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November 21, 2003

VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of Records and Reporting
Betty Easley Conference Center
4075 Esplanade Way
Tallahassee, Florida 32399-0870

Re: Docket No.: D31072 - TL

In re: Petition of CLEC Coalition to Develop a Process to Evaluate BellSouth Telecommunications, Inc.'s Compliance with the 50/50 Plan, a Portion of the Change Management Process.

Dear Ms. Bayo:

On behalf of DIECA Communications, Inc. d/b/a Covad Communications Company (Covad), enclosed for filing and distribution are the original and 15 copies of the following:

- ▶ CLEC Coalition's Petition to Develop Process to Evaluate BellSouth Telecommunications, Inc.'s Change Management Process.

Please acknowledge receipt of the above on the extra copy of each and return the stamped copies to me. Thank you for your assistance.

RECEIVED & FILED

in
FPSC-BUREAU OF RECORDS

Sincerely,

Vicki Gordon Kaufman

Vicki Gordon Kaufman

VGK/bae
Enclosures

MCWHIRTER, REEVES, MCGLOTHLIN, DAVIDSON, KAUFMAN & ARNOLD, P.A.

11876 NOV 21 2003

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of CLEC Coalition
To Develop a Process to Evaluate
BellSouth Telecommunications,
Inc.'s Compliance with the
50/50 Plan, a Portion of the
Change Management Process.

Docket No. _____

Filed: November 21, 2003

**CLEC COALITION'S PETITION TO DEVELOP PROCESS TO
EVALUATE BELL SOUTH TELECOMMUNICATIONS, INC.'S
CHANGE MANAGEMENT PROCESS**

AT&T Communications of the Southern States, LLC, DIECA Communications, Inc. d/b/a Covad Communications Company, ITC^DeltaCom Communications, Inc., MCI metro Access Transmission Services, LLC and MCI WorldCom Communications, Inc. (collectively, MCI), and Network Telephone Corporation (hereinafter CLEC Coalition), pursuant to rules 25-22.036 and 28-106.201, Florida Administrative Code, petition the Florida Public Service Commission (Commission) to evaluate BellSouth Telecommunications Inc.'s (BellSouth) compliance with the 50/50 plan related to the Change Management Process. BellSouth has engaged the services of a third party to assess compliance with the change control process. Specifically, the CLEC Coalition requests that the Commission require an "open" audit of the change management process which includes full participation by the Commission, Commission Staff, the CLEC Coalition and any other interested parties. In support thereof, the CLEC Coalition states:

Introduction

1. The CLEC Coalition is comprised of competitive carriers doing business in Florida. Notices, pleadings, orders and other papers in this docket should be furnished to the following:

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Atlanta, Georgia 30309

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For: Covad Communications Company

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For: Network Telephone Corporation

Substantial Interests

2. Each of the carriers who comprise the CLEC Coalition does business in Florida and utilizes BellSouth's OSS to conduct such business. An integral part of appropriate and efficient utilization of BellSouth's OSS is a fair and objective change control process. This ensures that changes to the OSS are appropriately prioritized and executed. The CLEC Coalition is substantially affected by the change control process, BellSouth's inappropriate manipulation of that process, BellSouth's failure to comply with the 50/50 plan, and BellSouth's limited audit related to the 50/50 plan.

Background

3. In Docket Nos. 960786B-TL and 981834-TP, pursuant to Commission order, KPMG conducted a third-party test of BellSouth's OSS. On June 21, 2002, KPMG published its OSS Draft Final Report. That report contained several open exceptions. One of those open exceptions was Exception 88. This exception provided that the BellSouth change control process did not allow CLECs to be involved in prioritization of change requests that impacted them. KPMG found that:

the policy of not allowing prioritization of internal change requests inhibits one of the primary objectives of the CCP, which is "to allow for mutual impact assessment and resource planning to manage and schedule changes."¹

KPMG also noted that the impact of BellSouth's internal Change Management Prioritization Process limited CLEC participation in the prioritization of all change control requests and that such lack of participation could result in changes affecting the CLEC community not being developed or implemented in a timely manner.

¹ Order No. PSC-02-1034-FOF-TP at 5.

4. The Commission found that Exception 88 could not be satisfied until a process was in place that "allows mutual impact assessment and mutual resource planning."²

5. In response to Exception 88, BellSouth adopted what has come to be known as the 50/50 plan. The intent of the 50/50 plan is to allow BellSouth and the CLECs to share equally in release capacity for any given year.

6. Further, in response to Exception 88, BellSouth "committed to independent third-party verification of capacity used and remaining after each new software release."³

7. The Commission found that:

[k]ey elements of BellSouth's change control release development and implementation processes, including important meetings, service quality measurements, prioritizations, and ALEC participation will be observed during this time frame.⁴

Thus, the Commission intended to assure that the change control process was managed fairly.

**CLEC Input and Commission Approval Is A
Necessary Component of a Meaningful Third-Party Audit⁵**

8. It is the understanding of the CLEC Coalition that BellSouth has hired a third party to verify BellSouth's compliance with the requirement to assign 50% of the software capacity for changes to CLEC requests and 50% to BellSouth. However, the third party was hired and the "verification" conducted without advising the Florida Commission or the CLEC community that such activities were occurring. Only when BellSouth notified the Georgia Commission that it was attempting to comply with a Georgia Order did the CLEC Coalition become aware that BellSouth was conducting third-party verification. BellSouth indicated that PricewaterhouseCoopers (PwC) had *already been retained* and would file a report "within the

² *Id.*

³ *Id.* at 7.

⁴ *Id.* at 8.

⁵ The following paragraphs comprise facts which BellSouth may, at least in part, dispute.

next few weeks.⁶ BellSouth undertook this action without any involvement by the CLEC Coalition or any Commission.

9. The CLEC Coalition strongly supports the need for a third-party audit of BellSouth's compliance with the 50/50 plan. However, for the audit to be meaningful, CLEC input and Commission approval are critical.

10. The Request for Proposal (RFP) process that BellSouth used to secure PwC did not include input from the CLEC Coalition or the Commission. The BellSouth RFP included a definition of the project scope, the outcome BellSouth desired, the timeframe in which the project should be completed, and some background information intended to educate the vendors on the subject. Thus, BellSouth had complete control over the vendor selection and consequently, the outcome of the attestation. This casts grave doubt on the validity of any audit product. The current audit is further suspect because if PwC needed clarifications about certain portions of the work, the only clarification PwC received came from internal BellSouth employees, rather than a jointly agreed upon audit scope supported by BellSouth, the CLEC Coalition and the Commission.

11. Based on a review of the information BellSouth has provided, it appears that the PwC work scope is extremely limited. This limited work scope restricts PwC from conducting a thorough audit of the capacity allocation process and other affected processes within change management. The limited scope also restricts PwC from determining if the capacity allocation is actually working because the audit does not provide for a review of the entire capacity allocation process from start to finish. Unless specific and discrete work efforts are evaluated, PwC findings of compliance will not comprise a valid and reliable audit.

⁶ See August 14, 2003 letter, p. 1, Attachment A.

12. To ensure that the audit is meaningful and accomplishes the appropriate goals, concerned parties must have input into the audit scope. For example, one of the major concerns regarding the current audit is that BellSouth has requested and provided a limited scope attestation of specific data collection and reporting using techniques similar to a financial audit. Audit of the change management process should use techniques similar to those used in a “management audit” to determine whether or not the process improvements achieve implementation of the 50/50 plan.

13. The only way to ensure compliance with the 50/50 plan is to provide the Commission and the CLEC community with the ability to provide input into the scope and execution of the audit. At a minimum, the CLECs should be able to review and comment on the statement of work that BellSouth requested from PwC, or, alternatively, the Commission should approve a new statement of work for the audit that includes a review of all processes and sub-processes that comprise the determination of capacity management.

14. The audit as currently comprised has numerous defects. The Commission should require that, at a minimum, the audit provide answers to the following questions and/or issues:

- a. How is the unit sizing determined for all change request types?
- b. What are the critical elements and/or systems assessed in this process?
- c. Do different systems have different capacity issues and how is capacity assessed for those systems?
- d. What are the “standards” or “rules” utilized by BellSouth Subject Matter Experts (SMEs) to conduct the unit sizing work effort?
- e. How does BellSouth management determine if SMEs are consistently implementing the “standards” or “rules” for determining unit sizing? For implementation?
- f. What is BellSouth’s process for monitoring the accuracy of unit sizing for change requests?

15. All change requests, especially the defect process and unit sizing, should be included in the audit. This specific area has a very significant impact on the amount of capacity that is available to be split between BellSouth and the entire CLEC community. The audit should address the overall validity of how defect capacity is being administered.

16. As a separate, but integral, part of validating the 50/50 capacity process, the software defect process should be included in the audit and thoroughly examined. Any attestation of the 50/50 process will be flawed absent such an evaluation because BellSouth alone controls the software defect process. The CLEC community has uncovered numerous problems, some of which are listed below, which the audit must address:

- a. Incorrect assignment of vendor hours;
- b. Failure to share payments for defective software. Payments for defective software have been made to BellSouth; however, BellSouth has not shared those payments with the CLEC community for the costs incurred as a result of those defects. As victims of defective software, the CLECs have been negatively impacted from a cost, customer service, and parity standpoint;
- c. Incorrect allocation of the capacity necessary for defective code correction in a pre-production environment. Capacity for these corrections should not be taken from the percentage of capacity allocated to CLECs. For example, in Release 11.0, the correction of defective code quadrupled the maintenance capacity. Classifying a change request as maintenance, prior to production, manipulates the outcome of the capacity allocation. As a result, the current process for defective code corrections results in a significant decrease in the 50% of the 50/50 plan that is assigned to CLECs.

Conclusion

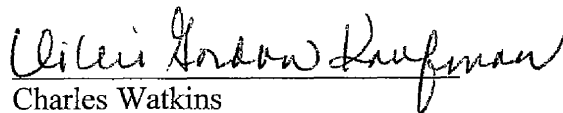
17. The CLEC Coalition considers any attestation by PwC under the current scope of the RFP and audit BellSouth alone developed to be misleading and incomplete.⁷ Unless the Commission intervenes, BellSouth will continue to control the outcome of the audit. The CLEC

⁷ This comprises the CLEC Coalition's statement of ultimate facts alleged.

Coalition respectfully requests that a process be established that will include representatives of PwC, BellSouth, CLECs, and the Commission Staff so that a full audit of all processes and sub-processes of the BellSouth Capacity Management Plan can occur.

WHEREFORE, the CLEC Coalition requests that:

1. the Commission require BellSouth to open the audit to all interested parties for the purpose of gathering comment and input;
2. that the audit not proceed any further until the Commission has reviewed, clarified and approved its scope.



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CERTIFICATE OF SERVICE

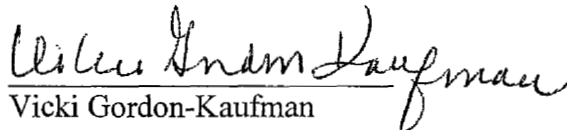
I HEREBY CERTIFY that a true and correct copy of the foregoing CLEC Coalition's Petition to Develop Process to Evaluate BellSouth Telecommunications, Inc.'s Change Management Process has been provided by (*) hand delivery and U.S. Mail this 21st day of November 2003, to the following:

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August 14, 2003

DELIVERED BY HAND

Mr. Reece McAlister
Executive Secretary
Georgia Public Service Commission
244 Washington Street, S.W.
Atlanta, Georgia 30334-5701

Re: *Performance Measurements for Telecommunications Interconnection,
Unbundling and Resale; Docket No. 7892-U*

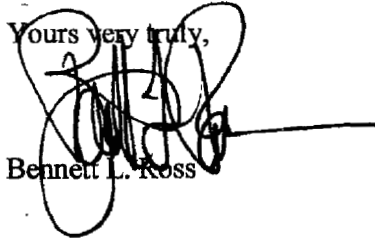
Dear Mr. McAlister:

In its November 14, 2002 Order in the above-referenced proceeding, the Commission adopted a requirement that capacity for production releases for BellSouth Telecommunications, Inc. ("BellSouth") and Competing Local Exchange Carriers ("CLECs") be split on a 50%-50% basis. The Commission also directed that BellSouth "hire a third party to ensure that the 50-50 plan and all of the approved changes [to the Change Control Process] are implemented as ordered by the Commission." November 14, 2002 Order at 6-7.

Consistent with the Commission's November 14, 2002 Order, BellSouth has engaged the independent auditing firm of PricewaterhouseCoopers ("PwC") to report on BellSouth's compliance with the Commission's requirements. PwC will submit two reports, the first of which will verify that BellSouth has implemented all of the Change Control Process changes approved by the Commission in its November 11, 2002 Order and that at least 50% of the Post Release Development Units for Type IV and V Change Requests have been reported as CLEC Change Requests (Type V) for the first quarter of 2003. PwC's first report is expected to be released and filed with the Commission within the next few weeks. PwC will issue a second report that is expected to be issued by the end of first quarter 2004, which will address BellSouth's adherence to the 50/50 plan for the entire year of 2003.

Mr. Reece McAlister
August 14, 2003
Page 2

Enclosed please find for filing an original and seventeen (17) copies of BellSouth's update, as well as an electronic copy, for filing in the above-referenced docket. I would appreciate your filing same and returning two (2) copies of this correspondence stamped "filed" in the enclosed self-addressed and stamped envelopes.

Yours very truly,

Bennett L. Ross

BLR:nvd
Enclosures

cc: Mr. Leon Bowles
Parties of Record

501524

PARTIES OF RECORD

Docket No. 7892-U

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