



Public Service Commission

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DATE: JULY 25, 2002

TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK &
ADMINISTRATIVE SERVICES (BAYO)

FROM: DIVISION OF COMPETITIVE MARKETS & ENFORCEMENT (HARVEY, *[Signature]*)
VINSON, DUFFEY, *[Signature]* CHALLENSTEIN)
OFFICE OF GENERAL COUNSEL (FUDGE) *[Signature]*

RE: DOCKET NO. 000121A-TP - INVESTIGATION INTO THE
ESTABLISHMENT OF OPERATIONS SUPPORT SYSTEMS PERMANENT
PERFORMANCE MEASURES FOR INCUMBENT LOCAL EXCHANGE
TELECOMMUNICATIONS COMPANIES. (BELLSOUTH TRACK)

AGENDA: AUGUST 6, 2002 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMP\WP\000121A.RCM

CASE BACKGROUND

The Commission opened Docket No. 000121-TP to develop permanent performance metrics for the ongoing evaluation of operations support systems (OSS) provided for alternative local exchange carriers' (ALECs) use by incumbent local exchange carriers (ILECs). Associated with the performance metrics is a monitoring and enforcement program that is to ensure that ALECs receive nondiscriminatory access to the ILEC's OSS. Performance monitoring is necessary to ensure that ILECs are meeting their obligation to provide unbundled access, interconnection and resale to ALECs in a nondiscriminatory manner. Additionally, it establishes a standard against which ALECs and this Commission can measure performance over time to detect and correct any degradation of service provided to ALECs.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Docket No. 000121A-TP

Date: July 25, 2002

Docket No. 000121-TP consists of three phases. Phase I began with workshops conducted by staff with members of the ALEC and ILEC communities. These workshops were held on March 30, 2000, August 8, 2000, and December 13, 2000. The purpose of Phase I was to determine and resolve any policy and legal issues in this matter. Phase II involved establishing permanent metrics for BellSouth Telecommunications, Inc. (BellSouth), including a specific monitoring and enforcement program. With the completion of Phase II, the Commission is beginning Phase III of this docket, which entails the establishment of performance metrics and a performance monitoring and evaluation program for the other Florida ILECs.

By Order No. PSC-01-1819-FOF-TP, issued September 10, 2001, (Final Order), the Commission established permanent performance measures and benchmarks as well as a voluntary self-executing enforcement mechanism (Performance Assessment Plan) for BellSouth. By Order No. PSC-02-0187-FOF-TP, issued February 12, 2002, as amended by Order No. PSC-01-0187A-FOF-TP, issued March 13, 2002, BellSouth's Performance Assessment Plan was approved.

By Order No. PSC-02-0503-PCO-TP, issued April 11, 2002, Docket No. 000121-TP was divided into three sub-dockets: (1) 000121A-TP, in which filings directed toward the BellSouth track would be placed; (2) 000121B-TP, in which filings directed toward the Sprint track would be placed; and (3) 000121C-TP, in which filings directed toward the Verizon track would be placed.

By Order No. PSC-02-0989-PAA-TP, issued July 22, 2002, BellSouth was required to file a specific action plan designed to improve flow-through and adjust the Self Effectuating Enforcement Mechanism (SEEM) for the flow-through metric by July 30, 2002, for the August 2002 results. Additionally, BellSouth was ordered to establish defect correction metrics to be effective August 1, 2002 as part of the Service Quality Measures in Docket 000121A-TP.

This recommendation addresses the adoption of a timetable for the implementation of ALEC-initiated OSS change requests and a change to the required due date for Tier 1 and Tier 2 SEEM payments.

JURISDICTION

The Commission is vested with jurisdiction over this matter pursuant to Sections 364.01(3) and (4)(g), Florida Statutes. Pursuant to Section 364.01 (3), Florida Statutes, the Florida legislature has found that regulatory oversight is necessary for the development of fair and effective competition in the telecommunications industry. To that end, Section 364.01 (4) (g), Florida Statutes, provides, in part, that the Commission shall exercise its exclusive jurisdiction in order to ensure that all providers of telecommunications service are treated fairly by preventing anticompetitive behavior. Furthermore, it is noted that the FCC has encouraged the states to implement performance metrics and oversight for purposes of evaluating the status of competition under the Telecommunications Act of 1996.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission order BellSouth to implement all prioritized ALEC-initiated change requests within a certain time frame?

RECOMMENDATION: Yes. Staff recommends that BellSouth be ordered to implement the metric Percent of Change Requests Implemented Within 60 Weeks of Prioritization (Attachment 1). Additionally, BellSouth should file a specific action plan on August 30, 2002, on how it proposes to accomplish the stated benchmark. Further, BellSouth should be ordered to establish two additional metrics: Percent Change Requests Rejected and Percent of Change Requests Accepted or Rejected Within 10 Business Days (Attachments 2 and 3).
(DUFFEY)

STAFF ANALYSIS: A BellSouth-stated objective in the Change Control Process (CCP) document is "Timely and effective implementation of feature and defect change requests." However, timely implementation of change requests remains an issue in the Change Control Process.

There is no required time frame for the implementation of ALEC-initiated (Type 5) change requests. As of June 28, 2002, the backlog of new feature change requests had reached 65. The backlog includes new features requested by ALECs, features requested by internal BellSouth organizations (Type 4), and those ordered by various regulatory mandates (Type 2).

ALEC Comments

In the OSS commercial experience workshop, ALECs contended that BellSouth takes too long to implement ALEC-initiated (Type 5) change requests. ALECs have also pointed out that, as of February 2002, BellSouth implemented its own change requests within an average of 60 days while taking an average of 164 days to implement ALEC-initiated change requests. WORLDCOM noted that, in other states, no backlog of change requests exists at Verizon. Further, WORLDCOM stated that Verizon implemented over 170 ALEC-initiated change requests during the same three-year period in which BellSouth implemented only 32.

BellSouth Comments

In recent submissions to the Georgia PSC, BellSouth argues that a mandatory 60-week implementation cycle for prioritized change requests would require that BellSouth commit unlimited resource capacity to meet an infinite (yet undetermined) amount of demand (i.e., number of ALEC-initiated change requests) merely upon the request of ALECs to implement these features. BellSouth said that it fears hundreds of ALECs could make requests for new features. Further, BellSouth contends that there is no limit to the number of CLECs that participate in CCP and there is no limit to the number of change requests any ALEC may make of BellSouth. Further, BellSouth argues that no company has unlimited resources, and no ILEC, to BellSouth's knowledge, is subject to a Change Control Process by which ALECs determine the level of OSS investment that the incumbent must make.

Staff Comments

Staff believes the foregoing claims to be overstated by BellSouth. Staff believes that to compete, especially beyond the footprint of any one ILEC, ALECs need similar functionalities for pre-ordering, ordering, billing, repair and maintenance systems. A case in point is Parsed Customer Service Records (PCSR), which was effectuated by all other RBOCs well before BellSouth made it available under mandate from the Florida and Georgia Commissions. Staff notes that BellSouth actively resisted implementation of

Parsed Customer Service Records, an ALEC-initiated change request, for reasons of cost for over two years.

Staff observes that at least 19 ALEC-initiated change requests within the backlog were filed two to three years ago. None of those requests has been rejected by BellSouth for cost or technical reasons. Staff considers that lag to be an unreasonable delay for ALECs wishing to proceed with marketing plans and/or achieve efficiencies that are used in other ILEC territories.

Under staff's recommendation, BellSouth retains the ability to reject an ALEC-initiated change request for reasons stated within the CCP document. There are three stated reasons for rejection: cost, industry direction, and technical feasibility. The latter two reasons are technically based and are typically easily resolved in discussion between ALEC and BellSouth technical experts. The first reason, cost, is quite subjective and can be used by BellSouth to reject any ALEC-initiated change request. Staff believes that BellSouth can still control ALEC-initiated demands for new software features by using the stated reason of cost. However, staff notes that, according to the CCP document, BellSouth must provide ALECs its rationale for decisions made on a cost basis, and that decision is appealable. Rejections are appealable both through escalations within BellSouth and through filing a complaint with a regulatory body.

Staff believes that additional metrics are needed to address timeliness concerns. Because of the current CCP backlog a 60-week implementation benchmark is necessary to ensure timely adoption of change requests. Measuring the percent change request rejected and the percent rejected within 10 days provides information regarding BellSouth's acceptance of ALEC input and timeliness of its action.

CONCLUSION: Staff recommends that BellSouth be ordered to implement the metric Percent of Change Requests Implemented Within 60 Weeks of Prioritization (Attachment 1). Additionally, BellSouth should file a specific action plan on August 30, 2002, on how it proposes to accomplish the stated benchmark. Further, BellSouth should be ordered to establish two additional metrics: Percent Change Requests Rejected and Percent of Change Requests Accepted or Rejected Within 10 Business Days (Attachments 2 and 3).

ISSUE 2: Should this Commission approve a revision to BellSouth's Self-Effectuation Enforcement Mechanism (SEEM) Administrative Plan to reflect a change in the due date for Tier 1 and Tier 2 payments?

RECOMMENDATION: Yes. This Commission should order BellSouth to revise Section 4.4.1 of the SEEM Administrative Plan to require Tier 1 and Tier 2 payments be made by the 15th day of the second month following the month for which disparate treatment was detected. (HALLENSTEIN)

STAFF ANALYSIS: There is an internal conflict between BellSouth's Service Quality Measurement Plan and the SEEM Administrative Plan regarding the due date of Tier 1 and Tier 2 payments for failure to meet the prescribed performance standards. Staff recommends that the earlier payment date be adopted.

As stated currently in Section 4.4.1 of the SEEM Administrative Plan, payments are due "by the end of the second month following the month for which disparate treatment was detected." Staff recommends that the due date be changed to the 15th day of the month to coincide with the payment due date cited in BellSouth's Service Quality Measurement Plan.

In addition to resolving the internal inconsistency, changing the payment due date to the 15th of the month would coincide with the date payments are made under BellSouth's SEEM plan in effect for Georgia, Kentucky, and Louisiana. This would provide BellSouth with a more efficient way of administering and monitoring its SEEM plan in all four states.

CONCLUSION: This Commission should order BellSouth to revise Section 4.4.1 of the SEEM Administrative Plan to require Tier 1 and Tier 2 payments be made by the 15th day of the second month following the month for which disparate treatment was detected.

Docket No. 000121A-TP

Date: July 25, 2002

ISSUE 3: Should this docket be closed?

RECOMMENDATION: No, if no person whose substantial interests are affected files a protest within 21 days of the issuance date of the Order, the Order will become final upon the issuance of a Consummating Order. The docket should remain open to conduct the six-month review outlined in Order No. PSC-01-1819-FOF-TP. Staff recommends that if a protest is filed, then resolution of the protest should be addressed during the six-month review process.
(FUDGE)

STAFF ANALYSIS: If no person whose substantial interests are affected files a protest within 21 days of the issuance date of the Order, the Order will become final upon the issuance of a Consummating Order. The docket should remain open to conduct the six-month review outlined in Order No. PSC-01-1819-FOF-TP. Staff recommends that if a protest is filed, then resolution of the protest should be addressed during the six-month review process.
(FUDGE)

Percent of Change Requests Implemented Within 60 Weeks of Prioritization

Definition

Measures whether BellSouth provides CLECs timely implementation of prioritized change requests.

Exclusions

Change requests that are implemented later than 60 weeks with the consent of the CLECs.
Change Requests for which BellSouth has regulatory authority to exceed the interval.

Business Rules

This metric is designed to measure BellSouth's performance in implementing prioritized change requests. The clock starts when a change request has been prioritized as described in the Change Control Process. The clock stops when the change request has been implemented by BellSouth and made available to the CLECs. BellSouth will begin reporting this measure with the next release for diagnostic purposes, and will be measured for SEEM purposes 60 weeks from first prioritization meeting following Commission approval of measure.

Calculation

Percent of Type 5 CLEC-initiated Change Requests implemented on time = $(a \div b) \times 100$

- a = Total number of prioritized Type 5 CLEC initiated Change Request. that are less than or equal to 60 weeks of age from the date of the release prioritization list
- b = Total number of prioritized Type 5 CLEC initiated Change Requests from the date of the release prioritization list

Percent of Type 4 BellSouth-initiated Change Requests implemented on time = $(a - b) \times 100$

- a = Total number of prioritized Type 4 BellSouth-initiated Change Request. that are less than or equal to 60 weeks of age from the date of the release prioritization list
- b = Total number of prioritized Type 4 BellSouth-initiated Change Requests from the date of the release prioritization list

Report Structure

- BellSouth Aggregate
- Type 4s implemented
- Type 5s implemented
- % implemented within 16, 32, 48, and 60 weeks

Data Retained

Region
Report Month
Total Implemented, by type
Total Implemented within 60 weeks

SQM Level of Disaggregation - Analog/Benchmark

SQM Level of Disaggregation	SQM Analog/Benchmark
• Region	• 95% within interval
• Type 4s implemented	• 95% within interval
• Type 5s implemented	• 95% within interval

SEEM Measure

SEEM Measure	
Tier I	
Tier II	Yes

SEEM Disaggregation - Analog/Benchmark

SEEM Disaggregation	SEEM Analog/Benchmark
• Region	• 95% within interval

Percent Change Requests Rejected

Definition

Measures the percent of Change Requests (other than Type 1 or Type 6 Change Requests) submitted by CLECs that are rejected based on the reasons specified per the Change Control Process within the report period.

Exclusions

- Change Requests that are cancelled or withdrawn by CLEC before a response from BellSouth is due.

Business Rules

This metric includes any rejected change requests in the reporting period, regardless of whether received early or late. The metric will be disaggregated by major categories of rejections per the Change Control Process, a copy of which can be found at http://www.interconnection.bellsouth.com/markets/lec/ccp_live/index.html. These reasons are: Cost, Technical Feasibility, and Industry Direction. This metric includes all change requests not subject to above exclusions, not just those received and rejected in the same reporting period.

Calculation

Percent Change Requests Rejected = $(a \div b) \times 100$

- a = Total number of Change Requests rejected.
- b = Total number of Change Requests submitted within the report period.

Report Structure

- BellSouth Aggregate
- Cost
- Technical Feasibility
- Industry Direction

Data Retained

- Report Period
- Requests Rejected
- Total Requests

SQM Level of Disaggregation - Analog/Benchmark

SQM Level of Disaggregation	SQM Analog/Benchmark
• Region	• Diagnostic
• Reason – Cost	
• Reason – Technical Feasibility	
• Reason – Industry Direction	

SEEM Measure

SEEM Measure		
No	Tier I	
	Tier II	

SEEM Disaggregation - Analog/Benchmark

SEEM Disaggregation	SEEM Analog/Benchmark
• Not Applicable	• Not Applicable

Percent of Change Requests Accepted or Rejected Within 10 days

Definition

Measures the percent of Change Requests (other than Type 1 or Type 6 Change Requests) submitted by CLECs that are Accepted or Rejected by BellSouth in 10 business days within the report period.

Exclusions

- Change Requests that are canceled or withdrawn before a response from BellSouth is due.

Business Rules

The Acceptance/Rejection interval starts when the acknowledgment is due to the CLEC per the Change Control Process, a copy of which can be found at http://www.interconnection.bellsouth.com/markets/lec/ccp_live/index.html. The clock ends when BellSouth issues an acceptance or rejection notice to the CLEC. This metric includes all change requests not subject to above exclusions, not just those received and accepted or rejected in the same reporting period.

Calculation

Percent of Change Requests Accepted or Rejected within 10 Business Days = $(a \div b) \times 100$

- a = Total number of Change Requests accepted or rejected within 10 business days.
- b = Total number of Change Requests submitted in the reporting period.

Report Structure

- BellSouth Aggregate

Data Retained

- Report Period
- Requests Accepted or Rejected
- Total Requests

SQM Level of Disaggregation - Analog/Benchmark

SQM Level of Disaggregation	SQM Analog/Benchmark
• Region	• 95% within interval

SEEM Measure

SEEM Measure	
Tier I	
Tier II	Yes

SEEM Disaggregation - Analog/Benchmark

SEEM Disaggregation	SEEM Analog/Benchmark
• Region	• 95% within interval