ALEC trunk groups are generally smaller and subject to more significant growth, on a percentage basis, than BellSouth's trunk groups. Necessarily, when making

a parity comparison (ALEC versus retail trunk blocking), some value marking the level of difference that represents a significant difference in performance is required. The 0.5% represents the allowable difference, beyond which the observed difference is considered significant. The 0.5% threshold is a stringent standard. If anything less than a 0.5% margin were used, this would make the measure overly sensitive to normal traffic fluctuations.

The 0.5% margin is also necessary for other reasons. Beyond normal traffic fluctuations, traffic within a single hour is subject to short-interval, one-time network affecting events such as mass calling. Also, especially with respect to the ALEC-specific trunk group measure (TGP-2), the impact of different busy hours for individual ALECs and for the BellSouth trunk groups can give the false impression that performance is out of parity if a reasonable materiality threshold is not employed. For instance, if the trunk busy hour for a specific ALEC is 9:00 p.m., because of the type of service that it offers, and the busy hour for comparable BellSouth trunk groups is 10:00 a.m., the difference in trunk blocking is due to the existence of non-coincident busy hours and not an absence of parity. Any reasonable and valid trunk group performance measure that attempts to assess parity must account for this variability, in addition to the normal and random variation present when observing trunk blockage results.

Nevertheless, BellSouth's level of trunk group performance for both ALECs and its own retail trunk groups is consistently very high. For example, for the most recent three-month period (July through September 2002), the average ALEC trunk blockage was 0.0675%. This represents approximately 6 calls blocked in 10,000 attempts.

Further, trunk blockage for the ALEC aggregate did not exceed 0.5% for any hour during this entire three-month period.

Finally, BearingPoint, formerly KPMG Consulting, reviewed these metrics (i.e., TGP-1 and TGP-2) as part of its adequacy review. BearingPoint, while raising certain other minor concerns with these measures, did not view the 0.5% threshold as a concern. Similarly, the Georgia Public Service Commission found this parity standard to be appropriate.

93. (Original Issue No. 98) – Measurement CM-2:

94. (Original Issue No. 99) – Measurement CM-2: Each of these proposed changes relate to the ALECs' proposal to add CM-2 as a SEEM penalty. BellSouth is opposed to these changes for the reasons discussed in response to ALEC Issue No. 7 (Original ALEC Proposal No. 8).

95. (Original Issue No. 100) – Measurement CM-3: BellSouth is opposed to this proposal to add a Tier 1 measurement for CM-3 for the same reasons discussed in its response to the ALECs' comparable proposal for measurements CM-9 (ALEC Issue 1, Original ALEC Proposal No. 2).

96. (Original Issue No. 101) – Measurement CM-4:

97. (Original Issue No. 102) – Measurement CM-4:

BellSouth is opposed to this proposal for the reasons discussed in reference to ALEC Issue No. 8 (Original ALEC Proposal No. 9).

98. (Original Issue No. 104) – Measurement CM-10: The ALECs have requested that BellSouth provide them with a weighting table. BellSouth provided this

table as part of its Response to the Action Items, filed November 1, 2002. Accordingly, BellSouth believes that this issue has been resolved.

IV. CONCLUSION

Again, the Six Month Review should not present an opportunity for parties to make new proposals that ignore previous rulings of the Commission. Instead, the Review should be an opportunity for parties to raise concrete, specific problems that have recently arisen (generally after implementation of the plan), and to provide equally specific solutions for these problems. BellSouth's Proposals meet this standard. The ALEC proposals, however, are, in the main, just a rehash of previously rejected positions, combined with argument for more penalties, more measurements, or stricter standards. Also, the ALECs generally provide no factual support to demonstrate any need for the changes they propose. For this reason, the ALEC proposals should be denied.

Respectfully submitted this 19th day of November 2002.

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