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ATTACHMENT C

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

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

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### 2.4.3 Maintenance Plans

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

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

### 2.4.4 Cause Codes, Disposition Codes, and Narratives

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

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

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

Along with assigning a disposition and cause code, the Service Technician must enter a narrative describing the work completed during the visit. The TechAccess system allows for a 42 character explanation to be entered in the narrative field. In ND 300B-Module 10 of the Service Technician training material, BellSouth states the narrative must contain certain information to “satisfy audit trail requirements for source documentation.” Exhibit 1 displays narrative guidelines provided in this training material.



<b>BellSouth Narrative Requirements</b>	
Item	Information Required
1	Actual work performed to explain each work function
2	Item of plant worked on (substantial)
3	Trouble/work activity location if other than customer's premises
4	Any other narrative required to provide close out information, including service order changes, reason for billing, missed appointment information, IC carrier close out information, COCOT notification information, or Reseller & CLEC Information.
5	Cause Code and narrative support of cause code selected
6	No Access information, trouble identification
7	Customer notification
8	Any additional information that may be required to support compliance, WASSP, or local procedures

11 **EXHIBIT 1**

Source: DR 1-4

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

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

## 21 **2.5 Integrated Technician Performance Program**

22 In 1997, BellSouth created a performance measurement program to objectively monitor and  
 23 evaluate Service Technicians region-wide. This program, known as the Integrated Technician  
 24 Performance (ITP) program, focuses on key components of the Service Technicians' job functions  
 25 and calculates a score based on how well the Service Technician meets certain prescribed criteria.

### 26 **2.5.1 ITP History**

27 This program was introduced as a means for Network Managers to quantitatively evaluate  
 28 the Service Technicians' job performance. BellSouth states that this was initiated both to monitor  
 29 and to improve the job performance of the Service Technicians. Each Service Technician is

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

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

## 12 **2.5.2 Basic Performance Measures**

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

- 15 ◆ Hours per dispatch
- 16 ◆ Dispatch efficiency
- 17 ◆ Revisits rate

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

23 The "hours per dispatch" measures the average time it takes a Service Technician to work  
24 a dispatch. The timing of this measurement begins when the Service Technician receives the  
25 dispatch from the TechNet terminal and ends when the Service Technician closes the ticket. The  
26 next job is then assigned to the Service Technician. Hours per dispatch is calculated by taking the  
27 total productive hours and dividing by the total dispatches handled by the Service Technician. For  
28 example, if a Service Technician has 150 productive hours in a month and has closed 125  
29 dispatches, the hours per dispatch for this Service Technician would be 1.2 (150/125). For this  
30 component, a lower score indicates better performance.

31 "Dispatch efficiency" shows how effective the Service Technician is at completing the  
32 assigned jobs. There are instances when a Service Technician is unable to complete a job for  
33 reasons such as the problem needs to be corrected by the facilities group or the Service Technician  
34 is not able to connect a service because the network wiring is not run to the home. To account for  
35 these situations, BellSouth calculates this efficiency measure by taking all the completed dispatches  
36 for the Service Technicians and dividing by the total number of dispatches handled. An example  
37 would be if the technician completed 115 of the 125 dispatches received, the efficiency score would  
38 be .92 (115/125). For this component, a higher score indicates better performance.



1 The last component of the ITP score is the "revisit rate." BellSouth defines a revisit as when  
2 a Service Technician completes a dispatch and the customer calls back with a problem within eight  
3 days. BellSouth calculates the revisit rate by taking all the qualifying revisits and dividing by the  
4 total qualifying completed troubles and service orders. In the example, if of the 115 qualifying  
5 completed troubles, five created a repeat trouble, the revisit rate would be .04348 (5/115). For this  
6 component, a lower score indicates better performance.

7 Once the rates are figured for each measure, BellSouth formulates a composite score for the  
8 Service Technician. The following formula is used to derive this score:

$$\frac{9 \text{ Hours per Dispatch}}{10 \text{ Dispatch Efficiency } (1 - \text{Total Revisit Rate})}$$

12 In the example we have been reviewing, the composite score would be 1.363 (1.2 / .92 (1-.04348)).  
13 This score and the individual scores for each area are used to determine whether the Service  
14 Technician is meeting the standards set forth by the ITP program. There are three benchmarks that  
15 each Service Technician is evaluated against: the Minimum Quality Standards (MQS), the ITP  
16 minimum performance standards, and the ITP performance objectives.

17 The MQS objectives look at the dispatch efficiency and revisit scores to determine whether  
18 acceptable levels of quality work are being maintained. This is done by taking the scores for these  
19 two categories and comparing them to a standard that is formulated using historical data from the  
20 past twelve months. If the Service Technician meets the MQS benchmark, he is reviewed against  
21 the ITP minimum performance standards. The lower the ITP composite score, the more efficient  
22 the Service Technician is at meeting the standards.

23 The ITP minimum performance standards represent an acceptable level of performance by  
24 the Service Technician. This standard is established as the acceptable benchmark for the Service  
25 Technicians. The standard is calculated by using historical data from each region for all three  
26 components from the past year. If the Service Technician has met the MQS standards and his ITP  
27 score is equal to or lower than the minimum performance standard, he has met the benchmark.

28 The ITP performance objective is the score BellSouth has set for each Service Technician  
29 to strive to obtain. According to BellSouth, this score is used to stress continuous performance  
30 improvements for each Service Technician. This score is based on the results of the top twenty  
31 percent of the employees in each geographic grouping. If a Service Technician meets this goal, it  
32 is noted by BellSouth on the monthly ITP scorecard that the associate has exceeded objectives.

33 While a detailed history of the ITP benchmarks was not available, BellSouth did provide  
34 staff with the Florida minimum ITP standard for the first quarter of 2003. Staff also received the  
35 initial roll-out material for ITP from 1997 from a former BellSouth employee. This material  
36 included the minimum ITP standard and objectives for South/Southeast Florida. These figures were  
37 based on the Service Technicians' 1996 performance. While there have been regional and district  
38 changes during the period 1996 through 2002, the overall geographic makeup has remained the



1 same. When looking at the southern half of Florida, in 1996 the average ITP performance standard  
2 was 2.70. For the same geographic area in 2002, the minimum standard has dropped to 1.81. This  
3 change represents a 33 percent increase in required efficiency over the period, which equates to an  
4 average increase of 5.5 percent per year.

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

### 8 **2.5.3 Engineered Service Measures (ESM)**

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

13 As stated in Section 2.5.2, ITP performance indicators measure dispatch efficiency, hours  
14 per dispatch, and the number of revisits. One problem noted with ITP was the failure to measure  
15 separate tasks performed on the job site within each dispatch. Under the most recent method, ITP  
16 hours per dispatch did not take into consideration what was required to complete a "job." For  
17 example, under ITP, an installation of three lines would have counted as one task completed. Under  
18 ESM, this counts as multiple units of work.

19 Units for each task performed were developed. ESM have units to report for all field tasks  
20 that are classified as either fixed or variable. Fixed tasks include such items as travel, walking, and  
21 ringing the customer's door bell. Variable tasks are the actual units of work, such as checking a  
22 cross box. The Service Technician earns both fixed and variable tasks on each job.

23 The basic improvement over ITP is a switch from a group average to an individual average.  
24 The Service Technician is now being measured on tasks reported and earned versus the time allowed  
25 for each unit. Thus, each Service Technician is measured on all actual task hours earned versus time  
26 taken to complete the entire job. Hours per dispatch was modified to become the "percent effective"  
27 (time allotted per task versus actual time taken). Dispatch efficiency was modified to become "total  
28 actual versus planned hours." Revisit rate calculations remained the same.

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

33 It appears ESM will represent an improvement over ITP. Management features include  
34 analysis of planned versus actual time taken, over/under hours allowed for the day, average  
35 over/under for a particular area, and miles per dispatch. The company states that these indicators  
36 should improve overall field operations. A pilot ESM was completed and the program was fully  
37 integrated on July 1, 2003.



#### 1 **2.5.4 State and Regional Incentive Programs**

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

7 In the Gainshare incentive program, first and second level managers shared in monetary and  
8 gift awards based on total group performance. Service technicians received crew awards, gift  
9 certificates, public and peer recognition, an air-conditioned vehicle or lunch with top performers or  
10 managers, but they did not receive monetary awards. Monetary awards to managers were based on  
11 the following three factors:

- 12◆ Percent change in performance relative to the baseline performance measure for  
13 everyone,
- 14◆ Whether the performance was maintained "close" to top performance for everyone, and
- 15◆ Percent routine dispatches worked relative to established limits.

16 A second limited scope trial incentive program, named Pacesetter, was implemented in  
17 January 2002 and terminated in March 2003. It was designed to award supervisors and Service  
18 Technicians, and it excluded second level managers from receiving monetary payouts. PaceSetter  
19 implementation was also limited to seven trial districts within the nine state BellSouth operations.  
20 Only two of the seven trial districts were located in Florida: North Florida Northeast and South  
21 Broward. BellSouth staff stated that PaceSetter was negotiated with union organizations in each  
22 state to assure their agreement and approval.

23 According to BellSouth information, PaceSetter's design was based on "lessons learned from  
24 previous incentive programs," and "included many checks and balances" to ensure "BellSouth was  
25 driving the correct behavior." Standards placed emphasis on customer-directed dispatches "to  
26 reduce the possibility of supervisors developing a dispatch strategy that favored their Service  
27 Technicians and themselves." The PaceSetter pilot incentive plan was suspended in March 2003,  
28 with the scheduled implementation of the new EMS plan to replace the ITP program.

#### 29 **2.6 Installation and Maintenance Controls**

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

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

#### 8 **2.6.4 BellSouth Network Compliance Reviews**

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

13 These operational reviews are now called "compliance reviews." According to BellSouth,  
14 their purpose is to provide a method to validate the accuracy, reliability, and integrity of IMC data  
15 provided to the Federal Communications Commission and the FPSC. The reviews are based upon  
16 sample analysis of trouble report documentation. The reviewers are subject matter experts from the  
17 network I&M support staff. The review format is prescribed BellSouth Practices Section 002-500-  
18 018BT Issue D, which outline the compliance review process. The practice does not designate how  
19 often these reviews will be conducted. An interview conducted with managerial review staff  
20 indicated that BellSouth attempts to conduct these annually in each district.

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

29 From 2000 to date, six compliance reviews of Florida network operations were performed  
30 by compliance support staff. The first review was a February/March 2000 North Dade customer  
31 billing review. The second review, dated September 2001, was in South Florida and was used to  
32 validate accuracy of data such as disposition codes. The third review was a 2002 Southeast Florida  
33 special request review of 500 selected items to assure management was in line with proper reporting  
34 of disposition codes. The fourth review was in North Florida and was the same type validation  
35 review. The fifth and sixth reviews were conducted in South Florida in September and October of  
36 2003. These reports noted narrative problems and failure to meet the 90 percent benchmark for both  
37 the categories of exclude code reports and employee-originated reports. In total, BRR staff analysis  
38 found reviews two through six reflect a continuing problem with exclude code accuracy.



## 1 2.6.5 Internal Audits

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

8 Internal Audit No. 90-2004 was a four-state audit (including Florida) that covered the  
9 Installation and Maintenance group thereby including installation and repair services. The audit also  
10 included TechNet. Internal Audit No. 259 was a four-state audit, with one portion covering Florida.  
11 It consisted of a review of system controls on the installation and maintenance of high-speed data  
12 circuits.

13 Internal Audit No. 1307 was a follow-up from Internal Audit No. 90-2004. It addressed the  
14 accuracy of job records reported by the technician, cost efficiency of supply ordering, TechNet and  
15 the accuracy of time reporting. Internal Audit No. 1307 also retested TechNet for improvements  
16 in management control. The follow-up audit contained the following four findings regarding failure  
17 to comply with established controls:

- 18 ♦ Billing forms not being sent in a timely manner
- 19 ♦ Job records not meeting expectations
- 20 ♦ Managers not reconciling technician time reports
- 21 ♦ Managers not using the supply system as intended

22 The latter three findings indicate that the actions taken by management were not sufficient to correct  
23 findings from Audit No. 90-2004.

24 Internal Audit No. 2245 was a detailed audit of I&M technician activity in South Florida and  
25 two other states. According to BellSouth, it reviewed the compliance review process to ensure that  
26 disposition codes are utilized to ensure proper billing, revenue generation and cost allocation. It was  
27 also a follow-up of Audit No. 1307. The audit report noted that, despite some improvement, prior  
28 problems with exclude codes still existed.

29 This is a repeat finding from Audit #1307 and previously identified on  
30 external PwC [PricewaterhouseCoopers] audit #43-03 . . . IA reviewed the  
31 results of the WMC/FWG compliance reviews, which indicated that the  
32 accuracy results of the Field Work Group-Excluded Reports are still not  
33 meeting the required minimum standard of 90%

34 Lastly, Internal Audit No. 2197 was completed in June of 2003. It reviewed various aspects  
35 of technician dispatching, training, and trouble handling. The audit report findings included the  
36 following:



- 1 ♦ Lack of required training course completion by Service Technicians and managers.
- 2 ♦ Lack of controls to track completion of training.
- 3 ♦ Lack of emphasis on monitoring technicians' efforts to contact customer prior to trouble  
4 visits.
- 5 ♦ Lack of proper detective and monitoring controls over technician customer contact,  
6 quality inspections, and multiple dispatches involving Plain Old Telephone Service  
7 (POTS) and DSL troubles.

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

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

#### 15 **2.6.6 External Audits**

16 According to BellSouth, one external audit (No. 43-03) related to network operations was  
17 completed in 2002 by PricewaterhouseCoopers, LLP for the years 2000 and 2001. The audit  
18 analyzed overall company operational compliance, including I&M Service Technician time  
19 reporting.

20 PricewaterhouseCoopers' findings cited Service Technicians using exclude codes to avoid  
21 billing the customer in some cases where a billable disposition code would have been valid. An  
22 exclude code should be used when a Service Technician is dispatched on a trouble job and finds the  
23 facilities in need of repair do not belong to BellSouth (for example wire belonging to a cable  
24 television company). The Service Technician is allowed to exclude his/her ITP time. Additionally,  
25 the audit cited incorrect coding, which impacts revenue and creates inaccurate separation of expense  
26 between regulated and nonregulated. This deficiency will skew statistics on performance.

27 PricewaterhouseCoopers also noted that POTS Service Technicians were cross-charging their  
28 time from special services to influence and enhance their ITP efficiency. Essentially, Service  
29 Technicians who were assigned special duty should have been charging their time to nonregulated  
30 tasks. The audit found they were charging work to regulated tasks to improve individual ITP scores.  
31 PricewaterhouseCoopers concluded: "These issues indicate that administrative burden and ITP  
32 metrics are driving time reporting behavior. Neither of these is a valid excuse for inaccurate  
33 reporting of disposition codes and cross-charging of time."

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



1 This memo instructs the target audience to communicate to the POTS Service  
2 Technicians that they are to discontinue cross-charging of WFA dispatched  
3 tasks to WID 4110 effective April 30, 2002 . . . . The memo also reports the  
4 results of the Company's study of the use of excludable disposition codes,  
5 noting the various ways that the excludable disposition codes impact the  
6 Company.

7 The memo also noted the importance of correct time reporting and proper monitoring of  
8 Service Technician time reporting. Last, the memo stated "We will also conduct disposition code  
9 reviews on an ongoing basis to ensure compliance with time-reporting policies." Comments on ITP  
10 irregularities were not addressed.

### 11 **2.6.7 BellSouth Executive Complaints**

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

19 BellSouth determined that some of the 426 complaints were valid due to employee error.  
20 In these cases, a refund was given to the customer. In a portion of the cases, it was determined that  
21 the dispute was unfounded and no billing adjustment was necessary. In a number of cases,  
22 BellSouth refunded a portion or all of the charge as a gesture of "customer good will" even though  
23 it was unable to substantiate the customer's claim that BellSouth was in error.

24 Staff determined that approximately 90 complaints involved errors made by Service  
25 Technicians. This represents 21 percent of the total executive complaints provided by BellSouth.  
26 Of these 90 errors, 56 were noted by BellSouth as cases of Service Technicians failing to either  
27 properly troubleshoot, identify the problem, or conduct the necessary tests at the premises. Many  
28 of these errors by the Service Technicians required a second visit to correct the problem. One  
29 example is a Service Technician who billed the customer for an inside wire problem when there was  
30 no Network Interface Device on the premises. Without a Network Interface Device, the Service  
31 Technician was not able to accurately determine whether the problem was a network or premise  
32 problem.

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

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



1 **4.2.5 Finding 5**

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

5 BellSouth Internal Audit No. 2197, "Technician Dispatch Process" was completed in third  
6 quarter 2003. Auditors noted that the training histories of I&M Service Technicians and first level  
7 managers were not being monitored to assure completion of basic training courses. The audit states  
8 this lack of training potentially increases "the risk of inefficient and ineffective operations." Out  
9 of 873 I&M supervisors reviewed, 553 (63.3 percent) had not completed the "New Network  
10 Manager" course, and 739 (84.7 percent) had not completed the "First Level Manager  
11 Development" course.

12 A review of 1,042 Service Technicians joining BellSouth's workforce on or after January  
13 2001, showed that 128 (12 percent) of the Service Technicians had not taken the Basic I&M-ND  
14 300A training course, and 166 (16 percent) had not taken the Basic I&M-ND 300B course.  
15 Additionally, auditors noted that 34 percent of the Service Technicians reviewed had not completed  
16 the "Signature Service" course, and 53 percent had not completed the "TechNet System User  
17 Training" course. Staff notes that the audit covered operations in multiple BellSouth states,  
18 including Florida. Therefore, the Florida-specific percentages may have been higher or lower than  
19 the aggregate results.

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

26 BellSouth discusses the uses of disposition codes, cause codes and narratives in the  
27 BellSouth University training material ND300B, Module 10. This section states the proper use for  
28 each code, as well as which codes should and should not be paired together. An example is the  
29 applicable use of the 600 cause code. The material gives the following definition of the 600 cause  
30 code:

31 Unknown: Applies when the cause of trouble condition cannot be determined. Use  
32 this code when detailed coding is not desired. A found trouble (Disposition Codes  
33 01\*\*, 02\*\*, 03\*\*, 04\*\*, 05\*\*, or 12\*\*) should not be coded unknown. (Possible  
34 exceptions pair changes and replaced codes unless cause can be determined).

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



1 **4.2.8 Finding 8**

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

5 Analyzing audit data from Internal Audit Department and external audit sources, BRR staff  
6 noted problems with audit compliance within the Installations and Maintenance operations. As  
7 mentioned in Sections 2.6.5 and 2.6.6, internal audits and an external audit report pointed out  
8 problems that were not promptly and effectively resolved pertaining to trouble report coding, time  
9 report reporting, and compliance with other BellSouth procedures. The 2002 external audit by  
10 PricewaterhouseCoopers also discussed the possibility that technician's behavior many have been  
11 driven by concerns for their ITP scores.

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

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

24 **4.2.9 Finding 9**

25 Network operations compliance reviews have been conducted less frequently than is  
26 appropriate due to resource constraints.

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

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

#### 11 **Section 2.6.1 – Technical Support Managers**

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

#### 22 **Section 2.6.4 – BellSouth Network Compliance Reviews**

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

29 The statement in the sixth sentence of the fourth paragraph is confusing  
30 as written. As clarification, the narrative problems referenced relate specifically  
31 to **excludes and employee generated reports.** Also, since Staff highlights the  
32 **exclude code** in several sections, BellSouth would like to point out that a misuse  
33 of the **exclude code** does not result in the overbilling of customers.

#### 34 **Section 2.6.5 – Internal Audits**

35 BellSouth objects to the current wording of the fourth paragraph as  
36 an incomplete summary of the audit findings on the **“exclude” code.** The  
37 Staff highlights that the Company was not meeting the minimum standards  
38 **for the exclude codes,** but fails to adequately address the noted  
39 **improvements in the area.** The audit report noted that **management had**



1 implemented increased scrutiny with regard to job coding, so that, in  
2 retesting, the exclude code remained as the lone item that continued to  
3 measure below the established threshold. The report also noted that  
4 planned system improvements would impact this process and that  
5 management would take additional steps to drive greater scrutiny in this  
6 area.

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

#### 9 **Section 2.6.6 – External Audits**

10 The second and third paragraphs are confusing as written. The second  
11 paragraph implies that the PricewaterhouseCoopers' ("PwC") report addressed  
12 two items (1) the exclude code and (2) incorrect coding which impacts revenue  
13 and expense performing between regulated and non-regulated services. The  
14 third paragraph implies that the PwC report addressed a third item – the cross-  
15 charging of time by service technicians. The second item referenced in  
16 paragraph two actually refers to the scenario described in paragraph three.

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

- 22 • Investigating and calculating the error caused by the incorrect  
23 cross charging;
- 24 • Recording an adjustment based on the error calculated;
- 25 • Conducting a root cause analysis; and
- 26 • Issuing a memo stating that POTS service technicians are to  
27 cease cross charging of WFA dispatched tasks to WID 4110 as  
28 of April 30, 2002.

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

#### 31 **Section 2.6.7 – BellSouth Executive Complaints**

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

1 **Section 4.2.5 – Finding 5**

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

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

19 With regard to the fifth paragraph of this Section, BellSouth points out that  
20 the rise in UNEPs likely accounts for many instances where 1203 is used with a  
21 600 cause code. Because BellSouth technicians are not required to test past the  
22 demarcation point in a UNEP situation, the technician may use 1203 to show that  
23 he or she went to the premises and tested at the NID together with the 600 code  
24 since the technician would not know what caused the problem. Further, it is  
25 BellSouth’s position that use of the 600 code would also be appropriate with a  
26 1203, in both retail and wholesale situations, where the tech was unable to gain  
27 access past the demarcation point to identify specifically what caused the  
28 problem, or where the technician was not required to test inside.

29 **Section 4.2.6 – Finding 6**

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

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



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

#### 4 Section 4.2.7 – Finding 7

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

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

#### 18 Section 4.2.8 – Finding 8

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

26 More specifically, BellSouth objects to the first sentence of the first  
27 paragraph as overbroad and inaccurate. It leads the reader to believe that  
28 Network did not comply with audits. The subject audits did not state that Network  
29 did not comply with previous audits. Rather, they found that BellSouth fell short of  
30 meeting internally set standards in the areas of technician time reporting and  
31 coding. It should also be noted that, in response to the external audit,  
32 management calculated the error associated with the incorrect coding and made  
33 necessary financial adjustments.

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

*No audits  
name  
mentioned*

1 **Section 4.2.9 – Finding 9**

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

5 **Chapter 5 – Recommendations**

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

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

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

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

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

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

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