

BellSouth Telecommunications, Inc. ("BellSouth") hereby respectfully submits its response to the Data Request of the Kentucky Commission Staff ("Data Request") dated August 8, 2003 and states the following:

INTRODUCTION

BellSouth's response to the Data Request of the Kentucky Commission Staff is a twofold document. First, BellSouth has answered the Staff's request and produced several exhibits to clearly show the differences contained in the SQM and SEEM proposals, as well as provide a plan and supporting rationale for resolving the penalties held in abeyance for P-13, LNP Disconnect Timeliness. Included with these exhibits is the detailed accounting of both the Tier 1 and Tier 2 penalties for P-13. Section II and Section III, Parts 1 and 2 are directly responsive to the staff's data request as outlined below.

Second, BellSouth offers a proposal for the direction of a future SQM and penalty plan. Based upon the experience BellSouth has gained in the last several years, throughout the course of several Performance Measurement Workshops and in light of the current competitive landscape, BellSouth believes that it is appropriate to revisit the context and design of the Service Quality measurement Plan and any associated Penalty Plan, both of which have, as their foundation, plans that are over three years old. BellSouth believes that rather than continue to examine and manage an obsolete plan, an alternative approach for a revised set of critical, customer impacting measurements is appropriate. This approach intends to bring a plan that is both manageable and realistic to the Commission. BellSouth will discuss the premise for this

suggestion, and a proposal for the direction of a future SQM and penalty plan, in Section IV, Direction For Future Action, after providing the response to the Kentucky Staff's data request.

BellSouth's response and comments are summarily organized as follows:

Section I.	Background, pages 3-4
Section II.	Response to Data Request #1 of the Commission Staff, pages 5-72
Part 1.	Discussion of changes between the SQM as BellSouth currently proposes and the consolidated exhibits filed on December 16, 2002. Items 1-15, pages 8-15
Part 2.	Discussion of the differences between the SQMP as BellSouth currently proposes and the SQMP adopted by Georgia PSC. Items 1-34, pages 16-72
Section III.	Response to Data Request #2 of the Commission Staff, pages 74-78
Section IV.	Discussion of the Direction for Future Action, pages 79-89
Section V.	Conclusion, page 90
Exhibit 1	BellSouth's current proposed SQM
Exhibit 2	BellSouth's current proposed SQM compared to the SQM adopted by Georgia PSC
Exhibit 3	Kentucky SEEM plan compared to Georgia SEEM plan
Exhibit 4	Detailed Accounting of Tier 1 and Tier 2 penalties for LNP measures

Section I.

BACKGROUND

In its Order dated October 19, 2001, the Commission adopted performance measures, benchmarks, retail analogs, and a penalty plan for BellSouth Telecommunications, Inc. ("BellSouth"). The plan was identical to that adopted by the Georgia Public Service Commission, with the exception of the LNP Disconnect Timeliness measurement. The October 19, 2001 Order required BellSouth to file a petition for changes to the performance measures in six months. BellSouth later requested, and received, an extension of 60 days, to June 19, 2002, in which to file its petition regarding performance measures. BellSouth petitioned the Commission on June 19, 2002 for an additional 120-day extension.

In its Order dated October 11, 2002, the Kentucky Public Service Commission ("Commission") granted BellSouth's request for a final delay in filing its petition. The Order required BellSouth to file its petition no later than December 16, 2002.

On December 16, 2002, BellSouth filed its proposed changes to the Kentucky Performance Plan, including changes to the Service Quality Measurement Plan ("SQMP") and Self-Effectuating Enforcement Mechanism Plan ("SEEM"). The proposed changes to the SQMP and SEEM were listed in detail on five exhibits. Exhibit 1 reflected BellSouth's proposed changes to the existing measures in Kentucky that are of a substantive nature. These changes included modifications to business rules, exclusions, and performance standards of measurements as well as proposed deletions of measurements. Exhibit 2 included new or replacement measurements proposed by BellSouth. Exhibit 3

included changes to the SQMP that were administrative in nature, correcting language or typographical errors. Exhibit 4 included changes to the SQMP that result from BellSouth's responses to both the Exceptions and Observations of KPMG during third party tests in Georgia and Florida and KPMG's Adequacy Review in Florida. Exhibit 5 included proposed changes to the KY SEEM plan.

Section II. BELLSOUTH'S RESPONSE TO DATA REQUEST #1 OF THE COMMISSION STAFF

In response to the Data Request, BellSouth has attached, as Exhibit 1, a Service Quality Measurement Plan ("SQMP") that reflects updates to BellSouth's proposed SQMP that was filed on December 16, 2002. This SQMP is the accumulation of the changes illustrated in each of the exhibits from the December 16, filing. In a few instances, where BellSouth has revised elements of the BellSouth proposal from December 16, 2002, deletions are shown as blue, strike-through text and additions are shown as red, underlined text. The explanations for these corrections to BellSouth's proposal are provided in Section II, part 1.

Also, BellSouth has created a second SQMP, attached as Exhibit 2. This SQMP is based on the initial proposal and shows the differences, where applicable, between the proposed Kentucky Performance Plan after the updates previously mentioned, and the Performance Plan adopted by the Georgia Commission. In this redlined SQMP, changes that are proposed for Kentucky, but not in the SQM implemented by the Georgia Commission ("Georgia SQM Version 2.0") are shown in red, underlined text. The specific elements that are deleted from the Kentucky SQMP, but adopted by the Georgia Commission in Georgia SQM Version 2.0 are shown in blue text with strikethrough. As a result, if all changes to Exhibits 1 and 2 were accepted, the documents would be identical to BellSouth's proposed SQM.

The changes shown in red or blue include both substantive modifications and administrative changes, which do not affect the calculations, or substantially affect the measurements. Proposed changes that are substantive, such as those that affect measurement calculations, involve significant changes to measurements or impact benchmarks, are discussed

in response to the first data request below in Section II, part 2. Changes to the SQMP that are administrative in nature, are also included in Exhibit 2 and are generally not discussed, except where further clarification is warranted. Most administrative corrections have no impact on the calculation of the measurements, but these administrative corrections are included in Exhibit 2 so that all differences are shown between the Georgia SQM Version 2.0 and the Kentucky proposed SQMP.

BellSouth has also included, as Exhibit 3, a red-lined SEEM plan that details the differences in the proposed Kentucky SEEM Plan from the plan adopted by the GA Commission. Finally, BellSouth has included, a proprietary attachment marked as Exhibit 4 that is a detailed accounting of both the Tier 1 and Tier 2 penalties held in abeyance, listing the months of occurrences, affected parties, and dollar amounts for various Local Number Portability (LNP) measurements.

The following is a restatement of the first part of the Data Request.

1) Identify the specific elements of the proposed Kentucky Performance Plan that have not been adopted by the Georgia Commission.

- a. Explain in detail why these elements are appropriate for the proposed Kentucky Performance Plan. Include in your answer reasons why, though the elements are inappropriate for Georgia, they are appropriate for Kentucky.

If any of these elements are pending review by the Georgia Commission, describe the process established by the Georgia Commission for considering these issues and discuss their current status.

This response is organized as follows: First, there are a few changes between the SQMP as currently proposed by BellSouth in the consolidated exhibits filed on December 16, 2002. These changes are explained below in Part 1. Part 2 contains the explanation of any substantive changes between BellSouth's current proposal and the SQMP adopted by the Georgia Public Service Commission ("Georgia Commission"). Further, in Exhibit 2 there are additional minor changes such as corrections in grammar, and typographical errors that are not explained in either Parts 1 or 2.

**Section II. PART 1: BELLSOUTH'S CURRENT PROPOSAL AND
MODIFICATIONS TO BELLSOUTH'S DECEMBER 16, 2002 SQMP**

1. OSS-3, OSS Availability (Maintenance & Repair)

For this metric, a minor correction has been made to the Calculation section in Exhibit 1. The phrase "of Front End Systems" was originally proposed to be added in the Calculation to both the numerator, Functional Availability, and the denominator, Scheduled Availability. However, after the December 16, filing, both the Georgia Public Service Commission and the Florida Public Service Commission withdrew their requirement to add this language, since it did not affect the calculation of the measurement. The words "of Front End Systems" are no longer necessary and are not appropriate for inclusion in the Kentucky SQMP.

2. O-1, Acknowledgement Message Timeliness

In the December 16, 2002 proposed SQMP, for O-1, Acknowledgement Message Timeliness, BellSouth proposed to change the exclusions from "none" to "manually submitted LSRs" when in fact the Dec. 18, 2001 Kentucky approved SQM already contained an exclusion for "Scheduled OSS Maintenance." BellSouth is not proposing to make any changes to the original existing exclusion for "Scheduled OSS Maintenance" for this measure; it continues to be appropriate for both Georgia and Kentucky.

3. O-3, Percent Flow-Through Service Requests (Summary) and O-4, Percent Flow-Through Service Requests (Detail)

In measurements O-3, Percent Flow-Through Service Requests (Summary) and O-4, Percent Flow-Through Service Requests (Detail) BellSouth originally proposed a benchmark of

85% for the new UNE-P disaggregation. The benchmark should have been 90% for UNE-P for both O-3 and O-4.

4. O-7, Percent Rejected Service Requests

For measurement O-7, Percent Rejected Service Requests, BellSouth proposes to correct an exclusion. In the Exclusion section, 'Scheduled OSS Maintenance' is no longer a valid exclusion in this metric. Scheduled OSS Maintenance is an appropriate exclusion for measurements of time intervals (such as Reject Interval or FOC Timeliness Interval) when a system outage for maintenance would make a difference. However, this measurement does not measure time intervals. It only measures the percentage of LSRs that are rejected. As such, this exclusion should be removed from the proposed Kentucky SQMP.

5. O-8, Reject Interval

For measurement O-8, Reject Interval, BellSouth incorrectly proposed several changes to elements of this measure. First, both the proposed removal of the exclusion for 'scheduled OSS maintenance' and the addition of an exclusion for 'LSRs which are identified and classified as "coin"' are incorrect. Second, in the Business Rules, the LENs system should not be excluded. Lastly, in the Report Structure, the benchmark for trunks should not have been restructured from days to hours. BellSouth is also proposing clarifying language for the hours of operation for the LISC and has made the time intervals for trunks in the report structure consistent with the benchmark.

5. O-9, Firm Order Confirmation Timeliness

For measurement O-9, Firm Order Confirmation Timeliness, BellSouth incorrectly proposed three changes to elements of this measure. First, the proposed addition of an exclusion for 'LSRs which are identified and classified as "coin"' is incorrect. Second, in the Business Rules, the LENs system should not be excluded. Lastly, in the Report Structure, the time interval bucket under Non-Mechanized should have read $0 \leq 24$ hours instead of $0 < 24$ hours.

6. O-11, Firm Order Confirmation and Reject Response Completeness

For measurement O-11, Firm Order Confirmation and Reject Response Completeness, two exclusions, the first for Non-Mechanized LSRs, and the second for Scheduled OSS Maintenance were deleted in the GA SQM Version 2.0. BellSouth would propose to correctly delete these in the proposed Kentucky SQM as the exclusions were appropriately deleted in the GA SQM Version 2.0.

7. P-2A, Jeopardy Notice Interval, and P-2B, Percentage of Orders Given Jeopardy Notices

In the December 16, 2002 SQMP proposal for measurements P-2A, Jeopardy Notice Interval, and P-2B, Percentage of Orders Given Jeopardy Notices, BellSouth had modified the SQM levels of Disaggregation to add a reporting disaggregation for UNE Line Splitting and Enhanced Extended Links (EELs) products and included appropriate retail analogs. BellSouth believes, however, that sufficient product disaggregation already exists and has modified the proposed Kentucky SQMP disaggregation to agree with the product disaggregation approved by the Georgia Commission in the GA SQM Version 2.0.

8. P-3, Percent Missed Installation Appointments

For measurement P-3, Percent Missed Installation Appointments, BellSouth originally proposed to expand the product disaggregation levels for these measures to include Line Sharing without loop conditioning, Line Sharing with loop conditioning, Line Splitting without loop conditioning, and Line Splitting with loop conditioning. This additional disaggregation is not appropriate for P-3. The percent of missed installation appointments should not be impacted by the provisioning interval with or without loop conditioning, since the committed date for the order already accounts for whatever differences may be due to loops with conditioning and loops without conditioning. Once the due date is established, based on these differences, Percent Missed Installation Appointments should only measure whether the appointment was met or not. BellSouth now proposes to match the disaggregation approved by the Georgia Commission for this measure. BellSouth believes this modification is appropriate for the Kentucky SQMP and has amended Exhibit 1 to reflect this change.

BellSouth also has proposed three corrections to the Kentucky SQMP SEEM Disaggregation section for P-3 as filed on December 16, 2002. In that filing, BellSouth inadvertently deleted from the SEEM disaggregation the product disaggregation for UNE Line Sharing, and the designation for standalone LNP. Finally, BellSouth incorrectly added the wording Without Conditioning to the UNE xDSL product disaggregation in the SEEM Disaggregation. These have been corrected as shown in Exhibit 1 and now match the SEEM disaggregation adopted in the GA SQM Version 2.0 and SEEM Plan.

9. P-11, Service Order Accuracy

The P-11, Service Order Accuracy measure now proposed in the both Exhibit 1 and Exhibit 2 reflects the negotiated service order accuracy measure recommended by the GPSC Staff as further explained in Part 2.

10. P-13C, LNP- Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution (Non-Trigger)

The version of measure P-13C, *LNP- Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution (Non-Trigger)*, filed on December 16, 2002 was incorrect. BellSouth intended to file the version filed with this Commission on November 2, 2001, since this was the version of the measure that BellSouth has used to calculate performance and penalties (held in abeyance) since that time. The proposed measure P-13C, *LNP- Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution (Non-Trigger)*, does contain three modifications from the version in the GA SQM Version 2.0. One, BellSouth has changed the Title section to delete the phrase 'Disconnect Timeliness Interval Distribution' because there are no interval distributions associated with the measure. Two, this measure in Georgia has a 12-hour benchmark. The measure as proposed in the Kentucky SQMP also has a 12-hour interval, as well as a modification to the Business Rules that states that non-business hours will be excluded from the duration calculation. Three, in the Calculation Section, the calculation for 'Disconnect Timeliness Interval Distribution' has been deleted to ensure consistency because, as stated earlier, there are no interval distributions associated with this measure.

11. Billing Measurements, B-2, B-4, B-5 B-6

In the Billing Domain there are several discrepancies. For B-2, Mean Time to Deliver Invoices, the proposed definition contains a typographical error. The invoices based on calendar days should be CABS-based invoices, not CRIS-based invoices. In the Definition section for three measures, B-4, Usage Data Delivery Completeness, B-5, Usage Data Delivery Timeliness, and B-6, Mean Time to Deliver Usage, the Georgia Commission approved the removal of the language ...'A parity measure is also provided showing completeness (or timeliness) of BellSouth messages processed and transmitted via CMDS. BellSouth delivers its own retail usage from recording location to billing location via CMDS as well as delivering billing data to other companies'.... The Georgia Commission approved the deletion of this language for these measures along with the adoption of benchmarks rather than the parity with retail standard. BellSouth proposed the same benchmarks for the Kentucky SQMP and should have proposed the language corrections as well.

12. Collocation measurements, C-1, C-2, and C-3

For the Collocation measurements, C-1, C-2, and C-3, the geographic scope of 'Region' no longer applies to Collocation (which is a state-specific measurement) and has been deleted from the Kentucky SQMP. The note "While the disaggregation levels and performance intervals for this measure are consistent with the corresponding Georgia metric, as ordered by this Commission, the current Kentucky Collocation tariff is based on the FCC collocation interval guidelines", which precedes the Definition section for C-1 and C-2, is no longer valid and has been deleted.

13. CM-6, Percent of Software Errors Corrected in "X" (10,30,45) Business Days

On August 9, 2002 BellSouth filed 6 additional change control measures (CM-6 through CM-11), which were the same measures adopted by the Florida Public Service Commission. One of these, CM-6, Percent of Software Errors Corrected in "X" (10,30,45) Business Days, contained an administrative error. An exclusion, which was approved by the FPSC, for 'Rejected or reclassified software errors,' was missing from CM-6. BellSouth is also proposing to change the SEEM benchmark to 95% within Interval for Severity 2 only. Measurement CM-6 captures the Percentage of Software Errors corrected within X Business Days for Type 6 change requests. Type 6 change requests are classified as defects in the Change Control Process ("CCP") and further subdivided as Severity 2, 3 and 4 type errors. Severity 2 errors are defined as those that could cause a potential problem with the CLEC interface, do not have a workaround, and are to be corrected within 10 business days. Severity 3 errors are the same as Severity 2, but have effective workarounds in place and have a benchmark of correction within 30 business days. Severity 4 errors are cosmetic in nature, have no immediate adverse impacts, and do not require the CLECs to take any special steps to process their orders. Severity 4 errors have a benchmark of correction within 45 business days. In the filing of December 16, 2002 BellSouth's proposal for CM-6 included Severity 2, 3 and 4 issues as a part of the Tier 2, CM-6 metric in SEEM. At the time of that filing, there had not been much experience with the measurement since it was relatively new. Now, with the benefit of nearly a year of experience, it is clear that Severity 3 and 4 should not be part of the SEEM plan. As noted above, many of the Severity 3 and all of the Severity 4 issues are not coding defects and neither have a significant (or any) impact on the CLEC industry. Consequently BellSouth now proposes to include only Severity Level 2 in

SEEM, and has deleted Severity 3 and 4 from SEEM. While Severity 3 and 4 will not be a part of SEEM, BellSouth will continue to measure Severity 2, 3 and 4 issues. The measurement shown in Exhibit 1 now includes the additional exclusion and this change. CM-6, with the corrected exclusions, as shown in Exhibit 2, matches the number of exclusions found in CM-6 in the GA SQM Version 2.0. adopted by the Georgia Commission.

14. Appendix B, Audit Policy

The BellSouth Audit Policy in Appendix B filed on December 16, 2002 is incorrect. That version was a draft based upon an internal BellSouth proposal, but not an adopted process. BellSouth has inserted the correct policy in Exhibit 1. This policy matches the Audit Policy in the GA SQM Version 2.0. adopted by the Georgia Commission.

15. Appendix D, Notification Process

BellSouth's PMAP Notification Process included as Appendix D resulted from a motion of the Southeastern Competitive Carriers Association ("SECCA") filed with the Georgia Commission on June 12, 2002. In response to this motion, the Georgia Commission issued an Order for a Data Notification Process. This Order specifies that when BellSouth proposes making any changes to the methods by which performance data is calculated, it must provide written notice. While this process is in response to an Order of the Georgia PSC, the data notification process is actually regional in nature. Therefore, there is no need to duplicate the process in Kentucky. As a result, Appendix D is shown as a strike through in Exhibit 1.

**Section II. PART 2: DIFFERENCES BETWEEN THE CURRENT
KENTUCKY SQMP PROPOSAL AND THE GEORGIA SQM
OPERATIONS SUPPORT SYSTEMS**

1. OSS-1 Average Response Time and Response Interval (Pre-Ordering/ Ordering).

BellSouth proposed the addition of three exclusions to this measurement in the Kentucky SQMP: (1) "Scheduled OSS Maintenance," (2) "Retail Usage of LENSs" and (3) "Corrupt Records. BellSouth already excludes these elements from the measurements and is stating them in the exclusions section for purposes of clarification. The addition of all three of these exclusions is appropriate for the Kentucky SQMP and would also have been appropriate for the Georgia SQM Version 2.0 if they had been proposed in the Georgia during the six month review. Since the time of the Georgia six-month review, which began in September 2001, BellSouth has proposed the addition of these exclusions in other state Service Quality Measurement workshops and will continue to propose them in future Service Quality Measurements proceedings.

For the first exclusion, Scheduled OSS Maintenance, this time should be excluded from this measure because systems are unavailable during maintenance, and this maintenance is normally scheduled and conducted outside of regular business hours. Further, since BellSouth publishes the time it plans to conduct maintenance on its OSS, this is a known and usually fixed outage. This exclusion clarifies the intent and purpose of the measurement. Moreover, not excluding scheduled maintenance creates the potential for gaming by CLECs that might intentionally send queries when the system is down for scheduled maintenance. Thus, the time required for scheduled maintenance should be excluded from the measurement.

The second exclusion that BellSouth proposes is Retail Usage of LENS. Since some BellSouth Retail Operations have begun to use LENS to obtain pre-ordering information, this exclusion is now necessary. The retail usage of LENS should be excluded from the data used to compute the CLEC results compared to the benchmarks. When these measures were first built, BellSouth Retail was not using the LENS system. All of the SQMP reports are designed to keep the Retail data separate from the CLEC data. BellSouth Small Business agents use LENS for pre-order/inquiry address validation and CSR inquiries. To maintain the integrity of the measure, retail usage of LENS must be factored out of the PMAP reports. This exclusion preserves the necessary separation. Again, this element is already excluded under the Business Rules in Georgia ("LENS or TAG to CLECs"). BellSouth simply states it as it has no impact.

The third exclusion proposed by BellSouth is for Corrupt Records. Although BellSouth believes this exclusion is unnecessary, BearingPoint (formerly KPMG) recommended in its September 2002 Florida PSC BellSouth Permanent Metrics Adequacy Study that BellSouth modify its SQM documentation to include an exclusion for corrupt records. This recommendation came too late to be incorporated into the Georgia measurement plan. Finally, corrupt records cannot be reflected in the measurement results so this exclusion has no impact on the results.

BellSouth has one additional significant modification to this measurement resulting from Bearing Point's audit that was not implemented by the GPSC in the Georgia SQM Version 2.0. In BearingPoint's FL Observation 120, (once again – the timing of this Observation was such that it could not be a part of Georgia's measurement plan) BearingPoint noted that the reported values for the response time intervals for the Operations Support Systems: OSS-1, Average

Response Time and Response Interval SQM are reported as percentages and are inconsistent with the documented definition. BellSouth responded by updating the SQM Definition and Business Rules to include the phrase 'Percent Within Interval'. BellSouth also added to the Calculation section a calculation for deriving the percent within interval to reflect the way the measurement is reported. These changes were also reflected in BearingPoint's recommendations for this measure in its Florida PSC BellSouth Permanent Metrics Adequacy Study (September 2002). Since the BearingPoint Fl Audit and resulting Exceptions and Observations as well as the Adequacy Study were completed after the Georgia six-month review, any resulting additions or changes that are included in the proposed KY SQMP would not appear in the Georgia SQM 2.0 plan at this time. There are also additional SEEM disaggregations proposed by BellSouth that more clearly define the way SEEM is calculated.

2. OSS-2 Interface Availability (Pre-Ordering/ Ordering) BellSouth proposed the addition of an exclusion to the OSS-2 measurement in the Kentucky SQMP for "Scheduled OSS Maintenance." As stated in the explanation for OSS-1, BellSouth already applies this exclusion to that measure. The exclusion for scheduled OSS maintenance is appropriate because (as described above in the context of OSS-1), CLECs should not expect the OSS to be available during a published and scheduled maintenance period. Accordingly, this time should be excluded from the measurement. The addition of this exclusion is appropriate for the Kentucky SQMP and would also have been appropriate for the Georgia SQM Version 2.0 if it had been proposed in the Georgia six-month review. Since the time of the Georgia six-month review, which began in September 2001, BellSouth has added this exclusion to its list of proposed

additions in preparation for other state Service Quality Measurement workshops and will continue to propose them in future Service Quality Measurements proceedings.

Also for OSS-2, BellSouth proposed to add additional application availability reporting for the following systems: LAUTO (CLEC), COFFI (CLEC/BellSouth), LNP LCSC GUI (CLEC/BellSouth) and LFACs (CLEC/BellSouth). Reporting for these applications was not available at the time of the Georgia six-month review but has since been developed. Reporting the availability of these applications is appropriate for the Kentucky SQMP and would also have been appropriate for the Georgia SQM Version 2.0 if it had been available and proposed at the time of the Georgia six-month review.

3. PO-1 Loop Makeup – Response Time - Manual.

This proposed measure differs from the Georgia measurement plan in the Business Rules, clarifying the current method for processing Service Inquiry forms. Initially, BellSouth's Complex Resale Support Group (CRSG) manual loop makeup service inquiry (LMSUI) process included service inquiry forms submitted via USPS mail or facsimile machine. The CRSG no longer accepts USPS mail as a method of submission service inquiry forms for the LMSUI process. This modification does not change the calculation of the measurement.

4. PO-2 Loop Makeup – Response Time - Electronic.

This measure has appropriate corrections to the Business Rules and Data Retained sections. The GA SQM Version 2.0, PO-2 Business Rules contains references to RoboTAG. Since RoboTAG is not part of the interval being measured, these references are incorrect. The Data Retained section has been revised to reflect the data actually retained for this measure. These

modifications have no impact in the measurement result since they do not enter into the calculation for the measurement. Both of these corrections would also have been appropriate for inclusion in the GA SQM Version 2.0.

ORDERING

5. **O-1 Acknowledgement Message Timeliness.** There are three elements of this measure that are proposed differently in KY than in the adopted GA SQM Version 2.0. None of these differences affect the measurement results.

First, the Definition proposed for this measurement provides the response interval and *percent within the interval* from the time an LSR or transmission is electronically submitted via EDI or TAG until an acknowledgement notice is sent by the system. The “percent within interval” was added to the Definition and Calculation for the KY SQMP proposal as a result of the Bearing Point recommendation from its Florida PSC BellSouth Permanent Metrics Adequacy Study (September 2002 – too late to be a part of Georgia). Secondly, the appropriate formula for the “percent within interval” calculation, has been added to the Calculation section of O-1 in response to BearingPoint’s FL Observation 112, where BearingPoint determined that the formula specified in the “Ordering: Acknowledgement Message Timeliness” (SQM) document was inconsistent with the benchmark ordered by the FPSC. The third proposed addition to the measurement is to add an exclusion for manually submitted LSRs. In its Florida PSC BellSouth Permanent Metrics Adequacy Study (September 2002), Bearing Point noted that since this measure includes only transactions that are electronically submitted, manually submitted LSRs should not be included. The study recommended that “manually submitted LSRs” be reflected

as an exclusion in the documentation for this measure and BellSouth included the exclusion in its KY SQMP proposal.

Since this measure does not apply to manually submitted LSRs, the exclusion has no impact on the results.

6. O-2 Acknowledgement Message Completeness.

For this measure, the only difference between the proposed Kentucky Performance Plan and the adopted GA SQM Version 2.0 is that in Kentucky, BellSouth proposed to change the benchmark for this measurement for both the SQM and SEEM plans from 100% to 99.5% for both TAG and EDI. The benchmark of 100% or perfection, found in the GA SQM Version 2.0 is unreasonably high. A standard of perfection is not required to provide nondiscriminatory access, and the use of this standard may (falsely) indicate a performance failure where only data anomalies exist.

The TAG application is a transaction-based interface between BellSouth OSS systems and CLECs at external locations. TAG was not designed to meet a 100% Completeness benchmark. If the CORBA (TAG) connection is broken during transmission of a Functional Acknowledgement by either BellSouth, or the CLEC, TAG has no means to "restore" the connection. This connection can be broken from either end of the circuit through no fault of BellSouth. Thus, TAG has no "resend" capability to provide Functional Acknowledgements to CLECs when this happens. As a result, the benchmark is at a standard (100%) that is above and beyond the capability of the original architecture of the application. Also, for ordering transactions, this is not a critical measurement because the CLECs receive the equivalent of an

acknowledgement when the CLEC is sent either a Firm Order Confirmation or a Reject Notification.

The benchmark for EDI should be lowered from 100%, i.e., perfection for the same reasons that support the lowering of the benchmark when TAG is used. Whether the interface is TAG or EDI, the potential exists for system failures and for very small order volumes that are not counted correctly. Although BellSouth has procedures and processes in place to mitigate the possibility of system failure or missing transactions in the measure, avoiding failures altogether, and thereby achieving perfection, is not possible. To meet a 100% benchmark, every possible potential problem, no matter how small, would have to be predicted and resolved before it occurs. In fact, current performance frequently reflects 100% performance, but still indicates a lack of parity because a few transactions cannot be accounted for in the measured results. Given this, a 99.5% benchmark for acknowledgement message completeness is an ambitious, reasonable benchmark.

In general terms, in order to achieve a benchmark of 100% for acknowledgements returned via EDI, the software releases would have to be completely clear of any error that might affect the EDI's transmittal of an acknowledgement. In addition, the data transmitted from the Ordering systems to PMAP, that reflects every acknowledgement, would have to be error-free for the approximately 600,000 transactions sent in the region each month. In other words, just one data transposition among the 600,000 transactions would result in a failure for this measurement of perfection, even though the acknowledgement was actually sent. Further, each transaction would have to occur in the same month in which the CLEC transaction is received. It

is unlikely, and unreasonable to expect, that these conditions will occur in each an every case out of 600,000 transactions.

Specifically, while EDI may be theoretically capable of sending acknowledgements 100% of the time, PMAP usually misses a few records due to problems in the EDI data feed providing results to PMAP. This problem is usually associated with "resends". EDI has the capability to resend missing acknowledgements, but the resends may have missing information. Therefore, although an acknowledgement may actually be resent, the record of this resend would not appear in the monthly results, because of missing information associated with the resent acknowledgement. In addition, there are a small number of acknowledgements that are sent in one month, but the CLEC request/transmission is received in a previous month. These cases are related to CLEC requests/transmissions that are sent at the end of the month.

As another example, occasionally the headers and trailers of the data files sent from the CLECs are either not present or are corrupted. While one of these data files is being processed, another data file, perhaps from a different CLEC, is received. In this instance, EDI may not be able to send an acknowledgement because one or both of the files may be rejected.

Based on cases like this, BellSouth would miss the 100% benchmark, through no fault of its own, yet BellSouth would be subject to penalties. More importantly, and contrary to the purpose of the penalty plan, BellSouth would have to pay penalties because of these reporting issues, despite the fact that the CLECs actually received the acknowledgements. Based upon this information, in the recent FPSC's decision (Order No. PSC-03-0529-PAA-TP dated April 22,2003, Docket No. 000121A-TP) the Florida Commission adopted a benchmark of 99.5% for TAG and 99.9% for EDI.

A 99.5% benchmark is also stringent enough to hold BellSouth to a very high standard, to provide some reasonable allowance for minor system errors, and is more appropriate for the proposed KY SQMP than the benchmark found in the GA SQM.

7. O-3 Percent Flow-Through Service Requests (Summary); O-4 Percent Flow-Through Service Requests (Detail). For both of these measurements, the only substantive changes for Kentucky is that BellSouth proposed to add a level of disaggregation for UNE-P and is now proposing that the benchmark for the UNE-P submeasure should be 90%, an increase from the current benchmark of 85% for UNE flow through set by this Commission. In the Georgia SQM Version 2.0, even though the benchmark is also 85% for UNEs, the Georgia Commission has set a 95% benchmark for UNE-P. BellSouth adamantly disagrees with the 95% Benchmark set by the Georgia Public Service Commission and believes it is not the appropriate benchmark for the KY SQMP for the following reasons.

First, the FCC has found that BellSouth's OSS systems are currently capable of flowing through UNE orders in a manner that allows competitive carriers a meaningful opportunity to compete, at the current benchmarks for flow through. (When the FCC approved BellSouth's application for InterLata authority in Kentucky, the UNE flow through benchmark was 85%.) The FCC also found, in the Order granting BellSouth entry into long distance in North Carolina, South Carolina, Alabama, Mississippi and Kentucky, that the ability of orders to flow through

BellSouth's OSS is dependent, in part, on the CLECs.¹ For example, in this Order, the FCC stated the following:

We have previously stated that a BOC's ability to flow-through orders at high rates is dependent, in part, on the performance of competing carriers to place orders electronically. We find it particularly informative that several competing carriers are achieving much higher flow-through rates than other carriers. Specifically, data regarding UNE orders shows that the flow-through rates of the top five competitive LECs range from 77.06 percent to 94.64 percent for the first quarter of 2002. In addition, flow-through rates for three of these competitive LECs range from 90.19 percent to 94.64 percent during the first quarter. During the second quarter of 2002, data regarding UNE orders shows that the flow-through rates of the top five competitive LECs range from 75.50 percent to 95.10 percent. The flow-through rates for three of these competitive LECs range from 85.80 percent to 95.10 percent during the second quarter. This evidence indicates that BellSouth's systems are capable of flowing through UNE orders in a manner that allows competitive carriers a meaningful opportunity to compete. Because the record demonstrates that a number of competitive LECs experience high flow-through rates, we conclude that it is inappropriate to attribute the wide range of flow-through results entirely to BellSouth. As the Commission previously stated, a BOC is not accountable for orders that fail to flow-through due to competing carrier-caused errors. Our conclusion that BellSouth's OSS are capable of achieving high flow-through level is further bolstered by KPMG's Georgia testing.

(Memorandum Opinion, Par. 152)(emphasis added).

In addition to the rulings that BellSouth's flow-through is sufficient with the existing benchmark and that actual flow-through percentages may be attributable to the actions of CLECs, the FCC has also clarified that flow-through measurements are not the only (or even the

¹ *In the Matter of Joint Application by BellSouth Corporation, BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc. for Provision of In-Region, InterLATA Services in Alabama, Kentucky, Mississippi, North Carolina, and South Carolina*, WC Docket No. 02-150, *Memorandum Opinion and Order*, FCC 02-260 (rel. Sept. 18, 2002)(“*Memorandum Opinion*”).

best) way to determine whether an incumbent is providing nondiscriminatory access to its OSS.

As the FCC stated in its Kansas/Oklahoma 271 Order²:

The Commission traditionally uses order 'flow-through' as a potential indicator of a wide range of problems that we consider in determining whether a BOC provides nondiscriminatory access to its OSS. (citations omitted). However, we have not considered flow-through rates as the sole indicium of parity and thus have not limited our analysis of a BOC's ordering processes to a review of its flow-through performance data. Instead, we have held that factors that are linked to order flow-through but are more directly indicative of a BOC's OSS performance, such as a BOC's overall ability to return timely order confirmation and rejection notices, accurately process manually handled orders, and scale its systems, are relevant and probative for analyzing a BOC's ability to provide access to its ordering functions in a nondiscriminatory manner.

(*Id.* at 6305, n. 397.)

Given the above, there is simply no reason to raise the flow-through benchmarks for UNE-P to 95% adopted by the Georgia Commission.

BellSouth remains committed to improving flow through results. BellSouth also has undertaken an additional project to further improve flow-through rates, which is focused solely on reducing or eliminating items classified as "BST errors" in the current flow-through reporting process. Since August 2002, BellSouth's Flow Thorough Implementation project has implemented seven software releases correcting 47 error or defect conditions to improve flow through. "BST errors" are errors that require manual review by the Local Carrier Service Center ("LCSC") due to BellSouth system functionality. In other words, the CLEC orders are accepted by the BellSouth OSS and then the orders fall out for manual intervention by BellSouth. As part of this project to address "BST errors," BellSouth has added information technology resources,

² *In the Matter of Joint Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-*

over and above those currently designated for the enhancements to the OSS requested by the CLECs. However, it is unrealistic to expect that flow-through performance will continue to improve dramatically each month. In fact, it is likely that BellSouth's flow-through results have leveled off. This leveling-off in no way indicates a lack of focus on flow-through performance by BellSouth; rather, it is due to the fact that further improvements in flow-through results become increasingly difficult to produce. Most of the large-impact items have been implemented during the first quarter of 2003, leaving only low-volume errors that, when corrected, yields only tenths-of-percentage points improvement in flow through.

BellSouth proposed to report UNE-P separately in the Kentucky filing. Raising the benchmark for UNE-P to 90% provides the CLECs with a meaningful opportunity to compete. The additional increase of the benchmark for UNE-P to 95% is not required to provide incentive for UNE flow through improvement. Although BellSouth's UNE-P flow through has been good, BellSouth does not expect that flow-through performance will improve significantly each month. As mentioned before, this leveling-off in no way indicates a lack of attention to on flow-through performance by BellSouth. In fact, orders that do not flow-through would be handled as partially mechanized and still be targeted for the return of a firm order confirmation notice within the 90% <= 10 hours benchmark proposed by BellSouth. Also, even though BellSouth has exceeded the 90% proposed benchmark in recent months – which was above the level the FCC deemed adequate – the 'reward' for meeting the benchmark should not be yet another raising of the performance bar.

Finally, the outcome of the FCC's Triennial Review Order (TRO) is likely to impact the type of orders and their ability to flow through for processing. It is not prudent, at this time, to set such a high benchmark level when the ordering types are likely to change. For all the aforementioned reasons, BellSouth proposes that the Commission concur in 90% as the appropriate benchmark for UNE-P flow-through for both O-3 and O-4.

8. O-7 Percent Rejected Service Requests

For measurement O-7, Percent Rejected Service Requests, the only proposed difference between the Kentucky SQMP and the Georgia SQM Version 2.0 is the addition of a clarifying exclusion. In the Exclusion section, BellSouth proposed to add an exclusion for 'Fatal Rejects' as described in the Business Rules for this measurement. Although BellSouth failed to add this exclusion in the GA SQM Version 2.0, the exclusion is appropriate for the approved Georgia SQM as well. The Business Rules for this measurement as proposed for Kentucky are identical with the Business Rules in the GA SQM Version 2.0 for this measure and explain the basis for the exclusion of fatal rejects from the calculation. Because Fatal Rejects are reported separately, there is no impact on the measurement results by adding this clarifying exclusion.

9. O-8 Reject Interval

BellSouth proposed to change the benchmark interval in the current Kentucky SQMP, dated December 18, 2001, for Reject Interval for Non-Mechanized LSRs from 85% <= 24 hours to 85% <= 18 Business hours. However, the Georgia Commission adopted a benchmark of 95% <= 24 hours for Reject Interval for Non-Mechanized LSRs. For Partially Mechanized LSRs, BellSouth proposed a standard of 90% <=10 hours rather than the current standard of 85% <= 10

hours. The Georgia Commission adopted a benchmark of 90% \leq 7 hours for Reject Interval for Partially Mechanized LSRs.

BellSouth's proposed benchmarks for measurement O-8, Reject Interval differ from benchmarks ordered by the Georgia Public Service Commission, because BellSouth does not believe that the benchmarks set by the Georgia Commission for Partially Mechanized and Non-Mechanized LSRs are reasonable. Specifically, the Georgia Commission set the benchmark for Partially Mechanized LSRs for Reject Interval at 90% \leq 7 hours. The Georgia Public Service Commission has set the benchmark for Non-Mechanized LSRs for Reject Interval at 95% \leq 24 hours.

BellSouth is proposing to reduce intervals and raise benchmarks from the current levels in the Kentucky SQMP. However, BellSouth does not believe that the even more stringent benchmarks and intervals set by the Georgia Commission are necessary to provide the CLECs with a meaningful opportunity to compete. In fact, the benchmark levels set by the Georgia Commission for partially mechanized LSRs and non-mechanized LSRs are higher even than the benchmark levels in the Kentucky 271 application approved by the FCC. Given this, the Kentucky Commission should not raise benchmarks or shorten intervals beyond what this Commission deemed to be sufficient performance to qualify for the Commission's support of BellSouth's 271 application unless there is some specific evidence presented to justify the need for such a change. BellSouth does not believe that any such evidence exists.

An equally significant point, however, is that BellSouth's proposal for the benchmark for handling Fully Mechanized LSRs is consistent with the Kentucky Public Service Commission's existing benchmark and the Georgia benchmark for O-8, *Reject Interval* (97% \leq 1 hour). Since

the majority of the LSRs are covered by the Fully Mechanized benchmarks, the standard for fully mechanized LSRs is the single most important standard. For this reason, BellSouth submits that this Commission should preserve the relationship of the benchmarks for the submeasures of O-8 that currently exists in Kentucky, i.e., the fully mechanized level of product disaggregation in O-8 Reject Interval should have the most stringent benchmarks.

Additional changes, such as corrections in language or typographical errors, are included to clarify the measure, but do not change the calculation of the measurement. This includes clarifying language in the Definition Section to address multiple rejects of single LSRs, clarification in the Exclusions section on which hours are excluded from the interval calculation for partially mechanized and non-mechanized LSRs, and additional language has been added to the Business Rules section to provide a better description of the interval that is captured in the Reject Interval process. Lastly, there have been changes to the report structure so that the intervals reflect the proposed changes to the benchmarks.

10. O-9 Firm Order Confirmation Timeliness

BellSouth proposed to change the benchmark intervals in the current Kentucky SQM, dated December 18, 2001, for Firm Order Confirmation Timeliness for Non-Mechanized LSRs from 85% <= 36 hours to 90% <= 24 Business hours. However, the Georgia Commission adopted a benchmark of 95% <= 24 hours for Firm Order Confirmation Timeliness for Non-Mechanized LSRs. For Partially Mechanized LSRs, BellSouth proposed a standard of 90% <=10 hours rather than the current standard of 85% <= 10 hours. However, the Georgia Commission adopted a benchmark of 90% <= 7 hours for Firm Order Confirmation Timeliness

for Partially Mechanized LSRs.

Again, BellSouth's proposal for the benchmarks for measurement O-9, *Firm Order Confirmation Timeliness* differs from benchmarks ordered by the Georgia Public Service Commission, because BellSouth does not believe that the benchmarks set by the Georgia Commission for Partially Mechanized and Non-Mechanized LSRs are reasonable. Specifically, the Georgia Commission set the benchmark for Partially Mechanized LSRs for Firm Order Confirmation Timeliness at 90% <= 7 hours. The Georgia Public Service Commission has set the benchmark for Non-Mechanized LSRs for Firm Order Confirmation Timeliness at 95% <= 24 hours.

For the reasons mentioned previously under O-8, Reject Interval, BellSouth does not believe that the even more stringent benchmarks and intervals set by the Georgia Commission are necessary.

For this measurement, Firm Order Confirmation, BellSouth is also proposing to reduce intervals and raise benchmarks from the current levels in the Kentucky SQMP. With this proposal, BellSouth's benchmark for handling Fully Mechanized LSRs is consistent with the Kentucky Public Service Commission's existing benchmark and the Georgia benchmark for O-9, *Firm Order Confirmation Timeliness* (95% <= 3 hours). As noted above, most LSRs flow through and are captured by the Firm Order Confirmation and Reject Interval measurements within the Fully Mechanized category. For example, in Kentucky, for O-9, *Firm Order Confirmation Timeliness*, the Fully Mechanized LSR category constituted approximately 84 % of the total orders for April 2003, 84 % of the total orders for May, and 81% of the total orders for June. Because the majority of LSRs are captured in the fully mechanized category, BellSouth

believes that this Commission should preserve the relationship of the benchmarks for the submeasures of O-9 that currently exists in Kentucky, i.e., the fully mechanized level of product disaggregation in these two measurements should have the most stringent benchmarks and utilize the benchmarks as proposed for the Kentucky SQMP.

Additional changes, such as corrections in language or typographical errors, are included to clarify the measure, but do not change the calculation of the measurement. This includes clarification in the Exclusions section on which non-business hours are excluded from the interval calculation for partially mechanized and non-mechanized LSRs, which non-business hours are excluded from the interval calculation for ASRs, so that both are consistent with BellSouth's duration calculations as currently implemented, and clarifying language in the Business Rules section to address multiple FOCs on a single LSRs.

11. O-10 Service Inquiry with LSR Firm Order Confirmation (FOC) Response Time Manual. There are three elements of this measure that are proposed differently in Kentucky than in the adopted GA SQM Version 2.0.

BellSouth did not propose any changes to the existing benchmark of 95% Returned < = 5 Business Days. The Georgia Commission raised the benchmark on this process, which continues to be a manual process, to 95% Returned < = 4 Business Days in the adopted GA SQM Version 2.0. Again, BellSouth does not believe that the even more stringent benchmarks and intervals set by the Georgia Commission are necessary to provide the CLECs with a meaningful opportunity to compete. The Kentucky Commission should not shorten this interval beyond what this Commission deemed to be sufficient performance to qualify for the Commission's

support of BellSouth's 271 Application unless there is some specific evidence presented to justify the need for such a change. In the case of this measurement O-10, as in the case of O-8 Reject Interval and O-9 FOC Timeliness, BellSouth does not believe that any such evidence exists.

The remaining changes to the measure result from the BearingPoint Third Party Tests conducted in Florida and do not impact the measurement results. The Exclusions section has been amended twice for clarification. The first modification is to include a statement of clarification in the Exclusions section on which non-business hours are excluded from the interval calculation for ASRs, which is consistent with BellSouth's duration calculations as currently implemented. In response to BearingPoint's FL Exception 56, this exclusion was added to O-10 and also to O-9, Firm Order Confirmation Timeliness, as previously discussed, to provide consistency of exclusion language across similar measures. Second, BellSouth added a reference to the hours of exclusion for the CRSG exclusion showing the website where the hours of operation can be found, as a result of the Bearing Point recommendation from its Florida PSC BellSouth Permanent Metrics Adequacy Study (September 2002). Third, also in response to the BearingPoint recommendation from its Florida PSC BellSouth Permanent Metrics Adequacy Study (September 2002), BellSouth added the clarifying language "service inquiry with LSR" to the Calculation section of the SQM report to differentiate this measure from measure O-9, FOC Timeliness. Each of these modifications, as proposed for the KY SQMP, would also be appropriate for the adopted GA SQM Version 2.0.

12. O-11 Firm Order Confirmation and Reject Response Completeness. There are several differences between the Kentucky proposed SQMP and the GA SQM Version 2.0 in the Exclusions section of measurement O-11, Firm Order Confirmation and Reject Response Completeness. First, in the original proposal in Kentucky, BellSouth proposed to exclude from O-11 LSRs that are identified and classified as projects. This proposal was not made in Georgia because the need for the exclusion had not been identified during the Georgia proceeding. However, for both the Kentucky proposed SQMP and GA SQM Version 2.0 this exclusion is found in the other ordering measurements O-7, O-8, and O-9. BellSouth believes it is also appropriate to exclude LSRs which are identified and classified as projects for O-11 in both the KY SQMP and the GA SQM.

Given the unique nature of projects, BellSouth believes that it is appropriate to consistently exclude these orders from measurements O7, O-8, O-9 and O-11. This exclusion already applies to measures O-7, *Percent Rejected Service Requests*, O-8, *Reject Interval*, and O-9 *Firm Order Confirmation Timeliness*, the other Ordering measurements in BellSouth's SQMP in both the GA SQM Version 2.0 and the proposed Kentucky SQMP. In order for BellSouth to make the ordering measurements consistent, the same programming logic needs to be applied uniformly across the ordering measurements. For this reason, projects should be treated consistently within the measurement calculation and should be excluded uniformly from Ordering Measurements O-7, O-8, O-9 and O-11. Due to the timing of the SQM workshop in Georgia, this exclusion was not proposed in time for consideration. The exclusion was proposed, however, in the Florida six-month review and adopted by the Florida Commission in the April 22, 2003 order (Docket No. 000121A-TP, Order No. PSC-03-0529-PAA-TP).

Second, BellSouth proposed to add an exclusion for Fatal Rejects. In its BellSouth Permanent Performance Florida PSC BellSouth Permanent Metrics Adequacy Study (September 2002), BearingPoint stated that since a Fatal Reject is not considered to be a valid LSR, the Exclusion documentation should be updated to reflect a Fatal Reject exclusion. BellSouth has followed this recommendation and believes it is appropriate for both Kentucky and Georgia SQMs. Since fatal rejects are not a part of this measurement, adding this exclusion does not change the calculation or the results for this measure.

Lastly, BellSouth did not propose any changes to the existing benchmark of 95% Returned. The Georgia Commission raised the benchmark on this process to 97% Returned in the GA SQM Version 2.0. Raising the benchmark to 97% would have the effect of allowing only 3 orders out of 100 to not be reported in the current period, as compared to 5 orders out of 100 under the current benchmark. This means that there would have to be a reduction of 40% (from 5 in 100 to 3 in 100) in the number of LSRs that do not have a measurable FOC or Reject Notice. Again, BellSouth does not believe that the more stringent benchmarks and intervals set by the Georgia Commission are necessary.

In the case of this particular measurement, the potential is especially great for BellSouth to fail to achieve the 97% benchmark because of the possible actions by the CLECs, i.e., the patterns of order submission near the end of the reporting period. For example, a CLEC could send in LSRs in large volumes, either late in the month or even on the last day of the month that would skew the results for this measurement and make it virtually impossible for BellSouth to achieve a 97% benchmark. Also, this measurement includes both partially mechanized and non-mechanized LSRs, which, by definition, require more than a day for the return of an FOC or

Reject. Consequently, if a CLEC were to submit a large volume of these types of LSRs at the end of the month, then either an FOC or Reject response would be returned the following month. This, too, would make it virtually impossible to meet a 97% benchmark for this measurement, even though the time to provide the FOC or Reject had not elapsed. This benchmark was most recently revisited in the Florida six-month review where the Florida Commission adopted a 95% benchmark in its April 22, 2003 order.

For all the reasons noted above, BellSouth recommended that the appropriate benchmark for this measurement is 95% as contained in the proposed Kentucky SQMP.

PROVISIONING

13. P-1 Mean Held Order Interval & Distribution Intervals

In the proposed Kentucky SQMP, BellSouth has proposed several clarifying modifications that are also appropriate for the GA SQM Version 2.0, but are not included in the GA SQM at this time. The first clarification is to the Exclusions section where BellSouth has proposed an amended and improved definition for Orders with Appointment Code of A. Orders coded with an "A" are those for which no address exists and, as a result, a facility cannot be assigned until a technician makes a premise visit. Second, BellSouth has clarified that Test Order types may be C, N, R, T. Lastly, in its Florida PSC BellSouth Permanent Metrics Adequacy Study (September 2002) BearingPoint indicated that the SQM is not specific as to the Report Structure for this measure. BearingPoint recommended that for clarification the Report Structure documentation be updated to reflect the geographic scope. BellSouth believes this modification is appropriate for both the Kentucky and the GA SQMs. None of these changes affect measurement results.

14. P-2A Jeopardy Notice Interval & P-2B Percentage of Orders Given Jeopardy

Notices. BellSouth proposed to split measurement P-2; *Average Jeopardy Notice Interval & Percentage of Orders Given Jeopardy Notices* into two measures: P-2A *Jeopardy Notice Interval* and P-2B *Percentage of Orders Given Jeopardy Notices*. Measure P-2A would be based on the calculation of a mean. Measure P-2B would be reported as a percentage. This change is merely a clarification of the documentation for these two measurements. The reporting would not change. In the proposed Kentucky SQMP, BellSouth has proposed several clarifying modifications that are also appropriate for the GA SQM Version 2.0, but are not included in the GA SQMP at this time. The first change is to the Exclusions section where BellSouth has deleted the exclusion for Orders held for CLEC end user reasons. This exclusion is not appropriate to a jeopardy interval measurement because orders held for CLEC or end-user reasons occur after a jeopardy, if any, would have been determined. Thus this exclusion is not relevant to this measurement. In the second modification, BellSouth has clarified the Business Rules, deleting some nonessential wording and replacing it with a more succinct explanation of the interval being measured. Also, in its Florida PSC BellSouth Permanent Metrics Adequacy Study (September 2002) BearingPoint indicated that the SQMP is not specific as to the Report Structure for this measure. BearingPoint recommended that for clarification the Report Structure documentation be updated to reflect the geographic scope. BellSouth believes these modifications are appropriate for both the Kentucky and the GA SQMs.

For P-2B, Percentage of Orders Given Jeopardy Notices, the first change is also to the Exclusions section where BellSouth has again proposed to delete the exclusion for Orders held for CLEC end user reasons in the Kentucky proposed SQMP. BellSouth also proposes to add an

exclusion for order activities of BellSouth or the CLEC associated with internal or administrative use of local services, including Record Orders, Listing Orders, and Test Orders which may be coded C, N, R, and T. For this measure, BellSouth has also clarified the Business Rules, deleting some nonessential wording. BellSouth has added a calculation for Percent of Orders Given Jeopardy Notice \geq 48 hours to the Calculation section. Also, in its Florida PSC BellSouth Permanent Metrics Adequacy Study (September 2002) BearingPoint indicated that the SQMP is not specific as to the Report Structure for this measure and recommended that for clarification the Report Structure documentation be updated to reflect the geographic scope. BellSouth believes these modifications are appropriate for both the Kentucky and the GA SQMPs. These differences are administrative and do not affect the measurement results.

15. P-3 Percent Missed Installation Appointments; P-5 Average Completion Notice Interval

The first difference between the Kentucky and Georgia SQMP is in the SQMP Level of Disaggregation and Analog section of P-3 and P-5. BellSouth has removed the designations for Dispatch and Non-Dispatch from several products. Since dispatch and non-dispatch are levels of disaggregation already indicated under the Report Structure section, including them again in the SQMP level of Disaggregation is unnecessary and redundant. The measure continues to be reported by these levels of disaggregation. The differences are administrative and do not affect the measurement results. Secondly, for both P-3 and P-5 BellSouth agreed in the Florida 6 month review proceeding to modify the retail analog for UNE ISDN and UNE UDC/IDSL to be "Retail ISDN – BRI" rather than the "Retail ISDN – BRI and PRI. This is a more appropriate retail analog since the majority of the orders are for UNE ISDN and UNE UDC/IDSL are BRI type

circuits. There is also a difference between the Kentucky and Georgia SQMP in the Exclusions section where BellSouth has clarified that Test Order types may be C, N, R, and T. In its Florida PSC BellSouth Permanent Metrics Adequacy Study (September 2002) BearingPoint indicated that the SQM is not specific as to the Report Structure for this measure. BearingPoint recommended that for clarification the Report Structure documentation be updated to reflect the geographic scope. BellSouth believes this modification is appropriate for both the Kentucky and the GA SQMs.

16. P-4 Average Completion Interval (OCI) & Order Completion Interval; P-4A Average Completion Interval (OCI) & Order Completion Interval Distribution; P-4B Firm Order Average Completion Interval Distribution

In the proposed Kentucky SQMP, BellSouth has proposed several clarifying modifications to the existing P-4 measurement. First, BellSouth proposed to add three exclusions. These three exclusions are for end user-caused misses, Saturdays/Sundays/ Holidays from product xDSL, and Sundays/Holidays for all other products. First, BellSouth should not be held accountable when the Order Completion Interval is extended because the installation appointment was missed for end user reasons. This was discussed with and agreed to by the CLECs participating in the Georgia PSC-sponsored Data Notification of changes to become effective with August 2003 data. Second, the exclusion for Saturday/Sundays/Holidays from xDSL is appropriate because xDSL orders are not worked on those days. Third, for all other products, Sundays and Holidays should be excluded because CLECs can issue orders Saturday night after BellSouth centers are closed and the Sunday/Holiday should not be counted in that

interval. These exclusions present no change because the measurement is currently calculated in this manner.

BellSouth also proposed to modify the Retail analogs for several 2W Analog Loop product level disaggregations involving orders requiring design work. In each of these cases BellSouth replaced the Retail Analog of Retail Residence and Business Dispatch with the Retail Analog of Retail Residence and Business Dispatch (POTS) Plus One Day, which appropriately accounts for the additional time required to perform the design work function. Additionally, BellSouth proposed to add another SQMP level of disaggregation to measure P-4 to address the UNE Line Splitting, UNE UDC / IDSL products and UNE Enhanced Extended Link / Non-Switched Combinations. The appropriate retail analog for UNE Line Splitting is ADSL Provided to Retail. For UNE UDC / IDSL the appropriate analog is Retail ISDN-BRI. There is no retail analog for the UNE Enhanced Extended Link/Non-Switched Combinations level of disaggregation in BellSouth because BellSouth does not provide this service to its retail customers.

Turning to Enhanced Extended Loops / Non-Switched Combinations (EELs), the Georgia Commission adopted a benchmark of 30% within five days and 70% within 8 days. BellSouth challenged this benchmark in Georgia during the 6-month review and BellSouth more recently provided information to the Georgia PSC to demonstrate that the benchmark is not appropriate.

An EEL is a complex designed service consisting of combinations of a BellSouth local loop and interoffice transport. The local loop is typically a DS-1 digital loop and the interoffice transport is also a digital facility. During the Georgia 6-month review proceeding, BellSouth proposed that an EEL should be compared to a DS1/DS3 retail analog since both were complex

designed services. This same proposal was made in the Florida 6 month review and the proposal was subsequently adopted by the Florida PSC. At the time of the Georgia workshops, there had been very little ordering activity for EELs. The GPSC subsequently determined that EELs should have an order completion interval similar to Special Access. The order completion interval for Special Access has been 5 days if facilities are available and the customer premise has been inventoried in BellSouth's Facility Availability System. Where facilities are available when the order is placed but the customer premise has not been inventoried in the Facility Availability System, the interval is 8 days. If facilities are not available, the interval for Special Access is negotiated. While BellSouth strongly opposed any inference that EELs are analogous to Special Access, even if one believed that the interval for EELs should be the same as Special Access (and BellSouth does not) 5 and 8 day intervals adopted by the Georgia PSC do not exclude those situations when facilities are not available. Consequently, this benchmark is not appropriate for Georgia, nor is it appropriate for the Kentucky SQMP.

BellSouth continues to believe the appropriate comparison for EELs is a DS1/DS3 retail analog. This is consistent with the types of EELs that are being ordered by the CLECs, which are typically combinations of a DS1 local loop and a DS3 interoffice facility. Additionally, the FCC supports the use of a retail analog when an appropriate analog is available.

As the FCC has stated: "For those OSS functions provided to competing carriers that are analogous to OSS functions that a BOC provides to itself in connection with retail service offerings, the BOC must provide access to competing carriers that is equal to the level of access that the BOC provides to itself, its customers or its affiliates, in terms of quality, accuracy and timeliness." *In the Matter of Application of Ameritech Michigan Pursuant to Section 271 of the*

Communications Act of 1934, as amended, to Provide In-Region InterLATA Service in Michigan, CC Docket No. 97-137, *Memorandum Opinion and Order*, 12 FCC Rcd 20543, 20618, ¶ 139 (1997). Further, equivalent access is to be construed broadly, “even if the actual mechanism used to perform the function is different for competing carriers than for the BOC’s retail operations.” *Id.* Thus, according to the FCC, a retail analog must be utilized if one exists. The use of set standards such as benchmarks and intervals to demonstrate that a “meaningful opportunity to compete” has been provided is *only* appropriate when there is no retail analog. *Id.* ¶ 141. Furthermore, the Telecommunications Act of 1996 (“1996 Act”) requires nondiscriminatory treatment, and the best way to discern whether an incumbent is meeting this standard is to compare what the incumbent provides to itself to what it provides to the CLEC. The use of a benchmark when a retail analog is available would abandon this reasonable test, which has proven to be workable, in favor of rigid standards that do not take into account the realities of local conditions, or the service that the incumbent provides its retail customers. Accordingly, consistent with the requirements of the FCC, BellSouth believes the benchmark proposed in Kentucky, “Retail DS1/DS3” as the retail analog for EELs under Measure P-4, is the appropriate retail analog rather than the benchmarks adopted in the GA SQM Version 2.0. The EEL’s retail analog of “Retail DS1/DS3 was proposed, however, in the more recent Florida six-month review and adopted by the Florida Commission in the April 22, 2003 order (Docket No. 000121A-TP, Order No. PSC-03-0529-PAA-TP). As noted above, BellSouth is currently engaged in discussions with the GPSC Staff to modify the standard for EELs.

Finally, there is a difference in the product disaggregation levels proposed for line sharing and line splitting in Kentucky and the levels adopted in Georgia. In the Georgia SQM,

these products are not separated between line sharing with and without loop conditioning and line splitting with and without loop conditioning. However, this additional disaggregation (to separate with and without conditioning) does exist in BellSouth's SQMP proposal for Kentucky. BellSouth proposes to use ADSL Provided to Retail as a retail analog for UNE Line Sharing and UNE Line Splitting, without conditioning. This approach is consistent with the treatment of xDSL-capable loops, which are disaggregated based on whether or not loop conditioning is involved. Also, consistent with the treatment of xDSL-capable loops, BellSouth proposes that the following benchmarks apply to these disaggregation levels: Line Sharing with Loop Conditioning = ADSL Provided to Retail plus 12 days; Line Splitting with Loop Conditioning = ADSL Provided to Retail plus 12 days. The 12 days represents the time associated with conditioning the loop and is consistent with the proposed benchmarks for xDSL-capable loops.

When conditioning is performed for either line sharing or line splitting, the process is different from that which is generally utilized for retail ADSL service. In other words, BellSouth typically does not perform loop conditioning in the provision of retail ADSL service, which means that retail ADSL is not analogous to the line sharing or line splitting UNEs when conditioning is done. Therefore, for P-4, BellSouth proposed to add 12 days as the appropriate interval for conditioning to both UNE Line Sharing with conditioning, and UNE Line Splitting with conditioning. The Georgia Commission did not include in the GA SQM Version 2.0 provisions for disaggregated submeasures to reflect whether loop conditioning occurs or does not occur for these products. Nevertheless, BellSouth proposes this disaggregation herein because, when loop conditioning is performed, (1) the provisioning process must take considerably longer

than when loop conditioning is not required, and (2) conditioning is required in addition to the analogous processes of provisioning retail ADSL.

Turning to a new topic, Exhibit 2 shows several seemingly significant differences between the Kentucky proposed SQMP and the Georgia SQMP. In actuality, these differences are more of a formatting difference, than a difference in substance. The Georgia Commission, with GA SQM Version 2.0, created two versions of P-4 labeled, P-4A Average Completion Interval (OCI) & Order Completion Interval Distribution, and P-4B, Firm Order Average Completion Interval Distribution. Measurement P-4A, Average Completion Interval (OCI) & Order Completion Interval Distribution in the GA SQM Version 2.0 is essentially the same as the P-4, Average Completion Interval (OCI) & Order Completion Interval Distribution proposed in Kentucky except for the proposed changes as noted above. The GPSC modified Measure P-4 to create P-4B, Firm Order Average Completion Interval Distribution, to include in the measure the order completion interval from the receipt of a valid Local Service Request ("LSR"), rather than when a service order is generated. This new measurement, P-4B unnecessarily complicates the order completion interval measurement and is not appropriate for the KY SQMP for the following reasons.

When the GPSC created P-4B, Firm Order Average Completion Interval Distribution, the change resulted in duplicating information that is currently captured in the SQMP in two separate measures: O-9, Firm Order Confirmation Timeliness, which measures the time from the receipt of the LSR to the return of the firm order confirmation ("FOC"); and P-4, Average Completion Interval (OCI) & Order Completion Interval Distribution, which currently measures the time from when the FOC is issued until the order is completed in SOCs. BellSouth believes that it is

not appropriate to combine two measurements of two discrete processes into a single measurement. Specifically, O-9 is a measure of the ordering process, and it relates to functions performed in the local carrier service center, while Measure P-4 relates to the provisioning process carried out by other BellSouth work groups.

Furthermore, the process measured by O-9 does not have an analogous process in BellSouth's retail operation, and, as a result, the Georgia Commission has adopted benchmarks as the standard to judge BellSouth's FOC performance. Measure P-4, by contrast, *does* have a BellSouth retail analog, and this analog is applied as the appropriate standard. Combining these two measurements would result in a fundamental mismatch of processes that cannot be properly measured in the framework of a single measurement. Moreover, there is simply no need to attempt to capture these multiple processes in a single measurement.

Another reason the GPSC decision to implement P-4B is inappropriate is that in addition to including FOC time as part of Measure P-4, the measurement also permits the FOC interval measurement continue to stand as a separate measure. Thus, with the addition of the P-4B measurement, the FOC interval would be captured twice, once in a standalone measurement and once in the context of a measurement that would inappropriately combine this interval with the interval for a distinctly different provisioning process.

Furthermore, there is no need to adopt the GA P-4B measure, particularly when the FCC approved the current version of this measure in connection with its approval of BellSouth's application for in-region, interLATA authority in Georgia. Specifically, the FCC found "that the existing Service Performance Measurements and Enforcement Mechanisms (SEEM plans) currently in place for Georgia and Louisiana provide assurance that these local markets will

remain open after BellSouth receives Section 271 authorization.” Indeed, the FCC rejected the argument that the existing P-4 measurement was flawed because it “fails to properly capture the provisioning interval from the time when a CLEC sends its order to BellSouth to when an order is provisioned.” In so doing, the FCC concluded that the current Measure P-4 “is useful in evaluating BellSouth’s performance for provisioning competitive LEC orders. “ *GA/LA 271 Order*, at ¶ 166, n.612. Given that the FCC has recognized the usefulness of the current Measure P-4, there is no need to change that measure, and BellSouth has proposed to retain the original P-4, with minor modifications.

If this Commission were inclined to adopt the P-4B measurement as it exists in the GA SQM Version 2.0, substantial changes would need to be made to the applicable benchmarks to capture the time associated with the FOC, which would effectively result in the creation of three different measures. The measure would need to be reported in 3 parts. The first part of the measure would be for fully mechanized LSRs, which presumably would contain the retail analogs and benchmarks in the KY proposed SQM. The second part of the measure would be for partially mechanized LSRs and would include the proposed retail analogs and benchmarks, plus the proposed FOC interval, which is currently 10 hours for partially mechanized LSRs. The third part of the measure would be for non-mechanized LSRs, and would include the proposed retail analogs and benchmarks, plus the proposed non-mechanized FOC interval, which is 24 Business hours for non-mechanized LSRs. There would be little benefit in creating three additional measures when the current measure is more than adequate.

For the aforementioned reasons, BellSouth believes the appropriate measure of the Order Completion Interval is the single P-4 measurement in the KY proposed SQM and not the two versions included in the GA SQM Version 2.0

17. P-7 Coordinated Customer Conversions Interval; P-7B Coordinated Customer Conversions – Average Recovery Time; P-7C Hot Cut Conversions - % Provisioning Troubles Received within 7 days of a Completed Service Order; P-8 Cooperative Acceptance testing - % of xDSL Loops Successfully Passing Cooperative Testing

In the proposed Kentucky SQM, BellSouth has added an exclusion for Test Orders to each of these measurements. This exclusion is an appropriate addition to the Kentucky SQMP. In response to BearingPoint's FL Observation 142, BellSouth implemented a program change to exclude test orders. This proposed exclusion matches the Test Director programming change implemented in December 2001 for the Coordinated Customer Conversions measurement and provides consistency across all these hot cut measurements. This exclusion does not change the calculation for these measures.

18. P-11 Service Order Accuracy; P-11 Service Order Accuracy – Mechanized Process

BellSouth proposes to eliminate the existing P-11, Service Order Accuracy measurement and replace it with P-11, Service Order Accuracy – Mechanized Process, which is the measurement that complies with the November 14, 2002 order issued by the Georgia Public Service Commission in Docket No. 7892-U.

During the performance measurements workshops held in Georgia, substantial changes were made to this measure based on input from and negotiations among CLECs, BellSouth and the Georgia Commission Staff. On April 23, 2003, BellSouth filed its Motion for Clarification which contained three requests: 1) That the GPSC clarify that the sample of partially mechanized orders under the modified P-11 measure be conducted on a regional basis. 2) That the GPSC clarify the disaggregation levels that apply to the modified P-11 measure. BellSouth requested that the new P-11 disaggregation be applied to the modified P-11. 3) That the GPSC clarify that the modified P-11 measure will take affect in Georgia with partially mechanized service orders generated in April 2003. The GPSC approved all three clarifications in the Administrative Session on May 6, 2003. This current measure has the joint agreement of BellSouth and the CLECs as a result of negotiations (Industry Taskforce Report Concerning New Measure P-11 (Service Order Accuracy) filed June 12, 2003 in Docket No. 7892-U). The new measure P-11 filed with the Georgia PSC in the Industry Taskforce Report is included in Exhibit 2. The GPSC Staff has recommended approval of the Taskforce's submitted report.

Because the Service Order Accuracy measure is a regional measure, BellSouth proposed to delete the existing measure, and replace it with the new measure, which includes the GPSC approved changes as described above.

The new metric P-11 continues to capture Service Order Accuracy. However, it also includes improvements to the measurement that were recommended during the Georgia workshops. The proposed P-11 is consistent with the Georgia Commission ordered modifications to P-11 in the following four ways: 1) the fields reviewed in determining service order accuracy shall be limited to CLEC-impacting; 2) disaggregation will be based on three

categories of products: Resale, UNEs, and UNE-P; 3) the benchmark for P-11 will be 95%; and
4) the P-11 measure will be Tier 1 and Tier 2 for SEEM.

19. P-13 LNP- Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution; P-13A LNP- Percent Out of Service < 60 Minutes, P-13B Percentage of Time BellSouth Applies the 10-digit Trigger Prior to the LNP Order Due Date; P-13C LNP- Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution (Non-Trigger). In its plan filed, November 2, 2001 and again on Dec. 16, 2002, BellSouth proposed to eliminate measure P-13, *LNP-Average Disconnect Timeliness Interval and Disconnect Timeliness Interval Distribution*. In lieu of this measurement, BellSouth proposed that the Kentucky Commission adopt three new Local Number Portability (LNP) measurements; P-13A, *LNP- Percent Out of Service < 60 Minutes*, P-13B, *LNP- Percentage of Time BellSouth Applies the 10-digit Trigger Prior to the LNP Order Due*, and P-13C, *LNP-Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution (Non-Trigger)*. BellSouth has used these measures, filed with this Commission on November 2, 2001, to calculate performance and penalties (held in abeyance) since that time. Each of the measurements is proposed to be included as Tier 1 and Tier 2 SEEM measurements, just as in the Georgia SQM Version 2.0. BellSouth's plan and supporting rationale for resolving the penalties held in abeyance for P-13 LNP Disconnect Timeliness is included in the response to Item 2 of the Commission's Staff Data Request.

The proposed P-13A, *LNP- Percent Out of Service < 60 Minute*, and P-13B, *LNP- Percentage of Time BellSouth Applies the 10-digit Trigger Prior to the LNP Order Due Date* are

identical to the LNP replacement measures adopted by the GA Commission in the GA SQM Version 2.0. P-13C, *LNP- Average Disconnect Timeliness Interval* also matches the measure in the GA SQM version 2.0 except for minor changes as discussed previously in the response contained in Part 1.

MAINTENANCE AND REPAIR

20. M&R-1 Missed Repair Appointments; M&R-2 Customer Trouble Report Rate; M&R-3 Maintenance Average Duration; M&R-4 Percent Repeat Troubles within 30 Days; M&R-5; M&R 6 Average Answer Time – Repair Centers; M&R-7 Mean Time to Notify CLEC of Network Outages

BellSouth has amended these measurements, where appropriate, either in the Definition or Calculation Sections, or both, to reflect the addition of the word 'Customer'. The Service Quality Measurement document for Maintenance and Repair measurements 1-5 does not consistently distinguish between measured 'customer trouble reports' and 'all trouble reports.' All trouble reports could include those called in by BellSouth technicians for such 'non-trouble' issues as a placing a follow-up message to bury a newly installed service wire to a customer's premise. This modification will identify 'customer trouble reports' as appropriate, in the SQM document.

Also, in its Florida PSC BellSouth Permanent Metrics Adequacy Study (September 2002) BearingPoint indicated that the SQM is not specific as to the Report Structure for these measures. BearingPoint recommended that for clarification the Report Structure documentation be updated to reflect the geographic scope. BellSouth has modified the Report Structure for this designation as appropriate.

For M&R-6, Average Answer Time – Repair Centers BellSouth has added an exclusion for ‘calls that are abandoned by the CLEC Representative or BellSouth customer before the repair attendant answers the call’. In its Florida PSC BellSouth Permanent Metrics Adequacy Study (September 2002), BearingPoint recommended the addition of an exclusion for abandoned calls and stated that “since the SQM is based on the total number of calls answered in the reporting period, abandoned calls cannot be included” [BearingPoint report, p. 52]. BellSouth has added this clarifying exclusion to the measure. None of these changes affect measurement results.

For measurement M&R-7, BellSouth has proposed to make several changes to the Definition, Business Rules, and Calculation to address issues raised during the BearingPoint Third Party audit of this metric. In FL Observation 133, BearingPoint noted that the wording in BellSouth’s SQM document for M&R-7 was inconsistent with the benchmark. First, BearingPoint noted that the definition and calculation suggested that only CLEC performance is measured. Second, BearingPoint noted that the calculation formulas measured the total time and mean time to notify the CLEC of network outages, again implying that only CLEC performance was being calculated. BellSouth proposed changes to the Definition, Business Rules, and Calculations to more clearly explain these issues. Third, BellSouth has modified the Retail Analog from ‘Parity by Design’ to ‘Parity with Retail’. This change was in response to the BearingPoint FL Observation 161. The CLECs are being notified via email and BST receives faxed notification consequently the process is not exactly “Parity by Design,” but “Parity with Retail.” These modifications were also recommended in BearingPoint’s Florida PSC BellSouth Permanent Metrics Adequacy Study (September 2002).

These changes are appropriate for the Kentucky proposed SQMP as well as the GA SQM Version 2.0 and will be proposed at the next opportunity to revise the SQM in Georgia. There is no impact on measured results.

OPERATOR ASSISTANCE / DIRECTORY ASSISTANCE

20. OS-2 Speed to Answer Performance / Percent Answered within "X" Seconds – Toll; DA-2 Speed to Answer Performance / Percent Answered within "X" Seconds – Directory Assistance (DA)

For these two measures, the value of "X" in Georgia is 10 seconds for OS-2 and 12 seconds for DA-2. However, the Kentucky Administrative Regulations, Section 22(1), require that BellSouth provide adequate personnel to insure that the average speed of answering operator assisted calls and operator number identification (ONI) calls will not exceed eight (8) seconds for retail service. The process for these measurements is parity by design. Because the eight-second measuring point applies to retail services for Kentucky, BellSouth proposes to use the same measuring point for CLEC data.

DATABASE UPDATE INFORMATION

21. D-2 Percent Database Update Accuracy; D-3 Percent NXXs and LRNs Loaded by the Effective Date. BellSouth proposed two changes to these measures in the proposed Kentucky SQMP that are not found in the Georgia SQM Version 2.0. First, BearingPoint noted in the FL Observation 180 that BellSouth uses a statistically valid sample of completed CLEC Service Orders rather than a sample of original CLEC orders in the D-2 measure. BellSouth has

updated the SQM language for both the Definition and Business Rules to clarify that it uses a statistically valid sample of completed CLEC Service Orders for this measure. BellSouth also updated the Report Structure as a result of BearingPoint's recommendation from the Florida PSC BellSouth Permanent Metrics Adequacy Study (September 2002) where BearingPoint indicated that the SQM is not specific as to the Report Structure for this measure. BearingPoint recommended that, for clarification, the Report Structure documentation be updated to reflect the geographic scope.

BellSouth's modifications to D-3 are largely administrative. The second and third paragraphs of the Definition section for this measure are more appropriately included in the Business Rules section. BellSouth proposes for the Kentucky SQMP to move the noted paragraphs from the Definition section to the Business Rules section, as shown in Exhibit 2. None of these changes affect measurement results the way results are currently calculated.

COLLOCATION

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

The measures included in Exhibit 2 comply with the direction of the Kentucky Commission in KY Case No. 2001-105 issued on October 19, 2001. These measures replace the measures adopted by the Georgia Commission in the Georgia SQM Version 2.0. For that reason,

these measurements are not redlined in Exhibit 2.

CHANGE MANAGEMENT

23. CM-1 Timeliness of Change Management Notification; CM-2 Change Management Average Delay Days; CM-4 Change Management Documentation Average Delay Days;

BellSouth has proposed modifications to clarify the CM-1, CM-2, and CM-4 change management measures, but these changes do not impact the calculation of the measures. For CM-1 and CM-2 BellSouth has clarified the Exclusions for Type 2 – Regulatory Changes, Type 4 – CLEC Initiated Changes that have been expedited, and Type 6 – CLEC impacting Defects. In its Florida PSC BellSouth Permanent Metrics Adequacy Study (September 2002), BearingPoint indicated that the language used for the Exclusions in CM-1 and CM-2 does not accurately reflect the classification of Type 6 Change Requests, since Type 6 Change Requests include only CLEC Impacting Defects. Further, Bearing Point noted that defects, mandated and expedited features, by definition, fall outside of the usual timeframes established by the CCP and should be excluded. Since change requests for Type 2, 4, and 6 will have expedited notification and an implementation interval they should be excluded. BellSouth has appropriately modified the Exclusions section to reflect the clarification. For CM-2 and CM-4, BellSouth proposed to modify the Business Rules to clarify the description of the calculation. In BearingPoint's FL Observation 69 BearingPoint noted that the formula specified in the SQM document for the measures was inconsistent with the benchmarks ordered by the FPSC. BellSouth proposed the changes to the Business Rules as shown in Exhibit 2 to clarify the calculations as reported. BellSouth therefore proposed to include BearingPoint's recommended changes as reflected

above in the proposed Kentucky SQMP.

24. CM-6 Percent Software Errors Corrected in X (10,30,45) Business Days

BellSouth is proposing to include only Severity 2 defects in the SEEM plan in Kentucky. In Georgia, the SEEM plan includes Severity 2, 3 and 4. The rationale for a different proposal in Kentucky was discussed in Part 1 of this filing. To summarize, BellSouth does not think it appropriate to include Severity 3 and 4 defects in the penalty plan since there is little or no impact to the CLEC from these two categories of defects.

BONA FIDE / NEW BUSINESS REQUEST PROCESS

25. BFR-1 Percentage of BFR/NBR Requests Processed Within 30 Business Days; BFR-1 Percentage of Quotes Provided for Authorized BFR/NBR Requests Processed Within X (10/30/60) Business Days

BellSouth proposes to delete these two measures from the Kentucky SQMP. At the time of Georgia Workshops, BellSouth did not propose any changes to the measurements. However, based on the extremely low volumes associated with these measures, BellSouth believes the measures are unnecessary.

A Bona Fide Request is a formal request by a CLEC for something outside of BellSouth's normal services or processes, and these requests can range from simple to extremely complex. Thus, activity in this measurement would only result if BellSouth cannot satisfy the service requirements of a CLEC through its existing offerings. Consequently, there is very little

activity generated for this measurement. BellSouth data shows that in Kentucky, for the months of August, September and October 2002, there were 8, 8, and 3 requests, respectively for the entire nine state region. In fact, as the number of UNEs has grown, the need for BFRs has declined. BellSouth data supports this fact showing that for the months of January, February, and March 2003 there were 3, 0, and 2 requests respectively and from January through June 2003 there were only a total of 7 requests for the region. Therefore, these measures are unnecessary and BellSouth proposes to delete them from the Kentucky SQMP.

APPENDICES

26. Appendix A – Reporting Scope

BellSouth proposes to delete the Reporting Scope from the Kentucky SQMP because the appendix is no longer necessary. Individual reports within the SQM include this information. Providing the information in an individual appendix is redundant and unnecessary.

27. Appendix A – Glossary Of Acronyms and Terms

The Glossary of Acronyms and Terms has been updated and expanded since the approval and publication of the appendix included in the Georgia SQM Version 2.0. Updates are shown in red text and underlined in Exhibit 2.

28. Appendix B – BellSouth Audit Policy

While the Audit Policy in Kentucky and Georgia are the same, the current Audit Policy is likely to be modified in the future. BellSouth is committed to continue to improve the audit policy and process. BellSouth has SQM and SEEM Audit Plan provisions on file in each of the nine states in its region. Although substantively similar, certain state plan requirements differ slightly, for example, with respect to who should perform the audits, who should bear the associated costs of the audits, who should select the independent auditor, and the time frames in which the audits should be conducted. BellSouth is working to develop a single comprehensive audit plan that accommodates all existing state requirements. BellSouth produces Performance Measurement reports from a regional system, PMAP. BellSouth's proposal will offer a regional approach to a streamlined audit process framework for annual audits of these common systems that will maximize the efforts of the auditors, and provide assurance to the State Commissions and CLECs that the performance data produced by PMAP and the penalty payments calculated by PARIS accurately reflect the respective State Order for Performance Measurements.

29. Appendix C – OSS Tables

The SQM and SEEM OSS Legacy System Tables for Measurements OSS-1, OSS-2, OSS-3, and OSS-4 were moved to this appendix for administrative reasons in the Georgia SQM Version 2.0. Any changes to these tables are administrative corrections to update legacy system application names and transaction contracts.

30. Appendix D - BellSouth's Policy on Reposting of Performance Data and Recalculation of SEEM Payments

BellSouth spent many months developing its "Policy on Reposting of Performance Data and Recalculation of SEEM Payments," and is not proposing any changes from the filing on December 16, 2002. The BellSouth reposting policy, as proposed in the Kentucky SQMP, is designed to correct and repost data inaccuracies that have a potentially meaningful impact on performance results. The reposting policy in Georgia, however, inappropriately, requires BellSouth to abandon a consideration of the materiality of the inaccurate data and applies the policy to all measures. BellSouth is adamantly opposed to any requirement to correct and repost each and every inaccuracy that may exist, regardless of its materiality.

The reposting policy is the vehicle by which BellSouth reposts potentially meaningful changes to data on a retroactive basis. BellSouth posts preliminary performance data for a given month on its website on the 21st day of the following month. On the last day of that month, final data are posted. During the roughly ten days between preliminary and final data, BellSouth continues its validation processes. Once the final data are posted, those data are revised on the website in the current month. BellSouth then posts a notice that the data have changed and notifies any CLEC who accessed the currently posted reports that their data may have changed and that they can request a new report that would include CLEC-specific and CLEC aggregate data. Any changes that are made to the data during this period do not constitute "reposting" of data. They are re-run without regard to the reposting policy.

BellSouth applies the reposting policy to determine whether any data for prior months needs to be reposted. When the criteria of the reposting policy are met, as described below, the data

are rerun retroactively. If retroactive month's data are changed, the change is made during the next production cycle. CLECs are notified by a notation posted to the website. CLECs may request restated reports for the previous months affected.

To ensure that BellSouth only reposts potentially meaningful changes to its performance data, BellSouth applies certain criteria. The first is that BellSouth only reposts data from those measures (and associated submetrics) deemed sufficiently critical to include in the SEEM plan. If the data in one of the SEEM Plan Measures (or submetrics) changes, they will be reposted if the following criteria as stated in Appendix E are met at the statewide aggregate level or at the regional level for data reported on a regional basis:

In these circumstances where, as described in Appendix E, the 2-percentage point criterion is applied to measures with benchmarks. It is applied as follows: If the CLEC aggregate result declines 2% or more, BellSouth reposts the data. For measures with retail analogues, BellSouth looks to changes in the z-score. If the z-score changes more than 0.5, BellSouth reposts the data. The 100-transaction minimum arises out of BellSouth's reasoned assessment that a 2-percentage point change constitutes a potentially meaningful change in the data. With less than 100 transactions, a change in one record would constitute a "meaningful" change at the 2% level, a fact that does not appear reasonable on its face. With a 100-transaction minimum, at least 2 records must change to necessitate reposting the data. Additionally, the Louisiana Commission and the Georgia Commission used 100 transactions as the dividing line in determining whether certain services should be considered as nascent and subject to special treatment in the SEEM.

To illustrate the impact of the 100-transaction threshold for reposting, BellSouth has included its analysis that was provided to the FCC as part of BellSouth's Florida and Tennessee

271 application. Specifically, there are about 2100 sub-metrics for the Resale and UNE modes of entry in the MSS. For the months of May through August, the maximum number of those sub-metrics in the Florida and Tennessee MSS that could have been affected by the 100-transaction criterion is minimal as shown below.

Submetrics	
Month	<100
TN – May	71
TN – June	71
TN – July	76
TN - August	69
FL – May	68
FL – June	69
FL - July	74
FL - August	76

The 100-transaction minimum, moreover, shows an even smaller impact at the transaction level, which is the basis for calculating the measurements. The percentage of transactions reported for those sub-metrics with less than a 100- transaction volume represents less than 4.5% of transactions in the sub-metrics that failed and less than 0.5% of all transactions reported in the UNE and Resale categories of the MSS for Tennessee. In Florida, they represent less than 1% of the transactions in the submetrics that failed and less than 0.1% of the total reported transactions reported in the UNE and Resale categories of the MSS for Florida. Since any submetric where the equity indicator changes from yes to no is reposted, regardless of

transaction level, the effect of the 100 transaction minimum is even less than indicated above. The following chart identifies the number of transactions corresponding to those submetrics with failures. In order to show the small impact of applying the 100-transactions minimum rule, the count of transactions for failed submetrics with less than 100 transactions is shown in the chart below. For further convenience, the percentage of total transactions that have failed submetrics with less than 100 transactions is also shown. These data are provided for Florida and Tennessee in the months of May through August 2002.

State-Month	Transaction Volumes For Failed Submetrics		<u>Total</u>		
	<100	Percent of Total < 100 Transactions	Failures	Passes	<u>Passes & Failures</u>
TN – May	2,082	.3%	67,395	570,489	637,884
TN – June	1,952	.3%	62,411	551,500	613,911
TN – July	2,551	.4%	59,873	630,362	690,235
TN - August	2,247	.3%	56,257	777,867	834,124
FL – May	2,602	.08%	565,295	2,608,404	3,173,699
FL – June	1,891	.06%	486,942	2,700,544	3,187,486
FL – July	2,074	.06%	386,863	3,127,820	3,514,683
FL - August	2,064	.06%	430,104	3,051,764	3,481,868

In conclusion, BellSouth's data reposting policy is only one aspect of the data production process. The criteria of the policy are designed to strike a careful and necessary balance between restating potentially meaningful changes in the data, keeping the data stable to be of maximum use to CLECs and regulators, and limiting unnecessary cost and expense to Bellsouth. Reposting data without regard to the significance of a potential change could cause confusion among data users, add unnecessary cost to the process, and jeopardize the production of the next month's

data without adding any value to the overall assessment of BellSouth's performance. In short, the current policy is designed to best meet the needs of regulators, CLECs, and BellSouth alike, and should not be changed.

31. Appendix E- Description of Raw Data and other Supporting Data Files

BellSouth has included in Appendix F in the proposed Kentucky SQMP a detailed description of the Raw (Supporting) Data Files (SDF) and the Other Supporting Data Files (OSDF). Included in these descriptions are the summaries of the type of data provided, by performance metric, for both SDF and OSDF. The Appendix also provides a web site for the CLEC user to access the Raw Data Users Manual (RDUM) and Supporting Data Users manual (SDUM).

32. Appendix F - LSR Flow-Through Matrix

For the Kentucky SQMP, BellSouth proposes that the LSR Flow-Through Matrix be removed from the SQMP. BellSouth also proposes to include in the SQMP directions for locating the latest version of the Flow-Through Matrix on the PMAP website. The rollout of new products and the continued improvement in the numbers of products that flow through has resulted in the need for frequent changes to the Flow-Through Matrix. Since it is relatively difficult to change the SQMP, the SQMP should only reference the matrix, which should be located on the PMAP website in order to allow necessary changes. Also, BellSouth would agree to notify the Commission before changing any product from "Yes" (it flows through) to "No" (it no longer flows through).

The Flow-Through matrix is, of course, a tool that CLEC Service Representatives use during the ordering process. However, CLECs are very familiar with the PMAP website, and the latest version of the Flow-Through Matrix is already posted on the PMAP website. Thus, this change would have no impact on the CLECs' access to the matrix. Although the GA Commission elected to retain the Flow-Through Matrix as one of the SQM appendices, BellSouth maintains this does not permit new flow through capabilities to be reflected in the matrix in a timely manner. Since the latest version of the matrix is updated and retained on the PMAP website, retaining the document in the SQM not only unnecessarily increases the size of the SQM but creates the potential for CLEC to mistakenly use the SQM as the latest reference source, when in fact, the latest version of the Flow-Through Matrix will be located on the PMAP website. Therefore the appropriate course of action is to delete this reference matrix from the SQM and retain the latest version of the Flow-Through Matrix on the PMAP website.

33. Appendix F-1 – SQM Product List; Appendix F-2 – SEEM Product List

These Appendices were added to the Georgia SQM Version 2.0 at the direction of the Georgia Commission. However, the table of Product Group Rollups is subject to much of the same constraints as that of the Flow-through Matrix, as previously described above. The issue is that, as products are added to or deleted from product groups, the appendices must be changed to remain current. Since the SEEM Product list is subject to the same constraints, BellSouth proposes, rather than include these matrices in the SQMP, to provide access to them on the PMAP website. Therefore the appropriate course of action is to exclude this reference matrix from the SQMP and retain the latest version of the SQM and SEEM Product Lists on the PMAP

website.

34. Appendix G – Special Access Service

Although the Georgia Commission included a set of Special Access performance measurements in the Georgia SQM Version 2.0, BellSouth submits that the inclusion of Special Access measurements as part of the SQM is not appropriate and these additional measurements should not be included in the Kentucky SQMP. The reasons follow: (1) to date, performance measures have been ordered to apply only to interconnection, unbundling and resale, i.e., the entry vehicles contemplated by Section 251 of the Telecommunications Act of 1996 – special access is a tariffed service offering that is not included in this list; (2) special access is a competitive service, and thus the marketplace will drive the behavior of providers; (3) There is no need to utilize special access as an alternative to unbundled network elements (“UNEs”) or interconnection; (4) to the extent the CLECs utilize special access service ordered from the federal tariff, it is overwhelmingly an interstate service that cannot appropriately be regulated by this Commission.

There should be no inclusion of performance measures for special access. CLECs have a choice as to the method of entering and serving the local market; they can purchase access services subject to the terms and conditions of BellSouth's interstate tariffs or they can purchase unbundled network elements under the terms and conditions of the interconnection agreements approved by this commission. Although some CLECs have contended that special access and network elements are functionally identical, they are different offerings that entail different services and different prices. Nevertheless, some CLECs appear to proceed from the premise

that to the extent they utilize any service to enter the local market, performance measurements like those that apply to UNEs and interconnection should apply to the other services as well. BellSouth disagrees.

Performance measurements have essentially two purposes. One, they may be used to satisfy the public interest requirements of Section 271 by demonstrating that “back sliding” will not occur after 271 relief is granted. Two, they may be utilized to demonstrate that nondiscriminatory access is being provided for the methods of local entry specified in the Telecommunications Act. These tools do not include special access services that are offered under state and federal tariffs, and that have been offered since well before the advent of the 1996 Act for purposes other than the provision of local service. Section 251 sets forth the duties of incumbent local exchange carriers under the Act to provide interconnection, unbundled network elements and resale. It is these obligations that are negotiated pursuant to the Act and included in Interconnection Agreements. It is also these obligations to which performance measurements have been applied in the states in which 271 authority has been granted. There is nothing in the Act that supports the notion that a mechanism designed to monitor compliance with the Act (i.e., performance measurements) should be extended to entry vehicles not contemplated by the Act, a category into which special access services falls.

Whether to prevent backsliding under Section 271 or to ensure nondiscriminatory access under Section 251, performance measurements are a regulatory tool that allow the Commission to compare BellSouth's performance for the CLECs with how BellSouth performs for its retail customers. However, there is no need to apply this regulatory tool to special access services. Because carriers, and not retail customers, are the primary purchasers of special access services,

there is no threat that BellSouth's provisioning of special access services will favor its retail operation over CLECs, which means that the sort of "discrimination" that performance measurements are intended to detect is simply not possible.

Furthermore, the FCC has issued a notice of proposed rulemaking to address the prospect of performance measurements for special access services and has issued a separate notice in a different docket to consider the prospect of performance measurements and standards for unbundled network elements and interconnection (CC Docket No. 01-318). Thus, although the FCC is investigating performance measures for special access services, it is not treating special access as if these services are the same as unbundled network elements, and there is nothing in the two FCC Notices that contemplates placing special access measurements and UNE measurements under the umbrella of performance measurements designed for unbundled network elements and interconnection.

Also, special access services should not be included in the performance measurements because they are federally tariffed interstate services. Although both intrastate and interstate tariffs exist for special access services, the overwhelming majority of these services that are ordered are interstate in nature. There is an obvious impropriety in a CLEC ordering services from an interstate tariff with the intent to use the services principally (or exclusively) for intrastate purposes. This impropriety is compounded by the CLECs' attempt to have this Commission adopt rules and standards for those interstate services, which are clearly not within the scope of this (or any state) Commission's jurisdiction.

As a member of the Joint Competitive Industry Group (JCIG), WorldCom has requested the FCC to order performance measurements that would apply to interstate access services. The

FCC responded to this and other CLEC requests by releasing on November 19, 2001 the NPRM (noted above) to address performance measurements and standards for interstate special access services. In the NPRM, the FCC specifically solicits comments as to whether it should adopt national measurements and standards for special access services, what the specific measurements and standards would be, how they would be implemented, and how they would be enforced. (Notice, Pars. 13-18). The FCC has clearly demonstrated an intention to resolve the question of whether there should be performance measurements and enforcement mechanisms that apply to interstate special access services. Given the FCC's current Docket, further action by this Commission at this time is simply not necessary. Moreover, the NPRM includes specific language regarding both the FCC's jurisdiction and the possible future role of State Commissions, which establishes that it would be inappropriate for this Commission to implement performance measures for special access at this time.

First, the FCC has made it clear that its jurisdiction in this matter is tied specifically to the fact that special access services are interstate in nature. In the NPRM, the FCC expressly states the following:

The Commission has broad authority to establish national performance measurements and standards for special access services pursuant to sections 201 and 202 of the Act. Section 201(b) of the Act requires, among other things, that the practices of all common carriers providing

interstate services be just and reasonable, and the Commission previously has applied the requirements of Section 201 to special access services.³

(NPRM, ¶8) (emphasis added).

Moreover, jurisdiction is also premised on the fact that “Section 272(e)(1) provides additional authority for the Commission to apply measures, standards, and reporting requirements to the provisioning of the interstate special access services by BOCs.” (Par. 10) (emphasis added) Thus, jurisdiction is premised on Sections of the Act other than 251 and relates specifically to the interstate nature of these services. The obverse proposition must follow: this Commission cannot attempt to assert jurisdiction over interstate services pursuant to Sections of the Act that it has not been charged to apply or enforce.

Further, the FCC specifically notes that “Competitive carriers have turned to the state commissions for assistance in resolving special access services disputes; however, several states have determined that they lack authority to regulate the incumbent’s provisioning of such services.” (NPRM, ¶11). The FCC then cites specifically to a letter recently received by the New York Department of Public Service (“New York Commission”). In the letter the Chairman of the New York Commission states that “our agency would be willing to establish and enforce service standards on all special services, if this were a matter your agency believed should reasonably be delegated to New York State” (emphasis added). Thus, even the New York Commission – clearly one of the State Commissions that has been most aggressive in this area –

³ The FCC does seek comment (Par. 9) on the difference between the nondiscrimination requirements of Section 251 and Section 202, which suggests that the nondiscrimination requirements of Section 251 may apply to

acknowledges that it cannot enforce standards relating to interstate special access without a delegation of authority from the FCC. Obviously, this delegation has not occurred.

Moreover, the FCC expressly seeks comment on the question of whether state commissions “could play a role regarding interstate special access services.” (NPRM, ¶11). The FCC specifically requests comments on “how, if the Commission were to adopt special access measures and standards, the state commissions might participate in enforcing these requirements”. (¶11) Further, the FCC requests parties to “comment on what they consider an appropriate role for the states, taking into account both policy considerations and legal constraints, and including applicable limitations on delegations of authority to the state”. (Id.). Thus, the FCC clearly intends that State Commissions will have a limited role, which will be determined later, and which will not rest upon independent jurisdiction, but rather upon an explicit, future delegation of authority.

Finally, it is noteworthy that the FCC's approach to performance measures for special access stands in marked contrast to its approach to performance measurements for unbundled network elements and interconnection. In the NPRM that addressed the latter, the FCC acknowledged the extensive efforts that have been made in a number of states regarding performance measurements for UNEs and interconnection, and the FCC also expressed an intention to work cooperatively with the states on this issue (NPRM, FCC 01-331, Par. 15-20). The NPRM regarding special access is quite different. As noted above, there is the possibility that the FCC will adopt national performance measurements and standards for special access and

special access services. Still, the FCC's exercise of jurisdiction is expressly tied to the fact that access services are interstate in nature.

that state commissions might participate to the limited extent of assisting in the enforcement of these requirements, after the necessary delegation of authority. The difference in the two Notices makes it clear that the FCC contemplates that the states will have a much more limited role (if any) in defining performance measures for special access services.

Given the fact that the FCC has manifested an intention to review the issue of performance measurements as it relates to interstate special access services, there is no need for this Commission to do so as well. Again, given the above, if this Commission were to proceed to set standards and enforcement mechanisms for interstate special access services, this action would not only unnecessarily duplicate the current efforts by the FCC, it would almost certainly conflict with the FCC action, and create the prospect of a host of problems that are practical, procedural, and legal.

Besides the arguments above, special access services are competitive. Thus, the marketplace should determine if any measurements and standards are needed. On December 15, 2000 the FCC granted BellSouth Phase I and Phase II pricing flexibility relief for its special access services, thus affirming that special access services are competitive. In its Order, the FCC granted Phase I relief in 39 MSAs and Phase II relief in 38 MSAs for special access and dedicated transport services. For channel terminations to end users, the FCC granted Phase I relief in 37 MSAs and Phase II relief in 26 MSAs.

Furthermore, according to the UNE Fact Report 2002, that was filed in the FCC's Triennial Review proceeding (CC Docket No. 01-338), competitive carriers have captured between 28 and 39 percent market share for the special access service market. This data was

based on 2000 revenue data. In fact, competitive carriers have enough fiber routes in place to circle the globe more than 7 times (184,000 route miles).

Given all of the above, BellSouth believes it is appropriate not to include Special Access measurements in the KY SQMP.

35. SEEM PLAN CHANGES

BellSouth had proposed only a few changes to the SEEM plan that was approved by the Kentucky Public Service Commission on October 19, 2001. These changes are consistent with the SEEM plan adopted in Georgia and are reflected in the Georgia SEEM Plan comparison attached as Exhibit 3. These changes include a number of clarifications to the Administrative Plan section of SEEMs and modifications to the measurements included in Tier I and Tier II of the SEEM plan. BellSouth's Exhibit 3 includes the SEEM Administrative plan, the SEEM Submetrics included in the Penalty Plan, the Statistical Properties and Definitions, the statistical Formulas and Technical Description, and the SEEM Remedy Calculation Procedures for Kentucky, showing any differences from the SEEM plan as adopted by the GA Commission.

BellSouth has made a number of changes to the tables in Appendix B: SEEM Submetrics. In Appendix B, Table B-1: Tier I Submetrics, BellSouth has added Tier I penalties for four measures. These measures are, (1) P-13A, LNP-Percent Out of Service < 60 Minutes; P-13B; (2) Percent of Time BellSouth Applies the 10-digit Trigger Prior to the LNP Order Due Date; (3) P-13C, LNP-Average Disconnect Timeliness Interval (Non-Trigger); and (4) P-11 Service Order Accuracy.

Also, in Appendix B, Table B-2: Tier II Submetrics, BellSouth has added the three LNP measures listed above as well as the SEEMs disaggregation for P-11, Service Order Accuracy to

reflect the SEEM disaggregation ordered by the Georgia Commission for the new Service Order Accuracy - Mechanized Process measurement. BellSouth has also added to Appendix B three Change Management Measurements: CM-6, Percent of Software Errors Corrected in X (10,30,45) Business Days for Severity 2 only; CM-7, Percent of Change Requests Accepted or Rejected Within 10 Days; and CM-11, Percent of Change Requests Implemented Within 60 Weeks of Prioritization.

Finally, BellSouth has restructured Tables B-1, Tier I Submetrics and B-2, Tier II Submetrics to match the SQMP disaggregation levels for SEEM payments for each measurement. These changes are actually a disaggregation clarification to both tables. Each table now lists each product disaggregation that comprises the SEEMs penalties.

The following is a restatement of the second part of the Data Request.

**Section III. BELL SOUTH'S RESPONSE TO DATA REQUEST #2
OF THE COMMISSION STAFF**

- 2) Provide a plan and any supporting rationale for resolving the penalties held in abeyance for P-13 LNP Disconnect Timeliness. Include a detailed accounting of both Tier 1 and Tier 2 penalties held in abeyance and list, at a minimum, the periods (i.e. dates of occurrence, payees and dollar amounts).**

In response to the Commission's Staff Data Request, BellSouth proposes the following plan and supporting rationale for resolving the penalties held in abeyance for P-13 LNP Disconnect Timeliness. First a detailed accounting of Tier 1 and Tier 2 penalties held in abeyance is included as Exhibit 4. Second, BellSouth proposes to implement P-13A, LNP- Percent Out of Service < 60 Minutes, P-13B, LNP- Percentage of Time BellSouth Applies the 10-digit Trigger Prior to the LNP Order Due Date and P-13C, LNP- Average Disconnect Timeliness Interval (Non-Trigger). These measures have been adopted by the Georgia Commission in Docket No. 7892-U and are included in the GA SQM Version 2.0, differing only by the aforementioned modifications for measure P-13C mentioned in Section II, Part 1, and shown in Exhibit 1.

BellSouth proposed these replacement measurements because the current measure: (1) does not accurately capture the customer's experience when the customer's telephone number is ported; and (2) includes activities in the porting process over which BellSouth has no control.

BellSouth proposes to implement P-13A, LNP- Percent Out of Service < 60 Minutes, P-13B, LNP- Percentage of Time BellSouth Applies the 10-digit Trigger Prior to the LNP Order

Due Date and P-13C, LNP- Average Disconnect Timeliness Interval (Non-Trigger) and pay, as the SEEMs penalties, the penalties held in abeyance for these measures as detailed in Exhibit 4, from the first data month, November 2001, through the present month's data. BellSouth believes this is reasonable for several reasons. Bellsouth indicated, in the November 2, 2001 filing that these measures, as adopted by the GA Commission, were more appropriate for the LNP Process as opposed to the original P-13 Disconnect Timeliness measure. As BellSouth has indicated, the combination of these three metrics more accurately measures BellSouth's performance of the functions over which it has control, and the aspects of BellSouth's performance that affect service to the CLEC and its end user/customer. It would be completely unreasonable to hold BellSouth accountable for multiple years of penalty payments for a flawed measure, when BellSouth brought the flaw to the Commission's attention in October 2001. Further, the FCC and each state PSC that has examined this issue, including the Georgia Commission, has elected to use the 3 new measures in place of the flawed P-13 measurement.

The original P-13, LNP Disconnect Timeliness measure was flawed in a number of ways. First, local number portability ("LNP"), allows a customer to keep his or her telephone number when telephone service is transferred from one local exchange company to another. The number portability feature works by utilizing a centralized database that houses all ported numbers and provides proper routing of calls to and from these numbers. When an order involving LNP is being worked to port a telephone number from BellSouth to the CLEC, both BellSouth and the CLEC must take certain actions in order to enable the CLEC's new end user to make and receive calls using the ported number.

On a great majority of LNP orders, BellSouth creates what is referred to as a “trigger” in conjunction with the order. This trigger sets up a process to give the end user customer the ability to make and receive calls from other customers who are served by the customer’s host switch at the time of the LNP activation. This ability is not dependent upon BellSouth working a disconnect order. In other words, when a trigger is involved, an end user customer can receive calls from other customers served by the same host switch before the disconnect order is ever worked.

On trigger orders, end user customers also can make and receive calls from customers not served by the same host switch before BellSouth works the disconnect order. This is because all the switches in the BellSouth network other than the host switch are updated via routing data that is delivered to each of BellSouth's Service Control Point (“SCP”) databases. These routing messages are delivered by a system known as LSMS, which is operated by and under the control of BellSouth. Thus, the end user has the full ability to make and receive telephone calls on ported numbers involving a trigger as soon as the LSMS message is sent to all SCPs, even though BellSouth has not yet disconnected the customer from its translations in the BellSouth host switch.

However, the current Performance Measure P-13 does not recognize the importance of triggers and their effect on the LNP process. Rather, the current measure calculates the end time of the LNP activity as the processing of the actual disconnect order in the host switch, even though, from a customer’s perspective, this activity is totally meaningless. It is the activation of the LNP and the routing function accomplished by the LSMS that ultimately determines whether

the end user is back in full service and is able to make and receive calls when a trigger is used in porting a telephone number.

Technical limitations in some switches prevent triggers from being created for some classes of service, most of which involve more complex services. In these cases, all of the switches in BellSouth's network are updated via messages to the SCPs, except for the home switch. In the case of the home switch, the customer's ability to receive calls from other customers served by his or her home switch is dependent on the processing of the disconnect order after receipt of the number ported message from the NPAC database. However, the timeliness of the disconnect is not under BellSouth's control. For example, the CLEC may begin the porting process for a customer without notifying BellSouth or the CLEC may conduct the porting process after hours, which is specifically addressed in P-13C, LNP- Average Disconnect Timeliness Interval (Non-Trigger). In either case, the porting process may begin and end without BellSouth becoming aware of the need to complete the disconnect order in the home switch, making it impossible for BellSouth to meet the 15 minute benchmark established in the original P-13, LNP-Average Disconnect Timeliness Interval and Disconnect Timeliness Interval Distribution. More importantly the end user has all of the necessary functionality without completing the disconnect order.

The Georgia Commission has already addressed this situation with a reasonable decision. The Georgia Commission, in its October 22, 2001 Order in Docket No. 7892-U, directed BellSouth to implement, on an interim basis, four measures associated with LNP and to calculate (but not pay) Tier I and Tier II performance penalties under each measure. These measures were: (1) the original P-13 as adopted by the Commission: (2) P-13B (Percentage of Time

BellSouth Applies the 10-Digit Trigger Prior to the LNP Order Due Date); (3) P-13C (Percent Out of Service < 60 Minutes); and (4) P-13D (LNP - Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution (Non-Trigger)). Consistent with this Order, BellSouth began reporting performance data and remedy calculations under these four measures effective with June 2001 data.

During the course of the Georgia Performance Measurements workshops, BellSouth agreed with the CLECs that the Commission should adopt measures P-13B and P-13C on a permanent basis. Upon an effective Commission order adopting these two measures, BellSouth agreed to pay remedies under these two measures to affected CLECs and the State of Georgia retroactive to June 2001.

The parties also agreed that the Commission should adopt Measure P-13D on a permanent basis, although it was agreed that BellSouth should continue reporting performance and calculating penalty payments pursuant to the P-13D measure as adopted by the Commission. Measure P-13D in Georgia has a 12-hour benchmark. The measure as proposed in the Kentucky SQMP also has a 12-hour interval, as well as a modification to the Business Rules that states that non-business hours will be excluded from the duration calculation.

In Georgia, the GPSC adopted the Measurement P-13D and BellSouth made penalty payments retroactive to June 2001. BellSouth did pay performance and penalty payments in Georgia for Measures P-13B, P-13C, and P-13D retroactive to June 2001. Based upon the precedent to address the situation in Georgia, BellSouth proposes to implement P-13A, LNP- Percent Out of Service < 60 Minute, P-13B, LNP- Percentage of Time BellSouth Applies the 10-digit Trigger Prior to the LNP Order Due Date and P-13C, LNP- Average Disconnect Timeliness

Interval (Non-Trigger) and pay, as the SEEMs penalties, the penalties held in abeyance for these measures as detailed in Exhibit 4, from the first data month, November 2001, through the present months data.

Section IV. DIRECTION FOR FUTURE ACTION

The preceding discussion addressed the requirements of the Commission Staff's Data Request dated August 8, 2003 data request to explain how BellSouth's December 16, 2002 proposal filed in this proceeding differs from the Georgia SQM and SEEM plans recently adopted by the Georgia Public Service Commission. The Staff's Data Request also required BellSouth to provide a plan for resolving penalty considerations associated with the P-13 measure (LNP Disconnect Timeliness). In addressing these issues, as the data request required, BellSouth also provided supporting rationale for its proposal including the replacement of measurement P-13 with the measurements P-13-A, P13-B, and P-13C.

However, this data request concerned a measurement and enforcement plan that BellSouth proposed over nine (9) months ago. That proposal was basically a modification of BellSouth's performance plan that resulted from a performance measurement proceeding conducted by the Georgia PSC in July 2000. Consequently, the SQM and SEEM plans recently adopted by the Georgia PSC, which are being compared to BellSouth's December 16 2002 proposal, are over three years old.

Certainly, a lot has happened over the last 3 years. Competition is growing; performance has improved; experience has shown that the plan is too massive and too complex. In essence, out of an abundance of caution on the part of the CLECs, BellSouth and the Commission the monitoring and enforcement mechanisms, were designed to address every conceivable problem that might occur. This approach has created an overly complex system for monitoring overall performance and sanctioning inadequate performance. Unfortunately, the periodic review process has not only perpetuated this problem, but also has aggravated the problem.

Consequently, BellSouth believes that it is important to take a step back from the details of the documented similarities/differences between BellSouth's December 16, 2002 performance and enforcement plan proposal and the plan recently adopted by Georgia, and consider a more fundamental question. That question is this: in what direction should the Commission move to make the overall process more efficient and more viable? The purpose of the following discussion is to provide a perspective on, and an assessment of, the current state of the performance measurements reporting and review process. BellSouth believes that, based on this discussion, the Commission and Commission Staff will agree that there is a need for change in the approach to the performance measurements and enforcement mechanisms review process.

The Central Goal of Increased Local Competition

It is important to remember that the primary aim of the 1996 Act is to stimulate local competition to the benefit for the American consumer and, in so doing, reduce the need for regulation in the presence of genuine market competition. The development of performance measurements and enforcement mechanisms, such as the current Kentucky plan, were created as one approach to supporting the goals of the Act. If we consider the local market in Kentucky over the period of time from approval by this Commission and FCC to the current period, it is easy to see that local competition has grown significantly and continues to thrive. Specifically, at the time that this Commission considered BellSouth's petition to demonstrate section 271 competitive checklist compliance, CLECs accounted for 5.2% (as calculated under Method 2)⁴ of the total local market based on March 2001 data. As of June 2003, the CLECs accounted for 17.7% of the local Kentucky market. CLEC market share of the residential market was 2.5% in

March 2001 and has grown to 15.1% as of June 2003. If we look at business lines over this same period, the CLEC local market share grew from 11.2% in March 2001 to 23.1% in June 2003. Certainly, these statistics demonstrate that local competition is thriving.

BellSouth's Performance is Consistent with Increased Local Competition

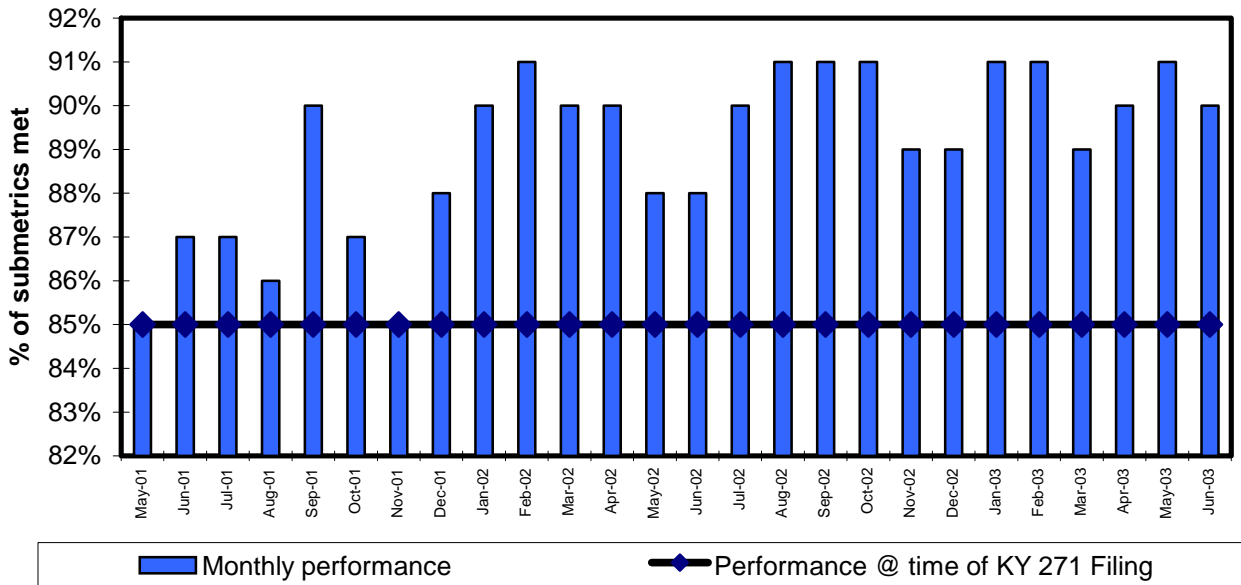
As already mentioned, the purpose of implementing a system to monitor overall performance and to sanction poor performance is to help to further local market competition. This purpose carries with it the presumption that good performance by BellSouth translates into heightened competition in the local market. Moreover, the enforcement mechanism serves primarily, if not solely, to prevent backsliding once an ILEC like BellSouth has received authority from the FCC to provide in-region, InterLATA service. Thus, a review of BellSouth's current performance prompts the conclusion that no backsliding has occurred.

Indeed, BellSouth's performance has continued to improve in Kentucky since its initial filing with this Commission and since Section 271 approval by the FCC. At the time of the initial state 271 filing (May 2001 data), BellSouth's performance in Kentucky was at 85%. This means that BellSouth met or exceeded the standard of overall performance for 85% of the measurements with performance standards. The performance improved to an overall 87% average for March through December 2001. For 2002, BellSouth has met or exceeded the 85% performance level in every month. Moreover, for the months of April through June 2003, the performance levels were 90% or higher in all three months, which is an improvement over the high level of performance results that this Commission considered when it supported BellSouth's 271 application for Kentucky.

⁴ See Supplemental Affidavit of Victor K. Wakeling filed August 29, 2001.

The following chart depicts BellSouth's performance at the time of the initial 271 filing with this Commission (horizontal line) and BellSouth's performance each month since that filing (vertical bars).

BellSouth SQM Performance to CLECs



BellSouth's service levels have not deteriorated since entry into long distance, but, in fact, performance has consistently improved since entry into long distance. BellSouth has maintained high performance levels in Kentucky for all of its customers, both retail and wholesale. The overall review of BellSouth's service performance to the CLECs in Kentucky from the time it initially filed its 271 application with this Commission in June 2001 through June 2003, indicates no backsliding. BellSouth continues to provide the CLECs with a meaningful opportunity to compete in Kentucky.

Thus, an assessment of the current state of competition in Kentucky demonstrates the existence of an open local market and, in addition to BellSouth's continued performance improvements, further supports the Commission's original finding that BellSouth offers CLECs access to its network in a nondiscriminatory manner. These are the factors that should inform the present and future decisions on how best to proceed in assessing the current performance measurements and enforcement plans.

BellSouth's Initial Kentucky Proposal Did Not Address This Problem

While the proposal that BellSouth provided to the Commission on December 16, 2002 included only a limited number of changes to the performance measurements and enforcement plans in place in Kentucky, there is a pressing need to limit the expansive trend of adding more and more measurements that are not critical or customer impacting to the plans already in place.

Over the last several years, BellSouth has devoted a massive amount of effort and resources to the process of developing measurement and enforcement plans to ensure compliance with the requirements of Section 271 of the Telecommunications Act of 1996. Each of the nine states in BellSouth's region has adopted some form of the core SQM plan proposed by BellSouth. While this information concerning how the SQM evolved over time may be instructive, the end result is that BellSouth's current plan requires extensive reporting. Furthermore, the way in which the SQM evolved has resulted in a steady increase in these reporting requirements. These are the issues that deserve particular attention.

Both the Current Kentucky Plan and the Georgia Plan are Very Inefficient

The serious problem posed by the performance and enforcement plans that have been adopted in BellSouth's region in general and, as emphasized here specifically, the current

Kentucky and Georgia plans contain so many measures (and submeasures) and are so complex, that the benefits derived from these plans may be outweighed by the burdens they impose. These burdens apply to both BellSouth as the producer of the data and the Kentucky Commission as the reviewing regulatory body. Further, it would appear that the broad scope of these plans is largely unnecessary: in many cases the plans include measures that, once disaggregated for reporting purposes into specific sub-metrics, monitor performance at such a minute level that, for many sub-metrics, there is insufficient activity to generate a meaningful measure, even at the state level, considering the activity of all the CLECs.

To illustrate, as of June 2003, based on the plan currently in place in Kentucky, there were a total of 81 measures and 2354 sub-metrics included in the MSS. There are 117 sub-metrics that are excluded for the FOC & Reject Completeness – Multiple Response and LNP Disconnect Timeliness Measures, leaving 2237. When the sub-metrics that are classified as “diagnostic” (918) or “parity by design” (10) are subtracted from the total number (2237) of sub-metrics, there are 1309 sub-metrics remaining that are evaluated to determine if parity has been achieved based on the results for each of these sub-measures.

For the 1309 sub-metrics used for evaluation, there were a total of 770 (59%) sub-metrics with no activity from ANY CLEC in Kentucky during the month of June 2003, and an additional 232 (18%) sub-metrics had fewer than 30 transactions, which is a generally accepted minimum level required to produce meaningful results. This data show that 77% ((770+232)/1309) of the sub-metrics evaluated for parity determination in June 2003 had fewer than 30 CLEC transactions. To summarize, if 59% of the measurements had no activity at all at the state level, only 41% of the measurements for the entire CLEC industry in Kentucky had any measureable

activity. Further, if 77% of the measurements had had less than 30 transactions, only 23% of the measurements for the entire CLEC industry had measurable activity of 30 or more – the level considered to produce meaningful results.

All of these numbers are based on total activity for the entire CLEC industry in Kentucky. However, many of the measurements are also produced for each CLEC, individually. If the number of measurements produced in total, for the state in total, and for each of the CLECs are considered, the percentage of all submetrics with any activity is substantially less than the 41% discussed above. For instance, there are 85 CLECs operating in Kentucky. Some of the 1309 measurements discussed above are applicable to each CLEC individually. Based on a recent analysis of the KY measurement plan, 1170 of the 1309 are required to be produced for each CLEC, whether or not that CLEC actually has activity. Therefore, the total number of state total measurements and individual CLEC measurements is 1309 (for the state in total) plus 99,450 (85 times 1170) for individual CLECs – or a total of 100,759. Next, we must determine how many of the 100,759 total measurements for the state and CLECs typically have measurable activity. We know that only 539 of the total 1309 measurements (1309 – 770) had at least one observation. While substantial labor would be required to determine exactly the proportion of the total of 100,759 measurements that had activity, we can approximate this proportion.

First, it is important to understand that the 1309 measurements are comprised of product-specific measurements. For instance, the Order Completion Interval (OCI) measurement is divided into numerous submetrics according to product. (See Exhibit1, measurement P4, SQM Level of Disaggregation.) Examples include OCI – resale residence, OCI- resale business, OCI – 2W, Analog Loop with LNP Design, OCI, OCI - UNE Loop + Port Combinations, OCI- Local

Interconnection Trunks. There are actually 35 product categories in the OCI measurement. However, not all CLECs have activity each month in each one of these categories because their business may only involve resale of residence, resale of business, ordering of Loop-Port Combinations, or DSL services, as examples. Individual CLECs typically have activity in approximately 3 or 4 products within a given measurement. Using the OCI example above, which has 35 product categories, the typical CLEC activity level (i.e., 3 or 4 of these products) would be reflected in slightly less than 10% of the measurements. Therefore, if we assume that an individual CLEC has activity in 10% of the 509 measurements that had at least one measurable activity for the state in total, then the calculation would be as follows:

$$\frac{\left(\begin{array}{l} \# \text{ of State Aggregate} \\ \text{measures with no activity} \end{array} \right)}{\left(\begin{array}{l} \text{State Aggregate \#} \\ \text{of measures} \end{array} \right)} \rightarrow \frac{770}{1309} + \frac{4335}{99450} \leftarrow \frac{(51(10\% \text{ of } 509) \times 85 \text{ CLECs})}{(1170 \text{ measures} \times 85 \text{ CLECs})} = \frac{5105}{100,759} = 5\%$$

Therefore, based on the foregoing estimate, it is likely that less than 5% (5000 / 100,759) of the measurements BellSouth is currently required to produce each month has any measurable activity.

Beyond the fact that a majority of sub-metrics have no activity from month-to-month, there is the additional problem of measurements that overlap in capturing performance results related to certain processes. That is, there are some metrics that measure smaller pieces of the same overall process or simply measure the same process in a different way. The value of such duplication is questionable at best.

The Process is Spiraling Out of Control

BellSouth believes that the Commission should work towards stopping the expansive trend in performance reporting requirements. In particular, measurements should be added to the initial set only if there is a demonstrated need. Similarly, the existing set of measurements should be reviewed to determine their necessity in the current environment.

Moreover, the cycle of performance measurements reviews and workshops has resulted in performance reporting plans that deal exhaustively with performance measurements, but entails the monitoring and reporting of so much information that, as a practical matter, the information cannot be effectively monitored, analyzed and maintained.

Notably, on November 19, 2001, the FCC released a Notice of Proposed Rulemaking ("Notice") to seek comment as to whether the FCC should adopt measurements and standards for evaluating incumbent local exchange carriers' performance in the provisioning of facilities and services to competitive local exchange companies ("competitive LECs" or "CLECs"). Specifically, the FCC noted that any measurements or standards adopted must be "carefully designed to balance" the objective of ensuring that incumbent LECs ("ILECs") achieve a high level of service quality with the objective of minimizing the burdens imposed on these incumbents.⁵ The Notice also stated as important goals the harmonizing of state measurement plans with any national measurement plan and the potential streamlining of measurement plans by the adoption of national measurements and standards.⁶

⁵ Notice, ¶ 7.

⁶ Notice, ¶ 17.

Although the FCC is not expected to make a determination in this area in the near-term, it is clear from the articulated objectives of the Notice that the FCC is more concerned with the quality of the set of performance measurements. In the Notice, the FCC requested comments on the number of measures that should be reported – the notice included twelve measures.

BellSouth, in its proposed performance measurements and enforcement plans filed with this Commission on December 16, 2002, sought to modify the existing Kentucky SQM and SEEM plans based on certain requirements of the Georgia PSC Order dated November 14, 2002, recommendations by BearingPoint (formerly KPMG) and administrative changes to correct errors or clarify certain aspects of the SQM and SEEM documentation. Additionally, BellSouth initiated a few proposed modifications to the plan that represent very moderate changes to the plan that were more than sufficient to measure BellSouth's performance in meeting the requirements of Section 271.

As already discussed, BellSouth has consistently provided a high level of service to CLECs in Kentucky, as it does throughout its region, and is committed to continuing this high level of performance. Adding new measurements or additional penalties would have no benefit to competition - since it is growing and performance is improving – as already highlighted.

Further, the current performance measurements and enforcement plan contains a number of measurements far in excess of that which is necessary to monitor BellSouth's compliance with the requirements of the 1996 Act. It serves no useful purpose to include duplicative reporting of the same processes through overlapping measurements or providing the Commission with data based on metrics that do not measure critical processes.

Thus, since neither BellSouth's December 16, 2002 proposal nor the plan recently adopted by the Georgia Commission adequately addresses the issues identified herein, BellSouth suggests that the Kentucky Commission reject any proposal made that might be made to expand the plan even beyond its current scope. BellSouth anticipates that these issues will be addressed in the near future, by changes that will be made in other states that are further along in the periodic review process of the measurement and enforcement plans. Ultimately, BellSouth plans to present these changes to Kentucky.

V. CONCLUSION

For the reasons set forth above, BellSouth requests that the Commission continue with the existing SQMP and SEEM plans (after replacing the LNP measurements discussed in Section III) until a future time at which the Commission would consider comprehensive modifications to BellSouth's SQMP and SEEM plans.