

ORIGINAL

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Subject: Florida Docket No. 000121A-TP
Importance: High

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B. Docket No. 000121A-TP: In Re: Investigation into the Establishment of Operations Support Systems Permanent Performance Measures for Incumbent Local Exchange Telecommunications Companies (BellSouth Track).

C. BellSouth Telecommunications, Inc.
 on behalf of Robert A. Culpepper

D. 43 pages total in PDF format

E. BellSouth Telecommunications, Inc.'s Responses to Action Items raised during the SEEM workshop held on September 28 and 29. BellSouth's Response to the SEEM Non-Technical Matrix - CLEC Coalition Proposed Changes.

CMP _____
 COM 3
 CTR _____
 ECR _____
 GCL _____
 OPC _____
 MMS _____
 RCA _____
 SCR _____
 SEC 1
 OTH _____

Debbie Smith (sent on behalf of Robert A. Culpepper)
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<<Bayo Letter and Certificate of Service>> <<Resp. to 9/28-29 Workshop Action Items>> <<FL SEEM Cell level disaggregation>>
 <<Statistical Analysis of SEEM>> <<Attachment>> <<Truncated Z Calculation Example>> <<SEEM Non-Technical Matrix>>

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October 20, 2004

Mrs. Blanca S. Bayó
Director, Division of the Commission Clerk and
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2540 Shumard Oak Boulevard
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Re: Docket No. 000121A-TP
**In Re: Investigation into the establishment of operations support
systems permanent incumbent local exchange Telecommunications
companies**

Dear Ms. Bayó:

Enclosed for filing are BellSouth Telecommunications, Inc.'s Responses to Action Items raised during the SEEM workshop held on September 28 and 29. Additionally, enclosed for filing is BellSouth's Response to the SEEM Non-Technical Matrix - CLEC Coalition Proposed Changes. A copy of the same is being provided to all parties as reflected in the attached certificate of service.

Sincerely,


Robert A. Culpepper

Enclosures

cc: All parties of record
Marshall M. Criser, III
Nancy B. White
R. Douglas Lackey

**CERTIFICATE OF SERVICE
Docket No. 000121A-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via

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Robert A. Culppepper

**(+) Signed Protective
Agreement**

#502166

REQUEST: BellSouth to provide source of the paper referenced by BellSouth in the workshop that addressed problems with having a small quantity of transactions in a measurement evaluation.

RESPONSE: In November 2003, the Brattle Group, and Dr. David Sappington of the University of Florida, Department of Economics, conducted an analysis of the Performance Plans in effect in several states. The analysis is discussed in a paper located at:

<http://www.brattle.com/documents/Publications/ArticleReport2298.pdf>

On pages 4, and 42 through 44 of this paper is a discussion of erroneous conclusions (such as Type I errors) resulting from measurements with a small quantity of transactions.

BellSouth Telecommunications, Inc.
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REQUEST: BellSouth to provide an Excel template that can be used to perform Truncated Z statistical calculations

RESPONSE: This template is provided in the attached file Truncated Z Calculation Examples.xls.

BellSouth Telecommunications, Inc.
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REQUEST: BellSouth was asked to provide a sensitivity analysis of the proposed fixed Delta value compared to the Ford Delta Function..

RESPONSE: This response is pending.

REQUEST: BellSouth was asked to provide empirical substantiation of the disaggregation recommended by BellSouth.

RESPONSE:

1. As noted in Item 1 above, the Brattle Group concluded that a low number of transactions in a statistical evaluation will produce unreliable and erroneous results. The greater the level of disaggregation, the lower the number of transactions in each statistical evaluation. Increasing the number of transactions in a statistical test reduces the potential for errors.
2. Earlier this year, BellSouth provided to FL PSC Staff an excel file showing activity levels in the CLEC-specific SQM measurements. While this data is from the SQM results and not directly from PARIS / SEEM, it is very representative of the level of activity in the Tier 1 measurements in PARIS. This data is for all CLECs, in aggregate. The conclusions - in a typical month:
 - a. 40% of the submetrics have no activity – for the entire state.
 - b. Less than 25% have activity of 100 or more for all of the approximately 200 CLECs in the state.If 40% of the CLEC specific SQM submetrics have no activity for all CLECs in the state, a much smaller percentage could be expected to have activity for each CLEC, for each submetric. That file is attached as Meas volumes.xls
3. Based on an evaluation of FL SEEM data, very few of the SEEM submetrics have any activity at the CLEC-specific, (Tier 1) level.
4. Going one step farther, for those few SEEM submetrics that do have some activity, 50% of the submetrics in the Tier 1 SEEM submetrics in Florida have only 4 cells upon which to base a pass/fail determination. Additionally, a large percentage of the cells contain only one transaction. Details are attached as "FL SEEM Cell level disaggregation.pdf"
5. Finally, as a part of the Louisiana SQM workshops conducted in 2002 and 2003, statisticians representing BellSouth and the CLEC

coalition conducted an analysis of the SEEM data in Louisiana to determine if masking of performance could result from a higher level of disaggregation. A draft of the report (attached as LStatAnalysisSummary March 11 Draft.pdf) indicates that potential masking is not a significant issue.

FL SEEM Cell level disaggregation

Summary

The current FL SEEM has too much disaggregation. The level of disaggregation in the current plan produces the following undesirable effects:

1. 50% of the submetrics in the Tier 1 SEEM submetrics in Florida have only 4 or less cells upon which to base a pass/fail determination.
2. 50% of the cells for Tier 1 proportion measurements contain only 1 transaction. 80% of the cells for Tier 1 mean measurements contain 3 transactions or less.

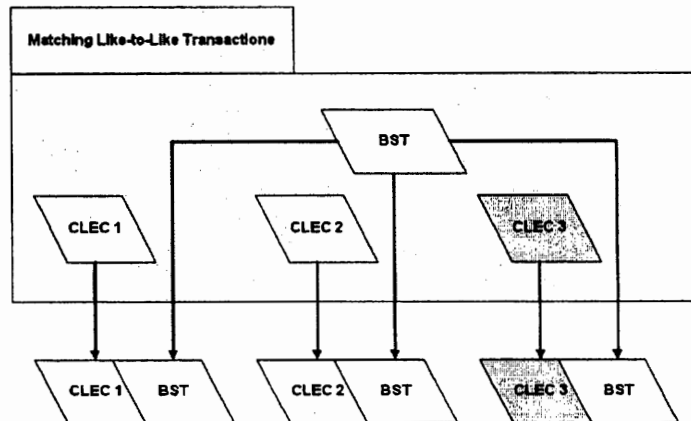
BellSouth's proposed SEEM disaggregation is expected to a more reliable evaluation of performance for each submetric.

3. With BellSouth's proposed SEEM disaggregation the number of cells upon which to base a pass/fail determination is expected to more than double.

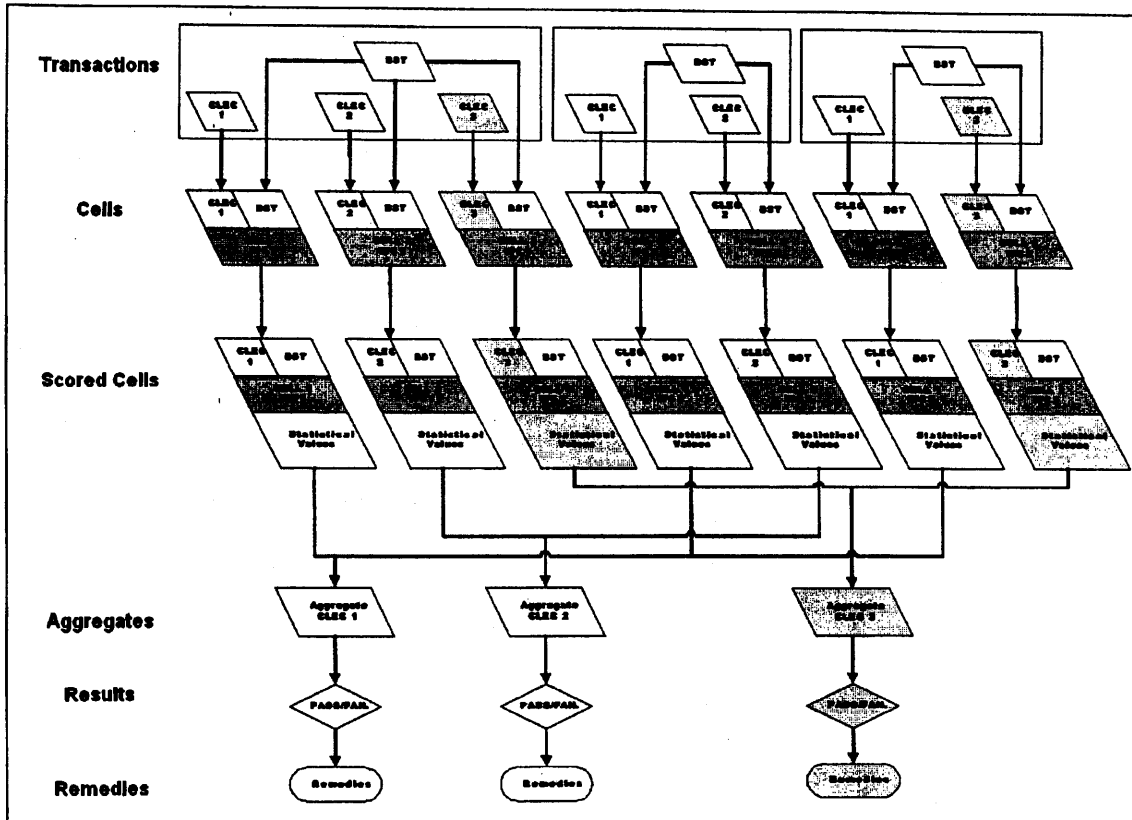
Discussion

In order to understand the following analysis, it is helpful to describe the formation of cells so that CLEC and BellSouth retail data can be compared. A cell is formed by assigning CLEC and retail data according to several attributes. For example Maintenance and Repair (M&R) cell attributes include the submetric, wire center, the activity type, and the product. For each CLEC having activity satisfying all these criteria, and where there is corresponding ILEC data, a cell is created as described in the following diagram.

In this diagram, 3 cells are created from the transactions of three CLECs. An example of these might be UNE-P installations from three CLECs in the same wire center.



The next step is to evaluate all of the transactions in a submetric for each CLEC having activity in the reporting month.



In the above diagram, the same submetric is evaluated for three CLECs in three different wire centers. The universe for these three different submetrics is comprised of the transactions for three CLECs which appear in three wire centers. To illustrate, assume the first transaction of CLEC 1 at the top left hand corner (light blue) is a missed repair appointment in a Miami Central Office. The next transaction (light green) is a missed repair appointment in an Orlando C.O. and the third transaction (beige) is a missed repair appointment for CLEC 3 in a Jacksonville C. O. These transactions are assigned to cells, matched up with BellSouth retail transactions and the resulting cells are 'scored' to get the Z-Score. The cells for the three CLECs are then aggregated to get the Aggregate Z Statistic, a pass/fail determination is made and penalties are calculated where appropriate.

The greater the number of transactions in a cell, the greater the reliability of the Z test for that cell. Similarly, the greater the number of cells which are aggregated in a submetric, the greater the confidence of the pass/fail determination for the submetric.

However the high level of disaggregation in the current SEEM plan results in few cells being assigned to a submetric. For example, the following table shows the maximum number of cells in the Tier 1 SEEM submetrics evaluated in Florida in May 2004.

Number of Cells in SEEM submetrics Tier 1. May 2004 Florida		
Type of Submetric >>>>>	Mean	Proportion
Max number of cells in 20% of submetrics	1	1
Max number of cells in 30% of submetrics	2	2
Max number of cells in 40% of submetrics	3	3
Max number of cells in 50% of submetrics	4	4
Max number of cells in 60% of submetrics	7	7

Of all of the Mean Tier 1 Submetrics evaluated in May, 20% of the submetrics were evaluated, based on only one cell. In other words, 20% of BellSouth's performance and the associated penalty calculations were based on performance in one wire center, for one CLEC for one product type and one activity type. Furthermore, fully 50%, half, of BellSouth's performance and the associated penalties was based on only 4 cells or less. This table shows the maximum number of cells that were in the submetrics evaluated. To clarify, 60% of the Tier 1 submetrics evaluated had 7 cells or less. Actually half of these, 30% had no more than 2 cells per submetric.

The fine disaggregation of the existing SEEM plan is a major contributor to basing penalty payments on a very few number of cells within each submetric.

Having few cells per submetric is exacerbated by the fact that the cells themselves are populated by very few transactions. This table illustrates the number of CLEC transactions in a cell of the Tier 1 SEEM Mean submetrics in Florida in May 2004. For example, 11,216 (or 50%) of the cells had only 1 CLEC transaction. Nearly 80% of the cells had 3 or less CLEC transactions.

CLEC transactions in a cell. Mean submetrics Tier 1. May 2004 Florida			
# CLEC transactions	# cells	Percent of Cells	
		Percent	Cum. %
1	11216	54.0%	54.0%
2	3397	16.4%	70.4%
3	1569	7.6%	77.9%
4	996	4.8%	82.7%
5	612	2.9%	85.7%
6	451	2.2%	87.8%
7	360	1.7%	89.6%
8	272	1.3%	90.9%
9	219	1.1%	91.9%
10	183	0.9%	92.8%
11	157	0.8%	93.6%
12	129	0.6%	94.2%
13	110	0.5%	94.7%
14	97	0.5%	95.2%
15	84	0.4%	95.6%
> 15	912	4.4%	100.0%

The next table is for the Tier 1 Proportion submetrics. Here the situation is more of a problem. More than 50% of the cells for the Proportion submetrics have only one transaction.

CLEC transactions in a cell. Proportion submetrics Tier 1. May 2004 Florida			
# CLEC transactions	# cells	Percent of Cells	
		Percent	Cum. %
1	28408	51.9%	51.9%
2	8838	16.1%	68.0%
3	4170	7.6%	75.6%
4	2616	4.8%	80.4%
5	1651	3.0%	83.4%
6	1255	2.3%	85.7%
7	930	1.7%	87.4%
8	766	1.4%	88.8%
9	584	1.1%	89.9%
10	521	1.0%	90.8%
11	448	0.8%	91.7%
12	371	0.7%	92.3%
13	312	0.6%	92.9%
14	298	0.5%	93.5%
15	198	0.4%	93.8%
> 15	3387	6.2%	100.0%

Proposed Disaggregation

BellSouth's proposed SEEM disaggregation should improve the statistical confidence of the SEEM measurements. While we don't have the ability to process Florida data using the proposed disaggregation (as significant programming would be required) we can consider Georgia data and the current Georgia disaggregation to be representative of Florida data under the proposed Florida disaggregation, at least in terms of the number of cells evaluated for the Tier 1 SEEM submetrics.

The following table shows the maximum number of cells in the Tier 1 SEEM submetrics evaluated in

Georgia in May 2004. When compared with the above table for the current Florida plan, the number of cells in a submeteric using the Georgia disaggregation (which is representative of the proposed Florida disaggregation) is more than double.

Number of Cells in SEEM submetrics Tier 1. May 2004 Georgia		
Type of Submetric >>>>>	Mean	Proportion
Max number of cells in 20% of submetrics	2	2
Max number of cells in 30% of submetrics	3	4
Max number of cells in 40% of submetrics	6	6
Max number of cells in 50% of submetrics	11	11
Max number of cells in 60% of submetrics	17	19

As depicted in these two tables, there is little difference in the number of transactions in a cell using the proposed disaggregation for a SEEMsubmetric mainly because BellSouth's proposed disaggregation does not result in a significant modification to the attributes resulting in cell assignment.

However the fact that there are more cells used in the evaluation of a SEEM submetric means that the resulting pass/fail determination will be more reliable.

CLEC transactions in a cell. Mean submetrics				
Tier 1. May 2004 Georgia				
# CLEC transactions	# cells	Percent of Cells		
		Percent	Cum. %	
1	9725	54.0%	54.0%	
2	3052	16.9%	70.9%	
3	1444	8.0%	78.9%	
4	938	5.2%	84.1%	
5	579	3.2%	87.3%	
6	399	2.2%	89.5%	
7	284	1.6%	91.1%	
8	226	1.3%	92.4%	
9	190	1.1%	93.4%	
10	124	0.7%	94.1%	
11	105	0.6%	94.7%	
12	104	0.6%	95.3%	
13	73	0.4%	95.7%	
14	57	0.3%	96.0%	
15	48	0.3%	96.2%	
> 15	676	3.8%	100.0%	

CLEC transactions in a cell. Proportion submetrics				
Tier 1. May 2004 Georgia				
# CLEC transactions	# cells	Percent of Cells		
		Percent	Cum. %	
1	22396	49.5%	49.5%	
2	7427	16.4%	65.9%	
3	3626	8.0%	74.0%	
4	2382	5.3%	79.2%	
5	1527	3.4%	82.6%	
6	1178	2.6%	85.2%	
7	840	1.9%	87.1%	
8	663	1.5%	88.5%	
9	572	1.3%	89.8%	
10	400	0.9%	90.7%	
11	382	0.8%	91.5%	
12	318	0.7%	92.2%	
13	237	0.5%	92.8%	
14	221	0.5%	93.2%	
15	214	0.5%	93.7%	
> 15	2839	6.3%	100.0%	

Statistical Analysis of SEEM Disaggregation and Reaggregation Follow Up to BellSouth Statistical Team's Report Filed April 21, 2003

Over the last year an in-depth analysis of the statistical components of BellSouth's Louisiana Self-Effectuating Enforcement Mechanism (SEEM) system has been undertaken jointly by BellSouth Telecommunications, Inc. (BellSouth) and Competitive Local Exchanges Carriers (CLECs). BellSouth filed a report of the analysis on April 21, 2003. That report suggested that more analysis needed to be completed before recommendations concerning changing or not changing the SEEM system should be made.

This report explains the subsequent analyses that have taken place. This report is organized into four sections. Section I provides background information about the SEEM plan and why the Louisiana Public Service Commission (LPSC) staff requested the analysis. A summary of the results of January 2002 through April 2003 performance measurement data analysis is provided in Section II. An outline of BellSouth's and the CLECs' recommendations for future actions is provided in Section III. Section IV provides descriptions of supporting documents that are attached to this report as appendices. There are four appendices attached to this report.

I. Background

SEEM is a system that performs agreed upon calculations in order to assess when the service provided by BellSouth to CLEC customers is as good as the service BellSouth provides to its own customers. When the system's calculations where retail analog standards apply indicate sufficient evidence supporting a disparity in service quality, additional calculations are performed to determine a penalty amount that BellSouth pays. Some of the calculations performed within the SEEM system are based on statistical hypothesis testing methods, and are referred to as *parity testing* calculations.

The parity testing methods in the SEEM plan try to answer the question "Are CLEC customers receiving service that is (significantly) worse than that received by similar BellSouth customers?" In order to do this, performance measurement data first must be disaggregated to insure that CLEC transactions are compared with similar BellSouth transactions (like-to-like comparisons). The statisticians refer to this as disaggregation to the *cell-level*. The cell-level is generally a very deep disaggregation level, and it is not necessarily the level at which parity judgments should be made.

Statistical reaggregation techniques are used within the SEEM system for many reasons that are associated with sound statistical practices. For example, CLEC sample sizes are sometimes very small for individual cells, and this can lead to "noisy" (imprecise) comparisons at the cell-level. In the reaggregation stage, cell-level measures of evidence about the service relative to parity received by CLEC customers (*modified Z-scores*) are combined to produce a single test statistic for a submeasure (*a truncated Z-score*). Comparison of the truncated Z-score with the balancing critical value produces a single compliance determination for a submeasure.

CLECs have voiced concern to the LPSC that the current reaggregation levels used in the SEEM plan potentially mask discrimination. Reaggregation may combine cells that differ substantially from each other in terms of the quality of service received by CLEC customers *relative to the service received by BellSouth customers*. For example, for a given submeasure, assume that CLEC customers with dispatched orders systematically receive better service than that received by BellSouth customers in the corresponding "like-to-like" cells. On the other hand, assume that CLEC customers with non-dispatched orders systematically receive poorer service than BellSouth's customers in the corresponding cells. In this case, there is not a single correct answer to the question posed above (Are CLEC customers receiving service that is (significantly) worse than that received by similar BellSouth customers?). For dispatched orders, the answer is "no," but for non-dispatched orders the answer is "yes."

In response to the CLECs' concerns, the LPSC staff asked a team of statisticians, representing both BellSouth and the CLECs, to review SEEM performance measurement data and determine if there was any statistical evidence of masking that would call for changes in the way the data are disaggregated at the cell-level, and reaggregated at the submeasure level in the parity testing process. Two forms of masking were defined as follows:

Masking of Discrimination. There is the potential *masking of discrimination* where BellSouth passes the test when the subgroups are not split out, but BellSouth would have failed one of the tests had the subgroups been split out.

Masking of Parity. There is also the potential *masking of parity* where BellSouth fails the test when the subgroups are not split out, but BellSouth would have passed one or both of the tests had the subgroups been split out.

AT&T statistician Dr. Robert Bell represented the CLECs in this process, and BellSouth had PricewaterhouseCoopers LLP statistical consultant Dr. Edward Mulrow, one of the authors of the Louisiana Statisticians' Report,¹ participated in the analysis. A team of statisticians from Ernst & Young LLP, including Dr. Mary Batcher, Ms. Susan Garille Higgins and Ms. Ru Sun, also participated in the analysis, and provided most of the data processing work. BellSouth also requested that Dr. Fritz Scheuren, another author of the Louisiana Statisticians' Report, join the team partway through analysis. Other representatives from BellSouth, AT&T, as well as a LPSC staff representative also provided input at various stages.

There were no statistical tools available to assess whether or not masking occurred in the SEEM system, so the statisticians applied related concepts and developed two diagnostic tools to assess the situation. The main diagnostic studied by the statisticians was a test for heterogeneity. The statisticians used the following definition of heterogeneity:

¹ "Statistical Techniques For The Analysis And Comparison Of Performance Measurement Data." Submitted to the LPSC, Docket U-22252 Subdocket C. Revised February 28, 2000.

Heterogeneity. *Heterogeneity* is a systematic tendency for relative performance on a submeasure to be better for one subset of transactions (group of cells) than for another subset.

Since all cell-level Z-scores are produced on a standardized scale, distinguishing homogeneity and heterogeneity was difficult but in the end turned out to be doable. The team developed a test statistic, Z_{AB} , which is designed to have a standard normal distribution for an arbitrary split of a homogeneous group of cells. However, when heterogeneity exists Z_{AB} should systematically deviate from zero. A diagnostic graphical tool was also developed to assess when masking was taking place. These two diagnostic tools together allowed the statisticians to see if there was any association between heterogeneity and masking. Section II of Appendix 1 provides more detail on these concepts.

Through the use of the Z_{AB} statistic to determine if heterogeneity was present and diagnostic graphical tools, the statisticians explored SEEM performance measure data from the January 2002 through April 2002 time period. This exploration enabled Dr. Bell to lay out a set of criteria for judging when heterogeneity was systematically present. This set of criteria was then applied to the May 2002 through April 2003 time period. Additionally, the diagnostic graphic tools were used to determine when masking was present during the same time period. The results and conclusions of this analysis are presented below.

II. Results

The work done jointly by the CLEC and BellSouth statisticians began with an exploratory phase where the SEEM performance measurement data for the period January 2002 through April 2002 were examined. These results were reported to the LPSC on April 21, 2003.² The two diagnostic analysis tools already mentioned were created during this period, but because so little data had been examined, only four months, there was insufficient information to draw conclusions about individual submeasures. A further test of 12 more months was agreed to with data from May 2002 through April 2003. It is the results from these additional 12 months that will be focused on in this report.

As in the original analysis of January 2002 through April 2002 data, only those situations where cell counts were generally³ at least 20 for the CLECs and BellSouth were

² Over the 4-month period from January 2002 through April 2002, there were 128 combinations of measure, mode, factor, and month that are examined. Descriptions of these combinations can be found in Table 1. In over half (57%) of these combinations, there is no heterogeneity detected and in all but 1 of these cases there is no evidence of potential masking. Of the 55 (43%) cases where heterogeneity is detected, 34 (62%) are cases where there appears to be no evidence of potential masking, 6 (11%) cases of potential masking of parity service, and 15 (27%) cases of potential masking of discriminatory service. Of these 15 cases, 9 (60%) occur for PMIA, Mode 1 for various categories. The other 6 cases are distributed more or less evenly among ACNI, MAD, PT30, and RT30.

³ The January 2002 through April 2002 analysis included one case of a cell count of less than 20: PMIA, Mode 1, Non-Residence, March 2002 had a cell count of 15. The May 2002 through April 2003 analysis

examined.⁴ (See Appendix 2.) Table 1 details the cases that meet this criterion. Also, as was done in the analysis of the January 2002 through April 2002 data, since the transaction count in Tier I cells can frequently be less than 20, only Tier II cells were considered for analysis.

Table 1. Measure† – Mode‡ – Factor Combinations Analyzed

Measure	Dispatch Status: Dispatched & Non-Dispatched	Order Type: Change & New or Transfer	Product Group: Residence & Non-Residence
PMIA	Modes 1, 4	Modes 1, 4	Mode 1
ACNI	Modes 1, 4	Modes 1, 4	Mode 1
OCI	Modes 1, 4	Modes 1, 4	Mode 1
PT30	Modes 1, 4	Modes 1, 4	Mode 1
MRA	Modes 1, 4		Mode 1
MAD	Modes 1, 3, 4		Mode 1
RT30	Modes 1, 3, 4		Mode 1
CTRR			Mode 1

† **Measure Abbreviations:** PMIA = Percent Missed Installation Appointments; ACNI = Average Completion Notice Interval; OCI = Order Completion Interval; PT30 = Provisioning Troubles Within 30 Days; MRA = Missed Repair Appointments; MAD = Maintenance Average Duration; RT30 = Repeat Troubles Within 30 Days; CTRR = Customer Trouble Report Rate.

‡ **Mode Abbreviations:** Mode 1 = Resale POTS; Mode 2 = Resale Design; Mode 3 = UNE Loops; Mode 4 = UNE Loops and Port Combos; Mode 5 = Interconnection Trunks; Mode 6 = UNE xDSL; Mode 7 = UNE Line Sharing.

To move from the early exploratory phase in our first analysis, Dr. Bell developed a set of criteria to be used to confirm whether heterogeneity existed for a given measure – mode – factor combination. The criteria, which require statistically significant patterns of Z_{AB} values in the anticipated direction, were designed to sharply limit the likelihood of finding heterogeneity where none existed. This confirmatory analysis used May 2002 through April 2003 data to test pre-specified hypotheses suggested by the evidence of heterogeneity in the January 2002 through April 2002 data. The analysis determined that heterogeneity was present for 15 combinations of measure, mode, and heterogeneity factor (e.g., dispatched versus non-dispatched), involving 12 distinct submeasures.⁵ (See Appendix 3.)

included six cases of cell counts less than 20: PMIA, Mode 1, Non-Residence, December 2002, February 2003, March 2003, and April 2003 had cell counts of 17, 12, 13, and 16, respectively. RT30, Mode 3, Non-Dispatched, May 2002 and December 2002 had cell counts of 16 and 18, respectively.

⁴ While analyzing this system over the past few years, Dr. Mulrow determined through computer experiments (that is, statistical simulations) that, for many situations, 20 is an acceptable number of cells in order to have a truncated Z-score without severe skewness problems.

⁵ The 15 combinations of measure, mode, and factor (shown in parentheses) are ACNI, Mode 1 (Dispatch Status and Order Type); ACNI, Mode 4 (Dispatch Status and Order Type); PMIA, Mode 1 (Dispatch Status and Order Type); MAD, Mode 1 (Product Group); MAD, Mode 4 (Dispatch Status); MRA, Mode 1 (Dispatch Status); MRA, Mode 4 (Dispatch Status); OCI, Mode 1 (Order Type); PT30, Mode 1 (Order Type); PT30, Mode 4 (Order Type); CTRR, Mode 1 (Product Group); and RT30, Mode 1 (Product Group).

Over the 12-month period from May 2002 through April 2003, there are 384 combinations of measure, mode, factor, and month that are examined. Descriptions of these combinations can be found in Table 1. In over half (65%) of these combinations, there is no heterogeneity detected. In all but one of these cases there is no evidence of potential masking.

Of the 134 (35%) cases where heterogeneity is detected, there are 112 (84%) with no evidence of potential masking, 2 (1%) cases of potential masking of parity service, and 20 (15%) cases of potential masking of discriminatory service. Of these 20 cases, 11 (55%) occur for PMIA, Mode 1 for various categories. The other 9 cases are distributed more or less evenly among ACNI, MAD, MRA, and RT30. In short, of the 384 combinations of measure, mode, factor, and month, there were 21 (5%) cases of potential masking.

For Tier II, a penalty payment is computed only if BellSouth fails for three consecutive months for a given measure – mode combination. The team looked for instances where masking of discrimination eliminated a situation where penalty payments should have been calculated. In other words, were there any combinations of failure and potential masking of discrimination that occurred for three consecutive months? During the 12-month period from May 2002 through April 2003, potential masking of discrimination occurred just once for three consecutive months (November 2002 – January 2003). This was for PMIA, Mode 1, Product Group.

In addition, repeated potential masking of discrimination occurred, although not in two consecutive months, for three of the 12 submeasures identified as heterogeneous. (See Appendix 4.)

- PMIA, Mode 1, Dispatch Status: 3 out of 12 months
- MRA, Mode 4, Dispatch Status: 4 out of 12 months
- RT30, Mode 1, Product Group: 2 out of 12 months.

III Recommendations

The recommendations provided in this section are of two types: (1) Recommendations for changes in the basis system itself, and (2) Recommendations for further research on SEEM.

Action Recommendations

The statisticians agree on the findings reported in the Results section. However, there is a lack of consensus about the appropriate action to recommend based on these results. The table below details areas of agreement and disagreement of various recommendations.

Recommendation #1: Split Three of the Existing Submeasures Further⁶	
Dr. Bell's Position	Dr. Scheuren's Position
<p>1. For each of these three submeasures, the current aggregation has masked strong evidence of subparity performance on multiple occasions from May 2002 through April 2003. Depending on the submeasure, truncated Z-score values of less than -2.2 for a pre-specified subgroup of cells were masked two, three, or four times in twelve months. For each submeasure, at least one truncated Z-score value reached -3.30 (corresponding to a P-value of less than 1 in 2,000). Consequently, there is no need for and nothing to gain by continued analysis of more months of data for these submeasures.</p>	<p>1. Dr. Bell's concerns about two and maybe all three of these submeasures may be warranted. This is true despite the fact that the link anticipated between heterogeneity and masking of parity turned out to be weaker than expected. Also, there seems to be little evidence that masking of discrimination for these three measure-mode-factor combinations might become more frequent in the future. In fact, the masking of discrimination for these three became relatively less frequent in the May 2002 through April 2003 period (25%) than it had been in the January 2002 through April 2002 period (42%).</p>
<p>2. Whether it is a good idea to collapse some submeasures is a question that requires business expertise beyond that of the statisticians. Presumably, the decision to create separate submeasures for each of the seven modes was based on a business judgment that these distinct sets of products involved distinct service processes that should not be combined for performance measurement.</p>	<p>2. We agree with Dr. Bell's observation that the decision to create separate new measures, whether by combining them or further splitting them, should be based mainly on a business decision. Therefore, we asked BellSouth to use their business judgment to propose three cases where collapsing three current submeasures would make sense, so as to balance the three measures that might have to be split.⁷</p>
<p>3. On the other hand, data analysis can shed light on the assertion that Recommendation #1 would inappropriately increase the probability of Type I errors (suggesting a need to counter this with the collapse of three pairs of submeasures). Past data indicate that the probability of a Type I error for any of these submeasures has been essentially zero because the truncated Z-score statistic was being driven by a group of cells with very good service (see Appendix 2 and Table 1 of Appendix 4). As long as this remains the case, the only type of error that is possible for the other group of cells is a Type II error. Consequently, there is no need to compensate for any submeasures that are split.</p>	<p>3. We believe BellSouth should prepare to implement Dr. Bell's proposal but worry about the possible increase in Type I error and that is why we are recommending a period in which a compensating change be made to keep the number of measures unchanged. We do not agree with the reasoning underlying Dr. Bell's position regarding Type I error. Instead we feel that a period of further testing, where an alternative is considered alongside what is now being done would be prudent. The key phrase in Dr. Bell's observations is the qualifier to his opinion that begins "as long as this remains the case." Without the presence of further evidence, due diligence would suggest the need to compensate for any measures that are split.</p>

⁶ Split three submeasures into six submeasures: (1) Split PMIA-Mode 1 into PMIA-Mode 1-Dispatched and PMIA-Mode 1-Non-Dispatched or into PMIA-Mode 1-New or Transfer Orders and PMIA-Mode 1-Change Orders. (2) Split MRA-Mode 4 into MRA-Mode 4-Dispatched and MRA-Mode 4-Non-Dispatched. (3) Split RT30-Mode 1 into RT30-Mode 1-Residence Products and RT30-Mode 1-Non-Residence Products.

⁷ BellSouth proposed that they would (1) collapse the two submeasures Resale POTS (Mode 1) and Resale Design (Mode 2) into Resale and (2) collapse the three submeasures UNE Loops (Mode 3), UNE xDSL (Mode 6), and UNE Line Sharing (Mode 7) into UNE Loops.

Recommendation #2: Split Seven of the Existing Submeasures Further⁸	
Dr. Bell's Position	Dr. Scheuren's Position
<p>1. While masking by the formal definition did not occur from May 2002 through April 2003 for any of these submeasures, there were instances of large negative truncated Z-scores in the hypothesized direction that were masked (-2.50 for OCI, Mode 1; -4.22 for PT30, Mode 4; and -3.61 for CTRR, Mode 1). Furthermore, there is the potential for masking in the future. If service deteriorates in coming months, there would be little or no chance to detect it using the current submeasure aggregations. Simply monitoring these submeasures for nine more months means that poor performance could easily go unremedied for a year or more.</p>	<p>1. For these measures masking arguably happened so infrequently that the problem is "in the noise" and not warranting adjustment, unless a wholesale series of changes were to be made. (Potential masking of discrimination did not occur during May 2002 through April 2003 for MAD-Mode 4, OCI-Mode 1, PT30-Mode 1, PT30-Mode 4, CTRR-Mode 1, or MAD-Mode 1. Potential masking of discrimination occurred one time out of 12 months for MRA-Mode 1, Product Group.) We agree that masking may occur in the future but propose that only further regular monitoring be done and that this be done in a timely manner, perhaps quarterly.</p>
<p>2. There is no reason not to split these seven measures. As with the three submeasures listed in Recommendation #1, the risk in terms of increased Type I error is very small. In contrast, two other submeasures for which systematic heterogeneity was observed, ACNI Modes 1 and 4, are excluded from this recommendation because splitting them would increase the probability of Type I errors.</p>	<p>2. There seems to be little evidence that masking of discrimination for these seven measure-mode-factor combinations might become more frequent in the future. In fact, the masking did not occur for these seven in the May 2002 through April 2003 period (0%) as it did in the January 2002 through April 2002 period (4%). To reiterate, only regular monitoring is proposed, using the same approach that was taken on data from January 2002 through April 2003.</p>

⁸ (1) Split MAD-Mode 4 into MAD-Mode 4-Dispatched and MAD-Mode 4-Non-Dispatched. (2) Split MRA-Mode 1 into MRA-Mode 1-Dispatched and MRA-Mode 1-Non-Dispatched. (3) Split OCI-Mode 1 into OCI-Mode 1-New or Transfer Orders & OCI-Mode 1-Change Orders. (4) Split PT30-Mode 1 into PT30-Mode 1-New or Transfer Orders & PT30-Mode 1-Change Orders. (5) Split PT30-Mode 4 into PT30-Mode 4-New or Transfer Orders & PT30-Mode 4-Change Orders. (6) Split CTRR-Mode 1 into CTRR-Mode 1-Residence Products & CTRR-Mode 1-Non-Residence Products. (7) Split MAD-Mode 1 into MAD-Mode 1-Residence Products & MAD-Mode 1-Non-Residence Products. Note that this recommendation only discusses masking of discrimination. As noted in the Results Section of this report, masking of parity also occurs for certain submeasures. No recommendations for masking of parity are being proposed.

Research Recommendations

The joint statistical work has been a success and should continue at a modest level, if only as a matter of due diligence. After all, the methods currently used by BellSouth in SEEM to compare the service it provides to its customers with the service that it provides to the CLECs' customers are very complex. Occasionally SEEM appears to have small failures favoring either BellSouth or all CLECs in total. A way to discover and assess these is needed and to determine what (if any) repairs are warranted. To this end there are three specific consensus recommendations offered:

Regular Monitoring. Because of the complexity of SEEM a joint team of BellSouth and CLEC statisticians should monitor results regularly. Every twelve months appears sufficient. Initially this would be done by continuing the current examination of heterogeneity and masking but eventually, depending on the two further recommendations made below the monitoring might shift to other system factors. Short reports from this monitoring would be produced regularly for the LPSC by the joint statistical team.

Tier I Masking. Heterogeneity and masking have only been examined on a subset of Tier II data because there is not a sufficient amount of data at the Tier I level to perform the analysis. But we should be careful in drawing conclusions about Tier I based on Tier II analysis; it does not necessarily follow that heterogeneity and masking exist at the Tier I level even if it exists at the Tier II level. There is a consensus among the statisticians that further work here might be useful, if only to develop new diagnostic tools similar to those employed at the Tier II level in the current analysis.

Distributional Concerns. There are several distributional issues that exist in the current system. For example the current SEEM model assumes a normal distribution of the truncated Z-scores. In fact, the distribution may be skewed. As has been proposed in the past, this should be researched to determine whether this weakness is big enough to warrant a fix. There are many cases where small numbers of cells are employed in the calculations, challenging distributional assumptions. These distributional concerns may need research attention. A systematic research effort on extreme values seems needed. The definition of these anomalies and some root cause analysis should be performed. For example, there are unexpected extreme Z_{AB} values that are frequently observed with the ACNI measure. Each of these examples individually and collectively raises concerns of normality of the test statistic (Z_{AB}) under the null hypothesis and under the alternative hypothesis.

IV. Supporting Documents

The following appendices are supplied as supporting documents to this report:

Appendix 1: Statistical Analysis of SEEM Disaggregation and Reaggregation (Appendix 1 – LA Stat Analysis Summary-21Apr2003 final - changes accepted.doc)

This document was filed with the LPSC on April 21, 2003 as the Statistician's Report. It summarizes the results of analysis performed on January 2002 through April 2002 data and was submitted in response to LPSC Docket Number U-22252-C. This document includes the following appendices:

- Appendix A: Louisiana Disaggregation Analysis (Appendix A-LA Disaggregation-2Apr2003.doc)
- Appendix B: An Analysis of the Time of Month Characteristic: A Report of Some Work in Progress (Appendix B-Time of Month Results-4Apr2003.doc)
- Appendix C: Heterogeneity and Masking Appendix (Appendix C-Heterogeneity and Masking-15Apr2003.doc)

Appendix 2: Heterogeneity and Masking May 2002 – April 2003 (Appendix 2 – Heterogeneity and Masking-2003_1119-DRAFT.doc)

This document provides details of the analysis of May 2002 through April 2003 data. It is an updated version of the Appendix C-Heterogeneity and Masking-15Apr2003.doc file that was submitted as Appendix C to the April 21, 2003 filing.

Appendix 3: Results of Heterogeneity Assessment Associated with Pre-Specified Hypotheses for May 2002 to April 2003 (Appendix 3 - Results of Heterogeneity Assessment-2003_0902.doc)

This document was prepared by Dr. Robert Bell. It summarizes Dr. Bell's assessment of heterogeneity for pre-specified submeasures based on the information provided in Appendix 2: Heterogeneity and Masking May 2002 – April 2003.

Appendix 4: Assessment of Masking for Submeasures Previously Determined to be Heterogeneous (Appendix 4 - Assessment of Masking-2003_0918.doc)

This document was prepared by Dr. Robert Bell. It summarizes Dr. Bell's analysis of masking based on the information provided in Appendix 2: Heterogeneity and Masking May 2002 – April 2003.

1. The data is for the measurements that capture the activities of individual CLECs. It is not precisely Tier 1 data (meaning that it did not come from PARIS) but it is very representative of the level of activity in the Tier 1 measurements in PARIS. This data is for all CLECs, in aggregate. Nearly all of the data is Florida. Some, such as Flow Through or Acknowledgements, is regional.
2. You had asked that we take the sheet from August through October and add November and December. You'll recall that we converted to SRS reporting late last year. As a result, the data for August through December, while available, was more readily accessible starting in September forward. So, we provided the data for September through February – not the exact months you requested, but one more month of data.
3. The definition of the numbers for each submetric is listed in the second column. These are generally the denominator of the measurement but, in several instances, they're the numerator. As an example, the Customer Trouble Report Rate is reported troubles – the numerator. The denominator for that measurement is lines in service. Arguably, the in-service base, a relatively static number, may not provide a good indicator of 'activity' in that measurement.
4. Some headlines. In a typical month:
 - a. 40% of the submetrics have no activity – for the entire state.
 - b. Less than 25% have activity of 100 or more for all of the approximately 200 CLECs in the state.

See the bottom of the Excel sheet for this data.

Truncated Z with Error Probability Balancing
Calculation Example
Percent Missed Installations

Cell (i)	ILEC Sample Size (n _{1i})	No. ILEC Misses (a _{1i})	ILEC Prop. of Misses (p _{1i})	CLEC Sample Size (n _{2i})	No. CLEC Misses (a _{2i})	CLEC Prop. of Misses (p _{2i})	Total Sample (n)	Total No. of Misses (a)	Z Score (Z _i)	Weight (W _i)	Truncated Score (Z _i [*])
1	361	70	0.19	16	4	0.25	377	74	-0.55	1.55	-0.55
2	2002	15	0.01	4	1	0.25	2006	16	-5.45	0.18	-5.45
3	80	18	0.23	4	0	0.00	84	18	1.06	0.80	0.00
4	2356	20	0.01	3	0	0.00	2359	20	0.16	0.16	0.00
5	24	6	0.25	5	0	0.00	29	6	1.23	0.82	0.00
6	290	50	0.17	11	4	0.36	301	54	-1.62	1.25	-1.62
7	4201	24	0.01	13	1	0.08	4214	25	-3.34	0.28	-3.34
8	660	31	0.05	80	7	0.09	740	38	-1.55	1.86	-1.55
9	4988	25	0.01	60	5	0.08	5048	30	-7.85	0.59	-7.85
10	627	10	0.02	45	3	0.07	672	13	-2.38	0.89	-2.38
Null Mean	Null Variance	Numerator Truncated Z	Denominator Truncated Z	Alternative Mean	Alternative Variance	Balancing Critical Value Numerator	Balancing Critical Value Denominator(1)	Balancing Critical Value Denominator(2)			
M _{0j}	V _{0j}	W _j (Z _i [*] - M _{0j})	W _j ² V _{0j}	M _{1j}	V _{1j}	W _j (M _{1j} + .399)	W _j ² V _{1j}	W _j ² (.341)			
-0.41	0.62	-0.22	1.50	-0.82	0.79	-0.65	1.90	0.824			
-0.08	0.99	-0.95	0.03	-0.77	1.10	-0.07	0.03	0.011			
-0.39	0.65	0.32	0.42	-0.80	0.77	-0.32	0.49	0.219			
-0.08	0.99	0.01	0.02	-0.76	1.10	-0.06	0.03	0.009			
-0.33	0.77	0.27	0.52	-0.70	0.67	-0.25	0.45	0.231			
-0.43	0.40	-1.48	0.62	-1.10	0.94	-0.88	1.47	0.532			
-0.16	0.95	-0.88	0.07	-0.85	1.21	-0.13	0.09	0.026			
-0.43	0.46	-2.08	1.61	-1.39	1.49	-1.85	5.20	1.185			
-0.13	0.97	-4.57	0.34	-0.82	1.17	-0.25	0.41	0.119			
-0.37	0.71	-1.80	0.56	-1.03	1.25	-0.56	0.99	0.271			
Sum		-11.38	5.70			-5.01	11.08	3.43			
Truncated Z(Z[*])			-4.77			Balancing Critical Value (c_a)		-0.97			

CLEC Coalition Proposed Changes

Proposed Change	CLEC Reasoning	BST Response
<p>Administrative Review: After 6 consecutive violations, the affected CLEC has the right to request an administrative review by Staff. Similarly, after 6 months of Tier 2 violations, any CLEC with volume for that submeasure has the right to request an administrative review.</p>	<p>At the review, the CLEC could propose additional actions to identify the source of that problem and to alleviate it.</p>	<ul style="list-style-type: none"> ➤ <u>This provision is unnecessary. The CLECs have always had the right to request an administrative review whenever it believes that BellSouth's performance to CLECs is discriminatory or causes harm.</u> ➤ <u>Further, while the statistical test may suggest that BST's performance was out of parity for 6 consecutive months, this does not necessarily indicate that there was a material difference between retail and CLEC performance levels.</u>
<p>PARIS Reporting The CLEC Coalition requests that this Commission require BellSouth to report the specific information in its CLEC-specific PARIS reports for each submeasure to Disclose Degree of Non-Compliance.</p> <p>The CLEC Coalition proposes that BellSouth be required to Disclose Source of Adjustments and cite detailed requirements as to what information should be disclosed and how.</p>	<p>Disclose Degree of Non-Compliance</p> <ul style="list-style-type: none"> ➤ Currently: <ul style="list-style-type: none"> ○ Inadequate to understand level of severity ○ Only remedy amounts are provided ○ No underlying data for compliance determination calculations ➤ Disclose degree of non-compliance for a given violation ➤ Greater visibility into non-compliance determination ➤ Better understanding of how remedy amounts were derived ➤ Data currently reported in LA, but not necessarily useful to them ➤ Should help to provide delta comparisons <p>Disclose Source of All Adjustments</p> <ul style="list-style-type: none"> ➤ Currently: <ul style="list-style-type: none"> ○ No disclosed substantiation for adjustments ○ No reference linking adjustment to a notification or description to clearly determine the source ○ Multiple adjustments, possibly from different errors, sometimes posted in single total adjustment 	<ul style="list-style-type: none"> ➤ <u>It was unclear how the CLECs wanted the report formatted and what information it should contain. CLECs provided additional information in their responses to action items filed on 10/11/2004. BellSouth is reviewing that information and will discuss in upcoming workshops</u> ➤ <u>With respect to the proposed requirement to "Disclose Source of Adjustments," BellSouth worked with several CLECs in the Louisiana workshops and thought that the report format developed met the CLECs' identified needs.</u> ➤ <u>If that format is not sufficient, BellSouth needs more definitive and specific, not general, input on the desired disclosure format CLECs are requesting. CLECs provided additional information in their responses to action items filed on 10/11/2004. BellSouth is reviewing that information and will discuss in upcoming workshops.</u>

SEEM Non-Technical Matrix
BellSouth Proposed Changes

Row #	Proposed Change	BST Reasoning	CLEC Response
1	Reporting 2.1: ...with BellSouth's SQMs <u>and pay penalties in accordance with the applicable SEEMs, which are posted on the Performance Measurement Reports website.</u>	Clarification and correction.	>
2	Reporting 2.2: BellSouth will also provide electronic access to the available raw data underlying the SQMs.	Correction.	>
3	Reporting 2.4: Final validated SEEM reports will be posted on the <u>Performance Measurements Reports website on the 15th day of the month, following the posting of final validated SQM reports for that data month or the first business day thereafter.</u>	Clarification	>
4	Reporting 2.6: BellSouth shall pay penalties to the Commission, in the aggregate, for all incomplete or inaccurate <u>reposted</u> SQM reports in the amount of \$400 per day. See Appendix G for definition of "reposted."	Only changes that are significant enough to trigger reposting according to the criteria could have a meaningful effect on data accuracy.	>
5	Reporting 2.7: Tier II SEEMS payments and Administrative fines and penalties for late, incomplete, and reposted reports will be sent via Federal Express to the Commission. Checks and the accompanying transmittal letter will be postmarked on or before the 15th of the month <u>or the first business day thereafter.</u>	To the extent that posted performance measurement reports are incomplete, the Reposting Policy covers the requirements to repost the data, and consequently to pay associated penalties. Accordingly, there is no need to reflect separately a penalty associated with incomplete reports. Wording is also provided to clarify that the due day for the postmarked transmittal of payments is based on the first relevant business day based on standard business practices.	>
6	Reporting 2.9: BellSouth will provide documentation of late and incomplete occurrences during the reporting month that the data is posted to the website.	Language is applicable to performance measurement data posting as required by the SQM only and not SEEM.	>
7	Review of Measurements and Enforcement Mechanisms 3.1: BellSouth will participate in six-month annual <u>annual</u> review cycles starting six months after one year from the date of the Commission order.	The review process lasts for several months and a series of six-month review cycles is not feasible. Therefore, BellSouth propose an annual review cycle, which may be more manageable for all parties involved.	>
8	Modification to Measures Review of Measurements and Enforcement Mechanisms 3.2 BellSouth and the ALECs shall file any proposed revisions to the SEEM plan one month prior to the beginning of each review period.	Unnecessary because Commission or Staff will establish schedule.	>

Florida Public Service Commission

SEEM Non-Technical Matrix

Row #	Proposed Change	BST Reasoning	CLEC Response
9	Modification to Measures Review of Measurements and Enforcement Mechanisms 3.3 From time to time, BellSouth may be ordered by the Florida Public Service Commission to modify or amend the SQMs or SEEMs. Nothing will preclude any party from participating in any proceeding involving BellSouth's SQMs or SEEMs from advocating that those measures be modified.	Superfluous	>
10	Enforcement Mechanisms Definitions 4.1.1 <i>Enforcement Measurement Elements</i> – performance measurements identified as SEEM measurements within the SEEM in this pPlan.	Correction to reflect removal of SEEM submetric identification from SQM.	>
11	Enforcement Mechanisms Definitions 4.1.2 <i>Enforcement Measurement Benchmark compliance</i> – competitive level of performance established by the Commission used to evaluate the performance of BellSouth and each ALEC for CLECs for penalties where no analogous retail process, product or service is feasible.	Clarification and correction	>
12	Enforcement Mechanisms Definitions 4.1.3 <i>Enforcement Measurement Retail Analog Compliance</i> – comparing performance levels provided to BellSouth retail customers with performance levels provided by BellSouth to the CLEC ALEC customer for penalties measures where retail analogs apply.	Clarification and correction.	>
13	Enforcement Mechanisms Definitions 4.1.4 <i>Test Statistic and Balancing Critical Value</i> – means by which enforcement will be determined using statistically valid equations. The Test Statistic and Balancing Critical Value properties are set forth in Appendix C, incorporated herein by this reference D, Statistical Formulas and Technical Description.	Correction.	>
14	Enforcement Mechanisms Definitions Section 4.1.5: Cell - ... all BellSouth retail ISDN (POTS) services, for residential customers, ...	Clarification and Correction	>
15	Enforcement Mechanisms Definitions 4.1.8 <i>Tier-2 Enforcement Mechanisms</i> – assessments paid directly to the Florida Public Service Commission or its designee. Tier 2 Enforcement Mechanisms are triggered by three consecutive monthly failures in Tier 2 enforcement measurement elements in which BellSouth performance is out of compliance or does not meet the benchmarks for the aggregate of all CLEC ALEC data as calculated by BellSouth for a particular Tier-2 Enforcement Measurement Element.	Clarification and correction.	>
16	Enforcement Mechanisms Definitions 4.1.9 <i>Affiliate</i> – person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term “own” means to own an equity interest (or the equivalent thereof) of more than 10Percent.	This term is not used in applying the methodology of the Plan therefore the definition is not needed.	>
17	Enforcement Mechanisms Definitions 4.1.9: <i>Affected Volume</i> – that proportion of the total impacted CLEC volume or CLEC Aggregate volume for which remedies will be paid.	New definition required for operation of proposed transaction-based remedy mechanism.	>
18	Enforcement Mechanisms Definitions	New definition required for operation	>

Florida Public Service Commission

SEEM Non-Technical Matrix

Row #	Proposed Change	BST Reasoning	CLEC Response
	<u>4.1.10 Parity Gap</u> – refers to the incremental departure from a compliant-level of service. This is also referred to as “diff” in Appendix D, Statistical Formulas and Technical Description.	of proposed transaction-based remedy mechanism.	
19	Enforcement Mechanisms Application 4.2.1 The application of the Tier1- and Tier-2 Enforcement Mechanisms does not foreclose other legal and regulatory claims and remedies available to each CLECALEC.	Correction.	>
20	Enforcement Mechanisms Application <u>4.2.2: ...performance and the payment of any Tier-1 or Tier-2 Enforcement Mechanisms shall not be used as evidence that BellSouth has not complied with or has violated any state or federal law or regulation. The payment of any Tier-1 Enforcement Mechanism to a CLEC shall be credited against any liability associated with or related to BellSouth’s service performance.</u> <u>It is not the intent of the Parties that BellSouth be liable for both Tier-2 Enforcement Mechanisms and any other assessments or sanctions imposed by the Commission. CLECs will not oppose any effort by BellSouth to set off Tier-2 Enforcement Mechanisms from any assessment imposed by the Commission.</u> <u>The Enforcement Mechanisms contained in this Plan have been provided by BellSouth on a voluntary basis in order to maintain compliance between BellSouth and each CLEC. As a result, CLECs may not use the existence of this section or any payments of any Tier-1 or Tier-2 Enforcement Mechanisms under this section as evidence that BellSouth has not complied with or has violated any state or federal law or regulation.</u>	These changes are to avoid situations where the CLECs are paid multiple times for problems associated with the same transaction or occurrence. Certainly the purpose of plans like the SEEM plan is not to unduly penalize BellSouth and unjustly enrich the CLECs. Similarly, Tier-2 penalties, which are paid to the Commission, should not represent dual assessments against BellSouth for the same performance related problems. Clarification to remove potential controversy about whether the proposed SEEM can be mandated.	>
21	Enforcement Mechanisms Methodology 4.3.1.1 All OCNs and ACNAs for individual CLECs ALECs will be consolidated for purposes of calculating <u>transaction measure-based failures</u> .	Transaction-based plan rather than a measure-based plan is proposed.	>
22	Enforcement Mechanisms Methodology 4.3.1.2 When a measurement has five or more transactions for the CLECALEC, calculations will be performed to determine remedies according to the methodology described in the remainder of the document.	Correction.	>
23	Enforcement Mechanisms Methodology 4.3.2 Tier-2 Enforcement Mechanisms will be triggered by BellSouth's failure to achieve applicable Enforcement Measurement Compliance or Enforcement Measurement Benchmarks for the State of Florida for given Enforcement Measurement Elements for three consecutive months. The based upon the method of calculation is set forth in Appendix D, incorporated herein by this reference <u>Statistical Formulas and Technical Description.</u>	Clarification.	>
24	Enforcement Mechanisms Methodology 4.3.2.1 Tier- 2 Enforcement Mechanisms apply, for an aggregate of all CLEC ALEC data generated by BellSouth, on a per measurement-transaction basis for a particular Enforcement Measurement Element <u>each Enforcement Mechanism Element for which</u>	See the discussion for section 4.3.1.3 above concerning the recommended change for Tier 1 from per-measure to a per-transaction based plan.	>

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SEEM Non-Technical Matrix

Row #	Proposed Change	BST Reasoning	CLEC Response
	BellSouth has reported non-compliance.		
25	<p>Enforcement Mechanisms Payment of Tier-1 and Tier-2 Amounts</p> <p>4.4.1 If BellSouth performance triggers an obligation to pay Tier-1 Enforcement Mechanisms to an <u>CLECALEC</u> or an obligation to remit Tier-2 Enforcement Mechanisms to the Commission or its designee, BellSouth shall make payment in the required amount by the 15th day of the second month following the month for which disparate treatment was incurred on the day upon which the final validated SEEM reports are posted on the Performance Measurements Reports website as set forth in Section 2.4 above.</p>	Clarification and to ensure consistency.	>
26	<p>Enforcement Mechanisms Payment of Tier-1 and Tier-2 Amounts</p> <p>4.4.2 For each day after the due date that BellSouth fails to pay an <u>CLECALEC</u> the required amount, BellSouth will pay the <u>CLECALEC</u> 6% simple interest per annum.</p>	Correction.	>
27	<p>Enforcement Mechanisms Payment of Tier-1 and Tier-2 Amounts</p> <p>4.4.3 For each day after the due date that BellSouth fails to pay the Tier-2 Enforcement Mechanisms, BellSouth will pay the Commission an additional \$1,000 per day.</p>	<u>Clarification</u>	>
28	<p>Enforcement Mechanisms Payment of Tier-1 and Tier-2 Amounts</p> <p>4.4.4: ... within sixty (60) days after the payment due date of the performance measurement report for which the obligation arose.</p> <p>... within thirty (30) days after its findings along with 6Percent% simple interest per annum. However, the ALEC shall be responsible for all administrative costs associated with resolution of disputes that result in no actual payment. Administrative costs are those reasonable costs incurred in the resolution of the disputed matter. Such costs would include, but not be limited to, postage, travel and lodging, communication expenses, and legal costs. If BellSouth and the ALEC have exhausted good faith negotiations and are still unable to reach a mutually agreeable settlement pertaining to the amount disputed, the Commission will settle the dispute. If Commission intervention is required, a mediated resolution will be pursued.</p>	Clarification and correction.	>
29	<p>Enforcement Mechanisms Payment of Tier-1 and Tier-2 Amounts</p> <p>4.4.5 At the end of each calendar year, an independent accounting firm, mutually agreeable to the Florida Public Service Commission and BellSouth, shall certify that all penalties under that the results of all penalties under Tier 1 and Tier 2 Enforcement Mechanisms were paid and accounted for in accordance with Generally Accepted Account Principles (GAAP). These annual audits shall be performed based upon audited data of BellSouth's performance measurements.</p> <p><u>For Tier-2 Enforcement Mechanisms, if the Commission requests clarification of an amount paid, a written claim shall be submitted to BellSouth within sixty (60) days after the date of the performance measurement report for which the obligation arose. BellSouth shall investigate all claims and provide the Commission written findings within thirty (30) days after receipt of the claim. If BellSouth determines the Commission is owed additional amounts, BellSouth shall pay such additional amounts within thirty (30) days after its findings along with 6% simple interest per annum.</u></p>	<p>The deleted portion is covered to the extent necessary by revised audit provisions. The Audit Policy is provided herein as section 4.8.</p> <p>Correct oversight by adding procedure to address clarification requests for Tier 2 by the Commission, which already exists for Tier 1 for CLECs.</p>	>
30	Enforcement Mechanisms Payment of Tier-1 and Tier-2 Amounts	Prevent unreasonable situation where	>

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Row #	Proposed Change	BST Reasoning	CLEC Response
	<u>4.4.6: BellSouth may set off any SEEM payments to a CLEC against undisputed amounts owed by a CLEC to BellSouth pursuant to the Interconnection Agreement between the parties which have not been paid to BellSouth within ninety (90) days past the Bill Due Date as set forth in the Billing Attachment of the Interconnection Agreement.</u>	BellSouth is paying SEEM to a CLEC who is not paying an undisputed bill.	
31	Enforcement Mechanisms Payment of Tier-1 and Tier-2 Amounts <u>4.4.7 Any adjustments for underpayment or overpayment of calculated Tier 1 and Tier 2 remedies will be made consistent with the terms of BellSouth's Policy On Reposting Of Performance Data and Recalculation of SEEM Payments, as set forth in Appendix G of this document.</u>	This provision is provided to formalize the incorporation of the Reposting Policy.	>
32	Enforcement Mechanisms Payment of Tier-1 and Tier-2 Amounts <u>4.4.8 Any adjustments for underpayments will be made in the next month's payment cycle after the recalculation is made. The final current month PARIS reports will reflect the final paid dollars, including adjustments for prior months where applicable. Questions regarding the adjustments should be made in accordance with the normal process used to address CLEC questions related to SEEM payments.</u>	Clarify by stating current practice used to make adjustments and address CLEC questions.	>
33	Enforcement Mechanisms Limitations of Liability <u>4.5.1 BellSouth's total liability for the payment of Tier 1 and Tier 2 Enforcement Mechanisms shall be collectively and absolutely capped at 39% of net revenues in Florida, based upon the most recently reported ARMIS data.</u>	Addressed in new Section 4.7 entitled "Enforcement Mechanism Cap."	>
34	Enforcement Mechanisms Limitation of Liability <u>4.5.2: BellSouth will not be obligated to pay Tier-1 or Tier-2 ... if such noncompliance results from... failure to follow established and documented procedures.</u>	Clarifies current provisions by stating additional specific instances where BellSouth should not be obligated to pay SEEM.	>
35	Enforcement Mechanisms Limitations of Liability <u>4.5.3 BellSouth shall not be obligated for Tier 1 or Tier 2 Enforcement Mechanisms for noncompliance with a performance measure if such non-compliance was the result of an act or omission by a ALEC that was in bad faith.</u>	Covered in revised Section 4.5.2.	>
36	Enforcement Mechanisms Limitations of Liability <u>4.5.4: ...a Force Majeure event (as defined in the most recent version of BellSouth's standard Interconnection Agreement)</u>	Clarification by identifying the specific source of the definition of a Force Majeure event	>
37	Enforcement Mechanisms Affiliate Reporting <u>4.6 Affiliate Reporting-Change of Law</u>	This is a new section that uses the section number previously designated for Affiliate Reporting.	>
38	Enforcement Mechanisms <u>Affiliate Reporting-Change of Law</u> 4.6.1 <u>Upon a particular Commission's issuance of an Order pertaining to Performance Measurements or Remedy Plans in a proceeding expressly applicable to all CLECs, BellSouth shall implement such performance measures and remedy plans covering its performance for the CLECs, as well as any changes to those plans ordered by the Commission, on the date specified by the Commission. If a change of law relieves</u>	The Affiliate Reporting section is eliminated because it is irrelevant for SEEM. That is, this provision is unnecessary to determine whether BellSouth provides nondiscriminatory access. The standards for nondiscriminatory access are defined for each metric in the SQM.	>

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Row #	Proposed Change	BST Reasoning	CLEC Response
	<p><u>BellSouth of the obligation to provide any UNE or UNE combination pursuant to Section 251 of the Act, then upon providing the Commission with 30 days written notice. Bellsouth will cease reporting data or paying remedies in accordance with the change of law. Performance Measurements and remedy plans that have been ordered by the Commission can currently be accessed via the Internet at http://pmap.bellsouth.com. Should there be any difference between the performance measure and remedy plans on BellSouth's website and the plans the Commission has approved as filed in compliance with its orders, the Commission-approved compliance plan will supersede as of its effective date.</u></p>	<p>Adds specific provision to address how changes of law will be handled in SEEM. This provision represents a reasonable balance between providing adequate notice that payments will cease with prompt relief for BellSouth to discontinue payments that should no longer be required.</p>	
40	<p>Affiliate Reporting—Enforcement Mechanism Cap BellSouth shall provide monthly results for each metric for each BellSouth ALEC affiliate; however, only the Florida Public Service Commission shall be provided the number of transactions or observations for BellSouth ALEC affiliates. Further, BellSouth shall inform the Commission of any changes regarding non-ALEC affiliates' use of its OSS databases, systems, and interfaces. 4.7 Add Section: <u>Enforcement Mechanism Cap</u></p>	<p>Separates provisions related to the Enforcement Mechanism Cap into its own section. Formerly, this information was reflected in section 4.5.1.</p>	>
41	<p><u>Audits</u> 4.8 – 4.8.1: Add new section: <u>Audits</u></p>	<p>Incorporates a more thorough audit plan into SEEM. Having all parties share in the cost provides equal incentive to limit the scope of the audit to meaningful activities.</p>	>
42	<p>Dispute Resolution 4.74.9 Notwithstanding any other provision of the Interconnection Agreement between BellSouth and each <u>CLECALEC</u>, any dispute regarding BellSouth's performance or obligations pursuant this Plan shall be resolved by the Commission.</p>	<p>Correction.</p>	
43	<p><u>Regional and State Coefficients Section 4.10</u></p>	<p>Provided for completeness of documentation. Describes method currently used to apportion penalties calculated for regional measures and modified based on the proposed change from a measurement-based plan to a transaction-based plan.</p>	>
44	<p>Fee Schedule Liquidated Damages for Tier-2 Measures Table 2 Appendix A, Table A.2, reflects the current and proposed changes to the Fee Schedule. See Redlined SEEM plan, Exhibit B, for proposed changes.</p>	<p>Same rationale as for Table 1 above. See Attachment 1 to this exhibit for the rationale for changes in specific fees.</p>	>
45	<p>SEEM Sub-metrics Applicable to all SEEM sub-metrics Tables B-1 and B-2. General approach taken to set of measures included in plan.</p>	<p>Generally, one measure of timeliness and one measure of accuracy should apply to each major domain; e.g., Ordering, Provisioning, Maintenance & Repair, etc. In addition to the specific reasons given below,</p>	>

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SEEM Non-Technical Matrix

Row #	Proposed Change	BST Reasoning	CLEC Response
		BellSouth is proposing to move closer to this general concept with the following changes. Also, measures of some intermediate processes were removed because such process may have little if any customer effect and any significant customer effect would likely be reflected in other measures.	
46	SEEM Sub-metrics Measure OSS-1 Table B-2: Tier 2 Sub-metrics Remove measure OSS-1, Average Response Interval and Percent within Interval (Pre-Ordering/Ordering), from Tier 2 of the SEEM plan.	BellSouth proposed removal of this measure from the SQM. See SQM matrix filed on July 28, 2004 for the rationale.	>
47	SEEM Sub-metrics Measure OSS-4 Table B-2: Tier 2 Sub-metrics Remove measure OSS-4, Response Interval (Maintenance & Repair), from Tier 2 of the SEEM plan.	BellSouth proposed removal of this measure from the SQM. See SQM matrix filed on July 28, 2004 for the rationale.	>
48	SEEM Sub-metrics Measure PO-1 Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics Remove measure PO-1, Loop Makeup –Response Time-Manual, from Tier 1 and Tier 2 of the SEEM plan.	BellSouth proposed removal of this measure from the SQM. See SQM matrix filed on July 28, 2004 for the rationale.	>
49	SEEM Sub-metrics Measure O-1 Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics Remove measure O-1, Acknowledgement Message Timeliness from Tier 1 and Tier 2 of the SEEM plan.	BellSouth proposed removal of this measure from the SQM. See SQM matrix filed on July 28, 2004 for the rationale.	>
50	SEEM Sub-metrics Measure O-2 (AKC) Table B-1: Tier 1 Sub-metrics Remove measure O-2, Acknowledgement Message Completeness, from Tier 1 of the SEEM plan. This measure would apply to Tier 2 only.	Measure O-2 tracks whether an acknowledgement is returned to the CLECs after an LSR or transmission is electronically submitted. If acknowledgments are not being sent, it does not directly affect the CLECs ability to provide service to its customer but is a secondary measure of an intermediate process. As such, intermittent deficiencies, particularly with the high benchmark do not indicate a significant problem. Consequently, penalties should only apply if there are persistent problems	>

Row #	Proposed Change	BST Reasoning	CLEC Response
		<p>in this area, which is the situation that Tier 2 was designed to address. Also, this measure captures performance related to an electronic process that uses regional systems, problems that occur Are not limited to individual CLECs, as intended when Tier 1 penalties apply. Further the nature of electronic systems usually makes this problem largely self-correcting and any harm that occurs affects the industry as a whole not an individual CLEC. Therefore, this measure should be included in Tier 2 only. If BellSouth's performance for a given month triggers the Low Performance Fee Schedule, BellSouth will pay Tier 1 penalties in addition to Tier 2 penalty for the month involved.</p>	
51	<p>SEEM Sub-metrics Measures O-3 & O-4; (PFT) Table B-1: Tier 1 Sub-metrics BellSouth recommended combining measure O-4, Flow-Through Service Requests (Detail), with measure O-3, Flow-Through Service Request (Summary). Thus, measure O-4 would no longer exist as a separate measure and measure O-3, as modified, would only apply to Tier 2; Tier 1 would <u>not</u> apply. Also change disaggregation for this measure as follows: 1. Combine Residence and Business into Resale. 2. Combine UNE Loop & Port Combo and UNE Other into UNE. The resulting disaggregation would be: Resale, UNE and LNP.</p>	<p>BellSouth, in its current proposal, recommends that measures O-3, <i>Percent Flow-Through Service Requests (Summary)</i>, and O-4, <i>Percent Flow-Through Service Requests (Detail)</i> be combined into a single SQM that shows both the Aggregate CLEC data (Summary) and CLEC Specific data (Detail). The SEEM penalty, in BellSouth's proposal, would apply to the Aggregate CLEC data as a Tier 2 measure only. Flow Through results are based on the operation of regional systems and impact CLECs equally, based on the products or feature that they order. Because this measure captures performance related to an electronic process that uses regional systems, problems that occur are not limited to individual CLECs, as intended when Tier 1 penalties apply. Flow through typically only increase</p>	<p>➤</p>

Row #	Proposed Change	BST Reasoning	CLEC Response
		<p>the standard for measuring FOC timeliness by 7 hours. The mechanized FOC Timeliness standard is 95% in 3 hours and for orders that do not flow through and should do so, the FOC Timeliness standard is 95% in 10 hours. Such delay periodically does not directly affect the CLECs ability to provide service to its customers. As such, intermittent deficiencies, particularly with the high benchmark do not indicate a significant problem. Consequently, penalties should only apply if there are persistent problems in this area, which is the situation that Tier 2 was designed to address.</p> <p>Further, the nature of electronic systems usually makes this problem largely self-correcting and any harm that occurs affects the industry as a whole not an individual CLEC Therefore, this measure should be included in Tier 2 only.</p> <p>Finally, since all CLECs are affectedly similarly, Tier 1 penalties should not apply. If BellSouth's performance for a given month triggers the Low Performance Fee Schedule, BellSouth will pay Tier 1 penalties in addition to Tier 2 penalty for the month involved.</p> <p>The proposed disaggregation for this measure in the SEEM plan is the same as the SQM. See the SQM matrix filed on July 28, 2004 for the rationale for this change.</p>	
52	SEEM Sub-metrics Measure O-8; (RI) Table B-1: Tier 1 Sub-metrics	BellSouth's Proposed SQM disaggregates the Reject Interval measurement by 3 methods of	>

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Row #	Proposed Change	BST Reasoning	CLEC Response
	<p>Remove Partially Mechanized and Non-Mechanized disaggregations for O-8, Reject Interval, from Tier 1 and Tier 2.</p>	<p>submission – fully mechanized, partially mechanized and non-mechanized (manual). For an effective enforcement plan, however, only the fully mechanized portion of this measurement should be included since this is the method of submission where the preponderance of CLEC activity occurs. Also, such treatment provides a further incentive for CLECs to move to electronic system that BellSouth has expended huge resources to develop and maintain at the CLECs request. Finally, partially mechanized and non-mechanized methods of submission are subject to gaming by the CLECs. LSRs can effectively be submitted with known errors in such a way as to guarantee a penalty payment.</p>	
<p>53</p>	<p>SEEM Sub-metrics Measure O-9; (FOCT) Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics Remove measure O-9, Firm Order Confirmation (FOC) Timeliness, from the both Tier 1 and Tier2.</p>	<p>This measure was proposed for removal from the SQM. See the SQM matrix filed on July 28, 2004 for the rationale. It should be noted that although this measure is being removed from SEEM, this function will still be measured in the new measurement <i>Firm Order Confirmation Average Completion Interval</i> (FOCI) that BellSouth is proposing to include in both Tier 1 and Tier 2 of SEEM. The FOCI measure will combine the two current measures, <i>FOC Timeliness</i> and <i>Average Completion Interval (OCI) & Order Completion Interval Distribution</i>, into a single metric as requested by CLECs in the past.. Since the failure to return FOCs to CLECs in a timely manner will show up in the FOCI metric, which is proposed for both Tier 1 and Tier 2,</p>	<p>></p>

Row #	Proposed Change	BST Reasoning	CLEC Response
		including <i>FOC Timeliness</i> in the SEEM plan as well would result in dual penalties for the same failure. Therefore, BellSouth's proposal excludes <i>FOC Timeliness</i> from the SEEM plan.	
54	SEEM Sub-metrics Measure O-11; (FOCRC) Table B-1: Tier 1 Sub-metrics Remove measure O-11, Firm Order Confirmation and Reject Response Completeness, from Tier 1 of SEEM.	BellSouth's proposal excludes this measure from Tier 1 of the SEEM plan and includes it as a Tier 2 measure only. This is not a primary indicator of the timeliness or accuracy of the ordering process. The systems and processes that generate Reject Notices and FOCs are regional in nature and this measure simply tracks whether one of these two responses to a request was sent – not how long it takes to send it. If a response is not sent it is typically due to a system problem, which affects CLECs in general rather than only specific CLECs. Further the cure is fairly simple, which is for the CLEC to resubmit the order. Consequently this area becomes a problem only if persistent problems arise, which makes it more appropriate to include this measure in Tier 2 only. Further, Tier 1 penalties are already paid, and would be paid under BellSouth's proposal, for the Reject Interval and FOCI measures. Further, if BellSouth's performance for a given month triggers the Low Performance Fee Schedule, BellSouth will pay Tier 1 penalties in addition to Tier 2 penalty for the month involved.	>
55	SEEM Sub-metrics Measure P-4 Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics Remove measure P-4, Average Completion Interval (OCI) & Order Completion Interval Distribution, from Tier 1 and Tier 2 of the SEEM plan.	Although this measure is being removed from SEEM, this function will still be measured in the new measurement <i>Firm Order Confirmation Average Completion</i>	>

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Row #	Proposed Change	BST Reasoning	CLEC Response
		<p><i>Interval</i> (FOCI) that BellSouth is proposing to include in both Tier 1 and Tier 2 of SEEM. The FOCI measure will combine the two current measures, <i>FOC Timeliness</i> and <i>Average Completion Interval (OCI) & Order Completion Interval Distribution</i>, into a single metric as requested by the CLECs in the past. Since the failure to complete orders within appropriate intervals will show up in the FOCI metric, which is proposed for both Tier 1 and Tier 2, including a separate OCI measure in the SEEM plan as well would result in dual penalties for the same failure.</p>	
56	<p>SEEM Sub-metrics New Measure; FOCI Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics Add the measure Firm Order Confirmation Average Completion Interval to both Tier 1 and Tier 2 of SEEM.</p>	<p>New measure that combines former measures FOC Timeliness and Average Completion Interval. These two functions are proposed to be in SEEM.</p>	<p>➤</p>
57	<p>SEEM Sub-metrics Measure P-7A; HCT Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics Combine the existing disaggregation levels for measure P-7A, Coordinated Customer Conversions Hot Cut Timeliness – Percent within Interval, into single a single sub-metric for “UNE Loops.”</p>	<p>The proposed SQM reflects two levels of disaggregation for this measure, namely “Non-IDLC” and “IDLC.” See the SQM matrix filed on July 28, 2004 for the rationale for that change. For purposes of the SEEM plan, while the proposed disaggregation for this metric in SEEM only reflects one category for “UNE Loops,” the calculations for penalties actually applies the separate benchmarks for Non-IDLC and IDLC Loops. The penalties would simply be reported as a single category designated as UNE Loops.</p>	<p>➤</p>
58	<p>SEEM Sub-metrics Measure P-7C; (PT) Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics Remove measure P-7C, Hot Cut Conversions - Percent Provisioning Troubles Received within 5 Days (formerly 7 Days) of a Completed Service Order, from Tier 1 and Tier 2.</p>	<p>BellSouth’s proposal excludes this measure from Tier 1 and Tier 2 of SEEM. This is because the same data are captured in the measure <i>Percent Provisioning Troubles within “X”</i></p>	<p>➤</p>

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Row #	Proposed Change	BST Reasoning	CLEC Response
		<i>Days</i> , which is included in Tier 1 and Tier 2. Including both these measures in SEEM would subject BellSouth to dual penalties for the same failure.	
59	SEEM Sub-metrics Measure P-8 Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics Remove measure P-8, Cooperative Acceptance Testing, from Tier 1 and Tier 2 of the SEEM plan.	BellSouth proposed removal of this measure from the SQM. See SQM matrix filed on July 28, 2004 for the rationale.	>
60	SEEM Sub-metrics New measure: CNDD Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics Add measure CNDD, Non-Coordinated Customer Conversions – Percent Completed and Notified on Due Date, to both Tier 1 and Tier 2.	BellSouth proposes to add this new measure to both Tier 1 and Tier 2 of SEEM. This measure, as described in the SQM matrix filed on July 28, 2004, captures the percentage of non-coordinated customer conversions that BellSouth completes and provides notification to the CLEC on the due date. Considering the increased role that non coordinated hot cuts may have in the future and the potential direct impact on customer service this measure is being proposed for inclusion in SEEM.	>
61	SEEM Sub-metrics Measures P-13B (LOOS), P-13C (LAT), and P-13D (DTNT) Table B-1: Tier 1 Sub-metrics Remove measures P-13B, LNP-Percent Out of Service < 60 Minutes, P-13C, Percentage of Time BellSouth Applies to 10-Digit Trigger Prior to the LNP Order Due Date (LAT), and P- 13D, LNP-Disconnect Timeliness (Non Trigger) (DTNT), from Tier 1 of SEEM.	BellSouth's proposal includes these three measures as Tier 2 only. These metrics evaluate a combination of largely automated processes and procedures performed by technicians in a centralized work center. The result is that the processes are the same from CLEC to CLEC and, if there is a problem, the problem affects all CLECs, rather than an individual CLEC. Consequently, a Tier-2 enforcement mechanism is appropriate for these measurements. Further, if BellSouth's performance for a given month triggers the Low Performance Fee Schedule, BellSouth will pay Tier 1 penalties in addition to Tier 2 penalty for the month involved.	>
62	SEEM Sub-metrics	This measure is neither an indicator of	>

Row #	Proposed Change	BST Reasoning	CLEC Response
	<p>Measure M&R-2; CTRR Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics Remove measure M&R 2, Customer Trouble Report Rate, from both Tier 1 and Tier 2.</p>	<p>timeliness nor accuracy of maintenance and repair. It is not a measure of whether troubles actually exist, but is at best a broad indicator of whether customers choose to submit trouble reports. Consequently, low results do not mean that there is a performance problem, instead it simply provides information that indicates whether a part of the maintenance process needs to be examined to see if a problem exists. Experience has shown that results vary widely due to differences in the way that CLECs choose to maintain their services. For example, some CLECs do a better job of isolating troubles to their network than others. Those that don't isolate troubles well have higher trouble report rates, and it hardly seems appropriate to penalize BellSouth because a CLEC did not isolate its troubles properly. Also, very small differences in performance result in large penalties for this measure as shown in the examples in our comments. Typically, some of the highest penalties are paid for this measure, and it is typically one of the areas where the measure usually indicates a high level of performance for both CLECs and retail. For example, overall, Trouble reports rate are usually less than 3% and the difference between CLEC and retail performance is less than 2%, but the penalties are among the highest of any measure. This occurs even though for many of the reports no actual trouble exists. SEEM penalties will apply to the measures Maintenance Average Duration and Repeat Troubles, which together measure the accuracy and</p>	

Row #	Proposed Change	BST Reasoning	CLEC Response
		timeliness of Maintenance and Repair efforts.	
63	SEEM Sub-metrics Measure M&R-5 Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics Remove measure M&R-5, Out of Service (OOS) > 24 hours, from Tier 1 and Tier 2 of the SEEM plan.	BellSouth proposed removal of this measure from the SQM. See SQM matrix filed on July 28, 2004 for rationale.	>
64	SEEM Sub-metrics Measure B-1 Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics For measure B-1, Invoice Accuracy, change the disaggregation to eliminate separate submetrics for Interconnection, Resale and UNE.	This metric is simply an indication of whether BellSouth provides the CLECs with accurate bills. There is no need to show separate disaggregations for Interconnection, Resale and UNE.	>
65	SEEM Sub-metrics Measure B-3 Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics Remove measure B-3, Usage Data Delivery Accuracy, from Tier 1 and Tier 2 of the SEEM plan.	BellSouth proposed removal of this measure from the SQM. See SQM matrix filed on July 28, 2004 for rationale.	>
66	SEEM Sub-metrics Measure B-10 Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics Remove measure B-10, Percent Billing Errors Corrected in "X" Business Days, from Tier 1	BellSouth proposed removal of this measure from the SQM. See SQM and Tier 2 of the SEEM plan. matrix filed on July 28, 2004 for rationale.	>
67	SEEM Sub-metrics Measure C-3; PMDD Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics For measure C-3, Collocation Percent of Due Dates Missed, remove the separate disaggregations for Virtual, Physical, which were further disaggregated by Initial and Augment.	This metric simply tracked whether a committed due date is met or missed. Specific disaggregation by Virtual or Physical (also Initial and Augment) is unnecessary. This especially true since BellSouth rarely missed a due date for this measure.	>
68	SEEM Sub-metrics SEEM Measurement Disaggregation - General Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics Decrease the level of disaggregation for many SEEM Tier 1 and Tier 2 measurements. The measures within the Provisioning and Maintenance & Repair domains for which BellSouth proposes a reduction in disaggregation are shown below (the actual changes to the level of disaggregation is shown in Appendix B, Tables B-1 and B-2, of the redlined SEEM plan included in this filing as Exhibit B): <u>Provisioning</u> 1. PLAM: Percent Installation Appointments Met (currently reflected as P-3, Percent Missed Installation Appointments). 2. PPT: Percent Provisioning Troubles within 5 Days (previously 30 Days) of Service Order Completion.	As discussed concerning the excessive disaggregation in the current SQM, there are a large number of sub-metrics for which there is little or no activity month-to-month. There is, obviously, no benefit to maintaining the current level of disaggregation, which produces so many meaningless data reports. The resulting need, therefore, and the approach reflected in BellSouth's proposal, is for more aggregation rather than disaggregation. That is, grouping	>

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SEEM Non-Technical Matrix

Row #	Proposed Change	BST Reasoning	CLEC Response
	<p>Maintenance & Repair</p> <ol style="list-style-type: none"> 1. PRAM: Percent Repair Appointments Met (currently reflected as MR-1, Percent Missed Repair Appointments) 2. MAD: Maintenance Average Duration 3. PRT: Percent Repeat Customer Troubles within 30 Days <p>The proposed SEEM disaggregation for Pre-Ordering and Ordering measures is the same as the proposed SQM disaggregation except where already noted.</p>	<p>similar sub-metrics together for purposes of making more meaningful determinations of compliant performance.</p> <p>Beyond the disaggregation issues associated with the SQM, however, the design and intended functioning of the SEEM plan requires additional aggregation beyond that reflected in the SQM. Of course, the problem of the vast majority of sub-measures reflecting little or no activity is compounded in the SEEM plan for Tier 1. This is because in addition to the several levels of disaggregation in the SQM, SEEM Tier 1 calculations require further disaggregation by individual CLEC. Specifically, SEEM currently contains 830 sub-metrics at the Tier I level. There are over 200 CLECs in Florida. Since Tier I sub-metrics apply to all CLECs, there is a potential for over 166,000 SEEM determinations (830 sub-metrics x 200 CLECs). Too many sub-metrics (which are subject to further disaggregation and granularity) result in few or no transactions (or activity) in many sub-metrics. For example, an analysis of SEEM data for Florida taken from the three-month period of August through October 2003 indicated that, on average, there was no activity for 97% of the CLEC specific opportunities for the 830 SEEM measures.</p> <p>Additionally, the truncated-Z statistical methodology uses like-to-like comparisons at very granular level called cells so masking of poor performance by good performance is a</p>	

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SEEM Non-Technical Matrix

Row #	Proposed Change	BST Reasoning	CLEC Response
		<p>minimal problem if it exists at all as indicated by an analysis conducted by AT&T. The truncated Z methodology was specifically designed to allow aggregation of several products without creating a problem with masking. According to the design of the statistical methodology used in the SEEM plan, given that like-to-like comparisons are made at the cell level, it is unnecessary for the SEEM plan payment categories of sub-metrics to be the same as the SQM level, which is used for reporting and monitoring.</p>	
69	<p>SEEM Sub-metrics SEEM Retail Analogs <u>B.3 Add new section to show the retail analogs for the measures in the SEEM plan.</u></p>	<p>Added for completeness of SEEM documentation.</p>	<p>></p>
70	<p>SEEM Sub-metrics SEEM Benchmark Thresholds <u>B.4 Add new section to show the benchmarks for the measures in the SEEM plan.</u></p>	<p>Added for completeness of SEEM documentation.</p>	<p>></p>
71	<p><u>Appendix F OSS Tables F.1 – F.2</u> Added the OSS designations to SEEM</p>	<p>This section was added to reflect the OSS applied to the SEEM plan parity determinations.</p>	<p>></p>
72	<p><u>Appendix G Reposting of Performance Data and Recalculation of SEEM Payments</u> Reposting policy added to the SEEM plan.</p>	<p>This is the policy concerning the reposting of data that was approved by the Commission. This policy is included in the SEEM plan documentation for completeness.</p>	<p>></p>