BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of BellSouth Telecommunications, Inc.'s entry into interLATA services pursuant to Section 271 of the Federal Telecommunications Act of 1996. (Third Party OSS Testing)	DOCKET NO. 960786B-TL OPINION NO. PSC-02-1305-FOF-TL ISSUED: September 25, 2002

The following Commissioners participated in the disposition of this matter:

LILA A. JABER, Chairman
J. TERRY DEASON
BRAULIO L. BAEZ
MICHAEL A. PALECKI
RUDOLPH "RUDY" BRADLEY

CONSULTATIVE OPINION REGARDING BELLSOUTH'S OPERATIONS SUPPORT SYSTEMS

TABLE OF CONTENTS

LIST OF ACRONYMS

ACNA	Access Carrier Name Abbreviation
ACNI	Average Completion Notice Interval
ADSL	Asymmetric Digital Subscriber Line
ADUF	Access Daily Usage File
AFIG	Address Facility Inventory Group
ALEC	Alternative Local Exchange Carriers
API	Application Program Interface
ASR	Access Service Request
BAN	Billing Account Number
BAR	Billing Adjustment Request
BBR-LO	BellSouth Business Rules for Local Ordering
BFR/NBR	Bona Fide Request/New Business Request
BOCRIS	Billing Operations Customer Relations Information System
BOS/BDT	Billing Output Specification/Bill Data Tape
BRC	Business Repair Center
BTN	Billing Telephone Number
BTSI	BellSouth Technology Systems Integration
CABS	Carrier Access Billing System
CAVE	CLEC Application Verification Environment
CCB	Change Control Board
CCM	Change Control Manager
CCT	Customer Contact Team
CCP	Change Control Process
CFA	Connecting Facilities Assignment
CFR	Code of Federal Regulations
CLEC	Competitive Local Exchange Carrier
CLUB	Customized Large User Bill
CN	Completion Notice
CO	Central Office
COG	Corporate Order Gateway
COSMOS	Computer System for Mainframe Operations
CPG	Circuit Provisioning Group
CR	Change Request
CRIS	Customer Record Information System
CRSG	Complex Resale Support Group
CSR	Customer Service Record
CSOTS	CLEC Service Order Tracking System
CTE	CLEC Test Environment
CTG	Complex Translations Group

CWINS	Customer Wholesale Interconnection Network Services
DD	Due Date
DOE	Direct Order Entry System
DS0	Digital Signal 0 (64 kb/s)
DS1	Digital Signal 1 (1.544 Mb/s)
DSL	Digital Subscriber Line
DUF	Daily Usage File
EC	Electronic Communication
ECTA	Electronic Communication Trouble Administration
EDI	Electronic Data Interchange
EEL	Enhanced Extended Loop
ET	Electronic Technicians
EXACT	Exchange Access and Control Tracking
FA	Functional Acknowledgment
FCC	Federal Communications Commission
FDT	Frame Due Time
FOC	Firm Order Confirmation
FPSC	Florida Public Service Commission
FRN	Facilities Reservation Number
FTTF	Flow Through Task Force
GUI	Graphical User Interface
HDSL	High Digital Subscriber Line
IBS	Integrated Billing System
ICAIS	Interexchange Carrier Analysis and Information System
IDSL	Integrated Services Digital Network Subscriber Line
ILEC	Incumbent Local Exchange Carrier
IOF	Interoffice Facilities
ISDN	Integrated Services Digital Network
IXC	Interexchange Carrier
KCI	KPMG Consulting Inc.
LATA	Local Access and Transport Area
LCSC	Local Carrier Service Center
LENS	Local Exchange Navigation System
LEO	Local Exchange Ordering
LESOG	Local Exchange Service Order Generator
LFACS	Loop Facility Assignment and Control System
LISC	Local Interconnect Service Center
LMOS	Loop Maintenance Operating System
LMU	Loop Make-Up
LNP	Local Number Portability
LON	Local Order Number
LPIC	Local Primary Interexchange Carrier

LSR	Local Service Request
MA	Missed Appointment
MARCH	Memory Administration Recent Change History
MLT	Mechanized Loop Test
MTP	Master Test Plan
NDM	Network Data Mover
NID	Network Interface Device
NFT	Non-Flow Through
NPAC	Number Portability Administration Center
NODS	Normalized Operational Data Store
OCN	Operating Company Numbers
ODUF	Optional Daily Usage File
OSS	Operation Support Systems
PCN	Provisioning Completion Notices
PIC	Primary Interexchange Carrier
PMAP	Performance Measurements Analysis Platform
PON	Purchase Order Number
POTS	Plain Old Telephone Service
PPR	Processes and Procedures Review
PQT	Presale Quality Team
RDUM	Raw Data User Manual
PMAP	Performance Measurements Analysis Platform
PMR	Performance Metrics Review
RoboTAG	Robust TAG
RRC	Residential Repair Center
SEEM	Self Effectuating Enforcement Mechanism
SOCS	Service Order Communication System
SOEG	Service Order Entry Gateway
SQM	Service Quality Measurement
TAG	Telecommunications Access Gateway
TAFI	Trouble Analysis Facilitation Interface
TN	Telephone Number
TVV	Transaction Verification and Validation
UCL-ND	Unbundled Copper Loop Non-Design
UNE	Unbundled Network Element
UNE-L	Unbundled Network Element Loop
UNE-P	Unbundled Network Element - Platform
USOC	Universal Service Order Code
WeBS	Wholesale Billing Support
WFA/C	Workforce Administration/Control
WFA/DI	Workforce Administration/Dispatch In
WFA/DO	Workforce Administration/Dispatch Out

WMC	Work Management Center
xDSL	Generic term for Digital Subscriber Loop

BY THE COMMISSION:

I. CASE BACKGROUND

On December 10, 1998, the Florida Competitive Carriers Association (FCCA), the Telecommunications Resellers, Inc. (TRA), AT&T Communications of the Southern States, Inc. (AT&T), MCImetro Access Transmission Services, LLC (MCImetro), WorldCom Technologies, Inc. (WorldCom), the Competitive Telecommunications Association (Comptel), MGC Communications, Inc. (MGC), and Intermedia Communications Inc. (Intermedia) (collectively, "Competitive Carriers") filed their Petition of Competitive Carriers for Commission Action to Support Local Competition in BellSouth's Service Territory.

On December 30, 1998, BellSouth Telecommunications, Inc. (BellSouth) filed a Motion to Dismiss the Petition of the Competitive Carriers for Commission Action to Support Local Competition in BellSouth's Service Territory (Competitive Carriers' Petition.) BellSouth requested that we dismiss the Competitive Carriers' Petition with prejudice. On January 11, 1999, the Competitive Carriers filed their Response in Opposition to BellSouth's Motion to Dismiss. By Order No. PSC-99-0769-FOF-TP, issued April 21, 1999, we denied BellSouth's Motion to Dismiss. In addition, we denied the Competitive Carriers' request to initiate a rulemaking proceeding to establish expedited dispute resolution procedures for resolving interconnection agreement disputes. We also directed our staff to provide more specific information and rationale for its recommendation on the remainder of the Competitive Carriers' Petition.

On May 26, 1999, we issued Order No. PSC-99-1078-PCO-TP, which granted, in part, and denied, in part, the petition of the Florida Competitive Carriers' Association to support local competition in BellSouth's service territory. Specifically, we established a formal administrative hearing process to address unbundled network elements (UNE) pricing, including UNE combinations and deaveraged pricing of unbundled loops. We also ordered staff workshops on Operations Support Systems (OSS) be conducted concomitantly in an effort to resolve OSS operational issues. We stated that the request for third-party testing (TPT) of OSS was to be addressed in these workshops. These workshops were held on May 5-6, 1999. We ordered a formal administrative hearing to address collocation and access to loop issues, as well as costing and pricing issues.

On May 28, 1999, FCCA and AT&T filed a Motion for Independent Third-Party Testing of BellSouth's OSS. BellSouth filed its Response to this Motion by the FCCA and AT&T on June 16, 1999. That same day, FCCA and AT&T filed a Supplement to the Motion for Third-Party Testing. On June 17, 1999, ACI Corp. (ACI) filed a Motion to Expand the Scope of Independent Third-Party Testing. On June 28, 1999, BellSouth responded to the Supplement filed by FCCA and AT&T. On June 29, 1999, BellSouth responded to ACI's Motion to Expand the Scope of Independent Third-Party Testing. By Order No. PSC-99-1568-PAA-TP, issued August 9, 1999, we denied the motion. Upon our own motion, we decided to proceed with Phase I of third-party testing of BellSouth's OSS. Phase I of third-party testing required a third party, in this case KPMG Consulting LLC, to develop a Master Test Plan (MTP) that would identify the specific testing activities necessary to demonstrate nondiscriminatory access and parity of BellSouth's systems and processes.

By Order No. PSC-00-0104-PAA-TP, issued January 11, 2000, we approved the KPMG Consulting MTP and initiated Phase II of third-party testing of BellSouth's OSS. On February 8, 2000, by Order No. PSC-00-0260-PAA-TP, we approved interim performance measures to be used during the course of testing to assess the level of service BellSouth is providing to Alternative Local Exchange Carriers (ALECs). By Order No. PSC-00-0563-PAA-TP, issued March 20, 2000, we approved the retail analogs/benchmarks and the statistical methodology that should be used during the OSS third-party testing.

By Order No. PSC-00-2451-PAA-TP, issued December 20, 2000, we approved revised interim performance measures, benchmarks and retail analogs to be used during the third-party OSS testing. The revised interim measures were ordered to address several changes made to BellSouth's initial set of interim measures approved by Order No. PSC-00-0260-PAA-TP. The revised interim measures included corrections to the business rules used to calculate the measures and additional levels of detail allowing the measures to capture BellSouth's performance on newer services such as Local Number Portability (LNP). Since Order No. PSC-00-2451-PAA-TP, BellSouth has issued additional changes to its revised interim measures in other jurisdictions. By Order No. PSC-01-1428-PAA-TL, issued July 3, 2001, we approved additional changes to update measures and retail analogs and provide additional levels of disaggregation.

On June 21, 2002, KPMG Consulting, Inc. presented its Draft Final Report to our staff containing preliminary results and conclusions from the third-party testing of BellSouth's OSS. The draft report addressed its findings regarding the pre-ordering, ordering, provisioning, and maintenance/repair operations support systems. On July 12, 2002, we held a Commissioner's workshop to address questions concerning the Draft Final Report. Comments on the draft and workshop were filed by parties on July 24, 2002.

On July 30, 2002, KPMG Consulting submitted its Final Report regarding the third-party testing. The Final Report contains KPMG Consulting's final conclusions regarding BellSouth's pre-ordering, ordering, provisioning, and maintenance and repair operating support systems. Subsequently, on September 9, 2002, we considered BellSouth's compliance with its Operating Support Systems under Section 271 of the Act.

II. JURISDICTION

Section 271(a) of the Telecommunication Act of 1996 (the Act) provides that a Regional Bell Operating Company (RBOC) may not provide interLATA services except as provided in Section 271. Section 271(d) of the Act provides, in part, that prior to making a determination under Section 271, the Federal Communications Commission (FCC) shall consult with the State commission of any State that is the subject of a Section 271 application in order to verify the compliance of the RBOC with requirements of Section 271(c). In addition, Section 120.80(13)(d), Florida Statutes, provides that we can employ processes and procedures as necessary in implementing the Act. Therefore, we find that we have jurisdiction in evaluating BellSouth's OSS through third-party testing, which will enable us to consult with the FCC when BellSouth requests 271 approval from the FCC.

III. ANALYSIS

A. INTRODUCTION

The issue to be addressed is whether BellSouth provides ALECs nondiscriminatory access to its OSS, thus satisfying the OSS requirements of Section 271 of the Telecommunications Act of 1996. To determine the adequacy of OSS support provided by BellSouth to Florida ALECs, we have, over the course of the last several years, adopted an approach to rely on three key sources of information. These three sources have been likened to a three-legged stool upon which our assessment of BellSouth's OSS will sit. The three legs of the stool, to be used to determine BellSouth's compliance with the requirements of Section 271 of the 1996 Telecommunications Act, are as follows:

- the results of the OSS third-party test conducted by KPMG Consulting, Inc;

- January 2002 through March 2002 commercial data results showing the quality of OSS support provided to ALECs by BellSouth in terms of its performance against our approved OSS benchmarks and analogs; and

- input regarding ALECs' "real-world" experience via the February 18, 2002 ALEC Experience Workshop and comments filed in this docket.

The KPMG Consulting test results, entitled *BellSouth Telecommunications, Inc. OSS Evaluation Project, Final Report, Version 2.0* (Final Report), are incorporated here by reference as Attachment A to this Order. The entire report can be accessed electronically via our web site. We conclude that 522 (more than

97 percent) of the KPMG Consulting evaluation criteria were satisfied, while 14 (less than 3 percent) were not satisfied through its testing activities. Testing of an additional 542 performance measurement evaluation criteria remains in progress at this time.

Based upon our review and participation in the testing, we consider many of the not-satisfied criteria to be resolved or pending resolution at a time certain through a software change. We believe the remaining not-satisfied test criteria do not constitute significant barriers to competition. Our analysis of the third-party OSS test results is contained in Section B below.

The review of January through March 2002 commercial data performed by KPMG Consulting is contained within Appendix G of KPMG Consulting's Final Report. We recognize that interpretation of the commercial data results is a matter of judgement. We believe it would be difficult to reach a point of attaining parity for each of the thousands of measurement points reflected by performance measures and submeasures, and are not aware of any specific "percentage at parity" that has been applied by any regulatory body as constituting compliance with the 1996 Telecommunications Act. We believe the commercial data analysis compiled by KPMG Consulting generally confirms the OSS test results and indicates support by BellSouth for Florida ALECs in aggregate is at parity. Our analysis of the commercial data review is contained in Section C below.

We have analyzed the information provided by the ALECs at our February 18, 2002 ALEC Experience Workshop, which raised over 50 OSS issues. In our opinion, the most significant of these issues have been addressed either through the tests or through action taken by us on our own motion. In other instances, we believe either the ALEC issues are not supported by the information available or do not reflect a systemic problem that inhibits the ALECs' ability to compete with BellSouth. We note that certain ALECs filed comments too late for us to fully analyze in this Opinion. We have, however, thoroughly reviewed these comments and believe that the issues identified therein are either already addressed in this Opinion through our analysis of the comments of other ALECs or that the issues do not rise to a level which would alter our ultimate decision. Our analysis of the issues raised by the ALECs at the workshop is contained in Section D below. A more technical and detailed discussion of these issues is included as Attachment B to this Order. A glossary of terms is provided as Attachment C for reference.

B. OPERATIONS SUPPORT SYSTEMS TEST

1. OSS Test Summary

In Order No. PSC-00-0104-PAA-TP, issued January 11, 2000, we approved the Master Test Plan (MTP), selected KPMG Consulting, Inc. as the third-party test manager, and ordered execution of the MTP to begin. As directed, our staff maintained an active role directing and monitoring KPMG Consulting's test activities, while BellSouth paid the substantial cost of this testing. ALEC participation was sought throughout, beginning with the drafting of the MTP itself, continuing through more than 130 weekly test status meetings, and including both direct participation in test activities and input via interviews. ALECs were also able to monitor test status and results via our web site, which listed all test observations and exceptions and provided monthly status reports.

The objective of the test was to provide us with evidence for use in assessing whether BellSouth has met the requirements of Section 271 of the Act, which are to:

- provide nondiscriminatory access to its OSS on appropriate terms and conditions,
- provide the documentation and support necessary for ALECs to access and use these systems, and
- demonstrate that its systems are operationally ready and provide an appropriate level of performance.

The scope of the test included examination of activities involved in establishing and maintaining the ILEC-ALEC relationship and in performing daily operations in support of providing local telecommunications service. The test was designed to address all ALEC service delivery methods (resale, UNE, and interconnection).

In fact, the test scope addressed a far broader range of product offerings than most Florida ALECs provide. As stated in the MTP, the test was conducted using a "military-style" approach, meaning that testing iterations would continue until a passing result is achieved.

Our third-party OSS test has been widely recognized for its independence, openness to ALEC participation, breadth of coverage, and depth of detail. The Florida test was actively monitored by the Commissions of several BellSouth states that chose not to conduct their own tests.

Our third-party OSS test actively sought and obtained ALEC input in test planning, conduct and monitoring. Over 130 weekly status meetings were attended by ALECs, as well as over 250 observation and exceptions discussion calls, and at least 15 face-to-face meetings or workshops were conducted. Over the course of the test, 26 Florida ALECs participated in the weekly OSS test status calls. Of these 26 participants, three were highly active, participating in the majority of the calls held, while 12 ALECs were moderately active, and 11 others participated occasionally on the weekly status calls.

ALECs, such as WorldCom, have affirmed that the Florida test is the "best in the country." In North Carolina, AT&T stated, "the Florida test is a truly complete test.... We're on record before several bodies as saying that we're very satisfied with the test in Florida." North Carolina Utilities Commission, Docket No. P-55, Sub 1022, May 2, 2001 Session Transcript at p.15. AT&T also stated in Tennessee, "The Florida test as it is currently structured is comprehensive in its scope...the Florida Public Service Commission took steps to assure the independence of the tester, thereby bolstering the reliability of the testing...." AT&T, Tennessee Regulatory Authority Docket No. 01-00362, May 11, 2001, Exhibit A at pp. 2,8.

Despite their active participation in the test and their praise of it in other venues, some ALECs have criticized the test's inherent design and application in recent filings with us. In its comments on the July 12, 2002, Florida Public Service Commission (FPSC) Draft Report workshop, AT&T stated, "this Commission cannot rely upon the results of KCI's [KPMG Consulting's] third-party test." AT&T further claims that the test does not provide a complete portrait of BellSouth's OSS performance, lacks root-cause analyses of BellSouth deficiencies, lacks blindness, and inadequately tests parity with BellSouth. Mpower criticizes KPMG Consulting's application of "military style" testing, saying it worked in reverse. Covad claims some vital test areas were "missed entirely either through oversight or through design."

We note that these complaints came very late in the process. We also note that, ironically, many of these same ALECs helped with the design of the MTP or failed to raise these objections to its design at either the time the MTP was approved or during the two and one-half years of testing. Before testing began, we indicated that the test would be the <u>only</u> yardstick by which BellSouth's OSS would be measured. In fact, our January 11, 2000, Order stated,

> Independent third-party testing will enable us to make a definitive determination of whether BellSouth has met this Section 271 criteria. Thus, if we determine that BellSouth's OSS pass third-party testing, BellSouth will be considered to have remedied the OSS concerns that we previously identified in Order No. PSC-97-1459-FOF-TL for purposes of our recommendation to the FCC on any future application by BellSouth for interLATA authority in Florida.

Order No. PSC-00-0104-PAA-TP, p. 5, issued January 11, 2000.

After we have spent 30 months conducting a complete set of process and transaction tests as requested in 1999, we believe the test was conducted as planned and as agreed, and the results should be trusted and accepted.

In our opinion, testing until complete perfection is achieved is not realistic, nor is it required by the Act or by the FCC's established standards. The FCC notes in its Georgia/Louisiana order that "the checklist does not require perfection." FCC 02-147, ¶194. In its order on Bell Atlantic's New York 271 application, the FCC stated, "We note that we do not hold Bell Atlantic to a standard of perfection. If [there] were a systemic problem occurring for a significant number of orders, however, it would warrant a finding of noncompliance." FCC Order No. 99-404, ¶176.

The test was designed to examine all OSS interfaces in use and the vast majority of BellSouth product offerings. At the request of ALECs, the test scope was broadened by the our project manager to include products such as line-sharing and operator services/directory assistance. The result was that KPMG Consulting's pseudo-ALEC transactions covered the gamut of products and scenarios.

Throughout the design and execution of the tests, extreme care was taken to maintain testing blindness on the part of BellSouth. It must be stressed that 100 percent blindness is simply not possible in all third-party testing activities. However, we took great pains to ensure that, where applicable, KPMG Consulting received only the information and assistance generally available to operating Florida ALECs. In addition, along with KPMG Consulting, we carefully guarded information such as the actual dates and times of on-site inspections and volume tests to prevent any unfair preparation on BellSouth's part that could skew the test outcome.

Also protected from disclosure were the specific test criteria by which test results were judged. KPMG Consulting's detailed test plans and criteria were reviewed only by our staff. Each test exception was triggered when a specific testing criterion was not passed. Exceptions were only closed when both KPMG Consulting and our staff concurred that the problem was resolved, averting a "not satisfied" outcome for the criterion.

The test was designed to provide conclusive evidence upon its completion of the adequacy of BellSouth's OSS, as required by the Act. The policies and procedures tests (PPR1 through PPR16) examined the basic form and structure of BellSouth's OSS. The transaction validation and verification tests (TVV1 through TVV11) allowed direct evidence of OSS capability through both simulated and real-world transactions. These 27 tests are listed below, followed by a discussion of any outstanding test criteria as of the Final Report publication date. Our analysis included ALEC comments filed in response to our workshop held on July 12, 2002, regarding KPMG's Draft Final Report. Also provided is an overall conclusion for each of the test domains of relationship management, pre-ordering, ordering, provisioning, maintenance and repair, and billing.

2. Relationship Management Test

a. *Relationship Management Test Summary*

The objective of the Relationship Management Infrastructure (RMI) test was to examine BellSouth's wholesale business rules, policies, procedures, and functional units in both the establishment and maintenance of ongoing business relationships with its ALEC customers. The Relationship Management domain consisted of five tests. All five tests were process oriented. The tests examined change management (PPR1), account establishment and management (PPR2), help desks (PPR3), ALEC training (PPR4), and interface development and forecasting (PPR5).

KPMG Consulting evaluated 74 evaluation criteria in the Relationship Management domain. Sixty-eight of these criteria were satisfied. Six evaluation criteria were not satisfied.

The evaluation criteria that were not satisfied primarily involve the areas of release management and change management. There are two open exceptions associated with the not-satisfied criteria. Each is discussed below.

b. *Relationship Management Test Open Exceptions*

Exception 88

In July 2001, KPMG Consulting issued Exception 88 stating that BellSouth change control and release management processes did not allow ALECs to mutually assess the impact of software changes to wholesale interfaces. Exception 88 also stated that ALECs were unable to engage in mutual resource planning with BellSouth. Mutual resource planning and impact assessment are stated objectives in the BellSouth Change Control Process document. The impact of the exception is that ALECs are unable to collaborate in the prioritization of change requests. That lack of collaboration in changes that affect ALEC business could result in change requests important to the ALEC community not being developed or implemented in a timely manner.

BellSouth responded by widening the scope of the Change Control Process to include more ALEC-affecting systems, including billing, legacy systems and back office systems. Further, on May 28, 2002, BellSouth and ALECs agreed to a rewritten definition of

"ALEC-affecting" within the Change Control Process guide that recognizes the various types of impacts that a BellSouth system change might have on an ALEC's operation, training needs, or system code requirements. These BellSouth responses substantially satisfied our staff and KPMG Consulting's concerns involving the mutuality of impact assessment. ALECs now will have visibility and opportunity for dialogue on proposed system changes that they previously did not have.

Further, on June 10, 2002, BellSouth responded to Exception 88 by providing a draft of the *End-to-End Process Flow, Version 2.1*. This process, commonly known as the "50/50 plan," provides that, at minimum, ALECs will receive 50 percent of available software release capacity annually after BellSouth implements defect fixes, regulatory mandated changes and necessary updates of industry standards. BellSouth will then use up to 50 percent of the remaining available capacity for changes it needs to make to its systems. The plan proposes two releases yearly for BellSouth-initiated changes and two releases yearly for ALEC-initiated changes. Capacity information will be verified by an independent third party.

As this proposal has not yet been fully implemented and KPMG Consulting did not have an opportunity to review the revised process in operation before the test ended, Exception 88 remains open. However, in Order Number PSC-02-1034-FOF-TP, issued July 30, 2002, we ordered BellSouth to implement the *End-to-End Process Flow, Version 2.1*, which both we and KPMG Consulting believe will provide ALECs with a process to prioritize, assess the impact of, and plan resources for all change requests affecting the ALEC community. In addition, we will monitor the BellSouth Change Control Process over the next year to identify areas of concern and, if necessary, any matter of concern will be considered by us.

Exception 157

In March 2002, KPMG Consulting issued Exception 157, which states that BellSouth fails to follow its software testing and quality processes. The exception noted internal documentation indicating BellSouth's failure to fully complete all prerelease testing procedures. KPMG Consulting reviewed five software releases during a one-year period. The impact of the exception is that ALECs' customers suffer when orders or other wholesale customer transactions are not processed efficiently due to preventable software defects. That results in ALEC customer dissatisfaction due to the inability of the end-use customer to discern the root cause of the problem they are experiencing.

BellSouth responded by asserting that it does, in fact, follow its own procedures. In May 2002, KPMG Consulting amended the exception to note subsequent defects associated with Release 10.5. BellSouth continued to disagree with KPMG Consulting's assessment of BellSouth's failure to follow software testing and quality process for each release. BellSouth said that it had made a number of improvements related to software testing including: implementation of the CLEC Application Verification Environment (CAVE), refining the defect management process, regression testing, creating better liaison with ALECs who wish to test before a new release, increasing the availability of the test environment, including a broader scope of ordering and pre-ordering scenarios, and others.

To address issues identified in Exception 157, on July 22, 2002, we issued Order No. PSC-02-0989-PAA-TP, which required BellSouth to establish three new measures associated with the prevention and timely correction of defects in software releases. One measure requires BellSouth to expand the number of customer scenarios that an ALEC might use for purposes of internal BellSouth prerelease testing. We believe that this measure will reduce the number of errors in new releases. Additionally, we believe the Self Effectuating Enforcement Mechanism (SEEM) plan, effective May 2002, will provide adequate incentive for BellSouth improvement in delivering quality software releases on time.

Two other measures track correction timeliness of post-release defects. One of these is diagnostic and the other will trigger SEEM penalties if the benchmark is not attained, creating an incentive to prevent post-release defects. We believe that these measures will assist in resolving the concerns that were raised during the test.

c. __Relationship Management Test Conclusion__

Based on the results of the KPMG Consulting OSS test and our actions in response to issues identified in the test, we find that BellSouth is providing collaborative opportunities and nondiscriminatory access to its OSS processes for the RMI domain.

Additionally, we find that BellSouth is providing the documentation and support necessary for ALECs to access and use the RMI processes. The OSS test results further prove that the RMI processes, such as Change Control, Account Management, and Training, are operationally ready and provide an appropriate level of performance. Notwithstanding, we will continue to monitor the Change Control Process and Account Management functions to ensure BellSouth is providing service in a nondiscriminatory manner. Additionally, we encourage BellSouth to collaborate fully with ALECs in these important processes. Finally, we note that BellSouth's SEEM plan provides a tool for use by us to ensure that adequate OSS access and support is provided in the future.

3. Pre-Ordering and Ordering Test

a. *Pre-Ordering and Ordering Test Summary*

The primary objective of the Pre-Ordering and Ordering test was to test the systems, processes, and other operational elements associated with BellSouth's support for Pre-Order and Order activities for wholesale operations. The test examined functionality, compliance with measurement agreements, and comparable systems supporting BellSouth retail operations.

The Pre-Ordering and Ordering domain consisted of five tests, of which three were transaction-oriented (TVV1,2,3) and two were process-oriented (PPR7,8). KPMG Consulting evaluated 110 evaluation criteria in the Pre-Ordering and Ordering domain. One hundred six of these evaluation criteria were satisfied, while four evaluation criteria were not satisfied.

The evaluation criteria that are not satisfied lie primarily in the areas of flow-through performance and accuracy of responses. There are four open exceptions associated with the not satisfied evaluation criteria. Each of these open exceptions is discussed below.

b. *Pre-Ordering and Ordering Test Open Exceptions*

Exception 165

On May 16, 2002, KPMG Consulting issued Exception 165 stating BellSouth provides inconsistent and incorrect information on

Clarification responses for Resale, UNE-P, and UNE Loop service requests.

KPMG Consulting expects at least 95 percent of all clarification responses from BellSouth to be accurate and complete. In the absence of us approving a standard for this measure KPMG Consulting used its professional judgment. A sample of clarification responses was reviewed to determine the accuracy and completeness of the content of each response. Of the total responses reviewed, 17 percent (54 of 308) were determined to be inaccurate.

BellSouth's failure to accurately review service requests for errors and clarifications may require ALECs to utilize additional resources to verify order information before successfully processing individual customer orders. Inaccurately clarified service requests may result in missed appointments and rescheduled orders, decreasing ALEC customer satisfaction.

BellSouth does not agree with KPMG Consulting's assessment of 23 of the 54 responses determined to be inaccurate. As BellSouth points out in its detailed response to Exception 165, "[when reducing the number of lines on an account, business customers typically disconnect a secondary line and not the main TN used by their customers." BellSouth's contention is that this scenario is unrealistic and not likely to occur in real ALEC transactions. Therefore, BellSouth questions the validity and significance of this exception. BellSouth's assessment indicates a 89 percent success rate, which is still below KPMG Consulting's applied standard of 95 percent.

We agree with KPMG Consulting's assessment of Exception number 165. We note BellSouth's own recalculation of the clarification accuracy rate at 89 percent still falls below the 95 percent benchmark applied by KPMG Consulting. However, we point out that 20 percent (11 of 54 failures) were the result of disconnecting the main telephone number of a multiline account, which we believe is a nontypical scenario. We agree with BellSouth that the test case is unlikely to be encountered in actual commercial practice.

We do not believe this exception is significant enough to warrant a finding of noncompliance. We will continue monitoring of this area and will address matters that warrant our attention. We believe BellSouth needs to reduce the number of clarification responses it issues in error through continued training of employees in this area.

Exception 161

On April 23, 2002, KPMG Consulting issued Exception 161 stating it had not received timely nonmechanized rejects from BellSouth. According to the Reject Interval (O-8) performance measure, BellSouth should return at least 85 percent of nonmechanized rejects to ALECs within 24 hours of receiving the Local Service Request(LSR).

During the production retest of the nonmechanized interface, BellSouth returned 76.42 percent of nonmechanized rejects during the 24-hour time frame, well below the Reject Interval (O-8) benchmark of 85 percent.

Failure to return accurate clarifications may negatively impact ALECs because the receipt of timely rejects is a critical factor in the ALECs' ability to process service requests and meet their customers' needs. Delays in the return of rejects may negatively impact the timeliness of the ordering process, decreasing ALEC customer satisfaction.

BellSouth disagrees with KPMG Consulting's assessment of all items identified in this exception. BellSouth states the Reject Interval (O-8), Reject Interval, does not apply to the process for the complex products and services that are handled by the Complex Resale Support Group (CRSG). The Reject Interval (O-8) Business Rules for Nonmechanized LSRs specifically state: "The elapsed time from receipt of a valid LSR (date and time stamp of FAX or date and time mailed LSR is received in the LCSC) until notice of the reject (clarification) is returned to the ALEC." [Emphasis added]

BellSouth summarizes its analysis of the results stating that of the 123 transactions, 94 were both valid for the test and received nonmechanized rejects in less that 24 hours, giving a success rate of 100 percent. In BellSouth's opinion, of the remaining 29 transactions, 27 were not applicable because Reject Interval (O-8) does not apply and no record exists that the remaining two transactions were ever sent.

BellSouth states it would like to further clarify the Reject Interval (O-8) and Firm Order Confirmation Timeliness (O-9) measures in our biannual reviews of the Performance Assessment Plan. BellSouth described in its response to the exception that KPMG Consulting misapplied these two measures to CRSG-handled orders.

BellSouth states that when the CRSG submits the appropriate ordering package to the Local Carrier Service Center (LCSC) and a clarification or Firm Order Confirmation (FOC) is returned to the ALEC, the time intervals associated for these measures are captured through the Local Order Number (LON) Tracking System and reported in the Service Quality Measures (SQM) report. Thus, these products are captured in the Reject Interval (O-8) and Firm Order Confirmation Timeliness (O-9) measures, but only for the portion of time while being processed in the LCSC.

In its comments to the draft Final Report, Covad points to the problems in receiving timely partially-mechanized and nonmechanized clarifications and FOCs as an indication that the manual ordering process is flawed.

However, we agree with BellSouth's assessment of this exception. As BellSouth notes, 27 of the 29 PONs classified by KPMG Consulting as failing to meet the benchmark were complex orders sent directly to the CRSG. Therefore, we believe that according to business rules, the Reject Interval (O-8) measure does not apply. We believe that this exception is not significant and does not indicate that BellSouth prohibits ALECs from placing orders in a timely manner. We will ensure these measures are clarified in the six-month Performance Assessment Plan review.

Exception 121

On November 13, 2001, KPMG Consulting opened Exception 121 stating it could not identify flow-through Firm Order Confirmations (FOCs) on Local Number Portability (LNP) Local Service Requests (LSRs) submitted via the mechanized ordering process. According to the Percent Flow-through Service Requests-Summary (O-3) measure, BellSouth should flow through 85 percent of LNP LSRs submitted through mechanized ordering processes. As of November 9, 2001, KPMG Consulting results indicated a flow-through rate of 48 percent (62 of 128) on orders submitted. BellSouth's response stated that due to errors and misclassifications on KPMG Consulting's part (detailed in BellSouth's response to the exception) the flow-through rate was 86 percent rather than 48 percent, putting them above the benchmark.

KPMG Consulting reviewed BellSouth's response and found that BellSouth's performance for LNP flow-through was 71.82 percent. Based on BellSouth's response, KPMG Consulting initiated an LNP flow-through re-test. The results indicated a flow-through rate of 76.74 percent.

BellSouth disagreed with KPMG Consulting's results to amended Exception 121 stating invalid data on the Customer Service Record (CSR) when the test account was created, and not poor handling by BellSouth's OSS, caused the eight LSRs to fall out. The CSR data was corrected on May 8, 2002.

BellSouth states commercial data available through SQM reports provides a complete view of Flow-Through (O-3) results for LNP. BellSouth's results for January 2002 through April 2002 are 92.81 percent, 94.12 percent, 92.25 percent and 92.59 percent compared to a benchmark of 85 percent. These results show that BellSouth is meeting the benchmark for flow-through in its commercial results.

We agree with KPMG Consulting on Exception 121 and believe, although BellSouth's commercial data results indicate LNP flow-through is above the benchmark, the test-related flow-through performance in general was unacceptable. In response to this exception and Exception 136, we took action to improve BellSouth's flow-through performance. In Order No. PSC-02-0989-PAA-TP, BellSouth was ordered to file a plan with us, which it has subsequently done, outlining its proposed steps to improve flow-through rates for each level of disaggregation, including LNP.

In addition, our Order doubled the current SEEM plan payments triggered when flow-through benchmarks are not met. We believe the action we have taken should motivate BellSouth to improve flow-through results. We will continue to monitor results of the flow-through measure, but do not believe this test issue warrants a finding of discrimination against ALECs since commercial data indicates acceptable performance for LNP flow-through.

Exception 122

On November 13, 2001, KPMG Consulting issued Exception 122 stating BellSouth did not provide flow-through classification information for Digital Subscriber Line (DSL) orders submitted by KPMG Consulting. ALEC LSR information (O-6), makes available to ALECs a list of flow-through activity of all LSRs submitted by the ALEC during each reporting period. KPMG Consulting requested the report information and received its LSR Detail Report each month during testing.

As part of the flow-through evaluation in the TVV2 test, KPMG Consulting reconciled all LSRs submitted in the Pre-Ordering and Ordering Functional Evaluation with the LSR Detail Report. KPMG Consulting did not receive LSR status information on 117 DSL orders submitted through the available electronic interfaces.

BellSouth's response stated:

> BellSouth is in the process of adding xDSL products to the Flow-Through SQM reports. Team Connection Number 2456 has been entered to begin the development process.

KPMG Consulting and we believe the impact of absence of flow-through classification data could be an increased order error rate, resulting in an ALEC's inability to identify ordering problems in a timely manner. We note this issue is to be resolved by BellSouth with BellSouth Business Rules for Local Ordering, Release 10.6, due August 25, 2002. As a result, we do not believe this issue warrants a finding of noncompliance.

Exception 136

Exception 136 was issued by KPMG Consulting on January 15, 2002, and addresses nonreceipt of flow-through FOCs on Unbundled Network Element (UNE) LSRs submitted electronically.

According to Percent Flow-Through Service Requests (Summary) measure (O-3), BellSouth should issue a flow-through FOC on 85 percent of UNE LSRs submitted through mechanized ordering processes. During production retesting of the Telecommunications Access Gateway (TAG), Electronic Data Interchange (EDI), and Local Exchange Navigation System (LENS) interfaces, a number of LSRs submitted by KPMG Consulting unexpectedly fell out. KPMG Consulting's retest indicated a UNE flow-through rate of 61 percent. BellSouth disagreed with KPMG Consulting's findings and stated that, by its calculations, 75 percent of KPMG Consulting's UNE LSRs successfully flowed through.

KPMG Consulting conducted retest transactions between November 26, 2001, and February 17, 2002. The results indicated a UNE flow-through rate of 80 percent, still below the benchmark. KPMG Consulting again retested between February 28 and March 24, 2002. Results of this retest indicated a flow-through rate of just 44.7 percent. KPMG Consulting again retested between February 28 and April 21, 2002. Results of this retest indicated a flow-through rate of 74.53 percent. KPMG Consulting also analyzed February 2002 Multi-State Summary (MSS) reports for UNE transaction patterns and calculated a weighted UNE flow-through rate of 74.72 percent.

We believe flow-through of LSRs is a critical factor in the ALECs' delivery of service to customers in a timely manner. Unexpected manual intervention may cause significant delays in the return of confirmations or clarifications, which can affect order timeliness and, ultimately, ALEC customer satisfaction.

We agree with KPMG Consulting on Exception 136. In response to this exception and to Exception 121, we issued Order No. PSC-02-0989-PAA-TP to improve BellSouth's flow-through performance. In this order, BellSouth is required to file a plan with us outlining its proposed steps to improve flow-through rates for each level of disaggregation, including UNE. In addition, our Order doubled the current SEEM plan payments triggered when flow-through benchmarks are not met. We believe the action we have taken should motivate BellSouth to improve flow-through. We will continue to monitor results of the flow-through measure.

c. ***Pre-Ordering and Ordering Test Conclusion***

Based on the overall results of the KPMG Consulting OSS test, we find that BellSouth is providing nondiscriminatory access to its OSS for the Pre-Ordering and Ordering domain. Additionally, we believe that BellSouth is providing the documentation and support necessary for ALECs to access and use the Pre-Ordering and Ordering OSS systems. The OSS test results further prove that the systems for Pre-Ordering and Ordering are operationally ready and provide an appropriate level of performance. We will continue to monitor flow-through results and are satisfied that the SEEM plan is in place to correct future deficiencies.

4. Provisioning Test

a. *Provisioning Test Summary*

The Provisioning domain evaluation was designed to review the systems, processes, and other operational elements associated with BellSouth's provisioning activities used for wholesale markets. The third-party OSS test examined functionality, compliance with performance measures, and comparable systems supporting BellSouth retail operations.

The Provisioning evaluation included two process and procedure-oriented tests (PPR6 and 9) and one transaction-oriented test (TVV4). Provisioning tests covered 113 evaluation criteria, of which four remain not satisfied. Evaluation criteria not satisfied at the conclusion of the test were related to switch translation and directory listing.

There are two open exceptions associated with the not-satisfied evaluation criteria. Each of these open exceptions is discussed below.

b. *Provisioning Test Open Exceptions*

Exception 84

On July 11, 2001, KPMG Consulting issued Exception 84, which states BellSouth failed to use the proper codes when provisioning switch translations.

KPMG Consulting applied a professional judgment success standard of 95 percent when testing BellSouth's ability to accurately provision service and features. There is no applicable benchmark by us for this test activity. To conduct the test, KPMG Consulting reviewed switch translation reports for a random sample of telephone numbers and verified the translation accuracy using switch translation codes provided by BellSouth. KPMG Consulting reviewed translations for 134 telephone numbers and found 14 were not provisioned accurately, a success rate of 90 percent.

BellSouth responded that the discrepancies identified by KPMG Consulting contain only five orders that are listed multiple times resulting in the 14 discrepancies. For two, BellSouth responded that the service representative error would be discussed with the employee. For two others, BellSouth responded that it would update service representative methods and procedures to clarify service order format required to add telephone numbers with the hunting feature.

According to BellSouth, the remaining ten discrepancies are the result of a single unrealistic test scenario - a service request to disconnect the main telephone number of a multi-line account. BellSouth responded that it was opening a change request for updating of business rules for disconnecting the main number of an existing multi-line account. However, BellSouth contended that, although this scenario is possible, it is rarely encountered in a business environment because such customers would not typically disconnect a main telephone number that is published, known to customers, and used to conduct business. Instead, BellSouth noted, a customer would more typically disconnect a secondary line that is no longer needed. BellSouth said that this scenario is not representative of commercial activity and noted that, if this test scenario were removed from the results, BellSouth's success rate for this test would be 97 percent, which exceeds the KPMG Consulting 95 percent benchmark.

Both AT&T and WorldCom raised the issue of Exception 84 in their comments on the Draft Report Workshop of July 12, 2002. However, we agree with BellSouth that the test case of a customer disconnecting its main telephone number is unlikely to be encountered in actual commercial practice. In the absence of that nontypical scenario, we agree the test would have resulted in BellSouth's having met the KPMG Consulting benchmark.

However, because such a service request is within the realm of possibility, we also agree with BellSouth's decision to open a change request that will ensure that it can accurately process a customer's request to disconnect the main telephone number of an account. Nevertheless, this exception would likely never have been issued had the results not been weighted by a nontypical scenario beyond its expected frequency of occurrence in commercial practice. We believe these test order transaction results do not appear to represent any significantly meaningful impact on an ALEC's ability to compete in the local market.

<u>Exception 171</u>

On June 14, 2002, KPMG Consulting issued Exception 171, which states BellSouth's systems or representatives have not consistently updated the directory databases as specified in orders submitted by KPMG Consulting.

KPMG Consulting applied a professional judgment success standard of 95 percent when testing BellSouth's updates to the directory database, since there is no applicable benchmark by us for this activity. KPMG Consulting verified 152 directory listing records and observed that BellSouth updated 130 records accurately, for a success rate of 85.5 percent.

BellSouth's response is that the discrepancies identified by KPMG Consulting contain only 12 orders, of which five are listed multiple times resulting in 22 discrepancies. For two of those discrepancies (resulting from two of the orders), BellSouth responded that it would open a change request to include the community name when appropriate. But, BellSouth stated, because the directory assistance database automatically defaults to the appropriate city of an account, the absence of a community name has no material impact on a customer's ability to obtain directory listings. For the other 20 discrepancies (resulting from the other ten orders), which are the result of a single test scenario, BellSouth responded that it was opening a change request for updating of business rules to disconnect the main number of an existing multi-line account.

BellSouth contended that, although this scenario is possible, it is rarely encountered in a business environment because such customers would not typically disconnect a main telephone number that is published, known to customers, and used to conduct business. Instead BellSouth noted a customer would more typically disconnect a secondary line that is no longer needed. However, this scenario constituted 13 percent of KPMG Consulting's test transactions. Because it does not represent typical or realistic ALEC transactions, if that single atypical case test scenario and its corresponding 20 issue items were removed from the results, BellSouth's success rate for this test would be 98.5 percent, exceeding the 95 percent benchmark.

Both AT&T and WorldCom raised the issue of Exception 171 in their comments on the Draft Report Workshop of July 12, 2002. However, we agree with BellSouth that the test case of a customer disconnecting its main telephone number is unlikely to be encountered in actual commercial practice. In the absence of that nontypical scenario, we agree the test would have resulted in BellSouth's having met the KPMG Consulting benchmark.

We also, however, because such a service request is within the realm of possibility, agrees with BellSouth's decision to open a change request that will ensure that it can accurately process a customer's request to disconnect the main telephone number of an account. Nevertheless, this exception would likely never have been issued had the results not been weighted by a nontypical scenario beyond its expected frequency of occurrence in commercial practice. We believe these test order transaction results do not appear to represent any significantly meaningful impact on an ALEC's ability to compete in the local market.

c. ***Provisioning Test Conclusion***

Based on the overall results of the KPMG Consulting third-party OSS test, we find that BellSouth is providing nondiscriminatory access to its OSS for the Provisioning domain. We find that BellSouth is providing the necessary documentation and support for ALECs to access and use Provisioning systems in a manner similar to that BellSouth provides to its retail and subsidiary customers. Further, the third-party OSS test results prove that BellSouth Provisioning systems are operationally ready and provide an appropriate level of performance.

5. Maintenance & Repair Test

a. Maintenance & Repair Test Summary

The purpose of the maintenance and repair domain test was to determine whether BellSouth provides ALECs nondiscriminatory access to its maintenance and repair operating support systems. Additionally, the test was to provide a basis of comparison for wholesale and retail operational procedures, systems, and processes supporting maintenance and repair activities.

The test sought to determine whether adequate procedures, documentation and back office support exists, and whether ALECs can identify, report, manage, and resolve trouble reports in a manner similar to BellSouth's retail operations.

Eight detailed maintenance and repair tests included a total of 100 different test criteria. Five tests were transaction-oriented (TVV5, TVV6, TVV7, TVV8 and TVV9) and measured 64 different evaluation criteria. Three tests were process-oriented (PPR14, PPR15 and PPR16) and measured a total of 36 criteria. All 100 maintenance test criteria were satisfied at the time of the Final Report.

b. ***Maintenance and Repair Test Exceptions***

A total of four exceptions were identified during the completion of maintenance and repair testing. All four exceptions were satisfied and closed at the time of the Final Report.

c. ***Maintenance and Repair Test Conclusion***

Based on the KPMG Consulting OSS test results, we believe BellSouth is providing nondiscriminatory access to its OSS for the Maintenance and Repair domain. We believe BellSouth is providing the necessary documentation and support for ALECs to access and use maintenance and repair systems in a manner similar to that which BellSouth provides to its retail customers. Further, the OSS test results prove that BellSouth maintenance and repair systems are operationally ready and provide an appropriate level of performance.

6. Billing Test

a. ***Billing Test Summary***

The purpose of the Billing test was to evaluate BellSouth compliance with measurement agreements and to ensure adherence with industry billing standards and sound management practices. Additionally, the test was designed to compare BellSouth wholesale and retail billing processes and practices to ensure ALECs receive nondiscriminatory billing and support.

The Billing domain test evaluated existing BellSouth procedures and bills generated by the Customer Record Information System (CRIS), Carrier Access Billing System (CABS), and Integrated Billing Solution (Tapestry/IBS) systems. The test sought to determine whether BellSouth provides adequate procedures, documentation and technical support, and whether ALECs receive bills in a timely, accurate and complete manner, similar to BellSouth's retail and subsidiary operations.

Five detailed billing tests included a total of 87 different test criteria. Two tests were transaction-oriented (TVV10 and TVV11) and measured 35 different evaluation criteria. Three tests were process-oriented (PPR10, PPR12 and PPR13) and measured a total of 52 criteria. All eighty-seven test criteria were satisfied at the time of the Final Report.

b. ***Billing Test Exceptions***

A total of 20 exceptions were identified during the completion of the five billing tests. All exceptions were corrected and satisfied by the time of the Final Report.

c. ***Billing Test Conclusion***

Based on the results of the KPMG Consulting OSS test, we find that BellSouth is providing nondiscriminatory access to its OSS for the Billing domain. We find that BellSouth provides the necessary documentation and support for ALECs to receive billing in a manner similar to that provided to its retail and subsidiary customers. Further, the OSS test results prove that BellSouth billing systems are operationally ready and provide an appropriate level of performance.

7. *Performance Measures Test*

a. ***Performance Measures Test Summary***

The purpose of KPMG Consulting's Performance Measures Review (PMR) test was to evaluate BellSouth's systems and processes used to capture retail and wholesale service quality measurements. The PMR test relied on a combination of interviews, operational and statistical analysis, and review of BellSouth supporting documentation. Additionally, the PMR tests relied on BellSouth's

Service Quality Measurement (SQM) plan and data extracted from BellSouth's Performance Measurement Analysis Platform (PMAP). The SQM plan describes in detail the performance measurements produced to evaluate the quality of service delivered to both BellSouth's wholesale and retail customers. The performance measurement reports flowing from BellSouth's SQM plan are posted and produced in PMAP. PMAP results are posted to a BellSouth internet-based Web site which allows regulators and BellSouth's ALEC customers to view and extract individual and statewide ALEC aggregate performance measurement reports.

During the first two years of testing of the performance measures, KPMG Consulting relied on SQM data extracted from BellSouth's PMAP, Version 2.6. In April 2002, BellSouth implemented PMAP Version 4.0. At the time of KPMG Consulting's draft report, PMAP Version 4.0 had just become publicly available. As BellSouth begins producing performance measurement data through the PMAP Version 4.0 environment, KPMG Consulting will conduct additional testing. Completion of testing is projected for October 31, 2002, and a supplemental report is expected to be published in November 2002.

The performance measures test domain consisted of five detailed tests (PMR 1,2,3,4, and 5), which contained 542 evaluation criteria. Currently, all 542 evaluation criteria remain to be tested due to the introduction of BellSouth's PMAP Version 4.0 in April 2002. In testing performed in BellSouth's PMAP Version 2.6 environment, 369 of the 542 (68 percent) evaluation criteria had been satisfied prior to the release of PMAP Version 4.0.

b. <u>Performance Measures Test Open Exceptions</u>

A total of 35 exceptions were identified during the testing of BellSouth's performance measurements in the PMAP Version 2.6 environment. Of the 35 exceptions, 24 were satisfied and closed at the time of publication of KPMG Consulting's Final Report. The remaining 11 open exceptions are to be retested by KPMG Consulting using data extracted from BellSouth's PMAP Version 4.0 environment.

Of the 11 open exceptions, eight are associated with KPMG Consulting's performance measures Data Integrity test (PMR 4). The Data Integrity test evaluates BellSouth's policies and procedures for processing data used in the production of performance measurement reports. KPMG Consulting could not resolve the eight exceptions using data extracted from BellSouth's PMAP Version 2.6 environment. BellSouth recognized that data may not have properly flowed through the various legacy systems for processing and posting to the BellSouth PMAP Web site, but believes such problems will be corrected in PMAP Version 4.0.

The other three open exceptions are associated with KPMG Consulting's Metrics Calculations Verification and Validation test (PMR 5). The Metrics Calculations test evaluates the process used to calculate and report performance measurement reports and retail analogs and benchmarks. For each of these exceptions, KPMG Consulting found that BellSouth's computation instructions are insufficient to allow replication of the values of the measure being tested. In response to each exception, BellSouth indicated that a data "fix" would be implemented in the PMAP Version 4.0 environment. KPMG Consulting is currently attempting to replicate the measures associated with these three open exceptions using data extracted from PMAP Version 4.0.

In AT&T's post-workshop comments regarding KPMG Consulting's Draft Final Report, AT&T expressed its concerns regarding the 11 open exceptions. AT&T noted that KPMG Consulting could not replicate key performance measures such as flow-through, local number portability, and average completion notices. Additionally, AT&T commented on deficiencies found by KPMG Consulting in regards to BellSouth's new PMAP Version 4.0 system.

Given this, AT&T concluded that, ". . . BellSouth's data is unreliable and that certain calculation methods BellSouth uses to prepare its performance reports are questionable. Accordingly, it would be inappropriate for us to evaluate BellSouth's compliance with Section 271 until KCI [KPMG Consulting] verifies, and BellSouth corrects, its performance data."

In response to AT&T's concerns regarding the validity of the performance measurement data, BellSouth noted that,

> There are a number of other indicia of reliability of the data in addition to the audit upon which this Commission can rely. First, and importantly, in BellSouth's Georgia/Louisiana FCC application, the FCC

> determined that BellSouth's data validation processes provided reasonable assurances of data reliability and accuracy stating: 'In view of the extensive third-party auditing, the internal and external data controls, the open and collaborative nature of metrics workshops in Georgia and Louisiana, the availability of the raw performance data, BellSouth's readiness to engage in data reconciliations, and the oversight of the Georgia and Louisiana Commissions, we are persuaded that, as a general matter, BellSouth's performance data is accurate, reliable and useful.

We agree with BellSouth's assessment of the performance measurement data and further note that in the FCC ruling on the Georgia/Louisiana 271 application, the FCC stated, "BellSouth's [performance] data is sufficiently reliable for purposes of conducting our 271 analysis. Consistent with the recommendation of the Department of Justice, however, where specific credible challenges have been made to the BellSouth data, . . . we [FCC] will exercise our discretion to give the data lesser weight, and . . . look to other evidence to conclude that BellSouth has met its obligations under [S]ection 271." Additionally, as noted by BellSouth, "PMAP reports will be monitored by the several state commissions in BellSouth's region and audited annually for the next five years by an outside auditor." FCC Order No. 02-147, ¶20.

Additionally, the self-effectuating enforcement mechanism (SEEM) plan, effective May 2002, will provide a tool to ensure that ALECs receive nondiscriminatory access to the BellSouth's OSS. We contend that BellSouth's SEEM plan establishes a standard against which ALECs and we can measure performance over time to detect and correct degradation of service provided to ALECs.

c. *Performance Measures Test Conclusion*

The performance measure test is evaluating BellSouth's ability to capture retail and wholesale service quality measures for all domains. While testing is incomplete at this time, we find that 68 percent of the performance measures evaluation criteria were satisfied prior to release of PMAP Version 4.0. We will continue to monitor performance measurement testing until its completion. Any significant exceptions remaining open at the conclusion of the performance measurement test will be brought to us for resolution.

8. OSS Test Conclusions

KPMG Consulting's Final Report represents the culmination of more than 30 months of exhaustive testing activity involving the joint efforts of the Florida ALEC community, KPMG Consulting, our staff, and BellSouth. We believe that the report results testify to a quantum leap in BellSouth's OSS support capability and delivery during the time between the inception of Docket No. 960786-TP and the completion of this test.

Through the Final Report publication date, a total of 175 test exceptions were issued by KPMG Consulting. All had been resolved except for nine related to the completed areas of testing, and 11 related to the performance measures testing to be completed in October 2002. The vast majority of the 155 resolved test exceptions resulted in an improvement to BellSouth's operations support systems. In addition, we have taken action aimed at correcting the underlying problems noted in three of the open test exceptions, through Order Nos. PSC-02-1107-CO-TP, PSC-02-1034-FOF-TP, and PSC-02-0989-PAA-TP.

We believe the policies and procedures tests (PPR1 through PPR16) examined the basic form and structure of BellSouth's OSS and found them to be sound. Similarly, we believe that the transaction validation and verification tests (TVV1 through TVV11) provided direct evidence of OSS capability through both simulated and real-world transactions. Certain test exceptions remain outstanding and certain test criteria, therefore, were not met at the time of the test report. However, we believe the remaining 14 criteria are not sufficiently significant to warrant a finding of overall noncompliance with the Act and do not deny ALECs a meaningful opportunity to compete with BellSouth in Florida.

While the performance metrics tests (PMR1 through PMR5) are not yet completed (and therefore the related test exceptions and evaluation criteria are not yet resolved) we believe a determination on BellSouth's OSS can still be made by us. The 11 policies and procedures tests and the 15 transaction validation and verification tests completed to date address the five key operational functions which ALECs perform daily to serve customers and to compete with BellSouth: relationship management, pre-ordering/ordering, provisioning, maintenance/repair, and billing. In and of themselves, performance measures do not impact an ALEC's ability to compete, nor directly affect customers. Instead they reflect the outcomes of the five key end-use customer service activities which in our opinion (and in the opinion of KPMG Consulting) have been thoroughly tested.

Based on the results of the completed KPMG Consulting testing, we find that BellSouth is providing nondiscriminatory access to its OSS. Additionally, we find that BellSouth is providing the necessary documentation and support functions and has demonstrated that its systems are operationally ready and provide an appropriate level of performance.

The two remaining legs of the three-legged stool (commercial data performance and ALEC experience) are discussed below in Sections C and D of this Opinion.

C. COMMERCIAL DATA ANALYSIS

1. Commercial Data Summary

To assist us in determining whether BellSouth is providing nondiscriminatory OSS support to ALECs, we requested KPMG Consulting to produce in its Final Report a description of any differences between the access to OSS functions BellSouth provides itself and that which it provides to ALECs in the aggregate. KPMG Consulting's Commercial Data analysis, provided as Appendix G to the OSS Final Report, is a summary of BellSouth retail and ALEC aggregate state-level performance results extracted from BellSouth's PMAP system for the period January 2002 through March 2002. The commercial data depicts the aggregate ALECs' "real world" experience and represents the second leg of the "three-legged" stool to determine the adequacy of OSS support provided by BellSouth to Florida ALECs. Order No. PSC-00-0104-PAA-TP, issued in Docket Nos. 960786-TL and 981834-TP on February 8, 2000.

In the FCC ruling on BellSouth's Georgia/Louisiana 271 application, the FCC noted the importance of commercial data:

> The persuasiveness of a third-party review depends upon the conditions and scope of the review. To the extent a test is limited in scope and depth, we rely on other evidence, such as commercial usage, to assess whether the BOC [Bell Operating Company] provides nondiscriminatory access to its OSS.

FCC Order No. 02-147, ¶105

Both AT&T and WorldCom believe that BellSouth's commercial data should not be considered as evidence supporting 271 approval because KPMG Consulting has not validated the performance data. In their view, KPMG Consulting will be unable to do so until the performance measures review is completed. WorldCom specifically stated:

> Only after BellSouth's performance measurement system has been validated can the Commission review confidently BellSouth's performance data and determine whether it is providing nondiscriminatory access to is OSS and providing ALECs a meaningful opportunity to compete. Accordingly, the Commission should refrain from making a 271 recommendation until metrics testing has been completed successfully.

Similarly, AT&T stated that, "it would be inappropriate for this Commission to evaluate BellSouth's compliance with Section 271 until KCI [KPMG Consulting] verifies, and BellSouth corrects, its performance data." AT&T continued by noting that KPMG Consulting was not able to verify that its experience as a pseudo-ALEC comports with the commercial data. Additionally, KPMG Consulting has not completed its review and validation of the Performance Measurements test. AT&T contends that both are support that BellSouth is providing nondiscriminatory access to local services.

We assert that although the commercial data has not been validated by KPMG Consulting, the data can still provide a meaningful assessment for making a general determination of whether or not BellSouth is providing parity service. While the current testing of BellSouth's performance measurements remains open due to the upgrade of BellSouth's PMAP system, the data has been audited extensively by KPMG Consulting in BellSouth's former PMAP system, PMAP Version 2.6. KPMG Consulting passed 369 of the 542 (68 percent) evaluation criteria in PMAP Version 2.6.

Significantly, the FCC noted in its ruling approving BellSouth's Georgia/Louisiana 271 application that "BellSouth's data has been subject to a series of audits overseen by the state commissions and the previous audits have demonstrated that almost all of the data is reliable and accurate." FCC Order No. 02-147, ¶19

We also note that the ALECs did not provide evidence of a systemic problem with the commercial data. We do not have a formal complaint on file in this docket regarding any invalid commercial data. Additionally, BellSouth's Self-Effectuating Enforcement Mechanism (SEEM) plan, effective May 2002, provides us a means to ensure that ALECs receive nondiscriminatory access BellSouth's OSS into the future.

We believe that the Florida OSS third-party test was broad in scope and depth, and that KPMG Consulting's analysis of commercial data provides additional evidence regarding the current performance of BellSouth's OSS in real-world transactions. BellSouth's commercial data covers many aspects of the services and facilities that BellSouth provides to ALECs under the 1996 Telecommunications Act. The commercial data used in this analysis was obtained from BellSouth's published Monthly State Summary (MSS) report which contains both BellSouth retail and ALEC aggregate state-level performance results. The majority of the MSS values are produced in BellSouth's Performance Measurement Analysis Platform (PMAP) system. The remainder are calculated manually by BellSouth.

The MSS report covers the following 12 categories of measurements as listed in BellSouth's SQM Plan.

- Change Management
- Operations Support Systems (OSS)
- Ordering
- Provisioning
- Maintenance and Repair
- Billing

- Operator Services (Toll) and Directory Assistance
- Database Update Information
- E911
- Trunk Group Performance
- Collocation
- Bona Fide/New Business Request Process

In the MSS reports BellSouth subdivides these measurement categories into 71 individual service quality measurements. As shown in Table C-1, these 71 measurements are further disaggregated into 2,355 submeasures and grouped according to the ALEC modes of market entry available to ALECs in Florida (i.e., Resale, UNE, and Local Interconnection Trunks). BellSouth's performance data on the MSS reports is provided at the submeasurement level.

The performance data results were then compared by KPMG Consulting to benchmarks or retail analogs mandated by us, as appropriate, to determine whether BellSouth is providing parity service to ALECs. Additionally, as part of Docket 960786B-TL and 981834-TP, on a monthly basis, BellSouth files an assessment of the MSS data. Each submeasurement designated as failing to satisfy the benchmark or retail analog is included in the filing.

KPMG Consulting's commercial data analysis covers the months of January, February, and March 2002, the most recent three months of commercial data available prior to publication of KPMG Consulting's OSS Draft Final Report on June 21, 2002. KPMG's Consulting's summary of the three-month weighted average of BellSouth's commercial results, organized by domain is provided in the table below.

Table C-1

BellSouth Commercial Data Summary January-March 2002					
	Diagnostic Measurement Only (a)	Cannot Determine (b)	Failed Standard (c)	Met Standard (d)	Percent Meeting Standard (e)=[(d)/(c)+(d)]
OSS	4	5	8	79	86%
Ordering	79	105	77	202	72%
Provisioning	835	367	67	261	80%
M&R	0	28	33	131	80%
Billing	0	1	4	11	73%
OSDA	0	4	0	0	NA
Database Update	0	3	1	3	75%
E911	0	3	0	0	NA
Trunk Group	0	1	0	0	NA
Collocation	0	1	0	13	100%
Change Management	0	0	3	2	40%
BFR	0	2	0	2	100%
Overall Total	**918**	**548**	**193**	**704**	**78%**

The number of transactions shown for many of the level of disaggregation in the performance measurements is often small or zero. Consequently, there are many individual performance measurement results at the disaggregated level that are statistically inconclusive. In addition, over 900 of the measurements currently are being monitored for diagnostic purposes only. Since the diagnostic measures have no designated benchmarks or analogs, they were also excluded from the KPMG Consulting's analysis. Of the 2,355 dissaggregated performance measurements, KPMG Consulting was able to determine if BellSouth was providing parity service for 897 measurements.

KPMG Consulting's analysis shows that BellSouth met the our mandated standard for 704 of these 897 individual performance measures, or 78 percent. KPMG Consulting's evaluation was based on comparison of the calculated weighted average of each submeasure over the three-month period, January through March 2002, to the mandated benchmark or retail analog. BellSouth argues that over the same three-month period, BellSouth satisfied the comparison criteria for 689 of 792 individual performance measures, or 87 percent. BellSouth's assessment is based on the number of individual performance measures that "passed" parity in the MSS reports for any two of the three months and not the weighted three-month average.

Our detailed analysis of the commercial data results organized by domain is provided below. The information is offered as one tool to be used in analyzing whether BellSouth has met its commercial performance commitments. We also considered data from additional months (April, May 2002) as it became available.

2. Relationship Management Commercial Data

In the area of relationship management, we have adopted five measurements regarding Change Management--the process through which ALECs request changes to BellSouth's operations support systems. These measurements are:

- CM-1 Timeliness of Change Management Notices
- CM-2 Change Management Notice Average Delay Days
- CM-3 Timeliness of Documents Associated with Change
- CM-4 Change Management Documentation Average Delay Days
- CM-5 Notification of CLEC Interface Outages

An examination of KPMG Consulting's commercial data analysis regarding the Change Management performance measures indicates that BellSouth did not fully meet its commercial performance commitments over the three-month period, January through March 2002. KPMG Consulting's analysis indicates that BellSouth satisfied the parity criteria for only two of the five submeasures (40 percent). This is attributable to two software release notices (CM-1) and two software documentation releases (CM-3 and CM-4) issued in January and February 2002, respectively, that were not provided to the ALECs on time. BellSouth's commercial data for April and May indicates that two software release notices were sent on time--one in each month. The commercial data shows that BellSouth did not release any associated software documentation in April and May.

To enhance BellSouth's efficient communication and implementation of system changes affecting ALECs, we ordered BellSouth to establish and implement six new Change Management performance measures as part of BellSouth's SQM in Docket 000121A-TP. Three new measurements were implemented to address concerns over the quality of software release management and the timely correction of software defects. Another three measures were ordered to address concerns over the timely and effective implementation of ALEC-initiated Change requests for new features. These new measurements will provide a view of BellSouth's ability to accomplish its stated objective of "timely and effective implementation of feature and defect change requests." See Order Nos. PSC-02-0989-PAA-TP and PSC-02-1034-FOF-TP.

We believe that the commercial data results show that improvement is needed in the area of relationship management and that BellSouth's Self Effectuating Enforcement Mechanism (SEEM) plan, effective May 2002, will provide future incentive to correct these shortcomings. With the ability to adjust the associated penalties, any less-than-parity results can adequately be addressed by us should they occur.

3. Operations Support Systems Commercial Data

The OSS domain consists of six measurements listed below which capture system availability and response times.

- OSS-1 Average Response Time and Response Interval (Pre-Ordering/Ordering)
- OSS-2 Interface Availability (Pre-Ordering/Ordering)
- OSS-3 Interface Availability (Maintenance & Repair)
- OSS-4 Response Interval (Maintenance & Repair)
- PO-1 Loop Makeup-Response Time-Manual
- PO-2 Loop Makeup-Response Time-Electronic

The data collected for each measurement is regional in scope and is based on a combination of 30 OSS front-end and back-end systems and databases that the ALECs depend on for pre-ordering, ordering, and maintenance and repair activities. Many of these systems are also used by BellSouth in its retail activities. BellSouth makes these OSS systems available so the ALECs can access the same systems and processes that BellSouth uses to provide its retail services.

These six measurements are further disaggregated into 96 submeasures to determine whether BellSouth is providing parity service. From the available data, KPMG Consulting was able to determine whether BellSouth was providing parity service for 87 of the 96 submeasures. KPMG Consulting's analysis indicates that BellSouth satisfied the parity criteria for 79 of these submeasures (91 percent). The results measure the systems' average response times and the percentage of time each of the 30 OSS systems/databases are available for use.

The Average Response Time (OSS-1) for the pre-ordering and ordering systems met the retail analog (parity + 2 seconds) from January to March 2002. For system Interface Availability (OSS-2 and OSS-3) submeasures, BellSouth met or exceeded the benchmark 100 percent of the time for each OSS system that supports pre-ordering, ordering, and maintenance and repair activities.

KPMG Consulting's analysis shows that 76 percent of the submeasures supporting the Average Response Time for the maintenance and repair systems (OSS-4) met the retail analog (parity with retail). An examination of the commercial data indicates that the ALEC response intervals did not meet the retail response intervals for the "less than 4-second" level of disaggregation. According to BellSouth, "for the 4-second interval, there was only approximately one percent or less difference between the ALEC responses as compared with the retail analog. These very small differences in response intervals indicate virtually equivalent service levels for the ALECs and BellSouth retail."

We believe these results support the conclusion that BellSouth is providing parity operations support systems and service in the OSS domain. Although some levels of disaggregation show that improvement is needed, we believe these differences do not constitute denial of a meaningful opportunity for ALECs to compete.

4. Ordering Commercial Data

BellSouth's commercial data collected for the ordering domain consists of 12 separate measurements listed below.

- O-1 Acknowledgment Message Timeliness
- O-2 Acknowledgment Message Completeness
- O-3 Percent Flow-Through Service Requests (Summary)
- O-4 Percent Flow-Through Service Requests (Detail)
- O-5 Flow-Through Error Analysis
- O-6 CLEC LSR Information
- O-7 Percent Rejected Service Requests
- O-8 Reject Interval
- O-9 Firm Order Confirmation Timeliness
- O-10 Service Inquiry with LSR Firm Order Confirmation (FOC) Response Time
- O-11 Firm Order Confirmation and Reject Response Completeness
- O-12 Speed of Answer in Ordering Center

The 12 measurements, for the most part, are dissagregated and reported into three modes of order handling: 1) fully mechanized; 2) partially mechanized; and 3) nonmechanized. Within each of these categories, there are numerous submeasurements reflecting the various products ALECs purchase for entry in both the residential and business markets. Examples of product disaggregation include UNEs, trunks, and unbundled loop types. Table C-1 reflects a total of 463 submeasurements for the ordering domain.

Of the 463 submeasures, KPMG Consulting was able to determine that BellSouth was providing parity service for 279 of the submeasures. BellSouth satisfied the comparison criteria for 202 out of 279 submeasurements (72 percent). A break down of the 279 submeasurements by mode of entry and general ordering is provided below. The general ordering category includes BellSouth's Flow-Through (O-3), Acknowledge Message Timeliness (O-1), Acknowledgment Message Completeness (O-2), Service Inquiry with LSR Firm Order Confirmation Response Time (O-10), and Speed of Answer in Ordering Center (O-12) performance measures.

- For Resale, BellSouth met or exceeded the benchmarks for 40 of the 65 submeasures (61 percent).
- For UNE, BellSouth met or exceeded the benchmarks for 151 of the 200 submeasures (76 percent).
- For Local Interconnection Trunks, BellSouth met or exceeded the benchmarks for 3 of the 3 submeasures (100 percent).
- For General ordering BellSouth met or exceeded the benchmarks for 8 of 11 submeasures (73 percent).

Upon further examination of the ordering submeasurements that KPMG Consulting determined to have not met parity service, we note that BellSouth needs to focus on the Flow-Through (O-3), Reject Interval (O-8) and Firm Order Confirmation and Reject Response Completeness (O-11) performance measurements. In Order No. PSC-02-0989-PAA-TP, we ordered BellSouth to provide a plan for improving flow-through results and also doubled the associated SEEM payment amounts.

According to BellSouth, key efforts and corrective actions have been taken to satisfy these performance measurement criteria. Included in these corrective actions were a root cause analysis of the process for electronic rejects and development of a template to lower rejection rate for individual ALECs, coding changes to fix system defects, and establishment of a Flow-Through Improvement Program Management process to determine trends and identify problems.

We believe these results lead to the conclusion that BellSouth is providing parity OSS service in the ordering domain. With BellSouth's Self Effectuating Enforcement Mechanism (SEEM) plan will further motivate improved performance for those ordering measurements where parity was not met. As a result, we will continue to monitor the areas mentioned above and will take corrective action if appropriate compliance is not shown.

5. Provisioning Commercial Data

BellSouth's commercial data collected for the provisioning domain consists of 14 separate measurements listed below.

- P-1 Mean Held Order Interval and Distribution Interval
- P-2 Average Jeopardy Notice Interval & Percentage of Orders Given Jeopardy Notices
- P-3 Percent Missed Installation Appointments
- P-4 Average Completion Interval & Order Completion Interval Distribution
- P-5 Average Completion Notice Interval
- P-6 Percent Completions/Attempts without Notice or <24 Hours Notice
- P-7 Coordinated Customer Conversions Interval
- P-8 Cooperative Acceptance Testing-Percent of xDSL Loops Tested
- P-9 Percent Provisioning Troubles within 30 days of Service Order Completion
- P-10 Total Service Order Cycle Time (TSOCT)
- P-11 Service Order Accuracy
- P-12 LNP-Percent Missed Installation Appointments
- P-13 LNP-Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution
- P-14 LNP-Total Service Order Cycle Time (TSOCT)

The 14 measurements, for the most part, are dissagregated and reported into two types of provisioning processing categories, dispatch and non-dispatch. Like the ordering domain, the 14 provisioning measurements are also disaggregated for various products ALECs order. Examples of product disaggregation include UNEs, trunks, and unbundled loop types. Table C-1 reflects a total of 1,530 submeasurements for the provisioning domain.

Of these 1,530 provisioning submeasurements, 835 have been designated as diagnostic. A diagnostic measurement is one where data is collected but no standard (benchmark or analog) is yet designated to measure BellSouth's performance. An example is the Total Service Order Cycle Time (P-10) measurement. Through the six-month review, additional data review will determine whether this measure should continue to be monitored and a standard set.

KPMG Consulting was able to determine if BellSouth was able to provide parity service for 328 submeasurements. Of the 328, results indicate that BellSouth satisfied the parity criteria for 261 submeasurements (80 percent). A break down of the 328 submeasurements by mode of entry is as follows:

- For Resale, BellSouth met or exceeded the benchmarks or analogs for 74 of the 91 submeasurements (81 percent).

- For UNE, BellSouth met or exceeded the benchmarks or analogs for 181 of the 230 submeasurements (79 percent).

- For Local Interconnection Trunks, BellSouth met or exceeded the benchmarks or analogs for 6 of the 7 submeasurements (86 percent).

BellSouth asserts that provisioning services for both the ALECs and its own retail operations are at a very high level even though the statistical results may technically show that BellSouth failed to meet the analog. Specifically, BellSouth notes that situations exist where there are a large number of observations and the difference between the means is very small, the results can be misleading and not indicative of the absolute level of performance that BellSouth provides to ALECs.

For the provisioning measures where the commercial data indicates that BellSouth was not providing parity service, BellSouth identified key deficiencies and addressed the corrective actions taken to improve performance measurement results. Included in these corrective actions were root cause analysis of the differences between BellSouth retail and ALEC performance, employee training, assignment of dedicated personnel to specific provisioning tasks, implementation of improved procedures, and improved availability of company facilities.

Upon further examination of the 67 provisioning measures where the data indicate that BellSouth did not provide parity service over the entire three-month aggregated period, our staff performed additional analyses. We found that BellSouth met the analog for 52 and 42 percent of the measures for the months of April and May 2002 respectively--the most recent months of commercial data available. Specifically, BellSouth showed improved performance for the submeasurements that capture the Percent of Missed Installation Appointments.

We believe the commercial data supports the conclusion that BellSouth is providing parity OSS service in the provisioning domain. Additionally, BellSouth's Self Effectuating Enforcement Mechanism (SEEM) will continue to improve performance for those provisioning measurements where parity was not met.

6. Maintenance and Repair Commercial Data

BellSouth's commercial data collected for the maintenance and repair domain provides a basis of determining whether ALECs can identify, report, manage, and resolve trouble reports in a manner equivalent to BellSouth's retail operations. Similar to the provisioning domain, BellSouth's maintenance and repair performance measurements are reported separately for dispatch and non-dispatch operations and further disaggregated by ALEC product type. The maintenance and repair commercial data consists of the following seven measurements which are further divided into 192 performance submeasurements:

- M&R-1 Missed Repair Appointments
- M&R-2 Customer Trouble Report Rate
- M&R-3 Maintenance Average Duration
- M&R-4 Percent Repeat Troubles within 30 Days
- M&R-5 Out of Service (OSS)>24 Hours
- M&R-6 Average Answer Time-Repair Centers

- M&R-7 Mean Time To Notify CLEC of Network Outages

Of the 192 maintenance and repair submeasurements, KPMG Consulting was able to determine if BellSouth was able to provide parity service for 164 submeasurements. KPMG's analysis shows that BellSouth satisfied our criteria for 131 submeasurements (80 percent). A break down of the 164 submeasurements by mode of entry is as follows:

- For Resale, BellSouth met or exceeded the benchmarks or analogs for 49 of the 60 submeasurements (82 percent).

- For UNE, BellSouth met or exceeded the benchmarks or analogs for 80 of the 100 submeasurements (81 percent).

- For Local Interconnection Trunks, BellSouth met or exceeded the benchmarks or analogs for 2 of the 4 submeasurements (50 percent).

The April and May 2002 maintenance and repair commercial data results show that BellSouth satisfied 91 and 90 percent of its performance standards, respectively. We believe these results support the conclusion that BellSouth is providing parity OSS service in the maintenance and repair domain. We also believe BellSouth's Self Effectuating Enforcement Mechanism (SEEM) provides BellSouth further incentive to maintain exceptional performance in the maintenance and repair domain.

7. Billing Commercial Data

The commercial data collected for the Billing domain sought to determine whether ALECs receive bills in a timely, accurate and complete manner, equivalent to BellSouth's retail operations. The data consists of the following eight performance measurements of which four (B-1,2,7,and 8) are further disaggregated by mode of entry:

- B-1 Invoice Accuracy
- B-2 Mean Time to Delivery Invoices
- B-3 Usage Data Delivery Accuracy
- B-4 Usage Data Delivery Timeliness
- B-5 Usage Data Delivery Completeness

- B-6 Mean Time to Deliver Usage
- B-7 Recurring Charge Completeness
- B-8 Non-Recurring Charge Completeness

Table C-1 data shows a total of 15 submeasurements where KPMG Consulting was able to determine whether BellSouth provides parity service. Of the 15, BellSouth's results satisfy our criteria for 11 of the measures (73 percent). For the four submeasurements where BellSouth did not meet the performance standards, BellSouth states that the differences were the result of system problems, bill period delays encountered with BellSouth's billing system upgrade, and back-billed OSS charges applied to ALEC accounts.

Our examination of the 15 billing submeasurements for the April and May 2002 commercial data indicates that BellSouth met 87 and 93 percent of the standards, respectively. We believe these results support the conclusion that BellSouth is providing parity service in the billing domain. Additionally, we believe that BellSouth's Self Effectuating Enforcement Mechanism (SEEM) provides BellSouth further incentive to maintain the high level of billing support performance.

8. Other Domains Commercial Data

The remainder of BellSouth's commercial data consists of performance measurements collected for the following six domains: 1) Operator Services and Directory Assistance; 2) E911; 3) Database Update Information; 4) Trunk Group Performance; 5)Collocation, and; 6) Bona Fide/New Business Request Process. These six domains are further subdivided into 18 measurements discussed separately below.

BellSouth's Operator Services/Directory Assistance and E911 domains consist of the six measurements listed below. Each measurement and submeasurement are categorized as "parity by design." In other words, the systems used to provide these services serves both BellSouth retail and ALECs and cannot distinguish between BellSouth retail and ALEC customers. As a result, by definition, parity service is provided.

- OS-1 Speed to Answer Performance/Average Speed to Answer-Toll

- OS-2 Speed to Answer Performance/Percent Answered with "X" Seconds - Toll

- DA-1 Speed to Answer Performance/Average Speed to Answer-Toll

- DA-2 Speed to Answer Performance/Percent Answered with "X" Seconds-Directory Assistance

- E-1 Timeliness

- E-2 Accuracy

- E-3 Mean Interval

The Database Update Information domain consists of performance measurements to determine whether BellSouth's Line Information Database (LIDB), and Directory Assistance and Listings databases are updated in a timely and accurate manner. Also included in this domain is a measurement of the percentage of NXX(s) and Location Routing Numbers LRN(s) loaded in end office and tandem switches by the Local Exchange Routing Guide (LERG) effective date. The three measurements in this domain are:

- D-1 Average Database Update Interval

- D-2 Percent Database Update Accuracy

- D-3 Percent NXXs and LRNs Loaded by the LERG Effective Date

The Average Database Update Interval (D-1) and the Percent Database Accuracy (D-2) measurements are divided into three submeasurements, one for each of the databases listed above. The submeasurements included in the Average Database Update Interval (D-1) are "parity by design". by definition, parity service is provided. For the Percent Database Accuracy (D-2) measurement, KPMG Consulting's aggregated analysis shows that BellSouth met the standard (95 percent accurate) for each submeasurement.

KPMG's analysis shows that BellSouth did not meet the standard (100 percent by LERG effective date) for the Percent NXXs and LRNs Loaded by the LERG Effective Date (D3) measurement. BellSouth met the effective date for loading 29 of the 30 NXXs implemented during March 2002. Upon examining the most recent months of commercial data available, we found that BellSouth met the effective date for loading 141 NXXs implemented in April and May 2002.

BellSouth's trunk blocking measurement compares BellSouth retail's trunk blockage rate to those of aggregate Florida ALECs. The measurement is TGP-1 Trunk Group Performance-Aggregate

KPMG Consulting's analysis of the trunk group performance measurement shows zero volume for the three-month aggregate period. This is indicative of zero violations where BellSouth allowed greater than .5 percent of blockage on ALEC calls for two consecutive hours. We examined the hourly detailed monthly data and found the difference in blockage rate for the entire period was within the .5 percent difference allowed by this performance measure indicating that parity service levels were provided.

According to KPMG's analysis, BellSouth met the approved standard for 100 percent of all collocation opportunities in each of the submeasurements with ALEC activity in January, February and March 2002. BellSouth provides the following three separate collocation measurements:

- C-1 Collocation Average Response Time
- C-2 Collocation Average Arrangement Time
- C-3 Collocation Percent of Due Dates Missed.

Similarly, BellSouth met the approved standards for all new business requests. The following two measurements are used to capture the business request process:

- BFR-1 Percentage of BFR/NBR Requests Processed Within 30 Business Days

- BFR-2 Percentage of Quotes Provided for Authorized BFR/NBR Requests Processed Within X (10/30/60) Business Days

In summary, KPMG Consulting's analyses of these six domains shows that BellSouth satisfied 18 out of the 19 performance measurements (95 percent), where a parity determination could be made. We believe these results support the conclusion that BellSouth is providing parity service in these six domain. We also believes BellSouth's Self Effectuating Enforcement Mechanism (SEEM) provides BellSouth further incentive to maintain exceptional performance in each of these domains.

9. Commercial Data Conclusion

We believe the commercial data analysis performed by KPMG Consulting generally confirms the OSS test results. Further, the analysis supports the conclusion that BellSouth is providing nondiscriminatory access to its OSS. Additionally, we believe these results show that BellSouth is providing the necessary documentation and support functions, has demonstrated that its systems are operationally ready, and provide an appropriate level of performance.

The ALECs argue that BellSouth's commercial data does not support 271 approval because the data has not been validated by KPMG Consulting and cannot be validated until the performance measures review is completed. It is our opinion that the commercial data review supplements a thorough third-party test and provides a cross check on its conclusion that BellSouth's OSS performed as required by the 1996 Telecommunications Act.

We would also note that in the FCC ruling on BellSouth's Georgia/Louisiana 271 application, the FCC acknowledged the reliability of BellSouth's performance measures:

> In view of the extensive third-party auditing, the internal and external data controls, the open and collaborative nature of metric workshops in Georgia and Louisiana, the availability of the raw performance data, BellSouth's readiness to engage in data reconciliations, and the oversight of the Georgia and Louisiana Commissions, we are persuaded that, as a general matter, Bell's performance metric data is accurate, reliable, and useful. We furthermore cannot find general allegations of problems with the reliability of BellSouth's data to provide sufficient reason to reject BellSouth's

> application. BellSouth's data has been subject to a series of audits overseen by the state commissions, an the previous audits have demonstrated that almost all of the data is reliable and accurate.

We will continue to monitor performance measurement testing until its completion. Upon completion of the performance measures test, any significant unresolved issues will be addressed by this Commission.

D. ALEC EXPERIENCE

1. ALEC Experience Summary

At the request of several ALECs, in late 2001 we added the third leg of the stool for its Section 271 determination on BellSouth - the ALEC Experience Workshop. ALECs requested that the we heard first-hand their descriptions of problems and needs regarding BellSouth's OSS. This workshop was held on February 18, 2002 and all Florida ALECs were invited to make presentations. Participating ALECs provided summaries and data in advance for response by BellSouth, and we asked questions of the parties. Following the workshop all parties were invited to file comments on March 18, 2002.

We have assessed these workshop presentations and the post-workshop comments, identifying over 50 issues raised by ALECs. Some of these issues have been addressed and resolved during the ensuing months of testing. Others have been addressed through our action in Order Nos. PSC-02-1107-CO-TP, PSC-02-1034-FOF-TP, and PSC-02-0989-PAA-TP. In some instances, insufficient information was provided, either by ALECs or the OSS third-party test results, to determine whether a serious or systemic problem had been identified.

Our focus throughout our evaluation was on BellSouth's OSS support of the Florida ALEC community as a whole. However, we realize that since these systems and processes are dynamic, and since variations occur in volume and types of orders placed, the quality of OSS support may vary from one ALEC to another at a given time. Therefore, we placed major emphasis on ALEC problems cited that represented either systemic problems, or ones that impacted a large percentage of a particular ALEC's orders.

Efforts towards resolution of remaining issues will continue in various forums for other issues which, in our opinion, do not constitute significant impediments to competition on an aggregate Florida basis. Where ever necessary, in the event successful resolution of such issues cannot be reached, the matter will be considered by us.

A brief explanation of the parties' positions, as well as our analysis of the issues raised by ALECs and their impact on our recommendation regarding BellSouth's 271 application, are provided below. A more detailed description of the parties positions on these issues is provided in Attachment B. Where applicable, this detailed discussion also presents a summary of KPMG Consulting's position regarding how the particular issue was dealt with in the third-party testing.

2. Relationship Management ALEC Experience

a. Relationship Management ALEC Experience Summary

During the February 18, 2002 workshop and the subsequent comment period, ALECs identified six OSS-related issues for the Relationship Management domain. Of these six issues, we believe that five have now been satisfied and that one is not significant enough to warrant a finding of noncompliance on the part of BellSouth. Each of the issues raised by the ALECs will be discussed below.

b. Relationship Management ALEC Experience Issues

Prioritization

ALECs argue that internal BellSouth processes inhibit or prevent a fully collaborative Change Control Process (CCP). ALECs say that they are unable to rationally prioritize Change Requests due to a lack of mutuality in impact assessment and resource planning as well as a lack of visibility into release management processes. BellSouth argues that the current BellSouth CCP satisfies a five-point FCC criteria for a change control process. BellSouth also states it has changed the manner in which prioritization meetings are conducted. BellSouth contends that it listens to ALECs and has modified the Change Control Process to create a process in which BellSouth collaborates with ALECs on prioritizations, Change Request acceptance or rejections, determinations of ALEC-impacts, etc. We note that in Order No. PSC-02-1034-FOF-TP, we ordered BellSouth to implement what is called the "50/50 plan" for release management. ALECs and BellSouth have agreed on a definition of what system changes will impact ALECs so that they will have visibility into those. BellSouth has expanded the scope of the Change Control Process to include more systems, including Legacy, back office and billing systems. We believe that ALECs are now able to express priorities on changes they wish to see made to BellSouth OSS. We will continue to monitor the BellSouth Change Control Process over the next year. We will take additional action, when needed, after implementation of the "50/50" plan.

Backlog of Change Requests

ALECs noted that there was no time frame for the implementation of ALEC-initiated Change Requests. As a result, a large backlog of Change Requests accumulated. ALECs point out that BellSouth implemented its own Change Requests in an average of 60 days average while taking 164 days to implement ALEC Change Requests. In comparison, either no or minimal backlogs exist at three other Regional Bell Operating Companies. BellSouth stated it is committed to the ongoing development of an efficient and effective Change Control Process. BellSouth proposed a new process for release management to permit ALECs to use 50 percent of all release capacity remaining after implementation of defects and mandates. In early 2002, BellSouth also stated a commitment to implement the top 15 priority Type 5 Change Requests during 2002. We believe that our Order No. PSC-02-1094-PAA-TP established a 60-week cycle for implementation of all ALEC-initiated change requests and that it may resolve this issue. Additionally, the three related measures which were ordered will assist us in further monitoring efforts. We will continue to observe the BellSouth Change Control Process over the next year and take any appropriate action as needed.

Defect Correction Timeliness

ALECs contend that BellSouth takes too long to classify and correct defects. As a result, a backlog exists at BellSouth of defects waiting for fixes. BellSouth responds that the FCC adequately addressed these complaints together in its Georgia/Louisiana 271 application approval. BellSouth agrees that a reduction of defects is beneficial for ALECs. BellSouth also responds that the FCC was "reassured that new measures being developed in Georgia will measure how well BellSouth fixes defects within the required time frames." We believe that our Order No. PSC-02-0989-PAA-TP, which requires BellSouth to establish tighter defect correction intervals may resolve this issue. We also ordered the establishment of three associated measures; one diagnostic measure and two measures that included are the SEEM plan to encourage BellSouth to both prevent and correct future defects. Tighter intervals will also diminish ALEC and our concerns about miscoding the severity levels of defects by BellSouth. Again, we will continue to observe the BellSouth Change Control Process over the next year and take any appropriate action as needed.

<u>Billing Systems in Change Control Process</u>

ALECs contended that the scope of the BellSouth Change Control Process did not include billing. ALECs contended that it is a crucial function and that they need to be able to propose changes as well as see changes made to billing systems. BellSouth held that billing is outside the scope of CCP. According to BellSouth, the industry's ad hoc Ordering and Billing Forum is the appropriate forum because billing systems are built to industry standards. BellSouth argued that its retail customers are using the exact same systems as the ALECs. We note that in May 2002, ALECs and BellSouth agreed to amendments widening the scope of the Change Control Process to include billing systems changes. We believe this issue is now resolved.

<u>Software Testing Process Improvements</u>

ALECs believe that BellSouth software releases contain excessive defects or errors, in part due to inadequate testing. ALECs say that end-to-end testing would minimize software defects after release. BellSouth contends that, in the Georgia/Louisiana 271 proceeding, the FCC discarded ALEC complaints regarding inadequate testing. BellSouth contends that the evidence shows that BellSouth does adequately test for defects. BellSouth is working with ALECs to implement and expand the availability of CLEC Application Verification Environment (CAVE). BellSouth agrees that a reduction of coding defects is beneficial for ALECs and that software releases with numerous defects can significantly impede ALEC business. We believe our Order No. PSC-02-1034-FOF-TP, requiring BellSouth to establish three measures concerning defect correction and prevention will assist in resolving this issue. One of the measures which is included in the SEEM Plan requires

BellSouth to expand the number of scenarios it tests prior to release as an incentive to prevent defects. The two other measures encourage BellSouth both to avoid defects and to correct them rapidly. We also note the positive steps BellSouth has taken to improve the functionality and availability of CAVE.

Long Account Team Resolution Intervals

ALECs state that a lack of responsiveness to inquiries from the BellSouth account team functions exacerbates ALEC problems. ALECs say that multiple interface points for ALECs confuse what should be a simple liaison process between ALECs and BellSouth. ALECs also say that they cannot get timely or consistent answers to their inquiries of BellSouth Account Teams or CLEC Care Teams. BellSouth policy is for Account Teams and CLEC Care Teams to acknowledge receipt of an ALEC inquiry within 24 hours. BellSouth contends that its teams work cooperatively with ALECs in providing reasonable and achievable target dates for resolving all inquiries. We encourage ALECs to use existing escalation procedures whenever timeliness of resolutions to their inquiries of BellSouth Account and CLEC Care Teams is an issue. We believe that internal BellSouth procedures could be improved to optimize resolution intervals. We will continue to monitor BellSouth Account Team activities and processes. If resolutions are not reached in a timely manner, we will take the appropriate action to seek a resolution. This issue does not constitute denial of a meaningful opportunity for ALECs to compete.

c. Relationship Management ALEC Experience Conclusion

ALECs identified six issues in the Relationship Management domain during the February 18, 2002 workshop and subsequent comment period. Of the six issues in Relationship Management, we find that five have been resolved. The remaining issue involves the timeliness of BellSouth resolutions to ALEC inquiries. We will monitor Account Management activities and will take further action that may be required on this issue. Additionally, we will monitor activities in the area of the BellSouth Change Control Process. We find that the remaining identified issue does not warrant a finding of noncompliance by BellSouth.

3. Pre-Ordering and Ordering ALEC Experience

a. *Pre-Ordering and Ordering ALEC Experience Summary*

During the February 18, 2002 workshop and the subsequent comment period, the ALECs identified 15 OSS-related issues for the Pre-Ordering and Ordering domain. Of these 15 issues, we believe that none are significant enough to warrant a finding of noncompliance on the part of BellSouth. Each of the issues raised by the ALECs will be discussed below.

b. *Pre-Ordering and Ordering ALEC Experience Issues*

Inaccurate CSRs

ALECs believe that BellSouth's Local Carrier Service Center (LCSC) delays its updating of CSRs causing errors, time delays, added cost, and customer dissatisfaction. According to BellSouth, the process for updating the CSRs for retail and wholesale are the same, with 93 percent of CSRs updated in 24 to 72 hours. We believe resolution of this issue is being discussed in the FPSC Competitive Topics Forum. If resolution on this issue is not reached in a timely manner, we will take the appropriate action to seek a resolution.

Facilities Reservation Numbers Restrictions

The ALECs state they are prevented by BellSouth from aligning back office when sending Facilities Reservation Numbers electronically. BellSouth complains that the one ALEC was abusing a trial process to obtain a manual loop makeup inquiry free of charge. We believe this issue affects a small number of ALECs and has not been shown to reflect a systemic problem. Further, we believe this issue does not constitute denial of a meaningful opportunity for ALECs to compete. We note that Network Telephone did develop a method to obtain Loop Make-up information using a combination of manual request and electronic submission during a trial process by BellSouth.

Inaccurate Information from LENS

ALECs state that inaccurate or incomplete data from LENS is resulting in higher costs, longer service due dates, and customer dissatisfaction. BellSouth states any inaccuracies in the back-end databases accessed by LENS are not discriminatory because they affect it in the same fashion as competing carriers. We believe during OSS testing, KPMG Consulting issued pre-order loop makeup inquires using addresses and facilities information provided by BellSouth for the purposes of setting up the pseudo-ALEC. Using the accounts set up by BellSouth for the pseudo-ALEC, KPMG Consulting did experience some instances where address validation did not occur due to inaccurate information. However, we agree with BellSouth when it states that when either BellSouth or an ALEC needs additional loop makeup information that is not available electronically, both parties would be required to submit a manual loop makeup inquiry request. As BellSouth states, its loop makeup information process operates in a nondiscriminatory manner because any information that is missing for the ALEC is also missing for BellSouth.

Inaccurate information from TAG

ALECs state that information cannot be gathered from TAG CSRs that is available from LENS. On February 2, 2002, in Release 10.3.1, Change Request 0498 was implemented to correct this defect. Since this date, BellSouth states it is not aware of any ALEC reporting a problem related to the defect that was addressed in Change Request 0498. Therefore, BellSouth states it considers this issue resolved. We believe this defect was resolved with implementation of Change Request 0498 in Release 10.3.1 on February 2, 2002.

Pending Service Orders

ALECs state that pending BellSouth service orders prohibit end users from switching to an ALEC. BellSouth claims that ALECs are able to determine in the pre-order mode from an indicator on the CSR whether there is a pending service order. BellSouth states it is involved with Change Request 0127 regarding a request for new pre-ordering functionality in LENS and TAG which would provide ALECs with indicator(s) on the Customer Service Record (CSR) whenever a "pending service order" exists for the end-user customer. This indicator would act to alert the ALEC representative that service order activity is taking place on the end user's service. We note that during the test, KPMG Consulting stated they experienced some issues relating to pending services orders and the inability to make changes to accounts with this status. KPMG Consulting reported that, in most instances, this was due to activity requests on the account that were made by KPMG

Consulting. We also note that Change Request 0127 (ranked seven of 26 at the June 7, 2002 change control process meeting) is open and provides a method of alerting the end user through the TAG format that a CSR is pending on a service order during the pre-ordering stage. We further note that resolution of this issue is also being discussed in the FPSC Competitive Topics Forum. If resolution on this issue is not reached in a timely manner, we will take the appropriate action to seek a resolution.

Manual Handling of Local Service Requests

ALECs state that manual handling of orders results in higher costs and introduction of errors at BellSouth's LCSC, causing delays and inaccuracy in provisioning, and customer dissatisfaction. According to BellSouth, nondiscriminatory access does not require that all LSRs be submitted and flow-through electronically, requiring no manual processing. We believe, as noted in staffs recommendation in Docket No. 000731-TP, dated June 8, 2001, that the proper mechanism to address this issue is the change control process. It would be beneficial for ALECs to have the ability to electronically enter all LSRs and have them flow through to Service Order Control System (SOCS) without designed manual fall-out. However, the system in place does not create disparity for ALECs regarding order submission. Therefore, we believe this issue is currently best suited to be pursued through the change control process. We further note that, with regard to electronically ordering unbundled copper loop-non-designed, this issue is currently being addressed in the change control process via Change Request 0541 (electronic ordering portion of 0541 scheduled for implementation with release 10.6 on August 25, 2002) and is also being discussed in the FPSC Competitive Topics Forum. If resolution on this issue is not reached in a timely manner, we will take the appropriate action to seek a resolution.

Local Freeze Lifts

ALECs state that BellSouth does not properly execute Primary Carrier (PC) Freeze lifts, thereby delaying ALEC LSRs. BellSouth states that the migration of an end user with a Local/PC freeze on their account is governed by specific FCC rules and that its current process is in compliance with FCC slamming rules (47 CFR Part 64; FCC Docket Nos. 94-129; 00-255, and 01-67) which describe the allowable procedures to remove preferred carrier freezes. We believe KPMG Consulting adequately tested this issue and the relevant test criteria were satisfied. We note that KPMG

Consulting issued orders that included the freezing and unfreezing of the Primary Interexhange Carrier (PIC) and the Local Primary Interexchange Carrier (LPIC). KPMG Consulting did not experience functionality issues associated with this activity. However, we believe resolution of this issue is also currently being discussed in the FPSC Competitive Topics Forum. If resolution on this issue is not reached in a timely manner, we will take the appropriate action to seek a resolution.

<u>ADSL USOC Causes Invalid Clarifications</u>

ALECs state that whenever an ADSL Uniform Service Order Code (USOC)(or ADL11) is on the CSR, the ALEC is blocked from transferring the customer's service from BellSouth. ALECs further state that BellSouth delays the delivery of UNE-P to customers who have an ADSL USOC appearing on their CSR. BellSouth states that two change requests (Change Request 0399-combined with Change Request 0493 and implemented in November 2001, and Change Request 0625 currently scheduled for Release 11.0 on December 8, 2002) have been issued, and a manual work-around has been developed and is in place to deal with this issue. We note KPMG Consulting did encounter this situation during testing. We believe KPMG Consulting tested this issue adequately and relevant test criteria were satisfied. We further believe that the submission of two change requests by ALECs, and the development of a manual work-around in the interim by BellSouth is an indication that the ALECs and BellSouth are working to resolve this issue.

<u>LCSC Effectiveness Concerns</u>

ALECs state that inadequate LCSC staff skill levels foster confusion and wasted time in resolving rejects and clarifications and high work load results in delays. In addition, ALECs also argue that the load on the LCSC remains high and the resulting delays in partially mechanized order processing have not changed. BellSouth states its LCSC representatives are trained to handle the majority of ALEC issues in a timely manner over the phone and that an escalation process is also in place. BellSouth also points out that, for the months of January through March 2002, on an aggregate basis, it surpassed the 85 percent benchmark for Reject Interval (O-8) and FOC Timeliness (Partially Mechanized and Manual) (O-9) measurements. We believe KPMG Consulting adequately tested LCSC operations and the relevant test criteria were satisfied. We also believe that some ALEC LCSC issues are currently being addressed in the FPSC Competitive Topics Forum. If resolution on this issue is not reached in a timely manner, we will take the appropriate action to reach a resolution. Regarding delays in rejects and FOCs, for the period January through March 2002, BellSouth is meeting the benchmark (ALEC Aggregate, Florida) for the non mechanized Reject Interval and FOC Timeliness (O-8, and O-9), while falling behind for the partially-Mechanized component of the same two measures. We believe the SEEM plan, effective May 2002, will provide adequate incentive for BellSouth improvement in Reject Interval (O-8) and FOC Timeliness (O-9) measurements.

System Outages

ALECs state that system outages continue to reduce ALEC operating efficiency and effectiveness. BellSouth states it meets Florida-approved performance measures for OSS availability. BellSouth states that, in fact, during the three-month period January 2002 through March 2002, EDI was available more than 99.7 percent of the time and both TAG and LENS exceeded the monthly benchmark. We believe KPMG Consulting adequately tested this issue and the relevant test criteria were satisfied. Aggregate Florida commercial data does not support the ALEC claim. We believe that for the months of January through March 2002, BellSouth exceeded the OSS-2 metric "Interface Availability (Pre-Ordering/Ordering)."

Invalid Clarifications and Rejects

ALECs state that invalid LSR clarifications add time and expense to the order process and result in customer dissatisfaction and loss. BellSouth states it has a high accuracy rate on manual clarifications. BellSouth replies to WorldCom's complaint by stating that WorldCom received 5,928 clarifications in January 2002 and that WorldCom called the LCSC to challenge the validity of only 289 of those clarifications. BellSouth states that of the 289 challenged, only 65 (1.09 percent) were clarified by the LCSC in error. BellSouth states it will continue to keep these records to ensure that its performance for WorldCom and other ALECs remains high. We believe this issue does not constitute denial of a meaningful opportunity for ALECs to compete. We acknowledge that KPMG Consulting tested this issue and subsequently issued Exception 165 (discussed in the Pre-Ordering and Ordering Test Open Exceptions section of this Order), which remains open. We further note that of the 54 clarifications classified as incorrect by KPMG Consulting on the final sample taken, BellSouth has instituted corrective action for 33, while maintaining that the remaining 21 were incorrectly classified as errors by KPMG.

Electronic Ordering

ALECs claim that the inability to electronically order (required manual ordering) all products results in BellSouth errors, timeliness issues and increased cost and customer dissatisfaction/loss. BellSouth states that in 2001, 89 percent of the 4.6 million LSRs submitted were done so electronically and that the electronic submission rate is increasing. BellSouth states that the issue of electronic ordering of Unbundled Copper Loop-Non-Designed (UCL-ND) is currently pending in the change control process (CR0541, with its electronic ordering portion currently scheduled for Release 10.5 on August 25, 2002). We believe that ideally everything should be electronically orderable. However, BellSouth appears to be working toward this goal by virtue of the fact that 89 percent of LSRs were processed electronically in 2001. We acknowledge some order types may always have to be issued manually due to their complex nature. We further note that, with regard to electronically ordering UCL-ND, this issue is currently being addressed in the change control process via Change Request 0541, and is being discussed in the FPSC Competitive Topics Forum. If resolution on this issue is not reached in a timely manner, we will take the appropriate action to reach a resolution.

Hunting

ALECs claim that defects in ordering the Hunting feature cause delays and customer dissatisfaction. BellSouth states it addressed the issues surrounding Parsed CSR-Hunting in Change Request 0651, which was implemented in Release 10.4 on March 23, 2002. Regarding all other matters regarding Hunting, BellSouth states it has been working with the ALECs to address those issues and believes it has addressed those issues. We believe KPMG Consulting has adequately tested this issue and the relevant test criteria were satisfied. In addition, Release 10.5 will include a system fix that is expected to correct the remaining defects. We believe this issue does not constitute denial of a meaningful opportunity for ALECs to compete.

Due Date Calculator Not at Parity

ALECs state that BellSouth's due date calculator continues to return improper (longer) intervals for various Request Type/Activity Type combinations. BellSouth states that it provides ALECs with due date information in substantially the same time and manner as it does for its retail operations. BellSouth claims it is committed to returning to the ALEC the first available due date for the activity requested. We believe KPMG consulting has adequately tested this issue. Furthermore, we believe this issue does not constitute denial of a meaningful opportunity for ALECs to compete. Testing indicated that BellSouth returns a Firm Order Confirmation Due Date (FOC DD) equal to the Desired Due Date (DDD) 73.82 percent of the time in the EDI interface and 82.26 percent for the TAG interface.

Disparate Flow-Through

According to ALECs, their flow-through rate is lower when compared to retail, indicating the ordering process is not functioning at parity. BellSouth states that it is flawed analysis to compare BellSouth flow-through to ALEC flow-through; We agree that ALEC Flow-Through should be compared to a bench mark not to BellSouth Flow-Through per Order PSC-01-1819FOF-TP. Additionally, ALEC flow-through should be compared to the approved benchmarks. We believe the SEEM plan, effective May 2002 and modified by our Order No. PSC-02-1107-CO-TP, will provide adequate incentive for BellSouth improvement in flow-through.

c. ***Pre-Ordering and Ordering ALEC Experience Conclusion***

ALECs identified 15 issues for the Pre-Ordering and Ordering domain during the February 18, 2002 workshop and the subsequent comment period. Of the 15 issues, we expect many will be resolved via mechanisms already in place, such as the change control process, and the FPSC Competitive Topics Forum. Others, such as some LCSC concerns and flow-through issues, will be closely monitored by us through performance measures with SEEM plan payments applying as necessary. For the Pre-Ordering and Ordering domain, we believe that the issues identified do not warrant a finding of noncompliance on the part of BellSouth. However, we will continue to monitor BellSouth activities in the area of flow-through and others as necessary. If resolution on this issue is not reached in a timely manner, we will take the appropriate action to reach a resolution.

4. Provisioning ALEC Experience

a. ***Provisioning ALEC Experience Summary***

During the February 18, 2002 workshop and the subsequent comment period, the ALECs identified six OSS-related issues for the

Provisioning domain. Of these six issues, we believe that all have now been satisfied or are not significant enough to warrant a finding of noncompliance on the part of BellSouth. Each of the issues raised by the ALECs will be discussed below.

b. Provisioning ALEC Experience Issues

Provisioning Accuracy

ALECs state that BellSouth provisioning has resulted in an unacceptably high number of lines provisioned incorrectly, which negatively impacts ALECs and their customers. BellSouth states that, regarding WorldCom's analysis of a 500 line sample, its reported 2.5 percent error rate would mean that BellSouth had achieved a 97.5 percent accuracy rate. While obviously different views of WorldCom's audit sample performance numbers are presented, that error rate of 2.5 percent and performance rate of 97.5 percent represent results well within the professional judgment parameters KPMG Consulting benchmarks as an acceptable success rate of 95 percent. The FCC stated it found that BellSouth accurately processes manual and electronic orders, that it was able to evaluate BellSouth's performance, and that BellSouth's performance is substantially in compliance with appropriate standards. FCC Order No. 02-147, ¶159. We believe that the deciding factor for provisioning accuracy rests with the results of the third-party OSS test, which shows 96 percent of test criteria satisfied.

Incomplete Firm Order Confirmations (FOCs)

ALECs state that BellSouth provides incomplete FOCs, which provide insufficient data, specifically circuit identifications, that ALECs need to reference for status inquiries and which, if omitted, could cause database discrepancies. BellSouth states that, besides its commitment to discuss this issue directly with individual ALECs such as KMC, a change request reflecting ALEC desires for the inclusion of circuit identifications on FOCs, as expressly requested by Covad, was opened in the Change Control Process by the ALEC community. We believe that this issue is being appropriately resolved in view of BellSouth's commitment that it would work with ALECs and its response to ALEC-initiated Change Request 621, which led to inclusion of circuit identifications on FOCs in Release 11.0 scheduled for implementation December 8, 2002.

UNE Loop (UNE-L) Issues

ALECs state that ALEC orders for UNE loops are being rejected in error due to circuit ID discrepancies and incorrect facilities assignments within BellSouth because COSMOS (Computer System for Mainframe Operations) delivers insufficient information. BellSouth represented that when processes are identified so that when COSMOS or Loop Facilities Assignment and Control System (LFACS) issues require monitoring or manual activity, these issues are being addressed directly as action items to the in-progress development processes by BellSouth product teams. We believe that there is a lack of supporting evidence in the OSS test results or in the commercial data indicating a systemic problem in this area. We will continue to monitor issues with COSMOS and LFACS and will take additional action if necessary.

Line Loss Reporting

ALECs state that BellSouth's failure to provide complete line loss reporting results in critical problems due to being uninformed of ALEC customer departures, which can result in double billing of customers. BellSouth states this issue is believed to be resolved as a result of issuance of Carrier Notifications implementing changes to the standard web-based Line Loss Reporting mechanism for the ALEC community. That Line Loss Report now reflects all TN's (telephone numbers) that will be qualified for line loss notification after all provisioning and related processes have been completed. BellSouth also reports that it has been working with WorldCom to refine WorldCom's unique specifications for its contractually tailored Network Data Mover (NDM) Line Loss Report. We believe this issue to be moving toward a satisfactory resolution. The FCC has stated that line loss report discrepancies, relatively limited in duration and scope, are not indicative of a systemic problem with BellSouth's OSS. FCC Order No. 02-147, ¶163. We believe that the deciding factor for this issue rests upon the results of the third-party OSS test, for which there are no open observations or exceptions related to this issue.

Line Sharing

ALECs state that they have experienced excessive line sharing provisioning intervals, significant troubles and repeat troubles resulting from BellSouth test sets not catching loop inaccuracies. BellSouth states that it has demonstrated commitment to ensuring both manual and electronic Line Sharing orders are successfully processed. Change request 779 was opened in the Change Control Process reflecting ALEC desires for sequencing the billing portion of Line Sharing orders only after the actual provisioning work is physically completed. BellSouth responded that it would be addressed in the 11.0 release scheduled for December 8, 2002. BellSouth reported statistical measurement results indicating BellSouth met retail analogs in January and February 2002 for order completeness intervals and in January and March 2002 for provisioning troubles within 30 days. We believe that the deciding factor for this issue rests upon the results of the third-party OSS test, for which there are no open observations or exceptions related to this issue. Additionally, the third-party OSS test included a commercial data review that covered loop qualification accuracy, 30 day trouble history, jeopardy notifications, service order confirmation accuracy, and missed appointments. We believe that the test and the commercial data results for line sharing confirm BellSouth's representation of the existence of parity between BellSouth's retail business and service provided to the ALEC community.

Integrated Digital Subscriber Line (IDSL)

ALECs state that frequently BellSouth-provisioned IDSL loops include high numbers of repeat trouble tickets, missed installation appointments, and problems with line card and options settings. BellSouth states that it has demonstrated commitment to ensuring that such unbundled local loops are successfully processed. It reported statistical measurement results indicating BellSouth met retail analogs in January and February 2002 for provisioning troubles within 30 days. Staff believes that the deciding factor for this issue rests upon the results of the third-party OSS test, for which there are no open observations or exceptions related to this issue. Additionally, the third-party OSS test included a commercial data review that included, for those measures having ALEC activity during January through March 2002, results showing BellSouth met the standard for xDSL relative to order completion intervals, missed installation appointments, 30 day trouble history, repeat troubles, and all service order accuracy measures. We believe that the test and the commercial data results for this issue confirm BellSouth's representation of the existence of parity between BellSouth's retail business and service provided to the ALEC community.

c. ***Provisioning ALEC Experience Conclusion***

ALECs identified six issues for the Provisioning domain during the February 18, 2002 workshop and the subsequent comment period. Of the six issues, we find that no further action is necessary. However, we will continue monitoring to ensure BellSouth has adequately implemented or addressed several pending issues. For the Provisioning domain, we find that the issues identified do not warrant a finding of noncompliance on the part of BellSouth.

5. Maintenance and Repair ALEC Experience

a. ***Maintenance and Repair ALEC Experience Summary***

At the February 18, 2002 ALEC Experience Workshop and subsequent comment period, ALECs identified seven OSS issues related to the maintenance and repair domain. We have reviewed the parties' comments and subsequent actions to resolve these issues since the workshop. We believe the parties are currently working to resolve one of the maintenance and repair issues within the change control forum. The seven maintenance issues ALECs identified are discussed below.

b. ***Maintenance and Repair ALEC Experience Issues***

Dial Tone Outages

Some ALECs believe that dial tone loss is the most significant repair issue facing them today. ALECs contend that BellSouth technicians cause many of the dial tone losses, and improperly close the outages as "no trouble found". BellSouth contends that, since it implemented several edits to reduce UNE-P dial tone loss over a year ago, the loss of dial tone problems have significantly decreased. BellSouth believes dial tone issues now impact less than one percent of ALEC migrations. Currently aggregate commercial data does not measure improper outage closures. We believe the measure that most closely measures the impact of dial tone outages is the Customer Trouble Report Rate measure (M&R-2). This measure does show higher trouble report rates for ALECs in 5 of 17 categories, but does not indicate a substantial barrier to aggregate ALEC competition exists. We believe the SEEM plan, which was effective May 2002, will provide adequate incentive for BellSouth to reduce ALEC trouble report rates, including those caused by dial tone outages.

Chronic Repair Troubles on Designed Services

ALECs state that chronic repeat troubles on designed services are experienced within 30 days of installation caused by improper BellSouth installation and inadequate repair. BellSouth believes all ALEC chronic repeat repair problems should be directed to the Chronic Group within the CWINS center for resolution. This group specializes in resolving repeat troubles continuing beyond 30 days and can provide more extensive testing for repeat repair conditions. We believe aggregate commercial data does not support ALEC contentions. The Customer Trouble Report Rate measure (M&R-2) shows ALEC repair rates are lower in 12 of 17 (71%) submeasures. Additionally, the Percent Repeat Trouble Within 30 Days repair measure (M&R-4) does not support ALEC contentions of chronic repeat repair rates. Regardless, we believe this issue is similar to issue R-1 currently being discussed in the Florida Competitive Topics Forum. We further believe the SEEM plan, effective May 2002, will provide added incentive for BellSouth to improve ALEC trouble report rates.

<u>Excessive New Install Failures for DS-1</u>

ALECs contend BellSouth discriminates by assigning second-rate problematic facilities for ALEC DS-1 services. Therefore, ALECs experience higher failure rates for new DS-1 installations within the first 30 days than does BellSouth. BellSouth contends the designed circuit provisioning methodology gives ALECs the ability to joint test circuits before acceptance. This process solidifies the end-to-end test process for ALEC validation of the circuit and assures ALEC and BellSouth technicians that the circuit is functioning correctly. We believe aggregate commercial data does not support the ALEC contention of higher failure rates for DS-1 circuits. The Customer Trouble Report Rate (M&R-2)and Percent Repeat Trouble Within 30 Days (M&R-4)repair measures show lower repair rates and repeat troubles for ALEC DS-1 services than for BellSouth. We believe the SEEM plan, which was effective May 2002, provides a tool for ensuring ALECs receive parity systems and support for DS-1 services.

<u>Excessive Repair Average Duration</u>

ALECs believe the average duration for repair outages is greater for ALECs than for BellSouth. ALECs contend that BellSouth prematurely closes repair tickets without proper notification and forces them to open new trouble tickets. BellSouth believes the Customer Wholesale Interconnection Network Services (CWINS) center properly records and processes repair troubles impacting duration time and clearing time. We believe aggregate commercial data shows that the average duration for ALEC repairs was lower than BellSouth repairs. The Maintenance Average Duration (M&R-3) measure showed that ALECs experienced longer duration intervals only in Resale ISDN and 2 wire analog loop design categories. The Out-of-Service Greater Than 24 Hours (M&R-5) measure shorter average duration results for ALECs in 16 of 17 categories. We believe aggregate commercial data does not support ALEC claims, nor indicate a significant deterrent to the aggregate ALECs' ability to compete. Additionally, we believe that the SEEM plan provides a tool to ensure ALECs have parity support in maintenance average duration intervals.

Improperly Closed Repair Tickets

ALECs believe BellSouth improperly closes valid repair tickets to a "no trouble found" repair code and also closes trouble tickets before calling ALECs with the closure information. ALECs contend this creates further delays in getting repair problems resolved. BellSouth claims that ALECs have not provided examples of improperly closed valid repair tickets to investigate and that it stands ready to investigate specific examples. BellSouth notes that the CWINS center is responsible for notifying ALECs of repair closures for design services, and the field technician, or network technician, is responsible for notification of POTS and UNE-P repair closures. We note that KPMG Consulting did not experience failures by BellSouth to provide closure notification as an issue during maintenance testing. KPMG Consulting received in excess of 95 percent notification for all test calls completed and observed. We believe that ALECs did not provide sufficient evidence to support the claim of improper closures of valid repair tickets or the lack of proper repair closure notification. We believe aggregate commercial data for Percent Repeat Troubles Within 30 Days (M&R-4) does not support ALEC claims, nor indicate a significant obstacle to the aggregate ALECs' ability to compete. Additionally, we believe the SEEM plan, which was effective May 2002, will provide a tool to ensure ALECs receive proper notification of repair closures.

Repair Reports For Impaired Migrations

AT&T experienced problems with the BellSouth CWINS center not accepting a trouble report for a customer impaired during a migration of service until after 5:00 p.m. AT&T contends that early-morning migration difficulties may last all day long, leaving the ALEC end-use customer without service and the ALEC powerless to resolve the problem. BellSouth states that the CWINS center has responsibility to coordinate the resolution of all reported problems. BellSouth contends the CWINS center has a process in place to work with the LCSC to resolve whatever issue is encountered by the ALEC. During KPMG Consulting's cooperative ALEC testing, this situation was not encountered, nor did the participating ALECs raise this as an issue. We do not believe ALECs provided sufficient evidence to support this claim or to show a significant deterrent exists to the aggregate ALECs' ability to compete.

Intentional After-Hour Repair Attempts

ALECs insist BellSouth maintenance technicians intentionally go to a customer's premise after normal business hours, without making arrangements for access, to close a trouble ticket to a "no access" or "no trouble found" code. This condition requires an additional repair report be issued and further delays the repair of the customer's service. BellSouth agrees that, if after-hours work is to be completed, technicians should be notifying the ALEC when the work is to occur and get instruction on where to gain access. KPMG Consulting did not experience this condition during testing. We do not believe ALECs provided sufficient evidence to support this claim or to show a significant deterrent exists to the aggregate ALECs' ability to compete.

c. *Maintenance and Repair ALEC Experience Conclusion*

ALECs identified seven maintenance and repair domain issues during the February 18, 2002 workshop and subsequent comment period. One issue is currently being resolved in the FPSC Competitive Topics Forum. We find that the remaining six issues do not represent significant impairment to the aggregate ALECs' ability to compete and can be satisfactorily resolved in the existing collaborative and change control forums. We further find that the remaining six issues do not warrant a finding of BellSouth noncompliance. We will continue to monitor BellSouth activities to resolve these maintenance issues, and we will consider any issues that may remain unresolved.

6. Billing ALEC Experience

a. *Billing ALEC Experience Summary*

During the February 18, 2002 ALEC Experience Workshop and subsequent comment period, ALECs identified nine OSS-related issues in the billing domain. Since the workshop, we have reviewed the parties' comments and subsequent collaborative actions to resolve these issues. Two of these issues are currently being addressed in the FPSC Competitive Topics Forum and the BellSouth Change Control Process. Furthermore, we believe seven issues are not sufficiently significant to warrant finding BellSouth in noncompliance. The nine issues raised by the ALECs are discussed below.

b. Billing ALEC Experience Issues

Delay Orders Pending Billing Completion

ALECs complain they cannot make changes to modify an order, or report a trouble, until pending billing completion is final, which causes even small changes to be postponed for up to 30 days. ALECs believe BellSouth should provide a billing completion notification to inform ALECs when orders have cleared billing systems. BellSouth believes the issue should be addressed by the Ordering and Billing Forum (OBF) to assure an industry standard billing solution is implemented. BellSouth also agreed to re-consider a billing completion notice within the Change Control Process (CCP) if requested by ALECs. ALECs introduced change request CR0443, at the March 27, 2002 change control meeting, to request a "Billing Completion Notifier." ALECs ranked the project as number 4 out of 26 in the release prioritization ranking during the May 22, 2002 change control meeting. We believe this issue is successfully being resolved by the parties within BellSouth's change control process.

Billing Errors Cause Significant Problems

WorldCom states there are significant problems in auditing its wholesale bill due to formatting and other errors. WorldCom contends that it cannot determine whether a charge or credit relates to the bill for an existing customer, and cannot compare charges and credits against the amount WorldCom expects from the customer. BellSouth believes this issue is limited to a WorldCom claim that Billing Telephone Numbers (BTNs) are missing from approximately three percent of their lines. BellSouth believes the Ordering and Billing Forum (OBF) specifications do not require that a BTN be placed on each record. On March 4, 2002, representatives of the BellSouth billing team reviewed this with WorldCom billing staff. The parties discussed the industry specifications, and BellSouth explained the exact location within the records where WorldCom could find the telephone numbers for each line. We note that, although KPMG Consulting identified and satisfied 20 billing exceptions during the completion of third-party billing tests, it did not identify the specific problem experienced by WorldCom.

Additionally, aggregate commercial data for the Billing Invoice Accuracy (B-1) measure shows that the ALEC aggregate population receive better levels of billing accuracy than BellSouth retail in Florida. We believe the problem WorldCom experienced is not representative of the aggregate ALEC population, and does not represent a significant obstacle to local competition in Florida.

<u>ALECs Receive Usage Records For Lost Accounts</u>

WorldCom complained that daily usage records for customers it has lost continue to be sent from BellSouth. WorldCom contends the reason for this error is the BellSouth switch has not been translated correctly. WorldCom estimates bills for hundreds of calls, for up to two months after the loss report, have been received. BellSouth contends that this condition only happens upon occasion, due to service order errors, or when the order is processed around the bill period and additional time is necessary to post the CSR. When this occurs, DUF records will be sent to the old ALEC until the order posts in the billing system. However, BellSouth provides ALECs with a DUF "cancel record" in these cases to cancel the effect of the original record being sent. This issue is listed in the Florida Competitive Topics Forum for discussion as issue B-4 Line Loss Reporting. We believe that this issue may be resolved by the parties in this forum; however, if it is not, it does not represent a significant deterrent to ALEC competition in Florida.

<u>Usage Billed To the Wrong BAN</u>

WorldCom contends that its January 2002 bill had 23 percent of the Automatic Number Identifications in Georgia billed to the wrong Billing Account Number (BAN). This problem continues to create difficulties in maintaining and tracking records. BellSouth believes WorldCom is confused about what is on the Georgia bill. BellSouth contends a mix of area codes on a single bill is nothing new, and is the same manner in which charges for retail services are billed to multi-location business or residence customers. BellSouth noted that a document to assist ALECs in better understanding the bills provided by BellSouth, "Understanding Your Bill", is on the BellSouth Interconnection Services Web site for easy access by ALECs. BellSouth also notes that WorldCom raised this issue in the Georgia/Louisiana joint application and the FCC determined it was not a substantial problem. We note that KPMG Consulting's billing tests reviewed ALEC invoices for accuracy and did not experience any BAN problems. Additionally, aggregate commercial data for the Billing Invoice Accuracy (B-1) measure shows that the ALEC aggregate population receives better levels of billing accuracy than BellSouth retail in Florida. We believe the problem WorldCom experienced is not representative of the aggregate ALEC billing population, and does not represent a significant obstacle to local competition in Florida.

Manual Billing Controls

ALEC orders sometime drop into billing states, requiring manual work to correct and complete the order before BellSouth billing systems are updated. WorldCom believes this manual handling leads to double billing in many instances. BellSouth contends that some exceptions do occur, but the vast majority of service orders containing these types of errors are corrected in one or two business days. Since these correction activities are performed on retail as well as ALEC orders, the ALECs are provided with an opportunity to compete with BellSouth. BellSouth also notes that WorldCom raised this issue in the Georgia/Louisiana joint application and the FCC found it was not a problem to open competition. We note that KPMG Consulting did not experience delayed orders posting to billing while testing. Additionally, aggregate commercial data for the Billing Invoice Accuracy (B-1) measure shows that the ALEC aggregate population receives better levels of billing accuracy than BellSouth retail in Florida. We believe sufficient evidence was not provided to show the problem WorldCom experienced represents the ALEC aggregate. Furthermore, we are not convinced the problem creates a significant obstacle to local competition in Florida.

Improperly Routed IntraLATA Calls

WorldCom accuses BellSouth of improperly routing tens of thousands of ALEC intraLATA calls through its own switches, rather than the customer-selected ALEC carrier. WorldCom believes the alleged improper routing denies ALECs revenues that could have otherwise been captured by hauling intraLATA traffic through their switches. WorldCom also complains that BellSouth switch translation was identified as the problem, and is concerned about possible recurrences. BellSouth did not specifically address this issue in the workshop or in its post-workshop comments. We note KPMG Consulting by necessity conducted its testing as a non-facilities-based ALEC and used BellSouth as the LPIC carrier. Therefore, it had limited insight into the actual network routing of the call. We believe aggregate commercial data for the Billing

Invoice Accuracy (B-1) measure shows that the ALEC aggregate population receives better levels of billing accuracy than does BellSouth retail in Florida. We believe that the problem WorldCom experienced is not representative of the ALEC aggregate population, nor that the problem creates a barrier to local competition in Florida.

No Out Collection Process

WorldCom states it requested BellSouth to create an "out collect" process, to return incorrect usage records to BellSouth for further research. WorldCom contends that BellSouth has improperly transmitted thousands of intraLATA calls that should have been routed through WorldCom, and wants to research appropriate Daily Usage File (DUF) credits for the intraLATA call traffic. BellSouth contends that WorldCom is really looking for a way to submit a usage bill dispute electronically. BellSouth explains that it does not provide that capability to any customer retail, ALEC, nor Interexchange Carrier. We believe the current BellSouth bill dispute and DUF record resend processes give ALECs access to bill research and correction assistance similar to that of retail operations. We are not convinced that the current BellSouth processes prevent the aggregate ALEC population from effectively researching and correcting bill problems at parity with BellSouth's retail operation. We also believe that, if this issue is significantly important to all ALECs, the change control and collaborative forums offer proper channels of further change and resolution.

Numerous Bills Impair Timely ALEC Bill Payment

Covad believes the number and frequency of BellSouth bills makes timely ALEC payment difficult. Covad contends that dispute acknowledgments also do not reference claims numbers, and make it difficult to match the bill to Covad dispute amounts. Additionally, Covad believes that bill credits are not listed on bills, and no notification of credits being applied are shown, which create further difficulties in bill balancing. BellSouth contends that it provides billing in the same manner (frequency and number of bills) as that provided to retail or IXC customers. Further, industry guidelines call for different services to be included on different bill types. This accounts for the vast majority of bills being provided to Covad. BellSouth offers to complete a BAN or bill period consolidation at a customer's request to reduce the number of bills. In fact, BellSouth completed a billing period consolidation for Covad in January 2002. We note that KPMG Consulting reviewed BellSouth's new Tapestry/Industrial Billing System (Tapestry/IBS)as part of its billing tests. KPMG noted that the new system includes an invoice number which may help ALECs review and track bills more efficiently. We believe this additional reference will help assist ALEC bill tracking and reconciliation. Additionally, we believe, if the added invoice number does not fully resolve this issue, ALECs can pursue the change control and collaborative forums for further change and resolution.

Miscellaneous Billing Is Difficult to Audit

Covad contends that BellSouth dumps old bill charges into a lump sum invoice, which makes it impossible to audit detail charges, and then offers to assist ALECs by charging for an explanation of the invoice. Covad estimates it has approximately $62,000 in miscellaneous billing that continues to grow. BellSouth contends that it provides ALECs separate CABS bill "invoices" for each month. So, if the current bill has balances due from prior months, the balance for each of the months is tracked by invoice number and unpaid monthly charges are separate from current charges. Once charges get to be 12 months old or older, the system lumps them under the "0000" invoice remaining balances are no longer broken out by individual month. BellSouth's position is that these charges were separately identified on the original bills provided by BellSouth (when they were first incurred) and that Covad should pay for being provided copies of the previous bills. We note that KPMG Consulting billing tests did not experience the condition identified by Covad. We are not convinced that the Covad issue is experienced by the ALEC aggregate, that current BellSouth processes prevent the aggregate ALEC population from effectively researching and correcting bill problems, or that the problem creates a significant obstacle to ALEC competition in Florida. Additionally, we believe that, should this issue prove to be significantly important to all ALECs, the established change control and collaborative forums offer proper channels for future change and resolution.

c. Billing ALEC Experience Conclusion

ALECs identified nine billing domain issues during the February 18, 2002 workshop and subsequent comment period. Two of the nine issues are currently being resolved in the FPSC

Competitive Topics Forum and BellSouth change control forums. We find that the remaining seven billing domain issues do not represent significant impairments to the aggregate ALEC ability to compete. We believe these issues can be resolved in the existing collaborative and change control forums, and do not warrant a finding of BellSouth noncompliance. We will also continue to monitor BellSouth activities to resolve these and future ALEC billing issues. If appropriate, we will take action to resolve issues.

7. Performance Measures ALEC Experience

a. *Performance Measures ALEC Experience Summary*

During the February 18, 2002 workshop and the subsequent comment period, ALECs identified 11 OSS-related issues for the performance measures domain. Of these 11 issues, we believe that five have been satisfied, four are currently covered in the OSS third-party test of BellSouth's performance measurements, one should be addressed in the six-month review cycle of BellSouth's permanent performance measures, and one is not significant enough to warrant a finding of noncompliance on the part of BellSouth. Each of the issues raised by the ALECs will be discussed below.

b. *Performance Measures ALEC Experience Issues*

Missing Raw Data

ALECs contend that LSRs classified as "projects" and "dummy FOCs" (confirmation of cancelled LSRs) should be included in BellSouth's PMAP raw data. BellSouth argues that "projects" and "dummy FOCs" should be excluded from BellSouth's PMAP raw data since these type of orders are not used in the calculation of the performance measurement in question. We believe the exclusion of "projects" and "dummy FOCs" from PMAP raw data should be addressed in the six-month review cycle of BellSouth's permanent performance measures as part of FPSC Docket No. 000121A-TP.

Acknowledgment Message Timeliness (O-1) Data Flawed

The ALECs contend that BellSouth is inaccurately reporting data for the Acknowledgment Message Timeliness and Completeness measure. According to AT&T, the order volumes in the raw data to the Acknowledgment Message Timeliness measure are not consistent with the order volumes in the PMAP flow-through report. It is

BellSouth's position that ALECs should not expect the number of LSRs reported in the flow-through report to match the number of LSRs in the raw data files for the Acknowledgment Message Timeliness measure. According to BellSouth, AT&T is making an invalid comparison due to multiple reasons. First, EDI returns one acknowledgment per transmission (or a "envelope"), even though the transmission may contain multiple LSRs. Second, for TAG, acknowledgments on messages related to pre-order activity are not reflected on the Flow-Through report but are included in the Acknowledgment raw data files. Similarly, LSRs fatally rejected by TAG will not be counted in the Flow-Through report but will be included in the Acknowledgment raw data files. We believe the data integrity issues surrounding BellSouth's PMAP Acknowledgment Message Timeliness data and flow-through reports are currently being covered in the OSS third-party test of BellSouth's performance measurements. Upon completion of the performance measures test, any significant unresolved issues will be brought before us for resolution.

Data Replication

ALECs state that they cannot replicate the FOC (O-8) and Reject Interval (O-9) performance measurements from PMAP raw data. The raw data for the FOC and Reject Interval performance measure contains the LSR received data, LSR FOC/reject data, and FOC/reject interval. The interval is reported in hours and minutes, but BellSouth provides only the dates of the endpoints, not the *time stamps*. BellSouth contends that they began providing the time stamps in the PMAP raw data fields for each type of LSR in December 2001 for AT&T and January 2002 for other ALECs. We believe that this specific issue regarding the missing time stamps from the PMAP raw data appears to be resolved. Additionally, upon reviewing the February and March 2002 test ALEC data for FOC Timeliness, KPMG Consulting found that BellSouth did provide dates and time stamps indicating when the LSR was received and FOC'd and/or Rejected. However, it should be noted that in the OSS third-party test, KPMG Consulting issued Exception 36 regarding the data integrity of the FOC Timeliness and Reject Interval performance measures. This exception is currently being addressed in the performance measures testing of BellSouth's PMAP Version 4.0. Upon completion of the performance measures test, any significant unresolved issues will be brought before us for resolution.

Monthly Carry Over of LSR

ALECs state that they cannot replicate the FOC (O-9) and Reject Interval (O-8) performance measures from PMAP raw data for LSRs that are submitted in one month but FOC'd/rejected in a different month. If the LSR was received in one month, but was FOC'd or rejected/clarified back to the ALEC in the following month, the ALEC is unable to replicate the interval being calculated by BellSouth. According to BellSouth, the FOC Timeliness PMAP report has always included all FOCs sent within the reporting month, regardless of when the LSR was received. However, for the Reject Interval PMAP report, prior to August 2001, an LSR must have been both received and rejected within the reporting month to be included in the report. Beginning with the August 2001 data, the Reject Interval report now includes all LSRs regardless of when they were received. We believe that this issue is resolved. AT&T's preliminary review indicates BellSouth now provides the missing information. However, it should be noted that in the OSS third-party test, KPMG Consulting issued exception 36 regarding the data integrity of the FOC Timeliness and Reject Interval performance measures. This exception is currently being addressed in the performance measures testing of BellSouth's PMAP Version 4.0. Upon completion of the performance measures test, any significant unresolved issues will be brought before us for resolution.

Orders Incorrectly Coded and Excluded from Performance Measures

ALECs contend that L-Coded orders are incorrectly coded and subsequently excluded from the Order Completion Interval (P-4) measure. Covad provided BellSouth with 15 instances where PONS were incorrectly coded as "L" and subsequently excluded from the Order Completion Interval measure. An "L" coded order is one where the customer requests a later completion date than the standard offered interval would provide. BellSouth was able to perform an analysis on 11 of the PONS and unable to locate the remaining four. BellSouth stated that the "L" codes were properly being placed on Covad's orders since the requested completion intervals (number of days) were greater than the standards provided in BellSouth's Interval Guide. We believe that an ALEC that contends that L-Coded orders are incorrectly coded and subsequently excluded from the Order Completion Interval measure can either dispute the measure in question as provided in our Order No. PSC-01-1819-FOF-TP, in Docket No. 000121A-TP, or raise the issue in the six-month permanent measures review process.

Flow-Through Reliability

According to Network Telephone, the December 2001 PMAP reposting of Flow-through (O-4) data showed 73 TAG orders submitted by Network Telephone. However, Network Telephone does not submit LSRs via TAG. Additionally, AT&T stated that the raw data that BellSouth provides to the ALECs is incomplete for the flow-through reports. According to AT&T, BellSouth does not provide an LSR detail for the LNP flow-through report. BellSouth states that Network Telephone is incorrect in its conclusion. It is BellSouth's contention that the flow-through report is reliable because the xDSL orders were shown on the report as having been submitted through TAG, instead of specifying LENS. In response to AT&T's concern regarding incomplete raw data for the LNP flow-through report, BellSouth indicated that a form of underlying raw data was now available upon request. We believe the data integrity and replication issues surrounding BellSouth's PMAP flow-through report is currently covered by KPMG Consulting as part of the OSS third-party test. KPMG Consulting has issued Exception 113 to address missing xDSL transactions as part of the completeness analysis for transfer of data into the performance measures database. KPMG Consulting also issued Exception 124, which deals with the accuracy of the BellSouth reported results for the flow-through performance measures. Exception 124 remains open. Upon completion of the performance measures test, any significant unresolved issues will be brought before us for resolution.

ACNI Performance Measure is Incomplete

AT&T stated that the raw data for the Average Completion Notice Interval (ACNI) performance measure is incomplete. AT&T addressed five separate issues regarding specific types of orders that are currently excluded from the ACNI performance measure that should be included. Additionally, AT&T stated that multiple entries are being recorded for the same completion notice and applied in the ACNI calculation. In response to each of the six instances where AT&T noted that certain types of orders were being excluded from the ACNI performance measure, BellSouth contends that the order should have been excluded or that BellSouth was implementing a system fix to correct the error. We believe the data integrity and replication issues surrounding BellSouth's Average Completion Notice Interval performance measure is currently being covered in the OSS third-party test of BellSouth's performance measurements. Upon completion of the performance measures test, any significant unresolved issues will be brought before us for resolution.

Jeopardy Notice Interval Performance Measure is Incomplete

According to AT&T, the ALEC data provided in PMAP for the Jeopardy Notice Interval (P-2) performance measure is incorrect. BellSouth acknowledges that this measurement is incorrect and has been since June 2001. BellSouth is presently working on targeted fix date of June 2002, data which will become available July 30, 2002. We believe the data integrity and replication issues surrounding BellSouth's Jeopardy Notice Interval performance measure are currently being covered in the OSS third-party test of BellSouth's performance measurements. Upon completion of the performance measures test, any unresolved issues will be brought before us for resolution, if appropriate.

Exclusion of Directory Listings

According to ALECs, BellSouth improperly excludes directory listing orders from some performance measures. BellSouth states that it properly excludes directory listing orders except where the SQM provides a level of disaggregation to include them. To address this issue, BellSouth began reflecting directory listing orders in the UNE-Other Non-Design level of disaggregation for the following performance measures; Percent Rejected Services Request (O-7), Reject Interval (O-8), FOC Timeliness (O-9), and FOC Reject Response Completeness (O-11). We believe this issue is resolved with the exception of the ALECs' request for directory listings to be included in the PMAP raw data, though the listings are excluded from the calculation of the performance measure in question. We believe this issue should be addressed in the six-month review of BellSouth's permanent performance measures as part of FPSC Docket No. 000121A-TP.

UNE-P Data for ALECs is Incomplete

According to AT&T, BellSouth's ALEC data is inaccurate for the UNE-P level of disaggregation. AT&T stated that BellSouth has duplicate reporting for UNE-P. The data is being reported under the UNE-Loop and Port Combo category and the UNE Other Non-Designed disaggregation level. According to BellSouth, the coding problem that was causing UNE Loop/Port combinations to appear in the UNE Other Non-Design category on ALEC PMAP reports was corrected with the December 2001 data. We believe that this specific issue regarding inaccurate reporting of UNE-P data appears to be resolved. From a replication perspective, the levels of disaggregation and product roll-up are used as stated in the SQM. If the ALECs still contend the issue is unresolved, the performance measure in question and any associated penalties paid by BellSouth should be disputed in Docket No. 000121A-TP. We believe that if necessary, ALECs can either dispute the measure in question as provided in our Order No. PSC-01-1819-FOF-TP, in Docket No. 000121A-TP, or raise the issue in the six-month permanent measures review process.

Service Order Accuracy

According to AT&T, BellSouth's manual rekeying of service orders at the LCSC may result in errors in provisioning of customer orders, which in turn, would not be captured in the Service Order Accuracy (P-11) performance measure reported by BellSouth. BellSouth has agreed that there have been some instances of human errors where the post-provisioning CSR record does not match up precisely with the LSR as specified, such as when the contact name has been omitted, but assured that BellSouth employees were being covered on it and that service representative errors coverage with employees would be completed by April 5, 2002. We believe that this specific issue regarding inaccurate reporting of Service Order Accuracy appears to be resolved. However, the data integrity and replication issues surrounding BellSouth's Service Order Accuracy performance measure are currently being covered in the OSS third-party test of BellSouth's performance measurements. Upon completion of the performance measures test, any significant unresolved issues will be brought before us for resolution.

c. Performance Measures ALEC Experience Conclusion

The ALECs identified eleven issues for the performance measures domain during the February 18, 2002 workshop and the subsequent comment period. Of the eleven issues, four are currently covered in the OSS third-party test of BellSouth's performance measurements. If these four issues still remain unresolved upon completion of the test, we believe these issues along with the remaining seven can be satisfied under the direction of Order No. PSC-01-1819-FOF-TP, Docket No. 000121A-TP. Specifically, the issues may be addressed via the six-month review cycle of the permanent performance measurements or the dispute process outlined in that Order.

8. ALEC Experience Conclusion

We have carefully examined each of the OSS issues raised by ALECs either through presentations at the February 18, 2002 workshop or in post-workshop comments. We conclude that the majority of these issues have been addressed by the third-party test or through our action in Docket Nos. 960786B-TP or 000121A-TL. Some issues are scheduled to be addressed through BellSouth software enhancements and releases over the next several months. Other issues are also under review by either the Change Control Process or the FPSC Competitive Topics Forum. Based on the evidence provided none of the outstanding issues warrant a finding that BellSouth is not providing service at parity. However, we will continue to monitor these issues and take the appropriate action as needed.

Where applicable, the ALEC issues are discussed in our analysis of the third-party OSS test results in Section B or in our analysis of commercial data results in Section C. Many of the issues raised by ALECs are not corroborated by the third-party test results or the commercial data. In some instances, the ALEC did not provide sufficient support to allow verification of its claims either through the test or the commercial data review.

We note that certain ALECs filed comments too late for us to be able to do a full analysis of the comments in this recommendation. We have, however, thoroughly reviewed these comments and believe that the issues identified therein are either already addressed in this Order through our analysis of the comments of other ALECs, or the issues do not rise to a level that would alter our ultimate decision.

In assessing BellSouth's OSS, we have sought to determine the degree of support provided on an aggregate statewide basis to ALECs. We realize that BellSouth, like any enterprise, may provide differing levels of service to individual customers at different times. Therefore, OSS service quality issues may arise surrounding a specific product or function that cannot be detected by the most vigorous test, or that may escape the most diligent efforts to provide quality support. We believe the test and the commercial data review both provide an adequate reflection of aggregate results.

We believe that sufficient options are available for dealing with any outstanding problems, or potential future deterioration in OSS service quality provided by BellSouth, also referred to as "backsliding." Most notably, the SEEM plan provides a strong and valuable tool for our use to remedy such trends or problems. Through Docket No. 000121A-TP, the FPSC will continue to monitor the performance of BellSouth's OSS via our approved performance measures. Where necessary, we will address any continuing problems. The first six-month review of these measures is underway, as required in Order No. PSC-01-1819-FOF-TP.

We have taken important recent action to improve the ALECs' ability to use the Change Control Process to resolve OSS issues and to measure its effectiveness. We note that our Competitive Topics Forum also provides a venue for resolution of ALEC issues with BellSouth's OSS. If necessary, ALECs can also bring problems to our attention through formal complaints.

In conclusion, we find that the remaining ALEC issues do not constitute failure by BellSouth to provide ALECs either a meaningful opportunity to complete, or support and access in a similar time and manner to that provided for its retail operations.

E. CONCLUSION

We believe BellSouth provides ALECs nondiscriminatory access to its OSS. Additionally, we find that BellSouth is providing the necessary documentation and support functions and has demonstrated that its systems are operationally ready and provide an appropriate level of performance. As a result, it is our opinion that BellSouth has satisfied the OSS requirements of Section 271 of the 1996 Telecommunications Act.

The third-party OSS test results meet all but a few of the test criteria specified by KPMG Consulting and approved by this Commission for testing in Order No. PSC-00-0232-CO-TP. The remaining test criteria in the performance measurements tests remain under review, but do not impact the ALECs' ability to perform pre-ordering, ordering, provisioning, maintenance and repair, and billing functions in competition against BellSouth as viable local service providers.

We believe a review of the commercial data reported in KPMG Consulting's Appendix G generally supports KPMG Consulting's OSS test results. These performance measures indicate that BellSouth is meeting 78 percent of the parity benchmarks and analogs adopted by us, but they do not indicate that perfect parity has been attained by BellSouth. We agree with ALECs that there is room for improvement. However, through the SEEM plan, the completion of KPMG Consulting's performance measures testing, and periodic reviews of the performance measurements results and methodologies, we are confident that continuing improvement in OSS support by BellSouth can be achieved. We also note that venues such as the Change Control Process, the FPSC Competitive Topics Forum, and the formal complaint process also provide options for addressing OSS problems encountered by ALECs.

Finally, our analysis of the issues raised in our ALEC Experience Workshop indicates that the systemic competition-impairing issues documented by the participants have been addressed. Many of these were resolved through the test or through changes, both voluntary and ordered by us, that have been made or scheduled by BellSouth. We plan to continue to monitor several areas including change control, account team responsiveness, order flow-through, and the completion of performance measure testing, and to take action where appropriate.

In summary, the results of the three-fold evaluation approach adopted by us provide conclusive and detailed evidence of the adequacy of BellSouth's OSS, as well as ALECs' access to it, as required by the Act. We find that the remaining issues do not constitute failure by BellSouth to provide ALECs a meaningful opportunity to compete, or access in a similar manner to support provided for its retail operations. We, therefore, believe that BellSouth has satisfied the OSS-related requirements of Section 271 of the 1996 Telecommunications Act.

Having completed our review and reached this conclusion, we find it appropriate to now close this docket. Hereafter, a transmittal letter will be prepared for purposes of forwarding our consultative opinion on the Section 271 matters through our Track B testing of BellSouth's OSS as well those addressed through our Track A hearing.

It is therefore

The OPINION of the Florida Public Service Commission that BellSouth Telecommunications, Inc. has complied with the OSS requirements set forth in Section 271 of the Telecommunications Act of 1996 as set forth in the body of this Opinion and should be authorized to provide interLATA service in Florida. It is further

ORDERED that this Docket shall be closed.

By DIRECTION of the Florida Public Service Commission this 25th Day of September, 2002.

Blanca S. Bayó

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

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ATTACHMENTS

ATTACHMENT A

A. KPMG FINAL OSS TEST REPORT, VERSION 2.0

The *KPMG Final OSS Test Report, Version 2.0* is accessible via the Commission's Web site.

ATTACHMENT B

B. ALEC EXPERIENCE - DETAIL

In support of our analysis regarding issues raised by ALECs in the Commission workshops held on February 18, 2002, and June 12, 2002, we offer the following detailed summary of the positions of BellSouth, the ALECs, and KPMG Consulting. These positions were considered and are addressed in Section D within the body of this Order.

1. Relationship Management ALEC Experience Detail

a. *Prioritization*

Issue

2. Internal BellSouth processes prevent a fully collaborative Change Control Process. ALECs are unable to rationally prioritize Change Requests due to a lack of mutuality in impact assessment and resource planning as well as a lack of visibility into release management processes.

ALEC Summary

ALECs contend that the process of evaluating and implementing changes to ALEC interfaces as well as Legacy systems has been largely hidden from ALECs. AT&T stated that BellSouth reprioritizes Change Requests ranked by ALECs for implementation. Further, AT&T states that there should be a binding prioritization process for both ALEC-initiated and BellSouth-initiated Change Requests. Both Network Telephone and ITC-DeltaCom said ALECs need to be able to participate in prioritization and release packaging. WorldCom said that definitions of "ALEC Impacting" used in internal BellSouth evaluation processes have not included many impacts that ALECs experience and for which they need notice. WorldCom stated that a mutual exercise in prioritization and implementation scheduling between BellSouth and ALECs will benefit both BellSouth and their wholesale customers. Both Network Telephone and WorldCom said ALECs often have no direct dialogue with the BellSouth personnel responsible for rejection of ALEC-initiated Change Requests. WorldCom compared the Verizon Change Control Process model to BellSouth practices. Unlike BellSouth, the Verizon Change Control Process model includes internal systems changes in its scope and ALECs have visibility into that.

BellSouth Response

BellSouth argues that the current Change Control Process satisfies a five-point FCC criteria for change management. BellSouth also states it has modified the conduct of prioritization meetings. BellSouth contends that it listens to ALECs and has modified the Change Control Process to create a process in which BellSouth collaborates with ALECs on prioritizations, Change Request acceptance, rejections, determinations of ALEC impacts, etc. BellSouth claims that it recently made teleconferencing available to ALECs, more Subject Matter Experts (SMEs) were made available for the prioritization meeting, and better information is distributed to ALECs before the meeting. BellSouth states that it brings appropriate resources to all Change Control Process meetings for dialogue with ALECs, including Information Technology representatives, Account Team members, SMEs, and project managers. According to the Change Control Process document, attending ALECs vote to express their priorities at prioritization meetings. This has been standard practice for more than three years.

BellSouth is implementing the "50/50" release capacity plan for ALEC consideration. BellSouth has also made a commitment to "definitely" implement the 15 highest ALEC-ranked Change Requests for 2002. BellSouth has begun to provide capacity size as well as individual change request sizing information to ALECs to assist the prioritization process so that ALECs can see the relative size of Change Requests with total release capacity to gauge implementation opportunity. BellSouth contends that the proposal makes ALECs "part of the team, real time."

However, it is BellSouth's position that ALECs should not be part of the changes that occur to internal BellSouth systems. BellSouth states that it is not appropriate to include ALECs in internal systems modifications. BellSouth contends that it modifies those systems only after considering how to avoid any impediment to ALECs. The company argues that ALEC participation would stymie BellSouth's ability to make its own decisions for its own systems based on its business needs.

KPMG Consulting Analysis

KPMG Consulting conducted interviews with the BellSouth Change Control Process staff as well as the internal Change Management staff. KPMG Consulting reviewed both Change Control Process and internal process documentation. As a result, KPMG Consulting identified deficiencies in the BellSouth Change Management Process and documented these deficiencies in Observation 86, Exception 88, and Exception 106. Observation 86 and Exception 106 have been resolved. Exception 88, which concerns prioritization of Change Requests, remains open.

BellSouth recently held three meetings to resolve a number of outstanding issues in Change Control Process. These meetings produced significant changes to the Change Control Process, but have not resolved the issues of prioritization central to Exception 88. BellSouth and the ALECs determined that they are at an impasse on this issue.

These meetings noted above resulted in a new definition of "ALEC Impacting" and significantly expanded the scope of Change Control Process. The new definition of "ALEC Impacting," as well as the scope of Change Control Process, will now include all OSS Gateways (previously included in Change Control Process), linkages and back-end systems (previously excluded), and legacy systems (previously excluded). This will allow ALECs to conduct an impact assessment of changes made by BellSouth to any of the above systems. In addition, billing systems are now included in the scope of Change Control Process.

b. Backlog of Change Requests

Issue

There exists no time frame for the implementation of ALEC-initiated and defect Change Requests.

ALEC Summary

ALECs contend that BellSouth takes too long to process and implement ALEC-initiated (new features) and defect Change Requests. As a result, a large backlog of Change Requests has accumulated. Over the last two years, BellSouth has implemented few ALEC-initiated Change Requests. As of January 22, 2002, there were 90 ALEC-initiated Change Requests requesting feature changes awaiting disposition. There exists no required time frame for the implementation of ALEC-initiated Change Requests. Based on the ALEC-initiated implementations in the current year's release schedule, the existing backlog of ALEC-initiated Change Requests will not be cleared until 2005. ALECs note that BellSouth averaged implementation of its own Change Requests in 60 days while averaging 164 days to implement ALECs' Change Requests.

WorldCom noted that no backlog of ALEC-initiated changes exists at Verizon. WorldCom added that Verizon implemented over 170 ALEC-requested Change Requests during the same three-year period in which BellSouth implemented only 32. WorldCom stated that BellSouth is under-resourcing interface development and that BellSouth should provide a capacity forecast for current and subsequent annual cycles showing new features to be implemented in each future release.

In its preworkshop comments, WorldCom states the use of a value added network delays transmission of orders, as well as FOCs, rejects and completion notices, between WorldCom and BellSouth. WorldCom further complains that these delays are not captured in BellSouth's performance measures. Despite this, BellSouth had refused to adopt Interactive Agent, the industry standard mode of transmission, according to WorldCom. WorldCom states that it filed a Change Request for Interactive Agent on September 26, 2001. It has not been implemented and is not scheduled for implementation in 2002.

BellSouth Response

According to BellSouth, its Change Control Process satisfies each of the five criteria specified by the FCC for change management. BellSouth stated it is committed to the ongoing development of an efficient and effective Change Control Process. BellSouth said it is working with ALECs to provide more support to ALECs in a user-friendly forum; modifying the Change Control Process in response to ALEC needs, implementing "top-priority" Change Requests; and adding Change Control Process performance measurements. New BellSouth management has furthered a Change Control Process Improvement Task Force working with ALECs.

BellSouth is implementing a new process for release management to permit ALECs to use 50 percent of all release capacity remaining after implementation of defects and mandates. BellSouth also stated a commitment to implement the top 15 priority ALEC-initiated Change Requests in 2002.

KPMG Consulting Analysis

KPMG Consulting conducted interviews with the BellSouth Change Control Process staff and the internal Change Management staff. KPMG Consulting reviewed both the Change Control Process and internal process documentation. As a result, KPMG Consulting identified deficiencies in the BellSouth Change Management Process and issued Exception 88, which concerns prioritization of Change Requests. Exception 88 remains open.

BellSouth held three meetings to resolve a number of outstanding issues in Change Control Process. These meetings resulted in a new definition of "ALEC Impacting" and significantly expanded the scope of Change Control Process. The new definition of "ALEC Impacting" and the scope of Change Control Process will now include all OSS Gateways (previously included in Change Control Process), Linkages and back-end systems (previously excluded), and Legacy Systems (previously excluded). This will allow ALECs to conduct an impact assessment of changes made by BellSouth to any of the above systems. Billing systems are now included in the scope of Change Control Process.

c. Defect Correction Timeliness

Issue
BellSouth takes too long to classify and correct defects.

ALEC Summary
ALECs claim BellSouth fails to implement defect Change Requests (those involving system defects) quickly enough. Many defect Change Requests involve critical functionality. Defects impede the ability to send mechanized orders resulting in higher costs due to the need to use manual processes. They can stall billing processes and affect cash flow. Defects can also affect maintenance and repair intervals and customer satisfaction. ALECs contend a reasonable time frame for correction of defects should be established. Covad is impeded by a defect that is over 6 months old. There exists a considerable backlog of defect change requests, numbering 73 as of February 4, 2002. Only 37 had scheduled implementations before April 7, 2002. The implementation of a work-around solution does not constitute correction of a defect. Correction of defects should occur within 10, 20 and 30 days for high, medium, and low- impact defects respectively. BellSouth refuses to provide a date when it might fix a defect which was identified months earlier. If a defect has been identified by an ALEC instead of BellSouth, it will take longer to fix. BellSouth is unable to properly develop, test and implement releases. The number and seriousness of defects is excessive.

BellSouth Response
In its post-workshop supplemental data submission on May 31, 2002, BellSouth states that this issue mirrors Florida Third-Party Test Exceptions 123 and 157. It argues that, notwithstanding the current status of the two exceptions, the FCC addressed these complaints in its Georgia/Louisiana 271 application approval. BellSouth believes that, due to information it provided the FCC in

its application, and supported by the Georgia Public Service Commission in its comments, the FCC did not concur with "commenters' assertions that BellSouth fails to implement corrections to defects in a timely manner and that there are unnecessary defects because BellSouth's software implementations are not sufficiently tested before release." BellSouth agrees that a reduction of coding defects is beneficial for ALECs and that software releases with numerous defects can inhibit a smooth transition between releases.

BellSouth claims that the FCC found "BellSouth demonstrates that most of these defects have a very small impact and have been corrected quickly and within the time frames set by the Change Control Process." BellSouth said that the FCC noted the BellSouth explanation that, of the 38 defects outstanding as of March 5, 2002, a number were scheduled or targeted for implementation this year. In response to Covad's specific allegations regarding a so-called "backlog" of 11 defects that impacted Covad directly, BellSouth claims that the FCC supported its showing that one defect had been cancelled, six had been implemented, and the remaining four were scheduled for a release in May 2002.

BellSouth also contends that the FCC was "reassured that new measures being developed in Georgia will measure how well BellSouth fixes defects within the required time frames." BellSouth further contends that the FCC discarded ALEC complaints regarding adequate testing. BellSouth believes that the quality of and parameters for its internal testing processes are set forth in its response to Florida Exception 157. The FCC added that it would continue to monitor BellSouth's performance in this regard. BellSouth approves of the FCC continuing to monitoring its performance in testing and release problems because BellSouth continues to improve its testing environment and processes. Additionally, BellSouth disagrees with KPMG's interpretation of documents reviewed to reach its conclusion that BellSouth does insufficient testing.

BellSouth also contends that the evidence shows that BellSouth does adequately test for defects. As affirmation of its resolve to properly test and implement releases, BellSouth states that it can point to the recent testing of Release 10.5. This release contained numerous complex features and defect fixes. According to BellSouth, all appropriate notifications leading up to the implementation were provided to ALECs. BellSouth said that Release

10.5 was also available to ALECs in the CLEC Application Verification Environment (CAVE.) BellSouth discovered certain defects for which there was no work-around or fixes by the scheduled date for implementation. Therefore, BellSouth argues that it acted appropriately by delaying Release 10.5 for two weeks.

BellSouth contends that such discoveries are not the result inadequate testing, but rather the result of extensive internal testing. It believes that ALECs will be better served by the delay by receiving a better release, as well as gaining an additional two weeks of testing ALEC scenarios. BellSouth states that the ALEC complaints, as well as the Florida Third-Party Test Exceptions, are based upon situations occurring prior to the development of new Change Control Process language regarding "ALEC-affecting" defects and revisions to the software testing processes (including additional ALEC testing capabilities in CAVE).

KPMG Consulting Analysis

KPMG Consulting determined that the BellSouth software and interface development methodology includes the process for release management and control; however, it is not consistently followed. KPMG Consulting reviewed these procedures as related to Release 10.5, scheduled for production on May 31, 2002. Based on the number of defects encountered in BellSouth Releases 10.2 and 10.3, it appears that the BellSouth Quality Assurance process was not consistently followed for new software releases. Therefore, Exception 157 was issued. KPMG Consulting reviewed the results of Release 10.5 to ensure adherence to the BellSouth quality assurance process. As of July 17, 2002 there have been 28 software and 24 documentation defects identified in Release 10.5. KPMG Consulting amended Exception 157 to reflect these additional issues, and this exception remains open.

d. Billing Systems in Change Control Process

Issue

The BellSouth practice within its Change Control Process does not include billing.

ALEC Summary

The Change Control Process should be amended to include changes to BellSouth billing systems. ALECs disagree with BellSouth's interpretation of the Change Control Process document to say that billing systems are not included. Verizon includes billing system changes within the change management process. BellSouth avoids dialogue with ALECs on billing issues by excluding billing from the Change Control Process. Numerous aspects of the billing systems changes affect ALECs as shown by the recent launch of Tapestry. BellSouth will not fix billing systems problems that affect ALECs.

<u>BellSouth Response</u>

BellSouth maintains that billing is outside the scope of Change Control Process. Billing issues are controlled by industry guidelines issued by the Ordering and Billing Forum (OBF) where ALECs have representation. According to BellSouth, the OBF is the appropriate forum because billing systems are built to industry standards. BellSouth retail customers are using the same systems as the ALECs. BellSouth does not want to affect those retail customers negatively if BellSouth were to effect changes requested by the wholesale side. That would necessitate BellSouth providing change notices to retail customers and to do impact analysis for them.

<u>KPMG Consulting Analysis</u>

Billing systems are now included in the scope of the Change Control Process.

e. *<u>Software Testing Process Improvements</u>*

<u>Issue</u>

BellSouth fails to follow software testing and quality processes and delivers faulty software.

<u>ALEC Summary</u>

ALECs say that end-to-end testing would minimize software defects after release. WorldCom claims that, in comparison, Verizon tests well and corrects quickly. Defects mean that there is a problem with the quality of the programming. The CAVE environment should be improved. ALECs should not be required to use codes other than their own. Nor should BellSouth limit the number of ALEC participants in the CLEC Application Verification Environment (CAVE) or their test scenarios. Doing so limits the ability of ALECs to test as needed to in conjunction with new product launches, ad campaigns, etc. AT&T claims that BellSouth fails to perform adequate internal testing and the external test environment is limited in scope, functionality and availability. Correcting faulty software takes away from any opportunity to implement new changes that ALECs want. ALECs say BellSouth needs to do more stringent testing, including beta testing with ALECs.

Covad claims that the lack of an End-to-End test environment for LENS has caused defects in ordering line sharing and ADSL to not be identified. Covad states that it has not seen anything from KPMG addressing this issue despite having filed documents chronicling these and other problems in LENS.

BellSouth Response

BellSouth argued that the number of scenarios and test cases the ALECs want BellSouth to construct are so extensive that it cannot be supported. BellSouth is working with ALECs to implement and expand availability of its non production testing environment (CAVE).

BellSouth says that this issue mirrors Florida Third-Party Test Exceptions 123 and 157. BellSouth contends that, notwithstanding the ongoing status of the two exceptions, the FCC adequately addressed these complaints in its Georgia/Louisiana 271 application approval. BellSouth believes that due to information provided to the FCC in its application, and supported by the Georgia Public Service Commission, the FCC did not concur with "commenters' assertions that BellSouth fails to implement corrections to defects in a timely manner and that there are unnecessary defects because BellSouth's software implementations are not sufficiently tested before release." BellSouth agrees that a reduction of coding defects is beneficial for ALECs and that software releases with numerous defects can inhibit a smooth transition between releases.

BellSouth claims that the FCC found "that BellSouth demonstrates that most of these defects have a very small impact and have been corrected quickly and within the time frames set by the Change Control Process." BellSouth said that the FCC noted BellSouth's explanation that, of the 38 defects outstanding as of March 5, 2002, a number were scheduled or targeted for implementation this year. In response to Covad's specific allegations regarding a so-called "backlog" of 11 defects that impacted Covad directly, BellSouth claims that the FCC supported its showing that one defect had been cancelled, six had been implemented, and the remaining four were scheduled for a release in May 2002. BellSouth also claims that the FCC was "reassured that new measures being developed in Georgia will measure how well BellSouth fixes defects within the required time frames."

BellSouth contends the FCC discarded ALEC complaints regarding adequate testing. BellSouth states that the quality of and parameters for its internal testing processes are set forth in its response to Florida Exception 157. The FCC added that it would continue to monitor BellSouth's performance in this regard. BellSouth said it welcomes regulatory scrutiny because it continues to improve its testing environment and processes.

In addition, BellSouth disagrees with KPMG's interpretation of documents it reviewed to reach its conclusion that BellSouth does insufficient testing. According to BellSouth, the documents simply provide BellSouth's vendors' risk assessment for expedited releases. BellSouth argues that the documents cited by KPMG Consulting do not make an affirmative statement that BellSouth failed to adequately test.

BellSouth contends that the evidence shows that it does test adequately for defects. As affirmation of its resolve to properly test and implement releases, BellSouth points to the recent testing of Release 10.5. This release contained numerous complex features and defect fixes. The company notes that Release 10.5 was available to ALECs in CAVE. BellSouth said it discovered certain defects for which there was no work-around solution or fixes by the scheduled date for implementation. BellSouth argues that it acted appropriately by delaying Release 10.5 for two weeks.

BellSouth states that such discoveries are not the result of inadequate testing, but rather the result of extensive internal testing. It said ALECs will be better served by the delay by receiving a better release, and gaining an additional two weeks of testing ALEC scenarios. BellSouth believes that the ALEC complaints, as well as the Florida Third-Party Test exceptions, are based upon situations before the development of new Change Control Process language regarding "ALEC-affecting" defects and revisions to the software testing processes.

BellSouth declares that it is expanding the capabilities of CAVE and now allows ALECs to conduct testing in CAVE using the LENS interface. ALECs began beta testing LENS in CAVE in January 2002. On March 25, 2002, BellSouth deployed LENS in CAVE for all ALECs.

KPMG Consulting Analysis

KPMG Consulting determined that the BellSouth software and interface development methodology includes the process for release management and control; however, it is not consistently followed. KPMG Consulting reviewed these procedures as related to Release 10.5 scheduled for production on May 31, 2002. Based on the number of defects encountered in BellSouth Releases 10.2 and 10.3, it appears that the BellSouth Quality Assurance process was not consistently followed for new software releases. Therefore, Exception 157 was issued. KPMG Consulting reviewed the results of Release 10.5 to ensure adherence to the BellSouth quality assurance process. As of July 17, 2002, there were 28 software and 24 documentation defects identified in Release 10.5. KPMG Consulting amended Exception 157 to reflect these additional issues, and this exception remains open.

f. *Long Account Team Resolution Intervals*

Issue

CLEC inquiries to the BellSouth Account Teams and CLEC Care Teams are often unresolved after weeks.

ALEC Summary

BellSouth has made difficult what should be a simple liaison structure between ALECs and account team functions. There is a lack of responsiveness to ALECs from BellSouth account management. BellSouth refers certain issues and ALEC inquiries to the External Response Team resulting in a lack of dialogue between ALEC and BellSouth and lengthy delays in resolution of an ALEC inquiry.

BellSouth Response

As a standard practice, the Account Team and CLEC Care Team acknowledge receipt of an ALEC's inquiry within 24 hours. This acknowledgment could include an actual answer to the ALEC's question, but might include a request for additional information or a discussion of the actions required to resolve the ALEC's inquiry. As part of the acknowledgment, the ALEC might be advised to contact the specific group within BellSouth that handles the ALEC's question or concern. Turn around times, however, are not standardized. Instead, the Account Team or CLEC Care Team will determine resolution time frames based upon the nature and complexity of the issue, its urgency, and the projected amount of work and/or research required to return a complete and accurate response. The Account Team and CLEC Care Team will work with ALECs to provide reasonable target dates for resolving routine and urgent inquiries.

KPMG Consulting Analysis

KPMG Consulting looked at the adequacy and quality of responses given to KPMG Consulting as an ALEC. It did not look at responses given to other ALECs. KPMG Consulting only commented on what it experienced.

2. Pre-Ordering ALEC Experience Detail

a. *Inaccurate CSRs*

Issue

BellSouth LCSC delays its updating of CSRs causing errors, time delays, added cost, and customer dissatisfaction.

ALEC Summary

ITC states it frequently sees products and services on its customer's CSRs that were either omitted or added that were not part of the original order. ITC states it needs correct CSRs in order to do business with its customers accurately. ITC stated that, initially, after the new account team structure was implemented, it was no longer be allowed to send in lists of incorrect CSRs to be reviewed by BellSouth, but would have call them in with a limit of five CSRs to discuss per call. ITC states that sanction has now been lifted and lists are once again being accepted. ITC states that about 30 percent of the lists are related to Hunting.

WorldCom states one of the key problems it has had with BellSouth is that records are not updated regularly. WorldCom claims that the CSRs it retrieves do not match what has been done for the customer. According to WorldCom, this is true for both the wholesale and retail side. Because the CSR is not updated, the customer has to wait to add features because the ALEC order is rejected over and over again, according to WorldCom.

WorldCom discussed the possibility of BellSouth providing what WorldCom calls a "billing completion notice" to aide ALECs in identifying incomplete CSRs. The topic of billing completion notices was brought up by WorldCom while discussing the problem of pending service orders. According to WorldCom, a billing completion notice would provide notification to the ALEC when a customer's billing record had been updated. Since the billing records are what drive the CSRs, this would be an indication to the ALEC that the CSR is now in an up-to-date status. According to WorldCom, billing completion notifications are currently in place with other ILECs. WorldCom states the billing completion notification concept was placed before BellSouth via the Change Control Process and was rejected.

WorldCom also stated that BellSouth has done nothing to bring the Regional Street Address Guide (RSAG) and CSRs into alignment. According to WorldCom, this problem causes pre-order questions and rejects.

WorldCom reported that there are instances of discrepancies (that can impact customers) between the current CSR information and the realities of service status, such as when WorldCom receives a rejection response that it cannot migrate a customer but the customer has the phone service. WorldCom stated the LCSC (Local Carrier Service Center) has responded to its inquiries with comments that the CSR has not been updated and, in one case, that it takes at least five days to update the CSR. WorldCom added that it is unable to track the handling of these items because the LCSC did not allow it to get a trouble ticket number to refer back to.

WorldCom also reported that it had provided BellSouth with numerous examples of orders for which WorldCom has received order completion notices but for which BellSouth has not updated the CSR. WorldCom stated it believes some of this may be resulting from the fact that orders have dropped into a pending billing state within BellSouth, requiring some further manual action by BellSouth before it updates the CSR. WorldCom commented that it cannot determine for sure if this is at the root cause of some of the CSR update problems because it has been unable to obtain sufficient answers to its questions posed to BellSouth about systems and processes used in updating CSRs. WorldCom asserted that such delayed updating of CSRs can lead to the potential for double billing.

Network Telephone stated that CSRs are not updated in a timely manner by BellSouth, citing a 50 percent rate found in a sample of 498 PONs provided to BellSouth. Network Telephone asserted that this problem creates extended customer service intervals and extended back office area impacts.

BellSouth Response

According to BellSouth, the process for updating the CSRs for retail and wholesale are the same. The billing systems CRIS and CABS take the information that is handed to it from the ordering systems and formats it into the databases and the billing systems. According to BellSouth, this serves as the underlying information for the CSR.

BellSouth states that a CSR will be updated for an error-free order generally within one cycle (one business day, Monday through Friday, not including the companies six holidays). BellSouth further explains that the systems involved are batch systems and that at the cut-off time (5:00 or 6:00pm) each day, the information in the batch at that time then goes to update the billing systems.

BellSouth claims there are some situations that can lead to delayed posting of information to the CSR. As mentioned, the systems used to update CSRs are the billing systems CRIS and CABS. These systems may be actively involved in pulling both retail and wholesale bills. As explained by BellSouth, the billing process can hold-up CSR updates for up to three days while the billing systems access current CSRs and generate bills (one day before, day of, and day after the billing period). While this billing activity is performed, CSR updates are not performed.

Another situation that can cause a delay in updating a customer's CSR, according to BellSouth, is that the billing systems themselves may detect an error on the customer's service order. According to BellSouth, these types of errors may be caused for a number of reasons and occur at a rate of about one, to one and one-half percent of all service orders. BellSouth states this rate is approximately the same as it experiences for business customers. BellSouth explains this is mainly due to the accounts being large and complex, with multiple transactions going on at the same time.

BellSouth represented that CSR updates should occur within 24 to 72 hours after order completion and that the ALEC process is at parity with BellSouth Retail. BellSouth analyzed Network Telephone's example PONs (Network Telephone stated those PONs equaled 50 percent of the 498 cited, while BellSouth contended the percentage was somewhat less than 50) that did not meet the 72 hour interval per Network Telephone, and reported that results showed only five (which would represent one percent of the total 498 sample size) were out side the 72 hour interval. BellSouth asserted its willingness to work with that ALEC to reconcile differences.

BellSouth states that to review this allegation it conducted a study of all the service orders issued by the ALECs represented at the workshop and identified for each service order the time required to update the CSR from the date the order was completed in provisioning (Order Completion Notice sent) until the order posted to the CSR.

Citing the results of the study, BellSouth states that 80 percent of the CSRs are posted in one day, with 93 percent being updated within three days, and 98 percent in five days. According to BellSouth, this is consistent with the fact that, on occasion, service orders will contain errors that need to be resolved prior to updating to the CSR, or the fact that the CSR is used to calculate the bills themselves. According to BellSouth, these situations occur on both wholesale and BellSouth retail bills.

BellSouth states that in those relatively few cases where service orders are being corrected, thereby delaying the CSR posting, BellSouth works diligently to clear errors in a timely manner for both ALEC and retail service orders.

BellSouth states that in an effort to be responsive to the ALEC community, it has agreed to support the inclusion of a "Records Completion Notice" feature in the CCP to be prioritized by the ALECs. According to BellSouth, if the CCP prioritizes this request, the records completion notice feature will provide the ALECs with additional information as to when service offer information has been updated to the CSR.

BellSouth addressed WorldCom's concern regarding billing completion notices that would provide information to the ALECs when a CSR would be updated stating it has not been addressed by the Ordering and Billing Forum (OBF). OBF recognition would make it a more standard process. BellSouth stated it was willing to reconsider the issue of billing completion notices as part of the CCP.

Additionally, BellSouth agreed (in responsiveness to the ALEC community, it asserted) to support the inclusion of a "records completion notice" feature in the CCP to be prioritized by the ALECs. If implemented, BellSouth said that would then provide ALECs with information as to when the CSR has been updated with service order data.

As to hunting-related issues, BellSouth issued a Carrier Notification of hunting refinements to be addressed in BBR-LO (BellSouth Business Rules for Local Ordering) 10.4, to be released April 5, 2002. (BellSouth 4/2/02 Carrier Notification SN91082969.)

KPMG Consulting Analysis

As part of the Pre-Ordering, Ordering, and Provisioning (POP) Functional Evaluation (TVV1), KPMG Consulting validated a sample of post-activity CSRs to determine whether the intended activity of the order (LSR) was executed and evident in the post activity account status.

As part of the Provisioning Verification and Validation (TVV4) test, accuracy of CSR updates was evaluated. KPMG Consulting did not review timeliness of CSR updates as there is no standard requiring BellSouth to update CSRs within a specific time frame.

KPMG Consulting applied a 95 percent benchmark to test the accuracy of CSR updates. Since BellSouth did not meet the 95 percent benchmark, KPMG Consulting issued Exception 112 to detail discrepancies between orders and updates to the customer service records.

KPMG Consulting conducted a retest of BellSouth's system fixes that were implemented to correct discrepancies found during initial testing and detailed in Exception 112. During the retest, KPMG Consulting reviewed 113 CSRs from April - May 2002. BellSouth provisioned 105 (93 percent) CSRs accurately. Although the test percentage is below the benchmark of 95 percent, the statistical evidence is not strong enough to conclude with confidence that the performance is below the 95 percent benchmark. The inherent variation in the process is large enough to have produced the substandard result, even with a process that is operating above the benchmark standard. The p-value, which indicates the chance of observing this result when the benchmark is being met, is 0.2049. This value exceeds 0.0500, which is the threshold used to determine a statistical conclusion of failure. Based on these results, Exception 112 was closed.

b. Facilities Reservation Numbers Restrictions

Issue

ALECs are disallowed by BellSouth to align back office when sending Facilities Reservation Numbers electronically.

ALEC Summary

Network Telephone states it often receives incomplete data when trying to pre-order loops through LENS. This often results in Network Telephone having to contact BellSouth's LCSC to obtain a Facilities Reservation Number (FRN).

According to Network Telephone, BellSouth developed a process to deliver FRNs to it (when reservation IDs could not be obtained via LENS) and arranged a test for that process. However the test required orders to be submitted manually--a method that entails higher costs and longer service due dates.

Network Telephone states it discovered a way to request loops with FRNs via EDI which would get around the problems of higher costs and longer service due dates. As a result of sending the FRNs electronically through EDI, BellSouth deemed the test unsuccessful. (ALEC Experience Workshop TR, pp. 14-16.) Network Telephone states that BellSouth declared the test unsuccessful because it could not recoup its cost if an order with FRN was sent electronically as opposed to being sent manually. (ALEC Experience Workshop TR, pp. 14-16.) The end result for Network Telephone is loss of back office alignment.

BellSouth Response

According to BellSouth, what Network Telephone is referring to in its complaint is a manual process to perform loop makeup. BellSouth states the manual process for providing loop make-up information involves a higher cost than using LENS or TAG

(BellSouth states EDI has no pre-ordering functionality, therefore, no way to submit a loop makeup request and subsequent FRN).

BellSouth states that the FRN is a function that goes with manual loop makeup (LMU). In brief, BellSouth describes the FRN as a process whereby a ALEC may place an inquiry for a loop and upon finding a suitable one may reserve it.

According to BellSouth, in order to understand the issue it is important to understand the means by which an ALEC can obtain loop makeup information and FRNs. BellSouth states there are three ways an ALEC can obtain loop makeup information, of which two can provide the ALEC with an FRN:

1. Electronic LMU-Service Inquiry (SI)
2. Manual LMU-SI
3. Firm Order LSR with SI

(BellSouth Post-Workshop comments Issue 4, p. 4)

BellSouth explains that, under the first scenario, the ALEC conducts an electronic LMU-SI on its own, via BellSouth interfaces (currently free of charge). According to BellSouth, if the SI indicates there is an acceptable loop, the ALEC can obtain an FRN and reserve that facility.

Under the second scenario, BellSouth states an ALEC can order a manual LMU-SI pursuant to which BellSouth will perform a loop makeup inquiry and provided the loop makeup information, including the FRN if appropriate.

BellSouth explains that under the third scenario, the ALEC submits a firm order LSR and BellSouth performs the service inquiry for the ALEC. According to BellSouth, if there is a suitable facility, BellSouth will provision the order. If not, BellSouth will clarify the LSR back indicating that there are no facilities. Under this scenario, BellSouth says it does not provide the actual LMU information to the ALEC, but handles the transaction on behalf of the ALEC.

BellSouth complains that what Network Telephone wants is for BellSouth to provide a manual loop makeup inquiry free of charge. BellSouth contends that Network Telephone uses the scenario one process (currently free) via LENS. If LENS returns a compatible facility with an FRN, Network Telephone issues the order via EDI and it is processed without incident.

BellSouth explains that, if the LMU indicates that there are no spare facilities, or if the LMU data was not populated, Network Telephone wants to submit a Scenario Three order whereby BellSouth will perform a manual loop makeup on that same location, but Network Telephone does not have to populate the LSR until it learns whether or not there are facilities available.

BellSouth states it instituted a trial during which Network Telephone only needed to submit a service inquiry without the firm order LSR using the Scenario Three method. According to BellSouth, during the trial BellSouth performed the service inquiry and returned the results to Network Telephone, with the expectation that they would then manually submit the firm order LSR to BellSouth's Complex Resale Support Group (CRSG). BellSouth explained that it expected to would be compensated for a scenario two ordering process through the non-recurring charge for the loop.

BellSouth complains that once Network Telephone received the results of the Service Inquiry, it submitted the order mechanically via EDI (a Scenario One process), thereby avoiding the cost of the Service Inquiry.

BellSouth states it deemed the trial unsuccessful because, for every location without facilities, it was incurring the costs of conducting the Service Inquiry without being compensated for those costs. BellSouth complains that even though the order is sent via EDI, there is still a manual process involved in getting loop makeup information, which is why the charge for processing applies.

BellSouth complains that the process described above is what Network Telephone described as a "firm commitment" at the workshop. BellSouth further states that since this was never a firm commitment, it has not reneged on this commitment.

According to BellSouth, it has offered five free, on-site training classes on manual and mechanized LMU (one in Orlando, one in New Orleans, two in Atlanta, and one in Charlotte). In addition, BellSouth states it held an additional two training sessions via conference calls on September 13 and 28, 2001 (follow-up calls were scheduled for September 27 and October 11, respectively, 2001.)

BellSouth states that Network Telephone had seven attendants participate in the last scheduled training session held via conference call on September 28, 2001. Network Telephone also attended the scheduled follow-up call on October 11, 2001, according to BellSouth.

According to BellSouth, Network Telephone indicated during the October 11 follow-up call that it had an understanding of the process and that there were no new issues from their perspective. BellSouth states it took this and feedback from others participating in the training sessions as an indication that the training sessions were good. BellSouth further states that the training classes have resulted in reduced errors by ALECs. (ALEC Experience Workshop TR, pp. 33-34.) BellSouth says that since November of 2000, it has seen only one manual loop makeup service inquiry.

BellSouth sums up by stating that the company incurs costs to conduct manual service inquiries and is entitled to recover those costs. BellSouth states it will continue to work with Network Telephone to find the most efficient and cost effective process for both parties. BellSouth states that if Network Telephone would like BellSouth to pursue changing this process, it should submit a change request via the CCP for processing and prioritizing by the ALEC community at large.

<u>KPMG Consulting Analysis</u>

KPMG Consulting issued Pre-order Loop Make-Up (LMUs) requests via the three methods described by BellSouth although due to the nature of the independent third-party test, KPMG Consulting used facilities that were provided by BellSouth prior to the start of testing. KPMG Consulting did confirm that Change Request 0422 was issued on the subject detailed above.

c. <u>Inaccurate Information from LENS</u>

<u>Issue</u>

Inaccurate/incomplete data from LENS results in higher costs, longer service due dates, and customer dissatisfaction.

ALEC Summary

In its pre-workshop comments filed on November 15, 2001, Covad states it encounters continuing problems placing orders for xDSL and Line Shared loops via BellSouth's LENS pre-order/ordering interface. Covad claims that it has repeatedly escalated key operational issues regarding the functionality of LENS to BellSouth by way of correspondence and weekly conference calls. Covad complains that, despite these efforts, it has been unable to obtain consistent, satisfactory results.

According to Covad, BellSouth has stated on a number of occasions that it rigorously and extensively tested the LENS graphical user interface (GUI) to ensure electronic order flow seamlessly through BellSouth's systems. Not withstanding this, Covad claims its experience proves otherwise.

Covad complains that when BellSouth recognizes a problem exists, the company only implements system patches that do not address the problem as a whole. Covad claims that until BellSouth is forced to acknowledge and repair system flaws, the LENS GUI will remain an ineffective means of transmitting orders electronically.

Covad states the issues it encounters with LENS range from syntax used in completing fields on an order to critical issues such as Covad's inability to obtain the status of orders via LENS. Additional problems Covad states it encounters include:

1. Inability to supplement, change, cancel or disconnect xDSL and line shared orders.

2. Inability to find the status of an order on the Purchase Order Number (PON) status report.

3. LENS rejection of orders due to invalid BellSouth Account Numbers (BANs).

4. LENS formatting flaws including inaccuracy of documentation regarding how to submit an order for Line Sharing and xDSL. (Covad, Document No. 14541-01, p. 2.)

Covad further complains that while some of the issues linger, others have only been addressed with system patches or manual work-arounds. According to Covad, none of these system patches or any