04053S-TL

ATTACHMENT B

BellSouth Telecommunications, Inc.
~~Undocketed Matter~~
Request for Specified Confidential Classification
Page 1 of 1
05/24/04

Review of BellSouth Telecommunications, Inc.'s
Maintenance and Repair Practices

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COM _____
CTR _____
ECR _____
GCL _____
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MMS _____
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2.4.3 Maintenance Plans

Throughout the years, BellSouth has offered several versions of this plan to its customers. Presently, there is one plan being offered to customers who request this service. The current plan, identified by the universal service order code of SEQ1X, covers the trouble determination/isolation charge and both inside wire repair and jack replacement unless the subject work falls under one of the exceptions to the maintenance plan. BellSouth still has a small group of customers in Florida who subscribe to one of the older plan options. These plans have been "grandfathered" under the maintenance umbrella and provide different levels of coverage to the customer.

The Inside Wire Plan is offered to all basic retail residential and business customers of BellSouth. Resale CLEC customers are also eligible if the CLEC chooses to offer the service. However, CLEC UNE-P and UNE-L customers are not eligible for the plan. When a new account is set up, a customer can add the service and the plan will take effect immediately. An existing customer may add the service at any time, but will have to wait 30 days for the plan to take effect. As noted in Chapter 4, BellSouth is planning to remove this waiting period requirement to eliminate confusion.

2.4.4 Cause Codes, Disposition Codes, and Narratives

When a Service Technician is dispatched to a location with a trouble and completes the necessary work, he must log the work as complete. The Service Technician notes on each job what was done at the location and bills accordingly. The Service Technician uses the TechNet system to record this information. There are three main components that the Service Technician must record regarding each trouble cleared: the disposition code, the cause code, and the written narrative. These three components allow BellSouth to record and monitor the work that has been done and provide data to analyze concerning trouble patterns. All three are required for all trouble visits regardless of whether the customer has IWP coverage.

The disposition code is a four-digit code used by the Service Technician to categorize the type of trouble at the location. There are eleven different categories of disposition codes grouped by the type of trouble. Within these eleven categories are subgroups that isolate the specific type of trouble that occurred. For example, a problem inside the customer premise would be closed to a 12XX disposition code, while if it is a problem with BellSouth's equipment from the cross box to the customer's home, the Service Technician would use a code in the 0300s or 0400s.

Along with the disposition code, the Service Technician enters a cause code to note what caused the outage or problem. This is used by BellSouth to isolate patterns of equipment problems as well as other monitoring purposes. The cause code is a three-digit code that is categorized into six groups. Within the six groups are several options to further isolate the problem.

Along with assigning a disposition and cause code, the Service Technician must enter a narrative describing the work completed during the visit. The TechAccess system allows for a 42 character explanation to be entered in the narrative field. ██████████████████████ ███ **Exhibit 1** displays narrative guidelines provided in this training material.

BellSouth Narrative Requirements	
Item	Information Required
1	███████████████████████████
2	██████████████████████
3	████████████████████████████████████
4	███████████████████████████████████, ███████████████████████████ ██ ████████████████████████████████████
5	████████████████████████████████████
6	███████████████████████████████████
7	████████████████████
8	███████████████████████████████████ ███████████████████████████████

EXHIBIT 1   *Source: DR 1-4*

The same training material also provides a sampling of commonly used abbreviations for closeout narratives. Because of the limited character space, the Service Technicians are required to use abbreviations to fit all the required information into the field. A list of standard abbreviations is intended to create consistency in narratives.

While the disposition code and cause code allow BellSouth to quickly categorize the trouble, the narrative provides more specific and descriptive information needed to justify a billable service repair. Staff was told repeatedly by BellSouth employees during interviews and field observations that when a bill is generated, the narrative must state specifically that the trouble existed and was located on the customer's side of the network interface device.

2.5 Integrated Technician Performance Program

In 1997, BellSouth created a performance measurement program to objectively monitor and evaluate Service Technicians region-wide. This program, known as the Integrated Technician Performance (ITP) program, focuses on key components of the Service Technicians' job functions and calculates a score based on how well the Service Technician meets certain prescribed criteria.
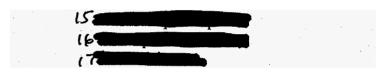
2.5.1 ITP History
This program was introduced as a means for Network Managers to quantitatively evaluate the Service Technicians' job performance. BellSouth states that this was initiated both to monitor and to improve the job performance of the Service Technicians. Each Service Technician is

1 reviewed against a set of standards that are established using historical data for the subject
2 geographical area from the previous year. The Service Technicians are grouped based on the
3 geographic and demographic nature of their primary service territory. BellSouth's expectation is
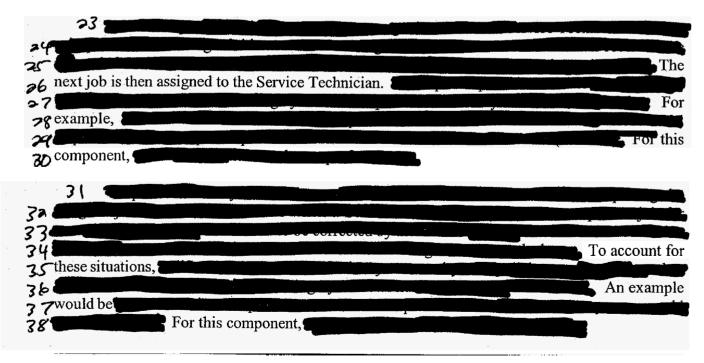4 that the Service Technicians will meet or exceed the standards set for the program.

5 In response to staff's requests, BellSouth could not provide a history of the ITP benchmarks
6 in place from 1997 through 2003. Staff was told by both BellSouth managers and Service
7 Technicians that benchmarks were routinely evaluated and raised during the seven-year period. The
8 complainant stated that this created increased pressure on Service Technicians to meet and exceed
9 the target scores set in each area. A comparison of ITP standards over time is further discussed in
10 Section 2.5.2. As of July 2003, BellSouth replaced the ITP program with the Engineered Service
11 Measures program, which is discussed in Section 2.5.3.

2.5.2 Basic Performance Measures
13 The ITP program monitors the following Service Technician performance indicators through
14 quantified measurements:

15 ███████████████
16 ███████████████
17 ████████████

18 BellSouth weights each component and combines all three to produce a composite ITP score. This
19 score is rated against the benchmarks set by BellSouth, and the Service Technician is evaluated on
20 the result. BellSouth states that the program is designed so the Service Technician cannot improve
21 one component while neglecting the others without impacting the overall performance score. The
22 overall goal for the company is to increase the Service Technician's productivity.

23 ██
24 ██
25 ███████████████████████████████████████ The
26 next job is then assigned to the Service Technician. ██████████████████████
27 ██ For
28 example, ███████████████████████████████
29 ███████████████████████████████ For this
30 component, ██████████████████████

31 ██
32 ██
33 ██
34 ███████████████████████████████████ To account for
35 these situations, ██████████████████████████████
36 ████████████████████████████████ An example
37 would be ████████████████████████████████████
38 ████████ For this component, ████████████████████

39

1 The last component of the ITP score is the ██████ BellSouth defines ████████

2 ████████████████████████

3 ████ BellSouth calculates ████████████████████████████

4 ████████████████████████████████ In the example, ████████████

5 ████████████████████████████████ For this

6 component! ████████████████████████

7 Once the rates are figured for each measure, BellSouth formulates a composite score for the

8 Service Technician. The following formula is used to derive this score:

9
10 ████████████████████████
10

12 In the example we have been reviewing, the composite score would ██████████████████.

13 This score and the individual scores for each area are used to determine whether the Service

14 Technician is meeting the standards set forth by the ITP program. There are three benchmarks that

15 each Service Technician is evaluated against: the ████████████████████, the ███

16 ████████████████, and the ████████████████

17 The ████████████████████████ and ████████ to determine whether

18 acceptable levels of quality work are being maintained. ████████████████████

19 ██

20 ████████████ If the Service Technician meets the ████████████ he is reviewed against

21 the ████████████████. The ████████████, the more efficient

22 the Service Technician is at meeting the standards.

23 ████████████████████████████████

24 ████████████ This standard is established as the acceptable benchmark for the Service

25 Technicians. The standard is ████████████████████████████

26 ████████████████ If the Service Technician has met the ████████ and his ITP

27 score is equal to or lower than the minimum performance standard, he has met the benchmark.

28 The ████████████████ is the score BellSouth has set for each Service Technician

29 to strive to obtain. According to BellSouth, this score is used to stress continuous performance

30 improvements for each Service Technician. This score is ████████████████

31 ████████████████████████ If a Service Technician meets this goal, it

32 is noted by BellSouth on the monthly ITP scorecard that the associate has exceeded objectives.

33 While a detailed history of the ITP benchmarks was not available, BellSouth did provide

34 staff with the Florida minimum ITP standard for the first quarter of 2003. Staff also received the

35 initial roll-out material for ITP from 1997 from a former BellSouth employee. This material

36 included the minimum ITP standard and objectives for South/Southeast Florida. These figures were

37 based on the Service Technicians' 1996 performance. While there have been regional and district

38 changes during the period 1996 through 2002, the overall geographic makeup has remained the

1 same. When looking at the southern half of Florida, in 1996 the average ITP performance standard
2 was ████. For the same geographic area in 2002, the minimum standard has dropped to ████ This
3 change represents a 33 percent increase in required efficiency over the period, which equates to an
4 average increase of 5.5 percent per year.

5 BellSouth management uses the ITP results to evaluate the overall performance of the
6 Installation and Maintenance division. This information, along with other evaluation criteria, allows
7 upper management to compare each turf, district, and region to the overall company performance.

8 2.5.3 Engineered Service Measures (ESM)

9 ESM, an enhancement to ITP, was developed through a joint effort by BellSouth and the
10 consultant firm of ████████████████████ to better understand work task content, to translate
11 work into reasonable expectations, and to improve the way Service Technicians are given credit for
12 work completed.

13 As stated in Section 2.5.2, ITP performance indicators measure ████████████████████,
14 ████████ and ████████████. One problem noted with ITP was the failure to measure
15 separate tasks performed on the job site within each dispatch. Under the most recent method, ████
16 ██
17 ████████████████████████████
18 ████████████████

19 Units for each task performed were developed. ESM have units to report for all field tasks
20 that are classified as either ████████████████████████████
21 ██
22 ████████. The Service Technician earns both ████ and ████ tasks on each job.

23 The basic improvement over ITP is a switch from a ████████████ to an ████████████.
24 The Service Technician is now being measured on ████████████████████████████
25 ████████. Thus, each Service Technician is measured on all ████████████████
26 ██
27 ██
28 ████████████████████████████████

29 BellSouth states that ESM will produce next day and weekly summary reports for feedback
30 so managers can recognize opportunities for improvement and see components that drive costs.
31 Performance summaries will be available as they were in ITP, ranging from individual to company-
32 wide levels.

33 It appears ESM will represent an improvement over ITP. Management features include
34 analysis of ██
35 ██ The company states that these indicators
36 should improve overall field operations. A pilot ESM was completed and the program was fully
37 integrated on July 1, 2003.

2.5.4 State and Regional Incentive Programs

Based on information provided by BellSouth, there have only been two corporate level incentive programs implemented for improved ITP results since 1997. The ▮▮▮▮▮▮▮▮ program was implemented in the second quarter of 1997 and continued through 1998. This program included only BellSouth network managers and supervisors. Service technicians did not receive monetary awards for performance.

In the ▮▮▮ Service technicians received ▮▮▮▮▮▮▮ ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮ Monetary awards to managers were based on the following three factors:

▮▮▮

▮▮▮▮▮▮

▮▮▮

▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮

A second limited scope trial incentive program, named ▮▮▮▮▮▮▮ was implemented in January 2002 and terminated in March 2003. ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮ ▮▮. implementation was also limited to seven trial districts within the nine state BellSouth operations. Only two of the seven trial districts were located in Florida: North Florida Northeast and South Broward. BellSouth staff stated that ▮▮▮▮▮▮▮ was negotiated with union organizations in each state to assure their agreement and approval.

According to BellSouth information, ▮▮▮▮▮▮'s design was based on "lessons learned from previous incentive programs," and "included many checks and balances" to ensure "BellSouth was driving the correct behavior." Standards placed emphasis on ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮ ▮▮ The ▮▮▮▮▮▮ pilot incentive plan was suspended in March 2003, with the scheduled implementation of the new EMS plan to replace the ITP program.

2.6 Installation and Maintenance Controls

Internal controls ensure proper adherence to procedures and allow management to detect and prevent improper activity by employees. Service Technicians act as company representatives, interacting directly with customers. They make customer-affecting judgement calls regarding repairs and plant changes, charge for work performed, and update customer and company records. All of these work activities are governed by internal controls.

The Ethics Hotline 1-800 number is the primary means for employee contact. It is a 24 hours a day and seven days a week means of contact that is staffed by a third-party contractor. The Ethics Hotline receives more than 1,200 calls per year with allegations and complaints such as fraud, human resource problems, EEO violations, harassment, and theft. These are reviewed by two investigators covering the nine state area. The investigators either analyze allegations or assign them to other departments for investigation. The Ethics Hotline is discussed with more detail in Section 4.2.3.

2.6.4 BellSouth Network Compliance Reviews

Periodic operational review by the company's Installation & Maintenance support staff for network operations is a major component of BellSouth's system of controls. BellSouth instituted this type of compliance verification years ago as a network monitoring tool to measure results and to identify areas of improvement needed in the handling and disposition of trouble reports.

These operational reviews are now called "compliance reviews." According to BellSouth, their purpose is to provide a method to validate the accuracy, reliability, and integrity of IMC data provided to the Federal Communications Commission and the FPSC. The reviews are based upon sample analysis of trouble report documentation. The reviewers are subject matter experts from the network I&M support staff. The review format is prescribed BellSouth Practices Section 002-500-018BT Issue D, which outline the compliance review process. The practice does not designate how often these reviews will be conducted. An interview conducted with managerial review staff indicated that BellSouth attempts to conduct these annually in each district.

The sample transactions reviewed are taken from trouble reports from the MTAS database. Areas such as narratives of employee reports, trouble history, disposition codes used, and common user IDS are checked for accuracy using various inputted source documents. These reviews do not include checking the appropriateness of the cause codes used in combination with the disposition code. Upon the completion of a review, the findings will be specified as compliant or noncompliant and shared with local management. Report results are given to all affected managers as well as the Network Vice-president. Based upon managements' response, corrective actions are taken as necessary.

From 2000 to date, six compliance reviews of Florida network operations were performed by compliance support staff. The first review was a February/March 2000 North Dade customer billing review. The second review, dated September 2001, was in South Florida and was used to validate accuracy of data such as disposition codes. The third review was a 2002 Southeast Florida special request review of 500 selected items to assure management was in line with proper reporting of disposition codes. The fourth review was in North Florida and was the same type validation review. The fifth and sixth reviews were conducted in South Florida in September and October of 2003. ██ ██. In total, BRR staff analysis found reviews two through six reflect a continuing problem with ████████████████

2.6.5 Internal Audits

Another key component of BellSouth's controls is internal audits. Internal audits assess the adequacy of systems and controls. These audits are conducted by the Internal Audit Department headquartered in Atlanta. Staff focused on five audits completed during the time period of 1999 through 2003 relating to Florida network operations. Additional BellSouth audits addressed other network operations workgroups and issues but were not considered relevant to this review by BRR staff.

Internal Audit No. 90-2004 was a four-state audit (including Florida) that covered the Installation and Maintenance group thereby including installation and repair services. The audit also included ████████ Internal Audit No. 259 was a four-state audit, with one portion covering Florida. ███ ████████

Internal Audit No. 1307 was a follow-up from Internal Audit No. 90-2004. It addressed the ███ █████████████████████████████████ Internal Audit No. 1307 also retested ████████████ in management control. The follow-up audit contained the following four findings█████████ █████████████████████████████████

██████████████████████████████████████
██████████████████████████████
██████████████████████████████████████
██████████████████████████████

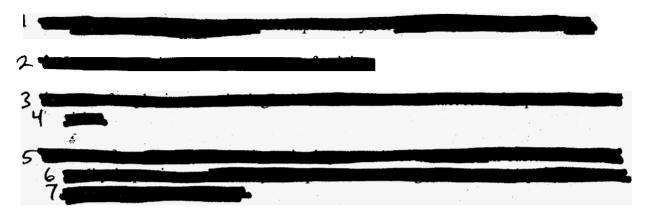The latter ███ ████████ from Audit No. 90-2004.

Internal Audit No. 2245 was a detailed audit of I&M technician activity in South Florida and two other states. According to BellSouth, ██████████████████████████████ ███ It was also a follow-up of Audit No. 1307. The audit report noted that, █████████████ █████████████

███
███
███
██████████████████████████████████████
████████████████████████████████

Lastly, Internal Audit No. 2197 was completed in June of 2003. It reviewed █████████ ███The audit report findings included the following:

1 ██

2 ████████████████████████████████████

3 ██

4 ████████

5 ██

6 ██

7 ████████████████████████

8 Staff did not obtain operational management's response to these audit findings, but notes that some
9 of BellSouth's recent initiatives appear to address these audit findings. For further discussion of
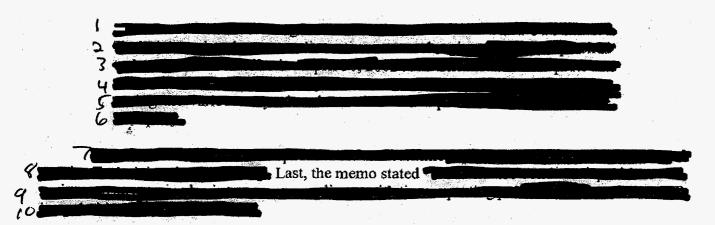10 these initiatives, refer to Section 4.2.5.

11 In an attempt to determine the prior history of the exclude code accuracy failures noted in
12 Audit No. 2245, staff requested a list of other network operational audits between 1995 and 1999.
13 BellSouth refused on the grounds that the request is "overbroad, burdensome, and irrelevant to the
14 issues audited."

2.6.6 External Audits

15

16 According to BellSouth, one external audit (No. 43-03) related to network operations was
17 completed in 2002 by ████████████████████ for the years 2000 and 2001. The audit
18 analyzed ██
19 ████████████

20 ██████████████████████ findings ██████████████████████
21 ██
22 ██
23 ██
24 ██
25 ██
26 ██

27 ██████████████████████ also noted that ██████████████████████
28 ██, Essentially, █████████
29 ██
30 ████████ The audit found █████████████████████████████████
31 ████████████████████ concluded: █████████████████████████
32 ██
33 ██

34 BellSouth management's response to the external audit included a memo to all operational
35 vice presidents, general managers, and directors that stated in part:

[redacted text] Last, the memo stated [redacted text]

2.6.7 BellSouth Executive Complaints

BellSouth has an internal group responsible for reviewing complaints that have been escalated to executive management. These complaints were received by BellSouth through internal management escalations, through letters directly addressed to executive management and, in some cases, through the Commission's Division of Consumer Affairs. Staff requested from BellSouth a listing of the executive complaints received in the state of Florida that directly addressed maintenance issues. Staff received 426 maintenance complaints covering the time of 2000 through April 2003.

BellSouth determined that some of the 426 complaints were valid due to employee error. In these cases, a refund was given to the customer. In a portion of the cases, it was determined that the dispute was unfounded and no billing adjustment was necessary. In a number of cases, BellSouth refunded a portion or all of the charge as a gesture of "customer good will" even though it was unable to substantiate the customer's claim that BellSouth was in error.
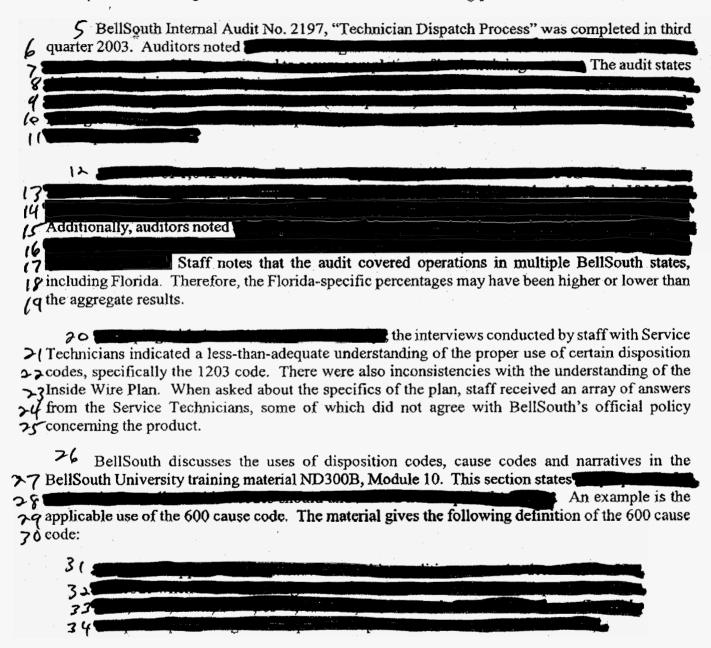
Staff determined that approximately 90 complaints involved errors made by Service Technicians. This represents 21 percent of the total executive complaints provided by BellSouth. Of these 90 errors, 56 were noted by BellSouth as cases of Service Technicians failing to either properly troubleshoot, identify the problem, or conduct the necessary tests at the premises. Many of these errors by the Service Technicians required a second visit to correct the problem. One example is a Service Technician who billed the customer for an inside wire problem when there was no Network Interface Device with testing capabilities. Without such a Network Interface Device, the Service Technician was not able to accurately determine whether the problem was a network or premise problem.

Another trend identified in reviewing the data was that customers stated they were not told about the trouble determination charge when calling in a trouble report. Staff noted 56 claims where the customer stated they were not made aware of the charges or they were told the charge only applied if the Service Technician had to do work inside the home.

There were 44 complaints disputing the problem being an inside wiring versus outside wiring (BellSouth) issue. Because of the technical nature of the service being provided, customers can

4.2.5 Finding 5

Significant numbers of Service Technicians and first level managers have not completed required training, leading to some Service Technicians showing a lack of understanding of installation and maintenance billing procedures.

BellSouth Internal Audit No. 2197, "Technician Dispatch Process" was completed in third quarter 2003. Auditors noted ███ The audit states ██ ██ ██ ██ █████████

██ ██ ██ Additionally, auditors noted █████████████████████████████████████ ████████████████████████████ Staff notes that the audit covered operations in multiple BellSouth states, including Florida. Therefore, the Florida-specific percentages may have been higher or lower than the aggregate results.

████████████████████████████████████ the interviews conducted by staff with Service Technicians indicated a less-than-adequate understanding of the proper use of certain disposition codes, specifically the 1203 code. There were also inconsistencies with the understanding of the Inside Wire Plan. When asked about the specifics of the plan, staff received an array of answers from the Service Technicians, some of which did not agree with BellSouth's official policy concerning the product.

BellSouth discusses the uses of disposition codes, cause codes and narratives in the BellSouth University training material ND300B, Module 10. This section states ████████████ ██ An example is the applicable use of the 600 cause code. The material gives the following definition of the 600 cause code:

██ ██ ██ ██

This definition directly addresses the use of the 600 cause code with the 1203 disposition code, but staff noted numerous uses of the "unknown cause" with a 1203 code.

4.2.8 Finding 8
Network operations management took insufficient action in response to compliance reviews, Ethics Hotline complaint investigations, and internal and external audits regarding network operations, thus causing delays in resolution of identified problems.

Analyzing audit data from Internal Audit Department and external audit sources, BRR staff noted ███. As mentioned in Sections 2.6.5 and 2.6.6, internal audits and an external audit report pointed out ██ ██████████████████████████████████████ The 2002 external audit by ████████████████████████████ also discussed the possibility that ████████████████████████████ ████████████████████

In addition to internal audits, I&M corporate staff compliance reviews documented a ██. As noted in Section 2.6.5, staff was not allowed to conduct a review of BellSouth's relevant 1995-1999 internal audits. Therefore, staff was unable to establish the origination point of the repeat findings. When staff requested a listing of these audits, BellSouth refused on the grounds the request was "burdensome and irrelevant" to the issues being audited. The company also refused on the grounds of attorney–client privilege and the attorney work product doctrine.

Staff believes I&M management inadequately responded to the 34 Ethics Hotline allegations pertaining to Miami area operations. While staff recognizes that repeated calls on the same subject within a short period do not necessarily reflect a serious problem, staff believes that all calls should be fully investigated. To ensure that problems do not recur, the Office of Ethics and Compliance should have sufficient authority to motivate operations management to implement corrective action.

4.2.9 Finding 9
Network operations compliance reviews have been conducted less frequently than is appropriate due to resource constraints.

BellSouth has curtailed staff compliance reviews since 2000. For example, North Florida did not have a review from 2001 through 2003. The corporate compliance staff specified that they prefer to conduct compliance reviews once a year in each district which equates to eleven per year in Florida. However, compliance staff notes other demands on the department have reduced review frequency. BellSouth compliance staff currently dedicates approximately one-half of a full time employee equivalent (or FTE) to these compliance reviews. Compliance reviews should take higher priority than currently given. Adequate resources should be allocated to continue the review program.

1   Additionally, in the ninth paragraph, Staff portrays an incomplete picture of
2 changes to the ITP standards by highlighting the fact that BellSouth increased
3 efficiency requirements, while failing to relay any of the justifications for the
4 increased expectations. BellSouth increased its ITP composite standards
5 because of a more widespread use of advanced technology in the field,
6 including, but not limited to the implementation of wireless dispatch capabilities
7 and electronic billing through TechNet, use of cellphones and the Integrated
8 Dispatch System (IDS). Additionally, the business office and repair center made
9 efforts to obtain better information from customers to facilitate access for the
10 technicians during premises visits.

11 ## Section 2.6.1 – Technical Support Managers

12   The primary objective of the Technical Support Manager ("TSM") is to
13 assist the Area Manager with administrative tasks. In this role, the TSMs assist
14 with the control functions referenced by Staff in this Section. Other network staff
15 members may also help with these control functions and, as such, BellSouth
16 objects to the Staff's attempt to broaden the TSM's job description. In August
17 2003, Network Operations Staff at Headquarters issued a memorandum directing
18 each turf in Florida to analyze 12XX and 0900 codes on a daily basis. BellSouth
19 implemented internal controls, but did not mandate that the tasks be done by the
20 TSMs. For example, Area Managers may also use Administrative Support
21 Managers ("ASM") to perform the tasks outlined in this Section.

22 ## Section 2.6.4 – BellSouth Network Compliance Reviews

23   In the third paragraph, Staff comments that the compliance reviews do not
24 include checking for cause codes when a technician bills a customer. It is
25 unclear why the Staff is pointing this out as cause codes do not drive billing and,
26 thus are irrelevant to an evaluation of potential misbilling. The Company uses
27 cause codes internally to manage issues in the network. As information, local
28 network staff monitors use of cause codes.

29   The statement in the sixth sentence of the fourth paragraph is confusing
30 as written. As clarification, the narrative problems referenced relate specifically
31 to ███████████████████████████ Also, since Staff highlights the
32 exclude code in several sections, BellSouth would like to point out that a misuse
33 of the exclude code does not result in the overbilling of customers.
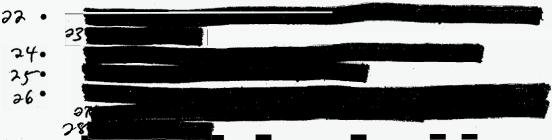
34 ## Section 2.6.5 – Internal Audits

35   BellSouth objects to the current wording of the fourth paragraph as
36 an incomplete summary of the audit findings on ████████████████ The
37 Staff highlights that the Company was not meeting the minimum standards
38 ████████████████ but fails to adequately address the noted
39 improvements in the area. The audit report noted that ███████████████

1 ███
2 ███
3 ███
4 ███
5 ███
6 ███

7 Also, as previously mentioned, a misuse of the exclude code does
8 not result in overbilling of customers.

9 ## Section 2.6.6 – External Audits

10 The second and third paragraphs are confusing as written. The second
11 paragraph implies that the ██████████████████████ report addressed
12 two items (1) ████████████ and (2) ████████████████████████████
13 ███ The
14 third paragraph implies that the ████ report addressed a third item – ██████
15 ██████████████████████████████████ The second item referenced in
16 paragraph two actually refers to the scenario described in paragraph three.

17 BellSouth objects to the fourth paragraph of this section as an incomplete
18 summary of management's response to the external audit. Page 19 of the ████
19 report indicates that management did much more than issue a memo.
20 BellSouth's management responded to the external audit finding in several ways,
21 including the following: ████   █

22 • ███
23 ███████████████████████
24 • ██
25 • ███
26 • ███
27 ████
28 ████████████████████

29 Additionally, it should be noted that Staff's block quote in the fourth paragraph
30 is from the ████ report, not from the subject memo.

31 ## Section 2.6.7 – BellSouth Executive Complaints

32 In the last sentence of the first paragraph, Staff states that it received 426
33 maintenance complaints covering the time of 2000 through April 2003. BellSouth
34 believes that this number should be placed into context and suggests replacing
35 the last sentence with the following: "Of over 10 million trouble reports received,
36 BellSouth's executive management received 426 maintenance complaints during
37 the time period of 2000 through April 2003."

Section 4.2.5 – Finding 5

BellSouth objects to this finding as overbroad and inflammatory. BellSouth stands by the skill and professionalism of its technicians. Regarding training, during time periods when there was a high volume of hiring, some turfs established training "boot camps" to facilitate the training of the technicians. While technicians received the training necessary to perform their jobs, adequate guidelines were not in place to ensure that all of the technicians' training records were updated. Since Audit No. 2197, Network has been reviewing and developing system enhancements to the current database. Network is currently conducting a trial in Florida of a database called ▮▮▮▮ to track training and inform local management of training requirements. Formal enhancements to the current BellSouth University system are scheduled for the fourth quarter of 2004 that will help better track training data.

As indicated in second paragraph of this Section, the percentages referenced by Staff do not necessarily reflect the status of training completion in Florida. According to the General Manager who oversees Network Operations in North Dade (the area in which the complainant worked), since at least 1998, the percentage of training course completion has been 98% or higher.

With regard to the fifth paragraph of this Section, BellSouth points out that the rise in UNEPs likely accounts for many instances where 1203 is used with a 600 cause code. Because BellSouth technicians are not required to test past the demarcation point in a UNEP situation, the technician may use 1203 to show that he or she went to the premises and tested at the NID together with the 600 code since the technician would not know what caused the problem. Further, it is BellSouth's position that use of the 600 code would also be appropriate with a 1203, in both retail and wholesale situations, where the tech was unable to gain access past the demarcation point to identify specifically what caused the problem, or where the technician was not required to test inside.

Section 4.2.6 – Finding 6

As clarification for the second sentence of the second paragraph and the third sentence of the seventh paragraph, SOCS (Service Order Control System) updates the LMOS Host in 24 hours and the LMOS Host updates the LMOS front-end within 24-48 hours. As a general rule, the updating process completes within two days, with three or four day time lags being more of an exception than the rule.

As clarification for the last sentence in third paragraph, the incorrect NMC data was an error that favored the customer. Because the NMC field defaulted to the customer having a maintenance plan, a technician would think that a customer had the maintenance plan when it did not. Thus, the technician might not have billed a customer that should have been billed.

1 In the last paragraph of this Section, Staff makes recommendations
2 regarding billing system edits. BellSouth will provide comments on this
3 recommendation in its response to Chapter 5.

4 Section 4.2.7 – Finding 7

5 To the extent that Staff is attributing, 1203 use to an alleged
6 ineffectiveness on the part of the TSMs, BellSouth objects. The Staff only
7 interviewed one TSM and can only speculate as to how other TSMs are
8 monitoring the technicians. Also, first level managers interviewed stated that
9 they review bills generated in conjunction with the 1203 code. As noted in
10 BellSouth's response to Section 2.6.1, Network Area Managers may also use
11 ASMs to assist them with the types of functions outlined in this Section.
12 BellSouth requests that the Staff provide the evidence to support the conclusions
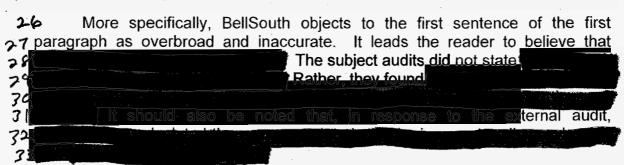13 set forth in this Section.

14 In the second sentence of the sixth paragraph, 37.5% should be 35.9% to
15 be consistent with Staff's statement in paragraph 12 of Section 3.1.3. BellSouth
16 disputes Staff's conclusion that 35.9% of narratives are insufficient for the
17 reasons stated in section 3.1.3 above.

18 Section 4.2.8 – Finding 8

19 BellSouth generally objects to this finding. Staff draws the broad
20 conclusion that "[n]etwork operations management took insufficient action in
21 response to compliance reviews, Ethics Hotline complaint investigations, and
22 internal and external audits....." This is Staff's opinion; not a statement of fact.
23 For example, in the context of the audits, reports noted that █████████
24 ██
25 ████████

26 More specifically, BellSouth objects to the first sentence of the first
27 paragraph as overbroad and inaccurate. It leads the reader to believe that
28 ███████████████████████ The subject audits did not state ██████
29 ████████████████ Rather, they found ████████████████
30 ██
31 █████ It should also be noted that, in response to the external audit,
32 ██
33 ████

34 With regard to Staff's findings in the last paragraph of this Section
35 regarding the Ethics Hotline complaints, BellSouth refers to its comments to
36 Section 4.2.3, above.

Section 4.2.9 – Finding 9

In response to the last two sentences of this Section, BellSouth is currently reviewing its compliance review process to determine whether improvements can be made.

Chapter 5 – Recommendations

Recommendation 1: BellSouth does not think that the percentage of possible non-adjusted bills attributed to the delay in updating the IWP flag is sufficient to justify a potentially expensive upgrade to the billing systems.

Recommendation 2: BellSouth is agreeable to studying the feasibility of implementing an automated or manual solution to the unauthorized combinations of disposition and cause codes.

Recommendation 3: Effective April 26, 2004, BellSouth implemented an enhancement to TechNet whereby a 1203 code cannot be used to a close a job for a maintenance plan customer. Technicians are required to download this software enhancement within 30 days.

Recommendation 4: BellSouth is currently reviewing its compliance review process to determine whether improvements can be made. Current practices already require follow-up responses by local management.

Recommendation 5: As a general rule, Installation and Maintenance management implements timely and effective corrective action in response to internal and external audits, network operations compliance reviews, and Ethics Hotline investigations. As with most aspects of a business, there is always room for improvement. As such, BellSouth Installation and Maintenance management will continue to strive to meet internal and external standards.

Recommendation 6: As noted in section 4.2.3 above, the OEC's current practices provide a mechanism for Ethics managers to escalate trouble cases to the Compliance Officer. While BellSouth recognizes that there may have been alternate ways to handle personality conflicts in the subject Miami yard, BellSouth stands by the professionalism and effectiveness of the OEC.

Recommendation 7: BellSouth stands by its technicians and believes that they are adequately trained. As noted in BellSouth's response to Section 4.2.5, Network is currently conducting a trial in Florida of a database called ▮▮▮▮ to track training and inform local management of training requirements. Formal enhancements to the current BellSouth University system are scheduled for the fourth quarter of 2004 that will help better track training data.