

BellSouth Corporation
Suite 900
1133-21st Street, N.W.
Washington, DC 20036-3351

kathleen.levitz@bellsouth.com

Kathleen B. Levitz
Vice President-Federal Regulatory

202 463 4113
Fax 202 463 4198

May 3, 2002

WRITTEN EX PARTE

Ms Marlene H. Dortch
Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, D.C. 20554

Re: CC Docket No. 02-35

Dear Ms Dortch:

At the request of the Common Carrier Bureau staff, BellSouth submits this letter to respond to issues relating to data reliability raised in written *ex parte* filed by AT&T on April 19, 2002. At pages 9-12 of its *ex parte*, AT&T again challenges the reliability of the data BellSouth has submitted in support of its 271 application. In the following paragraphs we set forth and respond to specific allegations AT&T makes in its letter to which the FCC staff has requested that we respond in writing.

AT&T Allegation: Additionally, the metrics audit in Georgia (as well as Florida) is far from complete. In this regard, BellSouth's assertion that KPMG's February Interim Status Report confirms that data integrity testing in Georgia is 54% complete is misleading. Varner Supp. Reply Affd. ¶ 27 n. 1. KPMG's February Interim Status Report does not state precisely what percentage of data integrity testing has been completed. Notably, after KPMG issued its February Interim Status report, KPMG revealed that it has completed only 10% of the evaluation necessary for the data integrity phase of testing. In view of the significant data integrity issues that have been uncovered in Florida, as well as the considerable testing that must be completed in Georgia, it remains to be seen whether other significant data integrity problems will be discovered during the metrics audit. Bursh/Norris Supp. Reply Decl. ¶ 35; DOJ Eval. at 20.

BellSouth Response: Contrary to AT&T's allegation, the metrics audit in Georgia is largely complete in most respects. Audit I is satisfied with the exception of two minor issues, and Audit II is closed with all evaluation criteria satisfied. As of March 21, 2002, the status of Audit III is as follows:

- PMR-1 (Data Collection and Storage) is 90% complete;
- PMR-2 (Standards and Definitions) is 100% complete for Month I, 100% complete for Month II, and 95% complete (4 measures in progress) for Month III;
- PMR-3 (Change Management) is 85% complete;
- PMR-4 (Data Integrity) is 27% complete; and
- PMR-5 (Data Replication) is 84% complete for SQM Reports and 67% complete for 271 Charts.

These figures are from the KPMG-approved report on the enhancement from PMAP 2.6 to PMAP 4.0 (attached as Supp. Reply Exhibit PM-12 to the Supplemental Reply Affidavit of Alphonso Varner). Contrary to AT&T's allegation that KPMG had not cited a number, the 54% figure is specifically stated in the Revised KPMG Interim Status Report, page 12, filed as an *ex parte* with the Commission on February 28, 2002. Specifically, the Revised Interim Status Report states "of the 37 metrics where testing has been started in Audit III, or completed in Audits I and II, 20 (or 54%) have satisfied the evaluation criteria and are complete." The 10% number used by AT&T was provided by KPMG on February 20, 2002, and covered only those metrics being tested in Audit III for which both completeness and accuracy were finished.

BellSouth also disagrees with AT&T's characterization of the metrics exceptions in Florida as "significant." As BellSouth demonstrated in its filing, the Florida metrics test supports BellSouth's position that its performance data are reliable, rather than refutes it. As in Georgia, none of the Florida exceptions (open or closed) related to the current SQM reveal any significant issues with BellSouth's performance data.

In total, including both open and closed exceptions as of March 25, 2002, KPMG has issued 30 exceptions in Florida based on its audit of the SQM that is similar to the Georgia SQM (*i.e.*, after June 2001). Of those, 11 currently are closed or in the closure process. Of the total of 30, 15 have no impact on reported results, 14 have less than 0.5% impact in Georgia and Louisiana, and 1 relates to Average Jeopardy Notice Interval, which is unreliable. A description of all of the Florida Exceptions, open and closed, was attached to the Supplemental Reply Affidavit of Alphonso Varner as Supplemental Reply Exhibit PM-10. For example, Florida Exceptions 15, 81 and 153 relate to issues with BellSouth's performance measurements documentation, which do not impact the validity of

reported results. Moreover, Florida Exception 122 relates to the production of an LSR detail report for xDSL orders, and Florida Exception 152 relates to an issue unique to the SQM Reports. These issues are illustrative of exceptions that do not impact the reported results in the MSS. As BellSouth's analyses make clear, none of the Florida Exceptions indicate systemic problems with BellSouth's reported results.

AT&T Allegation: The lengths to which BellSouth goes to rationalize the deficiencies in its performance data are nothing short of remarkable. Thus, for example, AT&T has explained that BellSouth's completion notice interval data are inaccurate and incomplete because BellSouth excludes orders when the orders are completed in one month, but the completion notice is issued in another. Noting that AT&T's arguments are meritless, BellSouth contends that it does not "exclude" such orders, but rather chooses not to count such orders when the completion notices are sent after BellSouth's processing window closes. Varner Supp. Reply Affd. ¶ 78. BellSouth's argument is circular. The purpose of a performance measurement plan is to capture accurately the actual performance it is intended to measure. BellSouth's completion notice interval measure cannot serve its intended purpose because BellSouth omits data from its performance results. Ironically, BellSouth has admitted in the Florida workshop that these orders should be included in its performance results and has agreed to start capturing these orders in May. Varner Florida PSC Workshop Handout at 20. In all events, the data on which BellSouth currently relies to support its Application are inaccurate and incomplete.

BellSouth Response: BellSouth does not "exclude" orders that complete in one month but have a completion notice issued in the next month. Rather, as explained in Varner's Affidavits, in a very small number of cases, if a completion notice is issued after the processing window for the prior month's data closes, the order is not counted in this measure. This is not an error, but simply the result of having to post data on a monthly basis. In order to process and produce the data, BellSouth has to take a snapshot of the data at a single point in time. For this measure, BellSouth leaves the processing window open 4 days past the end of the month to capture as many completion notices as possible. If a completion notice is sent after the window closes, however, it is not counted. BellSouth estimates that this occurs no more than 0.30% of the time. Consequently, there is no question that the data reported for this measure "capture[s] accurately the actual performance it is intended to measure." As the GPSC stated in its Comments in its continued support of BellSouth's application, "the Commission finds no evidence of any significant data integrity problems or any issue that undermines the overall reliability of BellSouth's performance data." GPSC Comments, at 30.

AT&T's allegation that BellSouth "admitted in the Florida workshop that these orders should be included in its performance results" is also misleading. Because AT&T complained about this issue, BellSouth agreed to start including these orders in the subsequent months processing. BellSouth does not believe,

however, that including this insignificant number of orders makes the data more accurate.

In accordance with Section 1.1206, I am filing two copies of this and request that you please place them in the record of the proceeding identified above. Thank you.

Sincerely,

A handwritten signature in black ink that reads "Kathleen B. Levitz". The signature is written in a cursive style with a large initial 'K' and a distinct 'L'.

Kathleen B. Levitz

cc: Michelle Carey
Renee Crittenden
Ian Dillner
Aaron Goldberger
Dennis Johnson
Daniel Shiman
Susan Pié
James Davis-Smith