

BellSouth how to audit its systems to search for the missing notifiers and that it also needed to look for the notifiers in the VAN. BellSouth initially was unable to provide the ISA numbers that identify the EDI envelopes in which notifiers are sent and that are important in searching for the missing notifiers. BellSouth eventually acknowledged that it was losing notifiers and in September finally suggested that one primary root cause was two difficulties with its LEO system – LEO was failing to transmit some notifiers and then overwriting those notifiers. The basic mismatch in data between LEO and downstream systems should have been quickly identified by BellSouth, and indeed, should have been picked up by internal audits without any need for MCI to point to specific notifiers that were missing, but it took BellSouth several months to identify the problems despite constant prodding by MCI.

78. BellSouth claims to have fixed the LEO problems on September 29 and to have re-flowed the missing notifiers caused by the LEO problems on October 5. There is not yet any way to judge whether BellSouth's assessment of the LEO problems properly identified one cause of missing notifiers or whether BellSouth's "fix" has helped resolve the problems. It certainly has not eliminated missing notifiers since, after BellSouth re-flowed many old notifiers on October 5, the list of MCI's missing notifiers again began to grow. Many of the missing notifiers as of October 16 are for orders that were due in October – and thus should not have been missing if the September 29 fix eliminated the problem. Moreover, BellSouth has acknowledged that some of the notifiers that are missing have gotten lost in the VAN, and this problem has not yet been fixed.

79. In addition to BellSouth's difficulty in identifying a root cause of missing notifiers, BellSouth has had great difficulty in returning the particular notifiers that MCI has identified as missing. It often takes BellSouth months to re-flow missing notifiers. BellSouth often takes a long period of time even to begin working a particular trouble ticket. Thus, after BellSouth re-flowed notifiers on October 5 that ostensibly missing as a result of the LEO problems, it subsequently discovered that it had not re-flowed all of the notifiers that were missing as a result of this problem. According to BellSouth, this was because MCI had submitted a missing notifier

trouble ticket on September 13 and BellSouth had not yet begun to work this ticket by the time it re-flowed notifiers on October 5 because it was still working on the four oldest tickets.

BellSouth later asked MCI to prioritize which trouble tickets that MCI wanted BellSouth to work – incredibly implying that MCI had to decide which trouble tickets for missing notifiers it wanted BellSouth to work. Unfortunately, this is not unusual. Since launch, BellSouth has continually asked MCI to prioritize its problems with BellSouth's OSS systems and manual processes, since apparently not enough staff is available to work all customer-impacting issues.

80. After BellSouth begins working a trouble ticket, it often takes BellSouth weeks or even months to find the missing notifiers in its systems. BellSouth has had difficulty determining whether notifiers are lost in the VAN, for example, because a week after notifiers reach the VAN, any record of these notifiers in the VAN disappears. Unlike Interactive Agent, a VAN does not have a log file that enables notifiers to be easily traced. Moreover, even when notifiers were missing in BellSouth's own systems, and not the VAN, it often took weeks to determine that they were in fact missing.

81. Finally, BellSouth has great difficulty in re-flowing the notifiers after it determines that they were missing. Initially, BellSouth, unlike other ILECs, was unable to return individual missing notifiers at all. It could only return the entire EDI envelope in which a missing notifier was contained. The envelope would also contain hundreds of notifiers that had already been returned to MCI and MCI would then have to sort through the notifiers to retrieve the ones that had been missing. Although BellSouth now is able to return EDI batches limited to missing notifiers, as noted above, BellSouth claims that it is only able to do so in conjunction with an EDI release. There is simply no reason for this. All other ILECs have been able to return missing notifiers without this constraint. Indeed, after the missing notifier problem arose in New York, the consent decree this Commission worked out on the missing notifier issue required that trouble tickets concerning missing status notices opened at Verizon help desks be resolved in three days. In re Bell Atlantic-New York Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the State of New York, Order

And Consent Decree, 15 F.C.C.R. 5413 (2000). In contrast, BellSouth often fails to re-flow notifiers for weeks or even months.

82. The problem with missing notifiers is compounded by the inadequacy of BellSouth's metrics related to notifiers.¹⁹ BellSouth has no measure that tracks whether it returns completion notices on all orders. BellSouth does measure the completeness of its FOC and reject responses but states that this metric is not yet reliable. (Ex. PM-1 (O-11); Stacy Ga. Aff. ¶ 357.) It is no wonder that BellSouth does not want to rely on this metric because it appears to confirm that there are significant problems. In July, BellSouth returned FOCs and rejects on only 85.6% of UNE orders, far below the 95% benchmark (which itself is far too generous). (Ex. PM-4, 0-11). (In June, the data does not appear accurate as only 1,194 CLEC UNE-P orders are reported. Ex. PM-3 (0-11).)

83. BellSouth does not even provide billing completion notices. Indeed, although MCI proposed in change management that BellSouth provide billing completion notices (CR0443 issued June 29, 2001), BellSouth has refused to do so, stating first that billing is not covered by change management and then stating that they will add a billing completion notice only when the OBF determines that this is a required notifier. And while BellSouth does have a metric to measure whether its provisioning completion notices (which it calls simply completion notices) are late, this measure does not capture whether completion notices are missing. In any event, BellSouth failed to meet the average completion notice interval for UNE-P orders in May, June, or July. (Exs. PM 2, 3, 4 (Item B.2.21).)

84. Just as BellSouth does not measure the number of missing notifiers, it also does not measure its timeliness in re-flowing notifiers once it has learned from CLECs that they are missing. Indeed, BellSouth has refused to adopt a measure of help desk responsiveness more

¹⁹ BellSouth's measures of average time to transmit notifiers do not capture missing notifiers. In any event, KPMG found discrepancies in time stamps related to these measures. Georgia MTP O&P 7-2-3, 7-3-3. In response, BellSouth rewrote its business rules to describe the measures as using time stamps from LEO. Stacy Aff. ¶ 549. Thus, if a notifier is delayed after reaching LEO, it is not captured in the measures.

generally. In New York, the FCC consent decree required Verizon to adopt a measure of help desk responsiveness related to missing notifiers.²⁰ BellSouth should adopt a similar measure.

85. BellSouth's problem with missing notifiers is disturbing. That problem is already causing MCI to devote significant resources to tracking these notifiers and attempting to obtain them from BellSouth. Even more problematic is BellSouth's inability to respond effectively to these missing notifiers. The result is that MCI is unable to work rejects, unable to bill customers for long periods of time, and unable to process maintenance requests for its customers.

Line Loss Reports

86. This Commission recently explained the need for a BOC to provide CLECs with accurate line loss reports. Pennsylvania Order ¶ 52. Without such reports, a CLEC will continue to bill an end user even after the end user has discontinued service with the carrier.

87. BellSouth is failing to submit line loss reports for a significant number of customers. MCI periodically evaluates all of its customer information for a randomly selected list of customers. MCI audited 250 customers in June, July and August. Each time, it found a number of customers who were not listed as MCI customers in the CSR even though MCI had not received line loss reports from BellSouth to indicate that the customers had left MCI for another carrier. MCI found 11 such customers in June, five in July and four in August. (Att. 14, line loss spreadsheet.) Either BellSouth failed to transmit line loss reports for the customers or BellSouth failed to update the CSR when the customer migrated to MCI in the first place. Thus, we do not even know if these customers are ours.

88. Assuming the problem is with line loss reports and not with updates to the CSR, the number of customers for whom MCI did not receive line loss reports is quite significant. If 25 of the 250 customers MCI audited each month had left MCI that month (and this would be a very

²⁰ BellSouth does measure average answer time on calls to repair centers (PM Ex-1 (M&R6).) But answer time is far less important than the length of time BellSouth takes to respond to a problem after it has answered. Moreover, even the average answer time measure for calls to repair centers is itself flawed. The business rule makes clear that abandoned calls are not included in this measure, but this eliminates all of the calls in which callers become frustrated by lengthy delays and drop off the line.

high number), then the fact that MCI failed to receive line loss notifications on an average of six customers for each audit would suggest that BellSouth is failing to return almost 25% of the line loss reports.

89. Another indication of the extent of the line loss problem is apparent from the MCI's list of customers that have lost dial tone. (Att. 8.) That list shows 34 trouble tickets on which the BellSouth technician commented that he or she was unable to work the trouble ticket because the customer had already left MCI. Yet MCI has not received line loss notifications for 12 of these customers – more than 1/3 of the customers for which MCI clearly should have received such notifications. MCI must extrapolate from such limited data because it has no other way of determining the level of inaccuracy of the reports. BellSouth has no metric to measure inaccuracies in its line loss reports and presents no data suggesting those reports are accurate.

90. The impact of missing line loss reports is severe. Without a line loss report, MCI does not know to stop billing the customer. The customer is therefore billed by both MCI and the customers' new carrier. Indeed, several of the customers that MCI discovered in its audits subsequently called MCI to complain about double billing. Other customers have called to complain about double billing as well. For example, customers with account numbers 4IN80095, 4GB46466, 4IN80095, and 4GB46466 all recently called to state they switched back to BellSouth in mid-August but had continued to be billed by MCI for months. MCI did not receive line loss notifications for these customers. When the customers called, our representatives had no way even to tell that the customers had migrated.

91. On August 13, MCI provided BellSouth a list of 10 customers who were not listed as MCI customers in the CSR. BellSouth agreed to research the issue. For one of the customers, it subsequently determined the customer was a MCI customer and updated the CSR. For nine others, BellSouth stated that the customers had left MCI. Remarkably, however, more than two months after starting to research the issue, BellSouth still had not determined why it failed to transmit line loss reports. Nor had it managed to transmit line loss reports for these customers. Each week it has told MCI that it was still researching the issue, as well as the general issue of

problems with line loss notifications.

92. On October 17, 2001, BellSouth finally transmitted a letter purporting to explain why it had not transmitted line loss reports for the 10 customers. (Att. 23.) For five of the customers, BellSouth explained that when it had processed customer orders to migrate away from MCI, service representatives had made manual errors in creating the service orders which prevented the telephone numbers from reaching the line loss report. This is another instance of the impact of manual processing. For an additional three orders, BellSouth's explanation was even more astonishing – “[a]ccounts disconnected due to claims of unauthorized change of service are not listed on the NDM loss report.” But regardless of why the customer left MCI, MCI must know that the customer has left or it will continue to bill the customer. Moreover, BellSouth never communicated to MCI that it believed customers were being migrated in error (*i.e.*, slammed), and we seriously doubt that these three particular customers fall into this category. Two of the three customers called MCI to report problems of double billing and in the process explained why they had switched back to BellSouth – neither said they had been erroneously switched to MCI in the first place. Finally, BellSouth reports that MCI cancelled one of the orders before it was completed – thus, the customer was never switched to MCI. But MCI received completion notices on all of these orders.

93. In its response, BellSouth also asserts that although it did not provide line loss information for eight of these customers in the report it transmits to MCI via Network Data Remover (“NDM”), it did post this information on BellSouth's web site, where it remained available for seven days. BellSouth states that the information on the web site is different – more complete – than the information transmitted via NDM. But BellSouth had never stated this before and had agreed to provide line loss reports to MCI via NDM – a far more effective method than requiring CLECs to look on the web for line loss information.

Delays in Posting to Billing

94. BellSouth does not appear to be updating its billing systems properly and rapidly. As we just discussed, we have identified customers whose CSR still lists them as BellSouth

customers despite the fact that we have received completion notices and BellSouth's CSOTS web site shows that these customers have migrated to MCI. These customers are therefore receiving bills from MCI – and almost certainly are also receiving bills from BellSouth.

95. When, on August 13, MCI provided BellSouth with a list of orders for which we received completion notices but for which the post migration CSRs retrieved through LENS still showed BellSouth as the owner, BellSouth responded that some of the customers were caught in a “hold file error,” due to discrepancies between the customer's CSR and the customer's billing record. In other words, because the customer's existing CSR did not match the customer's billing records, BellSouth held the order and did not update either the CSR or the billing records to reflect that MCI was now the carrier. After further research, BellSouth determined that one of the ten orders MCI provided was in a hold file. (On the others, as we discussed before, BellSouth had updated the CSR but then failed to transmit line loss notifications when the customers left MCI.) We have also seen at least one other example where this appears to have occurred. It is very difficult for MCI to quantify the extent of this problem, but BellSouth's initial description of the hold file when it was researching the ten orders MCI provided suggested that it was relatively routine that orders fall into the hold file. And BellSouth explained that customers can remain in a hold file for up to thirty days as a result of discrepancies between the CSR and billing systems.²¹

96. BellSouth also may take substantial time to update its billing systems for a second reason that has nothing to do with the hold file. The week before last in Florida collaboratives, BellSouth explained for the first time that if the N order that BellSouth creates from every UNE-P LSR reaches the BellSouth billing systems before the D order, then the billing systems will not be able to determine why a new order is being transmitted on an existing account. They will

²¹ While KPMG did not specifically find problems in updating the billing systems, it has found problems in updating the CSR. On October 1, 2001, KPMG opened Exception 112 in Florida because “BellSouth had updated 54% of the analyzed CSRs accurately,” when it should have updated at least 95% accurately. (Att. 4.) KPMG found that BellSouth made errors in updating directory listings and features and services, for example, and that, as a result, the customer would not receive what the customer had ordered.

therefore hold the order in a pending file waiting for the D order to complete, and the billing systems will not be updated unless BellSouth subsequently realizes the problem and fixes it.

97. If either the hold file problem or the N and D problem delay updates to the billing systems, the CLEC will not receive any daily usage information on the customer since BellSouth's systems still view the account as belonging to BellSouth. This means that CLECs cannot bill customers for usage. The CLECs will, however, bill the customers the flat-rated fees for the accounts. But the customers also will receive bills from BellSouth which still views the customers as its customers. The customers are double billed and will often blame their new carrier for the double billing. In addition, subsequent orders for customers whose orders have not yet completed through billing (for example, to add or change a feature), will be rejected either because another order is pending in the BellSouth systems or because the systems do not yet recognize the customer as having migrated to MCI.

98. The problem with discrepancies between the information in its billing systems and information in its other systems is very similar to problems MCI has experienced elsewhere. In the SWBT region, the significant LMOS problem that arose recently was caused by the failure of service orders to properly update SWBT's maintenance and repair systems after a CLEC order had been provisioned. Similarly, one of the problems with BellSouth is that service orders are not properly updating BellSouth's billing systems after a CLEC order has been provisioned. This is exactly what happened in New York. When the missing notifier problem arose in New York, one of the issues was that orders that had been provisioned were not "posting" to Verizon's billing systems and updating those systems to show that a CLEC now owned the customer. As a result, Verizon was not transmitting billing completion notices on time to inform the CLEC that the billing systems had been properly updated. In BellSouth the problem is even worse – BellSouth does not even transmit billing completion notices. Thus, the CLEC has no easy way of knowing whether BellSouth has properly updated its billing systems. The only way to find this information would be to check each and every customer CSR through the BellSouth systems to determine which ones have not been updated to reflect MCI as the billing

party. This is a practical impossibility.

99. MCI requested in change management that BellSouth provide billing completion notices to alert CLECs to orders that do not make it through the billing change process. BellSouth's change control team refused to agree to MCI's request, stating that billing issues are not covered by change management and later that it would not issue BCNs unless they were adopted by industry standard bodies.

100. Without BCNs, there is no mechanism in place to assess BellSouth's performance in updating its billing systems or to motivate improvements if performance is inadequate. BellSouth does not measure the timeliness or completeness of updates to its billing systems.

BellSouth's Billing Processes Are Inadequate.

101. In its recent Pennsylvania Order, ¶ 13, this Commission properly explained that BOCs must provide CLECs with complete accurate and timely wholesale bills and with complete, accurate and timely reports on the service usage of CLECs' customers. BellSouth does neither:

102. MCI has had significant problems with auditing its wholesale bills due to formatting and other errors. These bills appear to have incorrectly co-mingled UNE-P and resale usage, have billed usage against the wrong Billing Account Numbers (BANs), and have failed to transmit the Billing Telephone Numbers (BTNs) for many customers altogether. Without correctly formatted bills, MCI cannot audit the information that BellSouth provides to determine whether charges are being correctly assessed. MCI cannot simply "assume" that charges are correct but – like any business – must be able to ensure that the bill matches the circuits and features provided to our end user customers.

103. MCI's audit of the August UNE-P bills it received showed that 6.5% of the lines for which MCI was billed did not include a BTN. (The bills included only the area codes instead of the complete BTNs for these numbers.) Without a BTN, MCI sees a charge or credit but does not know the account to which the charge or credit is supposed to relate. It therefore cannot even determine whether the charge or credit relates to a bill for a legitimate MCI customer, much less

compare the charge or credit against the amount MCI expects to receive for a particular customer. MCI called BellSouth several months ago to protest the missing BTNs on the bill. BellSouth did not look into the issue. Instead, BellSouth informed MCI that if we did not pay our bills as a result of this issue, BellSouth would cut off MCI's service. MCI has therefore paid the bulk of the bills.

104. BellSouth's bills also are billing usage against the wrong BAN. MCI has two UNE-P BANs in Georgia – one for the 770 area code and a 678 BAN for the rest of the state. BellSouth is billing customers from the 770 area code on the incorrect BAN. In fact, 14,210 of 14,397 of the BTNs billed on the 678 BAN in September belonged on the 770 BAN. This makes it more difficult to maintain records and track disputes.

105. In May, BellSouth sent a letter to MCI informing it that it would be "transferring" resale billing to MCI's UNE-P BANs. Presumably BellSouth has done so. But BellSouth should not have done so as WorldCom has no way to separate out any resale billing from UNE-P billing. And MCI has no idea what ostensible resale charges have been transferred.

106. BellSouth's difficulties in transmitting correct wholesale bills are apparent from one final example. BellSouth is transmitting MCI bills for Florida UNE-P service. MCI does not offer UNE-P in Florida.

107. KPMG has opened a number of exceptions regarding inaccuracies in BellSouth's wholesale bills during its Florida test, although it has not found identical problems to those MCI has found, it has opened Exception 44 (incorrect quantities of unbundled switching and transport usage); Exception 60 (failure to cease billing on disconnected auxiliary lines); Exception 62 (incorrect rate for service order mechanized charge), and Exception 96 (incorrect usage charges on resale bills). (Att. 4.) BellSouth must fix its many wholesale billing problems.

108. Calls to the BellSouth billing help desks have not elicited any help; indeed, the representatives have stated that they have not been trained in UNE-P and have referred MCI back to its own account team (which referred MCI to the Help Desk in the first place). On August 21, BellSouth finally sent MCI a note clarifying "the role that Yvette Scott holds as the point of

contact for you. She will be available to take questions about disputes and either direct you to the correct group or person or give you a written status of the disputes in question. Yvette has just recently accepted this assignment and she is in the process of learning UNE-P. She will therefore not be able to answer your questions or give you a status without investigation of the [stet] each one.” (Att. 15) On October 9, BellSouth sent another note to inform MCI that two of its service representatives had completed UNE-P training. “As with anything new, we will be slow at first, but as experience is gained will complete your disputes in a timely manner.” (Att. 16.) It is astounding that almost 5 months after MCI launched service in Georgia with UNE-P, BellSouth is finally providing representatives who have been trained in UNE-P and even now admits resolution of issues will continue to be slow. KPMG also opened an exception related to the difficulties in dealing with BellSouth’s billing work center during its Florida test – Exception 37 (lack of a formal process for identifying and planning for variations in level of staff required to support work load). (Att. 4, Florida Exception 37.)

109. In addition to difficulties with BellSouth’s wholesale bills, MCI has experienced two specific systems problems with BellSouth’s daily usage feed (“DUF”). But the bigger issue is that there is no readily available means of ensuring that BellSouth fixes the problem – the same issue MCI has had with wholesale bills.

110. The first specific problem that MCI has experienced is that BellSouth is improperly routing some intraLATA toll calls through its local switches rather than through the switches of the intraLATA carrier. BellSouth is then sending usage on these calls to MCI on the DUF – 7,280 records in the last 90 days. But the usage is not local usage. MCI should not have to pay for it. Moreover, the intraLATA toll carrier (which is often MCI) is not receiving the revenue for these calls.

111. The second difficulty that MCI has faced is that, prior to July 31, BellSouth was sending records that were formatted incorrectly (they incorrectly said there were “modules” attached to the records). There were 60,000 records with this problem. MCI has been unable to process these records and thus still does not have accurate usage for these records. On a going-

forward basis, BellSouth appears to have fixed this problem on records transmitted after July 31. Once again, however, BellSouth did not proactively announce this problem to CLECs or announce its resolution because in BellSouth's view the change was not CLEC-interface impacting.

112. The scope of these particular problems with the DUF is limited to date – although MCI fears that the intraLATA toll issue could become substantial. The bigger issue is that there is no effective means to communicate such problems to BellSouth. BellSouth provides a form on which a CLEC can transmit information regarding problems with an individual usage record – but this form cannot be used to submit issues that pertain to thousands of records. Moreover, information submitted on this form would not enable BellSouth to view the actual records to evaluate the problem.

113. There is not even an easy way to communicate problems with the DUF via phone call. When MCI initially called the Billing Dispute Center at the LCSC regarding the DUF formatting issues, the LCSC provided a different number to call. After making several more phone calls and speaking to seven different people, MCI never was connected to a person who could respond to its questions. MCI eventually began working through its account team, but it took until the end of September for the Account Team to add a billing expert to the calls.

114. One key request we made to the BellSouth account team was that BellSouth establish an “outcollect process.” With such a process, MCI would return incorrect records to BellSouth which would then have all of the records and could more easily research the underlying problems. Other BOCs such as Verizon and SWBT have established such a process. To date, however, BellSouth has refused to do so.

115. Thus, BellSouth has been completely unresponsive to MCI's concerns with the DUF, as it has with MCI's wholesale billing problems. BellSouth's attitude is further apparent from the process it has put in place to respond to CLEC billing disputes. At a collaborative in Florida the week of October 5, BellSouth described to CLECs a previously undocumented process in which it screened CLEC billing disputes and only loaded them into BellSouth systems

if the screener determined they were legitimate. If the screener did not accept the disputes, CLECs could not contest them and BellSouth would threaten the CLECs to cut off their service if they did not pay their bills.

116. BellSouth's remedy plan's \$1 per occurrence remedy amount certainly does not provide any meaningful incentive for improving billing accuracy for either invoices or usage. And none of BellSouth's billing metrics capture how quickly BellSouth adjusts bills in response to undisputed let alone disputed billing adjustment requests.²²

BellSouth Has Not Shown Its Performance In Louisiana Is Adequate

117. Even if the Commission were to conclude that BellSouth's OSS performance in Georgia is acceptable, there is no basis for it to reach a similar conclusion with respect to Louisiana. BellSouth has almost no experience in Louisiana processing UNE-P orders – the only viable means of providing ubiquitous residential competition. BellSouth therefore must rely on its Georgia experience to show the readiness of its systems in Louisiana.

118. In its Kansas/Oklahoma Order, the FCC relied on evidence from Texas to conclude that SWBT's OSS was ready in Kansas and Oklahoma. It found that SWBT had provided specific evidence that its systems were the same throughout its region. It relied in part on SWBT's explanation "that it is the only 'Baby Bell' to survive intact as a regional BOC and, as such, has maintained a single region-wide set of OSS, including its back office systems for its own retail use long before divestiture in 1984. Kansas/Oklahoma Order ¶ 112 n.312. See also id. ¶ 118 n. 320 ("[A]s MCI itself recognizes, however, 'it is quite likely that the OSS [in Kansas, Oklahoma and Texas] is more similar between these three states than between other states in the country' because 'a single legacy company – SWBT – historically provided local telephone service for all three states.'"). BellSouth, on the other hand, grew out of a merger of Southern

²² The Florida PSC recently ordered a Billing Errors Corrected in X Days proposed by CLECs for both DUF and Invoice errors, but only made it diagnostic. This metric, with benchmarks and attention-getting remedies, is needed to provide an incentive for BellSouth to correct the numerous errors CLECs are able to find (despite the difficulties in auditing its poorly formatted bills).

Bell and South Central Bell. Georgia is a former Southern Bell state (as is Florida). Louisiana is a former South Central Bell state. As a result, there are likely important differences in BellSouth's legacy systems.

119. Although we have no visibility into BellSouth's systems, BellSouth has acknowledged one significant difference in order processing in its systems. In the Southern Bell states, including Georgia, BellSouth has relied for many years on the DOE system as part of its ordering process. In the South Central Bell states, including Louisiana, BellSouth relied on the SONGs system to perform equivalent functions. BellSouth also used these systems during manual processing of CLEC orders. BellSouth relies on a Price Waterhouse Report to conclude these systems are equivalent. But an evaluation by Price Waterhouse without any input from CLECs, is not a substitute for a truly independent third-party test, much less for commercial experience. There is not sufficient basis to conclude that DOE and SONGs will perform equivalently – or that the difference in these systems is the only difference in the back-end systems. See Att. 28, Letter of April 30, 2001 from Kentucky Public Service Commission Staff to BellSouth (the “type of information” in Price Waterhouse audit will not substitute for “end-to-end testing and analysis” of orders “to ascertain how the SONGS software actually performs”).

120. There are almost certainly also important differences in BellSouth's manual processes for provisioning and maintenance. There are different centers for maintenance and provisioning in different states. Although these centers ultimately report to a common authority several layers up the organizational hierarchy, the managers frequently exercise their discretion and may do so differently. Indeed, BellSouth has previously acknowledged comparing the performance of different centers and using the practices of the best performing center as a basis for suggesting possible improvements for other centers. For there to be best practices, however, there necessarily must be different practices. Further, by way of example, in discussing transmissions of requests for loop makeup to BellSouth by fax or e-mail in Louisiana PSC hearings, BellSouth witness William H. B. Greer emphasized that “BellSouth has the flexibility within different turfs, different districts, to do things differently.” (Att. 27, Transcript of

Louisiana PSC Administrative Hearing, Docket No. U-24714-A, April 24, 2001, Vol. II at 150-51.)

121. Thus, although there are undoubtedly important similarities in BellSouth's OSS throughout its region, there also are differences. Without significant commercial experience in Louisiana, there is no way to know how significant these differences are and no way to conclude that BellSouth's Georgia experience is adequate to show readiness in Louisiana. In any event, BellSouth's Georgia experience does not even show BellSouth's OSS is ready in Georgia. And, as we explain below, additional problems, which are region-wide, further demonstrate BellSouth's OSS failings.

BellSouth's Implementation of a Change Management Process Is Inadequate

122. As a result of the continuous evolution of the telecommunications industry, the interfaces and processes by which CLECs interact with BellSouth must change as well. Change management is the process by which CLECs and BellSouth determine which changes are needed, and then implement those changes in such a manner that they do not have significant negative impacts on CLECs and customers. For example, a good change management process will ensure that CLECs have sufficient notification of changes to an interface that they are able to adapt to any such change.

123. BellSouth's change management rules and its implementation of those rules must improve in a number of important ways before CLECs in the BellSouth region will have an adequate opportunity to compete.

124. To begin with, although BellSouth's change control plan in theory allows CLECs to prioritize change requests, in practice BellSouth often delays implementation of CLEC-initiated requests. Thus, vital CLEC requests, such as provision of fully parsed Customer Service Records ("CSRs") often take years to implement. In approving Bell Atlantic's New York section 271 application, the FCC emphasized that Bell Atlantic's process "prioritize[d] changes based on merit, rather than the sponsor of the change," New York Order ¶ 106, and noted "we would be concerned about the impact of a BOC disregarding input from competing carriers on change

management issues.” Id. ¶ 124. BellSouth disregards just such input.

125. BellSouth’s change management plan includes processes for both BellSouth and CLECs to propose changes. BellSouth-initiated changes are called Type 4 changes; CLEC-initiated changes are called Type 5 changes. Under the Change Management Plan, Type 4 and Type 5 changes are supposed to be treated identically. First, a change request must be reviewed for acceptance by BellSouth within 10 days (BellSouth had 20 days until recently). Stacy Aff. at OSS Ex. 39 at 28. Obviously, for BellSouth requests, such acceptance is a given. Before BellSouth accepts the change request, the request is called a new request. After BellSouth has accepted the request, the request is considered a pending request. The next step is that BellSouth has 5-7 days to prepare for a change review meeting, and it must then conduct such a meeting. At the meeting, CLECs prioritize change requests, including both Type 4 and Type 5 Change Requests, with one vote per CLEC. BellSouth then schedules those requests based on the priority order in upcoming releases and implements them.

126. But there is nothing in the change management plan that requires BellSouth to schedule and implement CLEC change requests. BellSouth can refuse to accept CLEC change requests, can accept them and not schedule them, or can schedule them and then change the schedule. This is so even if the CLEC’s request is entirely reasonable and is a top priority of the CLECs. BellSouth has abused its control in order to deviate from the change management schedule or simply to delay implementation of CLEC-initiated change requests because nothing in the plan precludes it from doing so.

127. Analysis of CLEC-initiated change requests shows that BellSouth delays implementation of these requests at each stage of the process. As of September 5, 2001, there were 34 “new” Type 4 or 5 change requests on BellSouth’s Change Control Log. Of these, 26 have been in new status for more than the 20 days the change management plan allots for BellSouth to accept or reject a request (the plan now allots only 10 days). Each of these was a Type V (CLEC-initiated) request. Most of these 26 requests have been in new status for many months. Counting from September 5, 2001, one of the “new” change requests was submitted

more than 16 months ago, one was submitted more than 12 months ago, one was submitted 11 months ago, two were submitted nine months ago, two were submitted 8 months ago, one was submitted six months ago, four were submitted 5 months ago, one was submitted 4 months ago, three were submitted 3 months ago, four were submitted 2 months ago, and six were submitted 1 month ago. Thus, BellSouth has caused delays even in the earliest stage of the change control process.

128. Such delays often occur because BellSouth does not respond and neither accepts nor rejects a CLEC request for a significant period of time. For example, BellSouth failed to respond to change requests 325 and 334 for 3 months. More frequently, however, BellSouth responds to the change request but refuses to accept requests in its initial response even though BellSouth has no good reason for refusing to allow the request to be prioritized in the change management process. For example, MCI recently requested that BellSouth extend the length of time for which LENS and TAFI passwords remain valid from 60 days to 1 year (CR0421). BellSouth responded that this was not its policy, without providing an acceptable reason why the policy could not be changed. Thus, several months after the request was initially made, the parties were still discussing the request, rather than moving closer to implementation of the request. On October 17, BellSouth finally turned down the request based on the purported advice of its security personnel.

129. Even after BellSouth accepts a request, it often takes a long time before that request is placed on the ballot for CLECs to prioritize. As of August 30, 2001 (the day on which BellSouth's Change Control Log had most recently been updated when we evaluated the status of requests), there were 21 "pending" change requests. See Stacy Aff. ¶ 185. Ten of these were CLEC-initiated requests, seven were BellSouth-initiated requests and four fell into other categories. Six of the 17 Type 4 and Type 5 pending change requests had been pending since 1999 or 2000. All were CLEC initiated (Type 5) change requests (CR133, 151, 177, 184, 246, 371). Even though BellSouth has had two change control meetings since the beginning of 2001 to prioritize requests, none of these six change requests was on either list to be prioritized.

130. Once a CLEC request is prioritized, it still must be scheduled for implementation. This also frequently takes many months. During its Georgia test, KPMG noted the “backlog of [CLEC] change requests that, at the time of this report, were prioritized but unscheduled for implementation into a release.” Georgia MTP CM-1-1-3. That backlog continues today. Of the 65 change requests that have been prioritized in the four change control prioritization meetings since June 28, 2000, only 15 have been implemented and only two additional requests are even scheduled to be implemented. Only six have been implemented in 2001 and none are scheduled to be implemented during the rest of 2001. BellSouth has implemented far more change requests that CLECs did not prioritize than those that CLECs have prioritized.

131. BellSouth’s status log shows that 25 Type 5 change requests (and 17 Type 4 change requests) were in the status “candidate request,” which means that they have been prioritized by the CLECs at a change control meeting but have not yet been scheduled for implementation. See also Stacy Aff. ¶ 185. In contrast, BellSouth currently has scheduled only two CLEC change requests for implementation in upcoming releases – both for 2002. Of the 42 “candidate requests” that BellSouth has not scheduled for implementation, 23 were initiated more than one year ago, including five that were initiated in 1999. Nineteen of the 23 were CLEC-initiated requests, including all five 1999 requests.²³

132. Some of the “candidate requests” that have not yet been scheduled for implementation were ranked very high by CLECs. CR135, for example, which was submitted by AT&T on August 9, 2000, was prioritized fourth by the CLEC community on the pre-ordering/ordering priority list at the January 31, 2001 meeting.²⁴ It was re-prioritized at the April 25, 2001 meeting because BellSouth failed to schedule it for implementation prior to that

²³ CR 364 (form of directory listing that drops from 411/DA), CR 365 (allow 1 LSR to change main account number on a listings only account), CR 366 (handling of remaining service on partial migrations), CR 367 (LEAN/LEATN fields) and CR 368 (provide CFA on pre-order).

²⁴ Change requests by one CLEC often benefit other CLECs. The prioritization process is designed to ensure that changes that benefit CLECs the most as a group are implemented first.

meeting, and it was again prioritized fourth. (CR135 is designed to enable a CLEC to electronically order a migration of a customer's line to the CLEC and have that line added to an existing account the customer has with the CLEC.) CR0040 was requested by AT&T on May 11, 2000 but was not even placed by BellSouth on the list of change requests to be prioritized until the April 25, 2001 meeting. At that meeting, it was prioritized first, yet it still has not been scheduled. (CR0040 is designed to enable CLECs to obtain real-time status information electronically.) CR0020, a TriVergent Communications request to enable CLECs to view multiple CSRs simultaneously, was submitted on May 2, 2000, was prioritized fourth among pre-ordering requests at the June 28, 2000 meeting, but was not scheduled to be implemented, and indeed has still not been scheduled, despite being re-prioritized seventh at the April 25, 2001 meeting.

133. A final example of BellSouth's delay in scheduling implementation of candidate requests is MCI's change request 0186. On September 26, 2000, MCI submitted this change request for use of the Interactive Agent protocol which would allow orders to be transmitted in real time, rather than being transmitted through a VAN. BellSouth initially responded that it would implement Interactive Agent with the scheduled release of CR0101 which had already been prioritized. In December 2000, BellSouth stated that CR0186 could not be worked with CR0101, but then reversed itself again on February 14, 2001, stating that the requests would be worked together. MCI escalated the issue on April 4, 2001. The change request was finally subject to prioritization at the April 25, 2001 meeting. It still has not been implemented or even scheduled for implementation.

134. BellSouth's delay implementing CLEC-initiated change requests is further evident from the two requests that BellSouth has scheduled to implement. Both of the Type 5 change requests that BellSouth presently has scheduled to implement in upcoming releases are longstanding requests: CR53 (BBR-LO Improvements, requested May 22, 2000) and CR369 (formerly TAG0812990003, parsed CSRs, requested Aug. 12, 1999). Based on the order of the Georgia Commission, parsed CSRs will now ostensibly be implemented in January 2002.

(Technically, therefore, parsed CSRs have become a regulatory change request, rather than a CLEC-initiated change request.) None of the other CLEC-initiated change requests are yet scheduled for implementation in upcoming releases.

135. An analysis of the changes that actually have been implemented by BellSouth also reveals that BellSouth implements BellSouth-initiated changes far more rapidly than CLEC-initiated changes. CLECs have initiated 96 change control requests between 1999 and 2001 of which only 27 have been implemented, while BellSouth has implemented almost half of its requests during the same time period.²⁵ Thus, BellSouth has implemented a far higher percentage of BellSouth-initiated than CLEC-initiated change requests. Moreover, even when BellSouth implements CLEC-initiated change requests, it takes nearly three times as long to do so on average as it does with BellSouth-initiated change requests. Of the 27 CLEC-initiated change requests that have been implemented, BellSouth has implemented the requests in an average of 142 days.²⁶ By contrast, it has implemented 28 BellSouth-initiated change requests in an average of just 55 days.²⁷

136. This is further evident by comparing the number of changes that have been prioritized in the BellSouth region since October 2000 with those that have been implemented in the Verizon region. (Att. 25.) In BellSouth, a total of 58 prioritized change requests were implemented over this period. In contrast, Verizon implemented 170 prioritized changes over

²⁵ The number of CLEC-initiated change requests and BellSouth-initiated change requests was derived by adding up all of the Type 5 and Type 4 change requests on BellSouth's change logs (other than the cancelled requests). The number of requests that have been implemented was based on the requests listed as implemented on BellSouth's archived change control log.

²⁶ The averages were obtained by printing out the change control log archive on BellSouth's web site and averaging the days between the open/validate date and the release implementation actual date for Type 4 and Type 5 changes. The open/validate date and the date the CCP received the change request are generally very similar. In the few instances in which the open/validate date was not available, the date the CCP received the change request was used in the calculation instead.

²⁷ For example, CR 0216, NPORD Data for FOC (Issue 7 - LNP for Ordering impact) was submitted by BellSouth on November 13, 2000 and implemented on December 10, 2000. CR 0219, standard interval changes for loop (LNP for ordering impact) was submitted by BellSouth on November 13, 2000 and implemented on December 10, 2000, and CR 0247, reduce due date interval from 5 to 4 days for SL1 in TAG (system and documentation impact for LENS and TAG within the pre-order and order interfaces) was submitted on December 15, 2000 and implemented on January 27, 2001.

the same time period. Moreover, in Verizon almost all of the requested changes were prioritized. As of October, 2001, only one requested change remained to be prioritized. In BellSouth, however, as we have seen, a multitude of change requests have not even been prioritized, much less implemented.

137. BellSouth's delay in implementing prioritized changes often has significant negative impacts on CLECs. This is evident from examining change requests related to integration of pre-ordering and ordering.

138. CLECs have submitted three change requests related to integration and all have met with extensive delays. On August 12, 1999, AT&T submitted change request 0369 requesting fielded, parsed CSRs. (Of course, CLECs had been requesting parsed CSRs for far longer outside of the newly-formed change management process, as MCI repeatedly explained during BellSouth's prior section 271 applications.) In response to CR0369, BellSouth initially stated that it would develop a project plan for implementing parsed CSRs during the Y2K window at the end of 1999 and beginning of 2000. But it was not until September 2000 that BellSouth even began addressing the change request with CLECs. It was only at the September 27, 2000 meeting that parsed CSRs were submitted to change control for prioritization (at the time, the request had a different number, TAG0812990003). CLECs prioritized parsed CSRs first among pre-ordering requests at the September 27, 2000 meeting. But BellSouth still did not schedule implementation of parsed CSRs.

139. In October 2000, BellSouth finally met with CLECs to discuss requirements for parsed CSRs. CLECs provided their requirements to BellSouth immediately based on the industry standard requirements in LSOG 4 and these were finalized in a meeting with BellSouth in November 2000. BellSouth agreed that it would evaluate the requirements and respond to CLECs if the requirements were unacceptable. BellSouth never did so. Instead, in a series of letters and meetings, BellSouth continuously changed the date in which it said it would implement parsed CSRs. In February 2000, BellSouth said it would implement them in the May time frame, this later slipped to September, then moved back to the summer, and finally

BellSouth provided an implementation date of January 2001, a date that has been set based on the order of the Georgia Commission, close to two-and-a-half years after the request was first made.

140. BellSouth asserts that delays in implementation of parsed CSRs were necessitated by the complexity of the task and the need to work with CLECs in formulating requirements. Stacy Aff. ¶ 223. But Verizon was able to implement parsed CSRs quickly years ago. Indeed, in concluding that Bell Atlantic's change management process in New York was adequate, the FCC specifically noted that "when MCI WorldCom expressed a preference regarding how customer service record addresses be made available to competing carriers, Bell Atlantic agreed to add this functionality within the remaining weeks before the related change release. At the same time, Bell Atlantic devised a special software approach to defer implementation of this functionality for AT&T, the sole competing carrier that objected to this change." NY Order ¶ 124 (emphasis added). BellSouth has not been remotely as responsive to the request for parsed CSRs in its region. In fact, although BellSouth claims it needed to work with CLECs to develop requirements, almost a year after CLECs presented requirements to BellSouth and BellSouth promised to respond if it found parts of these requirements unacceptable, BellSouth released draft user requirements on September 7, 2000 that do not include much of what was agreed upon and do not meet the needs of CLECs.

141. In addition to requesting parsed CSRs, on August 9, 2000, MCI submitted a second change request (0133) that would have significantly contributed to integration of pre-order and order interfaces. MCI requested that BellSouth enable CLECs to submit migration orders with the customer's telephone number (and name) but without a service address. When MCI submitted CR0133, it indicated that the request had a high priority. Nonetheless, BellSouth originally resisted the change, suggesting that a similar change was being considered by industry bodies. It later accepted the change request and seemed to combine its consideration with a similar AT&T request, EDI1121599001, which had been pending since December 1999. That request was prioritized sixth by the CLECs on the ordering list at the September 27, 2000

meeting.

142. Neither AT&T nor MCI's request was scheduled for implementation, however, nor were they placed on the list to be re-prioritized at the January 31, 2001 meeting. On March 15, 2001, BellSouth announced that the request would be re-prioritized at the March 28, 2001 meeting. But BellSouth then unilaterally withdrew the request from consideration for re-prioritization, claiming that the change was inconsistent with new requirements to place address fields on certain orders. Then, for some reason, BellSouth subsequently informed MCI (in May 2001) that migration by telephone number was in testing but later again indicated the change could not be made. Implementation of the change request was finally scheduled based on the order of the Georgia Commission. Even then, however, BellSouth did not follow the change control process, as it did not announce the date for the change until October 15, 2001 and BellSouth has yet to provide requirements for the change.

143. AT&T long ago submitted a third change request that is important for integration of pre-ordering and ordering and that has only recently been scheduled. On March 1, 2000, AT&T submitted CR2 to correct business rule discrepancies between pre-ordering and ordering. The length of some pre-order fields exceeded that of corresponding order fields so that if the pre-order information was submitted on an order the information would be truncated. The FCC has emphasized that when a BOC "becomes aware of any inconsistencies in field names or formats that would impede a carrier's ability to integrate pre-ordering and ordering functions, we expect that [the BOC] promptly will design and deploy a software correction or provide the necessary technical assistance to competing carriers in the interface integration." NY Order ¶ 139. Nevertheless, after AT&T submitted CR2, BellSouth failed to submit that request to CLECs for prioritization. Instead, more than a year after AT&T submitted the request, BellSouth finally responded by scheduling and implementing the change in the July 28, 2001 release.

144. In addition to requests related to integration of pre-ordering and ordering, BellSouth has also substantially delayed implementation of other important changes. For example, MCI requested BellSouth change its policy of cancelling rejected orders if CLECs did not clarify those

orders and re-transmit them in 10 business days. This was insufficient time. While we have a business interest in correcting rejects as quickly as possible, we cannot always do so in 10 days. This is so for a number of reasons: (1) rejects are sometimes lost in BellSouth's VAN (or in BellSouth's own systems) and it often takes long periods of time to track down the reject; (2) the reject messages BellSouth transmits are often unclear and must be researched with BellSouth (as noted above, 11% of the manually processed rejects that MCI received in September required further research for MCI to understand the meaning of the reject message and its cause); (3) sometimes transmission of a corrected order will require a system change on the CLEC's side of the interface that cannot be accomplished in 10 days.

145. Soon after MCI launched service in Georgia, it learned of BellSouth's policy regarding cancellation of orders when a reject was not corrected in 10 days. It also saw the impact this was having on its business. Between May and August, 2001, 6,000 MCI orders "aged off" as a result of BellSouth's policy. In addition, many supplemental orders that MCI sent to correct rejects were themselves rejected because the 10 day window had passed. On June 22, 2001, MCI therefore submitted change request 436 requesting that BellSouth extend the window to 30 days. BellSouth, however, first told MCI that it was impossible for it to do this, later told MCI it was contrary to its policy to do this, and finally, told MCI that this change would exceed the capacity of its systems. Yet after the Georgia Commission ordered BellSouth to implement this simple and extremely important change, BellSouth was able to do so within days. BellSouth should not have resisted this simple change in the first place. Other BOCs, such as Verizon and SWBT, long have provided CLECs with 30 days to correct the order and implemented this 30 day policy immediately after CLECs requested it.

146. Even after BellSouth was ordered to implement the change, it did so without following the change management process. BellSouth made the change for a subset of LSRs (fully mechanized LSRs) on October 6. But BellSouth did not notify CLECs of the change until October 12. (Att. 18, Carrier Notification Letter, Oct. 12, 2001.) BellSouth should have recognized the importance of this change when MCI first requested it, agreed to implement the

change, and provided proper notification to CLECs before implementing the change.

147. BellSouth's delay in implementing change requests that are needed to ensure integratable interfaces and its delay in implementing the change request related to its 10 day clarification policy on rejects underscores its more general failure to respond effectively to CLEC-initiated change requests. This failure is exacerbated by BellSouth's failure to consider important aspects of OSS subject to change control at all. In response to MCI requests for changes related to billing, BellSouth has informed MCI that billing falls outside the change control process altogether. There is nothing in the change control plan that imposes such a limitation. And such a limitation precludes CLECs not only from obtaining important changes, but also from being notified of such changes.²⁸ BellSouth must begin responding more effectively to CLEC requests before obtaining Section 271 authorization.

148. But this is not BellSouth's only failure with respect to change management. BellSouth's contention that billing falls outside the change management process allows it to avoid including CLECs in discussion of billing changes. BellSouth currently has plans to launch a new "Tapestry" billing system as early as November. Yet BellSouth never discussed this change during the change control process. Instead, after CLECs discovered BellSouth's plan, they demanded that BellSouth explain why this new billing system was not being discussed in change control meetings. BellSouth responded that billing falls outside change management and that, in any event, the change was not CLEC-impacting and thus did not have to go through change management. BellSouth did eventually hold a meeting to discuss the billing changes it had unilaterally decided to implement but did not announce the meeting to the CLEC community as a whole. At that meeting, it repeated its explanations as to why the changes had not gone through change management. (Att. 19.) BellSouth's unilateral determination that a significant

²⁸ In addition, although BellSouth does consider EDI subject to change control, it appears to reserve the right to make changes to EDI outside of the change control process. BellSouth's "EDI Specification Guide" prominently displays the following disclaimer: "This documentation is for general information purposes only and does not obligate BellSouth to provide services in the manner described herein. BellSouth reserves the right as its sole option to modify or revise the information contained in this documentation at any time without prior notice."

change to its billing process is not CLEC-impacting is problematic to say the least. As the questions asked at the October 11 meeting indicate, there are numerous aspects of the billing change that directly affect CLECs. This is true of most systems changes that BellSouth unilaterally decides to exclude from the change management process because it determines they do not impact CLECs.

149. An additional problem with BellSouth's change management process is that BellSouth fails to implement Type 6 changes quickly enough. A Type 6 change "is any non-type 1 change that corrects problems discovered in production versions of an application interface" either because the interface is not working in accordance with published requirements or because agreed-upon requirements result in inoperable functionality. BellSouth OSS Ex. 39 at 42. BellSouth separates Type 6 changes into High Impact (impairs critical functions and no electronic workaround exists); medium impact (impairs critical system functions, though a workaround solution does exist), and low impact (causes inconvenience or annoyance). *Id.* The change control process calls for BellSouth to internally determine solutions for high impact defects in 10 days with best effort used to achieve the earlier number, medium impact defects in 90 days with best effort used to achieve the earlier number and low impact defects using best effort. (Additional time is required for other steps in the resolution process.) BellSouth has rejected the CLECs' proposal in which it would be required to complete the internal resolution process for medium impact defects in 4-10 business days with best effort used to achieve the earlier number, and low impact defects within a 4-20 business day range with best effort used to achieve the earlier number.

150. A medium impact defect affects critical functionality, even if a manual workaround exists. Given MCI's order volume, MCI cannot fall into a manual mode for up to 90 days. This would be extremely costly to MCI and will also result in extensive delays. Further, low impact defects which cause inconvenience should also be resolved rapidly, not simply left to a "best efforts" standard.

151. In addition, BellSouth should provide a more complete release schedule. Until

recently, BellSouth, unlike other BOCs such as Verizon, has not had any fixed release schedule based on which new interface versions will be released on specific days of the month or specific months of the year, so that CLECs can plan well in advance when to expect a release. BellSouth now provides such a schedule but does not include in that schedule the expected content of future releases. The schedule will provide the days on which releases will occur but not what functionality will be included in those releases. Thus, CLECs still cannot plan in advance as to when specific changes can be expected. Moreover, CLECs have no means to assess whether BellSouth is appropriately implementing CLEC change requests until the releases are almost upon them.

152. By contrast, other BOCs provide such a schedule. Verizon and SWBT have long had schedules in which releases occur on particular days and provide well in advance a list of the planned functionality that will be incorporated in each release. BellSouth should do the same.

153. The BellSouth change management process therefore has a number of important flaws, the most fundamental of which is BellSouth's failure to implement enough CLEC-initiated change requests. The Georgia OSS test does not demonstrate that BellSouth's change management process is adequate. KPMG did not specifically address some of the problems described here, such as the lengthy time frame for implementation of Type 6 changes. KPMG appears to concur that other problems exist, despite its conclusion that BellSouth's performance was satisfactory. For example, as noted above, KPMG describes the "backlog of [CLEC] change requests that, at the time of this report, were prioritized but unscheduled for implementation into a release." Georgia MTP CM-1-1-3. KPMG also describes the balloting of proposals designed to help alleviate the backlog and noted that its "change management evaluation concluded prior to CLEC-BLS voting on these balloted items." *Id.* KPMG nonetheless found BellSouth's change control process satisfactory without explaining why.

154. In Florida, KPMG has several open exceptions and observations regarding BellSouth's identical change management process. On June 29, 2001, KPMG opened Observation 86 because the BellSouth change management team "does not provide all prioritized

Change Requests to the BellSouth IT Team for development and implementation.” (Att. 4, Florida Observation 86.) As a result of this observation, CLECs for the first time became aware that BellSouth’s IT organization was not even given all prioritized changes to consider for implementation.

155. On July 25, 2001, KPMG opened Exception 88 because the “BellSouth Change Control Prioritization process does not allow CLECs to be involved in prioritization of all CLEC impacting change requests.” (Att. 4, Florida Exception 88.) KPMG explained that BellSouth uses an internal prioritization list based on changes that it believes are not CLEC-affecting. This means that CLECs have no warning of these changes – which may in fact turn out to be CLEC affecting. We have described a number of examples of such changes. This also means that requests CLECs have not prioritized crowd out those they have prioritized. As KPMG explained, “[t]his policy inhibits one of the primary objectives of the Change Control Plan (CCP) ‘to allow for mutual impact assessment and resource planning to manage and schedule changes.’” BellSouth is assessing its response.

156. On August 29, 2001, KPMG also opened Exception 106 because “[t]he BellSouth IT Team does not have criteria to develop the scope of a Release Package.” (Att. 4.) KPMG added that “[t]he lack of established and documented development criteria may result in the BellSouth IT team overlooking and/or ignoring important change requests. Important change requests that remain unimplemented prevent CLECs from receiving requested order and pre-order functionality that may allow CLECs to compete more effectively in the local exchange carrier market.” Id. As we have explained at length, that is exactly what has happened.

157. BellSouth’s change control process and BellSouth’s implementation of that process must undergo a number of improvements before that process can be deemed satisfactory.²⁹

²⁹ BellSouth’s performance metrics do not include any measures that would capture the defects with BellSouth’s change management process discussed here. BellSouth’s Change Control Metrics do measure the timeliness of change notifications and documentation, but even these measures have extremely lax standards. BellSouth’s change management plan used to allow it to release documentation shortly before a release. While BellSouth recently has committed to longer intervals for various types of notices for business rules and technical

BellSouth's Test Environment for CLECs Is Inadequate.

158. BellSouth has only recently implemented a CLEC Test Environment that ostensibly is separate from the production environment. Indeed, after MCI launched service in Georgia in April 2001, we could not do additional testing unless we were willing to do so in the production environment, at a risk to our customers, which we were not.

159. BellSouth recently put in place its CLEC Application Verification Environment (“CAVE”) testing environment. BellSouth claims that CAVE is a separate testing environment, but the truth is that this is not so. BellSouth, unlike Verizon or SBC in any of its regions, requires CLECs to use different codes when testing in CAVE than they do in production. For testing, BellSouth provides CLECs with fictitious Company Codes, Customer Carrier Name Abbreviations, Carrier Identification Codes, and Billing Account Numbers. Because WorldCom was suspicious that these fictitious codes were used to separate test orders from production orders in BellSouth's production systems, it asked at a September 7, 2001 kick-off meeting for MCI's use of CAVE – a meeting that included BellSouth's personnel responsible for CAVE – why it needed to use these fictitious numbers. BellSouth responded CAVE is a front-end ordering process that interfaces BellSouth's back-end production systems and that, just as MCI suspected, the fictitious numbers are used to separate out test orders from production orders. Thus, CAVE is not actually a separate test environment as BellSouth has claimed.³⁰

160. This was confirmed several weeks later. On October 1, BellSouth re-flowed 1521 production notifiers into MCI's test environment in an effort to transmit to MCI notifiers that had previously been missing. These notifiers contained the correct Purchase Order Number (“PON”) values that were missing but were sent to MCI with test Trading Partner IDs thus causing the responses to end up in MCI's test environment. Thus, BellSouth's production and testing systems

documentation, it can meet its performance plan without meeting these new intervals, as the new intervals have not been imported into the plan.

³⁰ After this meeting, BellSouth sent MCI meeting minutes that did not include this explanation of CAVE. MCI corrected the minutes and returned them to BellSouth. (Att. 20). BellSouth never responded that MCI's understanding was incorrect.

appear to be the same.

161. The absence of a separate test environment is a substantial problem. Without a separate test environment, test orders and changes made during testing can negatively impact the production environment.³¹

162. Moreover, even if CAVE were a separate test environment, BellSouth's requirement that CLECs rely on fictitious Company Codes, Customer Carrier Name Abbreviations, Carrier Identification Codes, and Billing Account Numbers causes significant difficulties in testing. With the exception of the Billing Account Number, this information is hard-coded into WorldCom's systems. It is used in transmission of orders to multiple ILECs. Changing this coding would risk creating serious problems with MCI production orders and WorldCom is unwilling to take this risk. Thus, when MCI did submit test transactions to CAVE in September, it manually changed the codes on each test order. This causes unnecessary work. It also alters the nature of MCI's ordering process and thus makes the test results less reliable.

163. The best that can be said is that there certainly has not been sufficient experience with CAVE to conclude that it is adequate. CAVE was available for testing one BellSouth release and is now unavailable for use again until release 10.3 which is the January 2002 production release. (Att. 7, Stacy Deposition at 140-41.) In and of itself, this is a significant problem. BellSouth does not believe that a test environment need be operational for any period other than shortly before and after a significant release. But CLECs must always be able to test. For example, they may wish to update code at a time other than when BellSouth has scheduled a new release. Moreover, BellSouth's decision to make CAVE unavailable precludes CLECs from using CAVE to test BellSouth's planned implementation of migration by telephone number, for example. Other ILECs make their test environment available full time. A comparison of BellSouth's test environment with Verizon's test environment is provided in Attachment 26.

³¹ BellSouth's own testing should also occur in a separate test environment. Yet on August 25, BellSouth tested a new internal release in production – without notifying the CLECs – and this caused problems that led to a BellSouth failure to return many notifiers.

164. The limited experience that WorldCom does have with CAVE suggests the existence of additional problems with CAVE. WorldCom did not receive FOCs, rejects, or completion notices on some of its test orders for days and on some not at all. WorldCom received erroneous rejects that BellSouth explained by pointing to manual processing. The number and severity of problems suggest either that the test orders in CAVE are treated different from production – or that BellSouth’s production environment itself is far worse even than we are aware.

165. There is no basis for concluding that CAVE is adequate. In Florida, KPMG opened Exception 6 in September 2000 and issued the latest amendment to that Exception on September 27, 2001 because “BellSouth lacks an appropriate process, methodology and robust test environment for testing of the electronic data interchange (EDI) interface.” (Att. 4.) That remains true today. BellSouth acknowledges in its response to the Exception that the test environment it offers other than CAVE uses production versions of the interfaces and is only for new entrants. CAVE is for entrants that are already certified and wish to test new releases. Unfortunately, CAVE is inadequate for those purposes.

166. BellSouth must develop a truly independent test environment and make it available to CLECs prior to in-region interLATA entry.

Average Order Completion Interval

167. When the FCC rejected BellSouth’s prior section 271 applications, it criticized BellSouth’s measurement of average completion interval. It explained that BellSouth’s measures “only begin their analysis once an order has cleared BellSouth’s SOCS systems. By beginning the interval at the time the order clears BellSouth’s SOCS system, rather than when the order is first submitted, these measures fail to capture the delays in order processing caused by the high order rejection rates discussed above. In addition, BellSouth’s measures do not provide information on the time it takes BellSouth actually to install service.” South Carolina Order ¶ 134. That remains true.

168. BellSouth continues to measure average completion interval beginning when an

order reaches SOCS (when BellSouth transmits the FOC). Thus, if a CLEC submits an order, it takes two weeks for that order to reach SOCS, and one additional day to complete, the average completion interval in BellSouth's measures would be one day. Since many orders are delayed or even lost before reaching SOCS, BellSouth's erroneous definition of average completion interval likely significantly understates that interval.

169. BellSouth claims that it does not need to measure the time to receive a FOC as part of the Order Completion Interval because it is measured separately. All the other ILECs that measure Average Order Completion interval from receipt of an error-free (i.e. non-rejected) order also measure FOC intervals as well. This is not an excuse for not measuring the interval to capture the full customer experience. Combining two averages together does not tell the whole story because of how FOC intervals for different products are averaged together in the remedy plan.

BellSouth's Self-Executing Enforcement Mechanism ("SEEM") Parameter Delta

170. Even if BellSouth's performance were acceptable today, its performance plans in Georgia and Louisiana are insufficient to prevent backsliding. While the other remedy plans included in section 271 applications filed by BOCs to date have set a specific critical value to determine whether a specific difference in performance between the BOC's retail and wholesale customers is discriminatory, BellSouth has proposed an added buffer of allowed discrimination which is supposedly "nonmaterial or non-competitively significant." Under BellSouth's remedy plan, BellSouth attempts to equalize the risk of making Type I errors (finding discrimination when it does not exist) and Type II errors (finding no discrimination when it does exist). But use of this method requires reliance on a parameter – delta – that is a measure, in units of the ILEC standard deviation, of the extent to which the ILEC mean exceeds the CLEC mean, or the reverse. The selected delta will determine how many standard deviations from equal performance is considered competitively significant.

171. BellSouth's 1 delta for Tier I remedies and 0.5 delta for Tier II remedies adopted by Louisiana, and even its 0.5 and 0.35 delta for Georgia, make detection of discrimination for

larger sample sizes very difficult. As the attached MCI paper by Professor John Jackson of Auburn University discusses, this one-size-fits-all delta approach can allow real discrimination to escape remedies for large sample sizes. (Att. 24) Moreover, the deltas in Georgia and Louisiana were not chosen by industry experts for each type of metric to determine what is competitively significant.

172. The Florida PSC understood these issues when it adopted Z-Tel's alternative to a lower 0.25 delta proposed by CLECs or the BellSouth proposed 1 delta.

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

Although the Louisiana and Georgia Commissions reached a different conclusion, the Louisiana Commission adopted its staff report that gave a less than ringing endorsement of BellSouth's proposed 1 delta for CLEC-specific and 2 delta for CLEC aggregate reports:

Staff believes that the Commission should accept BellSouth's proposed delta value of 1 for individual CLEC tests and .50 for CLEC aggregate tests for an interim period review period. Staff did not have sufficient evidence to conclude that a delta value of 1 produces reasonable results when examining actual performance data and resulting pass fail statistics. Staff concludes that additional analyses and data should be examined before drawing a final conclusion concerning the delta value. BellSouth should be ordered to use delta values of 1 and .50 for an interim period of seven and one-half months (45 days to put its statistics and remedy plan into full production mode and six months of reporting); provide Staff with the amount of remedies produced using these values; and to present the metric results as aggregated under its remedy plan, Z-scores, Type I and Type II error probabilities and balancing critical values that produced the amount of remedies. This information should be made available to Staff so that it can further evaluate the reasonableness of BellSouth's proposed parameter delta value of 1 and .50.

Order Adopting Final Staff Recommendation, In re: BellSouth Telecommunications, Inc.,

Service Quality Performance Measurements, Docket No. 22252 Subdocket C (May 14, 2001).

Although the staff recommendation was voted on in February, the order was not released until May, so the 7 and one-half month trial proposed by staff is only in its second month. In accepting this remedy plan as is, the FCC would free BellSouth from paying remedies for performance that would clearly trigger remedies in the New York, Massachusetts and Connecticut plans, as well as the three Southwestern Bell plans it previously approved.

173. BellSouth's SEEM also suffers the same infirmities as other per occurrence plans. Because with low ordering volumes the occurrences of discrimination will be small even if BellSouth discriminates on every measure, the plan does not provide BellSouth a sufficient incentive to resolve discriminatory performance. To the contrary, by continuing to perform badly, BellSouth can keep order volumes low and thus also keep remedies low. This is made even worse when the amounts per occurrence are remarkably low. For example, in August BellSouth failed the Billing Invoice Timeliness submetric on four occasions for WorldCom in Georgia where the remedy is only one dollar per miss, so the remedy payable to WorldCom is \$4 – clearly not a large deterrent to a multi-billion dollar company.

BellSouth Is Unresponsive to CLEC Issues

174. One issue that lies at the bottom of all of MCI's specific concerns is BellSouth's failure to respond adequately to CLEC problems. As we have already explained, it is extremely difficult to obtain answers from BellSouth on even relatively simple questions – even if BellSouth seems to be trying to be helpful. BellSouth's failure to respond adequately to MCI's problems with missing notifiers, billing issues, and line loss problems merely exemplify this concern.³² Indeed, more than 40% of MCI's IT resources for local are spent on BellSouth even though less than 10% of MCI's monthly transaction volume is in the BellSouth region.

175. Much of the difficulty appears to relate to the fact that BellSouth's entire IT

³² We have attached a series of e-mails related to MCI's attempt to open a trouble ticket on FOCs it had received that had a different due date than it requested or that were completed on a different day than it requested. They provide one example of some of the difficulties MCI has encountered. (Att. 17.)

department was outsourced between 1996 and 1997. (Att. 7, Stacy Dep. at 143-46, 153-57). Thus, OSS development is contracted out to outside vendors. But BellSouth requires CLECs to work through BellSouth to obtain answers to EDI questions. Generally we must work through our account team which has very little knowledge of EDI and must itself bring in BellSouth employees with more knowledge, and they then may have to obtain answers from the outside vendors. And it is not the same outside vendor for all parts of BellSouth's OSS. We are aware that Accenture developed and manages parts of the OSS and Telcordia developed and manages some other parts. This creates substantial difficulties for CLECs.

176. CLEC difficulties are increased by BellSouth's failure to provide CLECs a walk through of their OSS systems as Verizon and other BOCs have done. Although BellSouth provided an overview of its systems at a UNE-P Users Group meeting, this overview was extremely high level and did not address the questions that CLECs asked. Without a detailed walk through, CLECs do not know how orders are processed and cannot help BellSouth determine whether problems are theirs or BellSouth's. We learn everything we know about BellSouth's systems from depositions and testimony. This is not a business relationship.

177. BellSouth's unwillingness to facilitate CLEC competition is also evident from the web site it has developed for CLECs to access performance reports. CLECs must pull the performance reports from the web. This is an extremely cumbersome process in the BellSouth region. CLECs must download the data one submetric at a time. This often takes up to two minutes per submetric for each of the hundreds of submetrics. Further, the reports do not clearly show what standard (benchmark or parity) against which performance is being measured, as do the reports BellSouth has provided to the FCC with its section 271 application. CLECs need to be able to quickly download a report in the format provided to the FCC, rather than spending hours pulling one report at a time. The problem is further encumbered by the frequent error messages and down times for the system. Moreover, if CLECs wish to print the data, they must reformat the data. And the website is unavailable on the weekends.

178. BellSouth's inability or unwillingness to help facilitate local competition is further

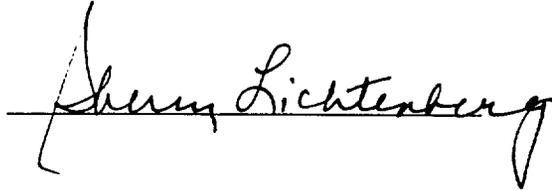
evident from its approach to change management, as we discuss below.

Conclusion

179. This concludes our declaration on behalf of WorldCom, Inc.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 17, 2001.

A handwritten signature in cursive script that reads "Sherry Lichtenberg". The signature is written in black ink and is positioned above a horizontal line.

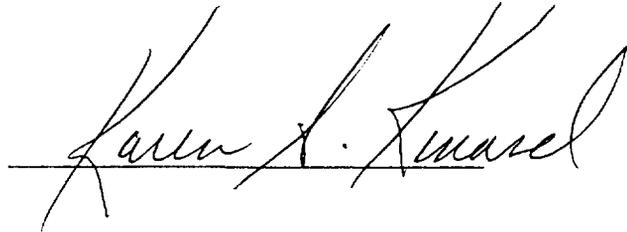
I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 19, 2001.



I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 19, 2001.



A handwritten signature in cursive script, reading "Karen A. Kinard", is written over a horizontal line. The signature is fluid and appears to be in black ink.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 16, 2001.

Richard Cabe