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September 16, 2003

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Reece McAlister
Executive Secretary
Georgia Public Service Commission
244 Washington Street, S.W.
Atlanta, Georgia 30334-5701

Re: *Performance Measurements for Telecommunications Interconnection,
Unbundling and Resale*; Docket No. 7892-U

*Investigation into Development of Electronic Interfaces for BellSouth's
Operations Support Systems*; Docket No. 8354-U

Dear Mr. McAlister:

In response to the August 18, 2003 letter from Leon Bowles, Director of the Telecommunications Staff, BellSouth Telecommunications, Inc. ("BellSouth") respectfully submits its proposal for a "new and more focused audit plan" that is designed to conclude the audit of the Self Effectuating Enforcement Mechanisms ("SEEM") reports and remedies that began almost three years ago. Currently, BellSouth is moving production of some of the SEEM measures calculated in the Interim Solutions system ("IS") to the Parity Analysis and Remedy Information System ("PARIS"). Additionally, BellSouth is developing a SEEMs Replication Manual. Both of these initiatives are expected to be largely completed later this year, which provides the opportunity for the Georgia Public Service Commission ("Commission") to put in place a new, more efficient and more cost-effective approach to concluding the SEEM audit.

This letter outlines an audit process that, in BellSouth's view, will take advantage of the audit work performed to date and maximize the skills of the auditors, while at the same time providing assurance to this Commission and the industry that the SEEM reports and remedies being generated by BellSouth are consistent with the Commission's requirements.

To date, BearingPoint (formerly KPMG Consulting) has extensively tested BellSouth's systems and reports. When BearingPoint suspended its testing activities, BearingPoint provided the following report of the status of the SEEM audit as of August 14, 2003:

PMR 4 Data Integrity

OSS	Percent Response Received within X seconds	OSS-1	Completed	Completed
	Interface Availability (Pre-Ordering and M&R)	OSS-2	Completed	Completed
Pre-Ordering	Average Response Time for LMU Information (Non-Mechanized)	PO-1	Completed	Completed
	Average Response Time for LMU Information (Electronic)	PO-2	Completed	Completed
Ordering	Acknowledgement Message Timeliness	O-1	Completed	Completed
	Acknowledgement Message Completeness (	O-2	Completed	Completed
	Percent Flow Through Service Request (Summary)	O-3	Completed	Completed
	Percent Flow-Through Service Requests (Detail) - Residence	O-4	Completed	Completed
	Reject Interval (Mechanized)	O-8	Completed	Completed
	FOC Timeliness	O-9	In Progress	In Progress
	FOC and Reject Completeness	O-11	In Progress	In Progress
Provisioning	Percent Missed Installation Appointments	P-3	Completed	Completed
	Order Completion Interval	P-4A	Completed	Completed
	Coordinated Customer Conversion - UNE Loops w/ LNP	P-7	Completed	Completed
	Coordinated Customer Conversion - Hot Cut Timeliness for UNE Loops	P-7A	Completed	Completed
	Percent Troubles within 7 Days of Hot Cut	P-7C	Completed	Completed
	Cooperative Acceptance Testing-Percent of xDSL Loops Tested	P-8	Completed	Completed

	Percent Provisioning Troubles within 30 Days	P-9	Completed	Completed
	Service Order Accuracy - UNE Spcl (DSGN) (>=10 ckts~NonDsptch)	P-11	Completed	Completed
	Percentage of Time BellSouth Applies the 10-Digit Trigger Prior to the LNP Order Due Date	P-13B	Completed	Completed
	Percent Out of Service < 60 Minutes	P-13C	Completed	Completed
	LNP - Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution (Non-Trigger)	P-13D	Completed	Completed
Maintenance & Repair	Percent Missed Repair Appointments	MR-1	In Progress	In Progress
	Customer Trouble Report Rate	MR-2	In Progress	In Progress
	Maintenance Average Duration	MR-3	In Progress	In Progress
	% Repeat Troubles within 30 Days	MR-4	In Progress	In Progress
Billing	Invoice Accuracy	B-1	Completed	Completed
	Mean Time to Deliver Invoices - CABS	B-2	Completed	Completed
	Usage Data Delivery Accuracy	B-3	Completed	Completed
TGP	Trunk Group Performance - Aggregate	TGP-1	Completed	Completed
	Trunk Group Performance - CLEC	TGP-2	Completed	Completed
Collocation	Collocation Percent of Missed Due Dates	C-3	Completed	Completed
Change Management	Timeliness of Change Management Notices	CM-1	Completed	Completed
	Timeliness of Documents Associated with Change	CM-3	Completed	Completed

PMR 5 Replication—Tier 1

OSS	Percent Response Received within X seconds	OSS-1	N/A	N/A	N/A
	Interface Availability (Pre-Ordering and M&R)	OSS-2	N/A	N/A	N/A
Pre-Ordering	Average Response Time for LMU Information (Non-Mechanized)	PO-1	Testing Completed	Testing Completed	Testing Completed
	Average Response Time for LMU Information (Electronic)	PO-2	Testing Completed	Testing Completed	Testing Completed
Ordering	Acknowledgement Message Timeliness	O-1	Testing Completed	Testing Completed	Testing Completed
	Acknowledgement Message Completeness (	O-2	Testing Completed	Testing Completed	Testing Completed
	Percent Flow Through Service Request (Summary)	O-3	N/A	N/A	N/A
	Percent Flow-Through Service Requests (Detail) - Residence	O-4	Testing Completed	Testing Completed	Testing Completed
	Reject Interval (Mechanized)	O-8	Testing Completed	Testing Completed	Testing Completed
	FOC Timeliness	O-9	Exception	Not Started	Not Started
	FOC and Reject Completeness	O-11	In Progress	Not Started	Not Started
Provisioning	Percent Missed Installation Appointments	P-3	In Progress	Not Started	Not Started
	Order Completion Interval	P-4	In Progress	In Progress	In Progress
	Coordinated Customer Conversion - UNE Loops w/ LNP	P-7	Testing Completed	Testing Completed	Testing Completed
	Coordinated Customer Conversion - Hot Cut Timeliness for UNE Loops	P-7A	Exception	Not Started	Not Started
	Percent Troubles within 7 Days of Hot Cut	P-7C	Draft Exception	Not Started	Not Started

	Cooperative Acceptance Testing-Percent of xDSL Loops Tested	P-8	Exception	Not Started	Not Started
	Percent Provisioning Troubles within 30 Days	P-9	Testing Completed	Not Started	Not Started
	Service Order Accuracy - UNE Spcl (DSGN) (>=10 cmts~NonDsptch)	P-11	N/A	N/A	N/A
	LNP-Percent Missed Installation Appointments	P-12	N/A	N/A	N/A
	Percentage of Time BellSouth Applies the 10-Digit Trigger Prior to the LNP Order Due Date	P-13B	Testing Completed	Testing Completed	Testing Completed
	Percent Out of Service < 60 Minutes	P-13C	Draft Exception	Not Started	Not Started
	LNP - Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution (Non-Trigger)	P-13D	Testing Completed	Testing Completed	Testing Completed
Maintenance & Repair	Percent Missed Repair Appointments	MR-1	Testing Completed	Not Started	Not Started
	Customer Trouble Report Rate	MR-2	In Progress	In Progress	In Progress
	Maintenance Average Duration - Interconnection Trunks	MR-3	Testing Completed	Not Started	Not Started
	% Repeat Troubles within 30 Days - Interconnection Trunks	MR-4	Testing Completed	Not Started	Not Started
Billing	Invoice Accuracy	B-1	Testing Completed	Testing Completed	Testing Completed
	Mean Time to Deliver Invoices - CABS	B-2	Testing Completed	Testing Completed	Testing Completed
	Usage Data Delivery Accuracy	B-3	Testing Completed	Testing Completed	Testing Completed
TGP	Trunk Group Performance - Aggregate	TGP-1	N/A	N/A	N/A
	Trunk Group Performance - CLEC	TGP-2	Testing Completed	Testing Completed	Testing Completed

Collocation	Collocation Percent of Missed Due Dates	C-3	Testing Completed	Testing Completed	Testing Completed
Change Management	Timeliness of Change Management Notices	CM-1	N/A	N/A	N/A
	Timeliness of Documents Associated with Change	CM-3	N/A	N/A	N/A

PMR 5 Replication—Tier 2

OSS	Percent Response Received within X seconds	OSS-1	Testing Completed	Testing Completed	Testing Completed
	Interface Availability (Pre-Ordering and M&R)	OSS-2	Testing Completed	Testing Completed	Testing Completed
Pre-Ordering	Average Response Time for LMU Information (Non-Mechanized)	PO-1	Testing Completed	Testing Completed	Testing Completed
	Average Response Time for LMU Information (Electronic)	PO-2	Testing Completed	Testing Completed	Testing Completed
Ordering	Acknowledgement Message Timeliness	O-1	Testing Completed	Testing Completed	Testing Completed
	Acknowledgement Message Completeness (	O-2	Testing Completed	Testing Completed	Testing Completed
	Percent Flow Through Service Request (Summary)	O-3	Testing Completed	Testing Completed	Testing Completed
	Percent Flow-Through Service Requests (Detail) - Residence	O-4	N/A	N/A	N/A
	Reject Interval (Mechanized)	O-8	Testing Completed	Testing Completed	Testing Completed
	FOC Timeliness	O-9	Exception	Not Started	Not Started
	FOC and Reject Completeness	O-11	In Progress	Not Started	Not Started
Provisioning	Percent Missed Installation Appointments	P-3	In Progress	Not Started	Not Started
	Order Completion Interval	P-4	In Progress	In Progress	In Progress

	Coordinated Customer Conversion - UNE Loops w/ LNP	P-7	Testing Completed	Testing Completed	Testing Completed
	Coordinated Customer Conversion - Hot Cut Timeliness for UNE Loops	P-7A	Exception	Not Started	Not Started
	Percent Troubles within 7 Days of Hot Cut	P-7C	Draft Exception	Not Started	Not Started
	Cooperative Acceptance Testing-Percent of xDSL Loops Tested	P-8	Exception	Not Started	Not Started
	Percent Provisioning Troubles within 30 Days	P-9	Testing Completed	Not Started	Not Started
	Service Order Accuracy - UNE Spcl (DSGN) (>=10 cks~NonDsptch)	P-11	In Progress	In Progress	Not Started
	LNP-Percent Missed Installation Appointments	P-12	N/A	N/A	N/A
	Percentage of Time BellSouth Applies the 10-Digit Trigger Prior to the LNP Order Due Date	P-13B	Testing Completed	Testing Completed	Testing Completed
	Percent Out of Service < 60 Minutes	P-13C	Draft Exception	Not Started	Not Started
	LNP - Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution (Non-Trigger)	P-13D	Testing Completed	Testing Completed	Testing Completed
Maintenance & Repair	Percent Missed Repair Appointments	MR-1	Testing Completed	Not Started	Not Started
	Customer Trouble Report Rate	MR-2	In Progress	In Progress	In Progress
	Maintenance Average Duration - Interconnection Trunks	MR-3	Testing Completed	Not Started	Not Started
	% Repeat Troubles within 30 Days - Interconnection Trunks	MR-4	Testing Completed	Not Started	Not Started
Billing	Invoice Accuracy	B-1	Testing Completed	Testing Completed	Testing Completed
	Mean Time to Deliver Invoices - CABS	B-2	Testing Completed	Testing Completed	Testing Completed

	Usage Data Delivery Accuracy	B-3	Testing Completed	Testing Completed	Testing Completed
TGP	Trunk Group Performance Aggregate	TGP-1	Testing Completed	Testing Completed	Testing Completed
	Trunk Group Performance CLEC	TGP-2	N/A	N/A	N/A
Collocation	Collocation Percent of Missed Due Dates	C-3	Testing Completed	Testing Completed	Testing Completed
Change Management	Timeliness of Change Management Notices	CM-1	Testing Completed	Testing Completed	Testing Completed
	Timeliness of Documents Associated with Change	CM-3	Testing Completed	Testing Completed	Testing Completed

In addition to this status report, according to BellSouth's records, the following exceptions issued by BearingPoint remain open when testing was suspended: Exceptions 175, 176, 181, 193, 195, 196, 198, 205, 206, 207, 208, 209, 211, 212, 213, 214, and 215; and Draft Exceptions 272, 273, 285, 293, 295, 296, 297, and 297.

Although BearingPoint has made progress in the SEEM audit, additional work remains, even after almost three years of SEEM testing. In BellSouth's view, part of the problem is that the testing model developed and utilized by BearingPoint to test and audit BellSouth's Service Quality Measurement ("SQM") Plan that began in Georgia in 1999 is not the appropriate platform for conducting the SEEM audit. Under the current audit model, BearingPoint develops separate software to essentially duplicate the functionality of the systems BellSouth uses to generate SEEM reports and payments. Under this approach, more emphasis is placed on computer coding than on the verification of accurate SEEM reporting and remedy calculations. In addition, having BearingPoint develop parallel computer coding unnecessarily adds to the time and expense of conducting the audit. Finally, under the current audit model, any discrepancy in the coding or reporting is treated with equal significance – regardless of whether the problem that has been identified is truly material to the reporting or calculation of SEEM remedies.

To address these problems and to conclude the SEEM audit in a thorough but expeditious manner, BellSouth proposes that a Request for Proposals (RFP) for a fixed price engagement should be issued to a group of potential auditors in the fourth quarter of 2003 for an audit beginning in early 2004. BellSouth proposes that this RFP would build upon the work performed to date by BearingPoint while addressing the two fundamental shortcomings of the audit model currently employed by BearingPoint – first, an audit focused on replicating computer code rather than verifying the accuracy of SEEM reports and remedy payments; and,

second, the lack of a materiality threshold. The following is an overview of the new audit BellSouth proposes:

Compliance Testing

For each of the exceptions or draft exceptions issued by BearingPoint that remains open as of the date the SEEM test was suspended, the auditor will verify that BellSouth has taken adequate steps to address the concern identified by BearingPoint and will recommend to the Commission whether that exception or draft exception can be closed.

Transaction Testing

The auditor will conduct transaction testing utilizing an audit model that tests inputs versus outputs to validate the accuracy and completeness of the data used to produce the measurement results instead of attempting to replicate software code. The auditor will begin testing with transactions from the Legacy systems files in the RADS Warehouse in PMAP. A statistically valid sample of transactions will be selected from the Legacy systems' end-of-month snapshot files in PMAP, which are the input for the monthly processing to produce SEEM reports and remedies. This statistically valid sample of transactions would be conducted for each of the SEEM measures the testing for which has not been completed by BearingPoint (hereinafter referred to as "Affected Measures"). The sampled transactions will be traced into the appropriate sub-metric SEEM data files to determine if the transactions were appropriately included or excluded from the measure based on the Commission-ordered business rules. This portion of the test validates the integrity of the data for both completeness and accuracy as it passes through the PARIS systems.

Remedy Calculation Testing

The auditor will replicate the Affected Measures using SEEM data files and the SEEM Replication Manual. The auditor will test a sample of SEEM remedy payments for each Affected Measure to validate that the State of Georgia and the CLECs were paid appropriate Tier 1 or Tier 2 SEEM remedies. The auditor will certify that a statistically valid sample of Tier 1 and Tier 2 remedy payments were paid to the State or CLEC in accordance with Generally Accepted Account Principles ("GAAP").

Audit Period and Materiality Threshold

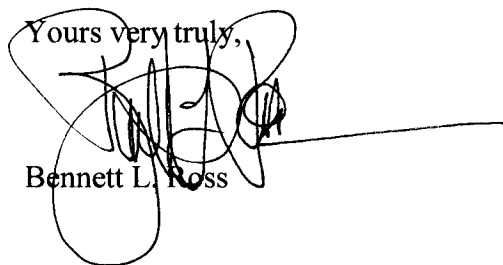
The auditor will complete the audit within six (6) months, unless BellSouth agrees to or the Commission orders an extension. The auditor also will establish and use a materiality threshold for assessing issues at the sub-metric level, which will ensure that the auditor is focused on meaningful issues as the audit proceeds. BellSouth proposes that this materiality

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threshold be established consistent with the standards for reposting performance data and recalculating SEEM payments as set forth in Appendix F of the Georgia SEEM Administrative Plan approved by this Commission. If the auditor identifies a material issue, the auditor would issue an exception report. BellSouth will commit to researching the issue and either refuting the issue, or accepting it and developing a fix to resolve the problem. If resolution activity for any issue is beyond the end of the audit period, in the Commission's discretion, the identified resolution activities will either be: (i) monitored through the current monthly industry PMAP process established by this Commission; or (ii) retested by reengaging the auditor after the resolution activity has been completed.

In BellSouth's view, this proposal will allow for a more focused SEEM audit that can be completed in a timely, efficient, and cost-effective manner. In addition, this methodology could be used as the platform for conducting the annual audits that this Commission required in its January 2001 Order in Docket No. 7892-U.

Enclosed for filing please find an original and seventeen (17) copies, as well as an electronic version, of this letter. I would appreciate your returning the two (2) extra copies stamped "filed" in the enclosed stamped, self-addressed envelopes.

Yours very truly,

Bennett L. Ross

BLR:nvd
Enclosures

cc: Mr. Leon Bowles
Parties of Record

504692

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