Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		SQM Disaggregation – Analog / Benchmark	**SQM Level of Disaggregation** — **SQM Analog/Benchmark** • Resale Residence (Non-Design) — Retail Residence (Non-Design) • Resale Business (Non-Design) — Retail Business (Non-Design) • Resale Design — Retail Design • ~~Resale PBX — Retail PBX~~ • ~~Resale Centrex — Retail Centrex~~ • ~~Resale ISDN — Retail ISDN~~ • ~~LNP (Standalone) — Retail Residence and Business (POTS)~~ • ~~INP (Standalone) — Retail Residence and Business (POTS)~~ • ~~2W~~ UNE Analog Loop (Design) — Retail Residence and Business (Design/Dispatch) • ~~2W~~ UNE Analog Loop (Non-Design) — Retail Residence and Business - (POTS (Excluding Switch Based Orders) • ~~2W Analog Loop with LNP Design — Retail Residence and Business Dispatch~~ • ~~2W Analog Loop with LNP Non-Design — Retail Residence and Business (POTS Excluding Switch Based Orders)~~ • ~~2W Analog Loop with INP Design — Retail Residence and Business Dispatch~~ • ~~2W Analog Loop with INP Non-Design — Retail Residence and Business (POTS Excluding Switch Based Orders)~~ • UNE Digital Loop < DS1 — Retail Digital Loop < DS1 • UNE Digital Loop >= DS1 — Retail Digital Loop >= DS1 • UNE Loop + Port Combinations — Retail Residence and Business • UNE EELs — Retail DS1/DS3 • UNE xDSL (HDSL, ADSL and UCL) — ADSL Provided to Retail • UNE ISDN ~~(Includes UDC)~~ — Retail ISDN-BRI • ~~UNE Line Sharing — ADSL Provided to Retail~~ • UNE Line Splitting — ADSL Provided to Retail - ~~Dispatch In — Dispatch In~~ - ~~Switch Based — Switch Based~~ • ~~UNE Switch Ports — Retail Residence and Business (POTS)~~ • ~~UNE Combo Other — Retail Residence, Business and Design Dispatch (Including Dispatch Out and Dispatch In)~~ • ~~Local Transport (Unbundled Interoffice Transport) — Retail DS1/DS3 Interoffice~~ • UNE Other Design — Diagnostic ~~Retail Design~~ • UNE Other Non-Design — Diagnostic ~~Retail Residence and Business~~ • Local Interconnection Trunks — ~~Parity with~~ Retail Trunks	Streamline plan by eliminating product disaggregations with consistently low volume. These low volumes render the measure virtually useless to evaluate performance. The products in the disaggregations that were removed will continue to be included in results. They will simply be part of another category instead of reported separately. Since the volumes are low, performance monitoring for either category would not be adversely affected. Modify product categories so that each product is reported only once.
	~~P-11~~		Delete Service Order Accuracy	This measure is being replaced by (P-11A) SOAC, which was requested by CLECs.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
	LOOS: LNP – Percent Out of Service < 60 Minutes	Title	~~P 13B~~ LOOS: LNP – Percent Out of Service < 60 Minutes	SQM measure identifier modified to insure consistency with the PARIS measure identifiers and facilitate better identification of metrics.
		Definition	This report measures ~~T~~the percentage of time that BellSouth performs electronic system updates within 60 minutes of receiving LNP activations. ~~number of LNP related conversions where the time required to facilitate the activation of the port in BellSouth's network is less than 60 minutes, expressed as a percentage of total number of activations that took place.~~	Wording clarification
		Exclusions	• CLEC Caused Errors • NPAC ~~Caused~~ errors unless caused by BellSouth • Standalone LNP orders with more than 500 number activations • Order activities of BellSouth or the CLEC associated with internal or administrative use of local services (Record Orders, Test Orders, etc., which may be order types C, N, R or T). • Listing Orders • Scheduled OSS Maintenance	Performance on these types of orders does not affect CLECs. BellSouth should not be penalized for legitimate maintenance downtime.
		Business Rules	The interval starts when ~~time is~~ the ESI Number Manager broadcast message is sent to BellSouth's gateway. ~~Receipt of the NPAC broadcast activation message in BellSouth's LSMS.~~ The end time is the confirmation receipt time in the Local Service Management Systems (LSMS), which advises that BellSouth's electronic systems have successfully been updated. A disconnect time for all telephone numbers contained within an order will be calculated and averaged to present a disconnect time for the order as a whole. ~~when the Provisioning event is successfully completed in BellSouth's network as reflected in BellSouth's LSMS. Count the number of activations that took place in less than 60 minutes.~~	Wording clarification
		Calculations	**Percent Out of Service < 60 Minutes =** (a / b) X 100 • a = Number of orders containing activations provisioned in less than 60 minutes • b = Total orders containing LNP Activations	When you miss one activation, you generally miss the entire order.
		Report Structure	• CLEC Specific • CLEC Aggregate • Geographic Scope - State ~~- Region~~	Performance is monitored by state so regional report is unnecessary.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		SQM Disaggregation – Analog / Benchmark	**SQM Level of Disaggregation** — **SQM Analog/Benchmark** LNP..... > = ~~96.5~~ 95%	Performance greater than this level is not necessary to fulfill the nondiscrimination standard as evidenced by performance in other jurisdictions.
		SEEM Measure	**SEEM** — **Tier I** — **Tier II** — **~~Tier III~~** Yes ..... ~~X~~ .....X~~.....~~	See SEEM Matrix for rationale.
	LAT: LNP – Percentage of Time BellSouth Applies the 10-Digit Trigger Prior to the LNP Order Due Date	Title	~~P 13C~~ LAT: LNP – Percentage of Time BellSouth Applies the 10-Digit Trigger Prior to the LNP Order Due Date	SQM measure identifier modified to insure consistency with the PARIS measure identifiers and facilitate better identification of metrics.
		Definition	This report measures the p~~P~~ercentage of time BellSouth applies a 10-digit trigger for orders containing ported telephone numbers ~~LNP TNs~~ prior to the due date.	Wording clarification
		Exclusions	• Remote Call Forwarding, DIDs, and ISDN Data TNs • ~~Excludes~~ CLEC or customer caused misses or delays • Order activities of BellSouth or the CLEC associated with internal or administrative use of local services (Record Orders, Test Orders, etc., which may be order types C, N, R or T). • Zero due dated expedited orders requested by the CLEC • Listing Orders	Exclude these classes of service that are not triggerable orders. Cannot do work 1 day prior to the due date on zero due dated orders. Administrative and Listing orders do not affect performance for CLECs on this measure.
		Business Rules	~~Obtain~~ The number of LNP ~~TNs~~ orders where the 10-digit trigger was appli~~cable~~d prior to the due date, divided by ~~and~~ the total number of LNP ~~TNs~~ orders where the 10-digit trigger was applicable.	Wording clarification
		Calculation	**Percentage of 10-Digit Trigger Applications** = (a / b) X 100 - a = Count of LNP ~~TNs~~ orders for which 10-digit trigger was applied prior to due date - b = Total LNP ~~TNs~~ orders for which 10-digit triggers were applicable	Wording change to match Business Rules
		Report Structure	• CLEC Specific • CLEC Aggregate • Geographic Scope - State - ~~Region~~	Performance is monitored by state so regional report is unnecessary.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		SQM Disaggregation – Analog / Benchmark	**SQM Level of Disaggregation** **SQM Analog/Benchmark** • LNP ~~(Standalone)~~ ..... ~~Benchmark~~: ~~>=~~ 95%	Clarification
		SEEM Measure	**SEEM** **Tier I** **Tier II** Yes ..... ~~X~~ X	See SEEM matrix for rationale.
	DTNT : LNP – Disconnect Timeliness (Non-Trigger)	Title	~~P-13 D~~ DTNT: LNP – ~~Average~~ Disconnect Timeliness ~~Interval~~ (Non-Trigger)	Measure is not an interval but rather a percent within an interval.
		Definition	This report measures the ~~Disconnect timeliness~~ percentage of time translations are removed from BellSouth's switch within 12 hours of the receipt of a non-triggerable port activation message. When multiple numbers are ported on a single order, translations for each number must be removed within the interval. ~~is defined as the interval between the time ESI Number Manager receives the valid 'Number Ported' message from NPAC (signifying the CLEC 'Activate') until the time the Disconnect is completed in the Central Office switch. This interval effectively measures BellSouth responsiveness by isolating it from impacts that are caused by CLEC related activities.~~	Wording clarification
		Exclusions	• Canceled Service Orders • Order activities of BellSouth or the CLEC associated with internal or administrative use of local services (Record Orders, ~~Listing Orders,~~ Test Orders, etc.,~~)~~ ~~where identifiable. Order types~~ which may be order types C, N, R, or T) • Listing Orders • CLEC Caused Errors • NPAC ~~caused~~ Errors, unless caused by BellSouth • Incomplete ports where only a subset of the total requested lines on the LSR are submitted via Activate Messages ~~have been received compared with the LSR and create messages~~ • ~~Orders which are candidates for 10-digit triggers, except those that did not receive 10-digit triggers prior to the port out date~~ • LSRs where the CLEC did not contact ~~BST~~ BellSouth within 30 minutes after Activate Message	Clarification Listing orders already excluded, just stated separately. These orders by definition of the measure are not included, eliminate unnecessary exclusion.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		Business Rules	~~The Disconnect Timeliness interval is determined for each telephone number ported associated with a disconnect service order processed on an LSR during the reporting period. The~~ Disconnect Timeliness ~~interval~~ is the elapsed time from when BellSouth receives a valid 'Number Ported' message in ESI Number Manager (signifying the CLEC 'activate') for each telephone number ported until each number ~~on the service order~~ is disconnected in the BellSouth ~~Central Office~~ switch. ~~Elapsed time for each ported number is accumulated for each reporting dimension. The accumulated time for each reporting dimension is then divided by the total number of selected telephone numbers disconnected in the reporting period.~~ Non-business hours will be excluded from the duration calculation for unscheduled ~~after hours~~ LNP ports. ~~This will yield a benchmark equivalent to by 12:00 noon the next business day thus, keeping the benchmark at 4 hours.~~	Wording clarification
		Calculations	**Disconnect Timeliness ~~Interval~~** = (a ~~-~~ / b) X 100 • a = ~~Completion Date and Time in Central Office switch for each number on disconnect order~~ Number of non-triggerable orders with translations removed in less than 12 hours • b = ~~Valid 'Number Ported' message received date and time~~ Total number of non-triggerable orders during report period ~~**Average Disconnect Timeliness Interval** = (c / d)~~ ~~• c = Sum of all Disconnect Timeliness Intervals~~ ~~• d = Total Number of disconnected numbers completed in reporting period~~	When you miss one telephone number, you generally miss all telephone numbers on that order. This is a benchmark measure that only needs to have a percent within benchmark calculation; no average interval calculation is needed.
		Report Structure	• CLEC Specific • CLEC Aggregate • Geographic Scope - State ~~- Region~~	Performance is monitored by state so regional report is unnecessary
		SQM Disaggregation – Analog / Benchmark	**SQM Level of Disaggregation** — **SQM Analog/Benchmark** LNP ~~(Normal Working Hours and Approved After Hours)~~ ..... 95% <= ~~4~~ 12 Hours ~~LNP (Unscheduled After Hours Ports) ..... 95% <= 4 Hours (excluding non-business hours)~~	No need to separate these two groups of orders, there is nothing unique about the provisioning of one versus the other
		SEEM Measure	**SEEM** — **Tier I** — **Tier II** Yes ..... ~~X~~ X	See SEEM matrix for rationale.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
Maintenance & Repair	PRAM: Percent Repair Appointments Met	Title	~~M&R-1~~ PRAM: ~~Missed~~ Percent Repair Appointments Met	Change measure to provide results based on what was done right instead of what was missed
		Definition	This report measures ~~t~~The percentage of customer trouble reports ~~not~~ cleared by the committed date and time.	Change measure to provide results based on what was done right instead of what was missed
		Exclusions	• Trouble tickets canceled at the CLEC request • BellSouth trouble reports associated with internal or administrative service • Customer Provided Equipment (CPE) ~~Troubles~~ or CLEC Equipment Troubles • Informational Tickets • Troubles Outside BellSouth's Control	Specifically state that informational tickets are not included. Since they are not trouble reports they have not been included in the measure. BellSouth should not be held accountable for any troubles outside their control (for example cable cuts, acts of God, war etc)
		Business Rules	The negotiated commitment date and time is established when the repair report is received. The cleared time is the date and time ~~that~~ BellSouth personnel clear the trouble and closes the customer trouble report in ~~his/her~~ their ~~Computer Access Terminal (CAT) or~~ workstation. If this is after the commitment time, the report is flagged as a 'missed commitment' or a 'missed repair appointment'. ~~When the data for this measure is collected for BellSouth and a CLEC, it can be used to compare the percentage of the time repair appointments are missed due to BellSouth reasons.~~ ~~(~~"No aAccess" ~~reports~~ troubles are not considered as a ~~part of this measure because they are not a~~ missed appointment~~)~~. ~~Note: Appointment intervals vary with force availability in the POTS environment. Specials and Trunk intervals are standard interval appointments of no greater than 24 hours. Standalone LNP historical data is not available in the maintenance systems (LMOS or WFA).~~	Clarification The note is information and not needed for the measure
		Calculation	**Percentage of ~~Missed~~ Repair Appointments** Met = (a / b) X 100 • a = Count of customer troubles ~~not~~ cleared by the quoted commitment date and time • b = Total customer trouble reports closed in the reporting period	Change calculation to agree with change in definition.
		Report Structure	• Dispatch/Non-Dispatch • CLEC Specific • CLEC Aggregate • BellSouth Aggregate • Geographic Scope - State ~~Region~~	Performance is monitored by state so regional report is unnecessary.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		SQM Disaggregation – Analog/ Benchmark	**SQM Level of Disaggregation** ... **SQM Analog/Benchmark** Resale Residence (Non-Design) ... Retail Residence (Non-Design) Resale Business (Non-Design) ... Retail Business (Non-Design) Resale Design ... Retail Design ~~Resale PBX ... Retail PBX~~ ~~Resale Centrex ... Retail Centrex~~ ~~Resale ISDN ... Retail ISDN~~ ~~2W~~ UNE Analog Loop Design ... Retail Residence, ~~&~~ Business and Design (Dispatch) ~~2W~~ UNE Analog Loop Non–Design ... Retail Residence ~~&~~ and Business ~~(~~POTS~~)~~ (Exclusion of Switch- Based Feature Troubles) UNE Digital Loop < DS1 ... Retail Digital Loop < DS1 UNE Digital Loop >= DS1 ... Retail Digital Loop >= DS1 UNE Loop + Port Combinations ... Retail Residence and Business UNE EELs ... Retail DS1/DS3 ~~UNE Switch ports ... Retail Residence and Business (POTS)~~ ~~UNE Combo Other ... Retail Residence, Business and Design Dispatch~~ UNE xDSL (HDSL, ADSL and UCL) ... ADSL Provided to Retail UNE ISDN ... Retail ISDN – BRI UNE Line ~~Sharing~~ Splitting ... ADSL Provided to Retail UNE Other Design ... ~~Retail Design~~ Diagnostic UNE Other Non-Design ... ~~Retail Residence and Business~~ Diagnostic ~~Local Transport (Unbundled Interoffice Transport) ... Retail DS1/DS3 Interoffice~~ Local Interconnection Trunks ... ~~Parity with~~ Retail Trunks	Streamline plan by eliminating product disaggregations with consistently low volume. These low volumes render the measure virtually useless to evaluate performance. The products in the disaggregations that were removed will continue to be included in results. They will simply be part of another category instead of reported separately. Since the volumes are low, performance monitoring for either category would not be adversely affected. Modify product categories so that each product is reported only once. . (Consolidated Disaggregation is the same for all M&R measures where appropriate.)
	CTRR: Customer Trouble Report Rate	Title	~~M&R-2~~ CTRR: Customer Trouble Report Rate	SQM measure identifier modified to facilitate better identification of metrics.
		Definition	This report measures the percentage of ~~Initial and repeated customer direct or referred~~ customer troubles ~~reported~~ closed within a calendar month~~, per 100 lines/circuits in service.~~	Wording clarification
		Exclusions	• Trouble tickets canceled at the CLEC request • BellSouth trouble reports/lines associated with internal or administrative service • Customer Provided Equipment (CPE) ~~Troubles~~ or CLEC Equipment Troubles • Informational Tickets • Trouble Outside BellSouth's Control	Specifically state that informational tickets are not included. Since they are not trouble reports they have not been included in the measure. BellSouth should not be held accountable for any troubles outside their control (for example cable cuts, acts of God, war etc)

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		Business Rules	Customer Trouble Report Rate contains all customer direct reports, including repeat reports. ~~is computed by accumulating the number of maintenance initial and repeated trouble reports during the reporting period. The resulting number of trouble reports are divided by the total "number of service" lines, ports or combinations that exist for the CLECs and BellSouth respectively at the end of the report month.~~	Wording clarification
		Calculation	**Customer Trouble Report Rate** = (a / b) X 100 • a = Count of initial and repeated customer trouble reports closed in the current reporting period • b = Number of ~~Service Access~~ lines in service at end of the report ing period	Wording clarification
		Report Structure	• Dispatch/Non-Dispatch • CLEC Specific • CLEC Aggregate • BellSouth Aggregate • Geographic Scope - State ~~- Region~~	Performance is evaluated by state so regional report is unnecessary.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		SQM Disaggregation – Analog/ Benchmark	**SQM Level of Disaggregation** — **SQM Analog/Benchmark** • Resale Residence (Non-Design) — Retail Residence (Non-Design) • Resale Business (Non-Design) — Retail Business (Non-Design) • Resale Design — Retail Design • ~~Resale PBX — Retail PBX~~ • ~~Resale Centrex — Retail Centrex~~ • ~~Resale ISDN — Retail ISDN~~ • ~~2W~~ UNE Analog Loop Design — Retail Residence, ~~&~~ Business and Design (Dispatch) • ~~2W~~ UNE Analog Loop Non–Design — Retail Residence ~~&~~ and Business ~~(~~POTS~~)~~ (Exclusion of Switch- Based Feature Troubles) • UNE Digital Loop < DS1 — Retail Digital Loop < DS1 • UNE Digital Loop >= DS1 — Retail Digital Loop >= DS1 • UNE Loop + Port Combinations — Retail Residence and Business • UNE EELs — Retail DS1/DS3 • ~~UNE Switch Ports — Retail Residence and Business (POTS)~~ • ~~UNE Combo Other — Retail Residence, Business and Design Dispatch~~ • UNE xDSL (HDSL, ADSL and UCL) — ADSL Provided to Retail • UNE ISDN — Retail ISDN – BRI • UNE Line ~~Sharing~~ Splitting — ADSL Provided to Retail • UNE Other Design — ~~Retail Design~~ Diagnostic • UNE Other Non-Design — ~~Retail Residence and Business~~ Diagnostic • ~~Local Transport (Unbundled Interoffice Transport) — Retail DS1/DS3 Interoffice~~ • Local Interconnection Trunks — ~~Parity with~~ Retail Trunks	Streamline plan by eliminating product disaggregations with consistently low volume. These low volumes render the measure virtually useless to evaluate performance. The products in the disaggregations that were removed will continue to be included in results. They will simply be part of another category instead of reported separately. Since the volumes are low, performance monitoring for either category would not be adversely affected. Modify product categories so that each product is reported only once. (Consolidated Disaggregation is the same for all M&R measures where appropriate.)
		SEEM Measure	**SEEM** — **Tier I** — **Tier II** ~~Yes~~ No — ~~X~~ — ~~X~~	See SEEM Matrix for rationale
	MAD: Maintenance Average Duration (M&R-3)	Title	~~M&R-3~~ MAD: Maintenance Average Duration	SQM measure identifier modified to insure consistency with the PARIS measure identifiers and facilitate better identification of metrics.
		Definition	This report measures the average duration of customer trouble reports. ~~from the receipt of the customer trouble report to the time the trouble report is cleared.~~	The measure is simply defined here; the start and stop times are stated in the business rules and are unchanged.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		Exclusions	• Trouble tickets canceled at the CLEC request • BellSouth trouble reports associated with internal or administrative service • Customer Provided Equipment (CPE) ~~troubles~~ or CLEC Equipment Troubles • Informational Tickets • Trouble Outside BellSouth's Control	Specifically state that informational tickets are not included. Since they are not trouble reports they have not been included in the measure. BellSouth should not be held accountable for any troubles outside their control (for example cable cuts, acts of God, war etc)
		Business Rules	~~For average~~ The duration ~~the clock~~ starts on the date and time of ~~the~~ receipt of ~~the~~ a ~~correct report information, i.e. correct telephone number, correct circuit identification, trouble description, etc. for the~~ repair request~~. The clock~~ and stops on the date and time the service is restored ~~and the BellSouth or CLEC customer is notified. (when the technician completes the trouble ticket on his/her CAT or work systems).~~ For tickets administered through WFA, (CLECs and BellSouth), durations do not include No Access, Delayed Maintenance and Referred Time.	Wording clarification. Clarification to explain that this time has already been excluded in the source data received from WFA. BellSouth should not be penalized for this time, which is outside its control.
		Report Structure	• Dispatch/Non-Dispatch • CLEC Specific • CLEC Aggregate • BellSouth Aggregate • Geographic Scope State ~~Region~~	Performance is evaluated by state so regional report is unnecessary.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		SQM Disaggregation – Analog/ Benchmark	**SQM Level of Disaggregation** — **SQM Analog/Benchmark** • Resale Residence (Non-Design) — Retail Residence (Non-Design) • Resale Business (Non-Design) — Retail Business (Non-Design) • Resale Design — Retail Design • ~~Resale PBX — Retail PBX~~ • ~~Resale Centrex — Retail Centrex~~ • ~~Resale ISDN — Retail ISDN~~ • ~~2W~~ UNE Analog Loop Design — Retail Residence~~,~~ ~~and~~ Business and Design (Dispatch) • ~~2W~~ UNE Analog Loop Non–Design — Retail Residence and Business ~~(~~POTS~~)~~ (Exclusion of Switch- Based Feature Troubles) • UNE Digital Loop < DS1 — Retail Digital Loop < DS1 • UNE Digital Loop >= DS1 — Retail Digital Loop >= DS1 • UNE Loop + Port Combinations — Retail Residence and Business • UNE EELs — Retail DS1/DS3 • ~~UNE Switch ports — Retail Residence and Business (POTS)~~ • ~~UNE Combo Other — Retail Residence, Business & Design Dispatch~~ • UNE xDSL (HDSL, ADSL and UCL) — ADSL Provided to Retail • UNE ISDN — Retail ISDN – BRI • UNE Line ~~Sharing~~ Splitting — ADSL Provided to Retail • UNE Other Design — ~~Retail Design~~ Diagnostic • UNE Other Non-Design — ~~Retail Residence and Business~~ Diagnostic • ~~Local Transport (Unbundled Interoffice Transport) — Retail DS1/DS3 Interoffice~~ • Local Interconnection Trunks — ~~Parity with~~ Retail Trunks	Streamline plan by eliminating product disaggregations with consistently low volume. These low volumes render the measure virtually useless to evaluate performance. The products in the disaggregations that were removed will continue to be included in results. They will simply be part of another category instead of reported separately. Since the volumes are low, performance monitoring for either category would not be adversely affected. Modify product categories so that each product is reported only once. (Consolidated Disaggregation is the same for all M&R measures where appropriate.)
	PRT: Percent Repeat Troubles within 5 Days	Title	~~M&R-4~~ PRT: Percent Repeat Troubles within ~~30~~ 5 Days	Any trouble outside a 5-day window should not be considered as a repeat, but rather a trouble.
		Definition	~~Percent Customer Repeat Troubles within 30 Days measures the percent of customer troubles, during the current reporting period, that had at least one prior trouble ticket on the same line/circuit, anytime in the proceeding 30 calendar days from the receipt of the current trouble report.~~ This report measures the number of customer trouble reports received within five days of a previous report.	Change measure from 30 to 5 days. Any trouble outside a 5-day window should not be considered as a repeat, but rather a trouble.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		Exclusions	• Trouble tickets canceled at the CLEC request • BellSouth trouble reports associated with internal or administrative service • Customer Provided Equipment (CPE) ~~Troubles~~ or CLEC equipment troubles • Informational Tickets • Troubles Outside BellSouth's Control	Specifically state that informational tickets are not included. Since they are not trouble reports they have not been included in the measure. BellSouth should not be held accountable for any troubles outside their control (for example cable cuts, acts of God, war etc)
		Business Rules	~~This measure includes~~ Customer trouble reports considered for this measure are those on the same line/circuit, received within ~~30~~5 days of an original customer trouble report, ~~using~~ Candidates for this measure are determined by using the 'cleared date' of the first trouble and the 'received date' of the next trouble.	Change measure from 30 to 5 days. Any trouble outside a 5-day window should not be considered as a repeat, but rather a trouble.
		Calculation	**Percent Repeat Customer Troubles within ~~30~~ 5 Days** = (a / b) X 100 • a = Count of repeat customer trouble~~s~~ reports ~~using the 'received date' where more than one trouble report was logged for the same service line/circuit~~, within a continuous ~~30~~ 5 day~~s~~ period • b = ~~Count of~~ Total customer trouble reports ~~using the 'cleared date',~~ closed in the reporting period	Revised Calculation language to specify 'repeat' customer trouble reports and match the Business Rules Change measure from 30 to 5 days. Any trouble outside a 5-day window should not be considered as a repeat, but rather a trouble.
		Report Structure	• Dispatch/Non-Dispatch • CLEC Specific • CLEC Aggregate • BellSouth Aggregate • Geographic Scope - State ~~Region~~	Performance is evaluated by state so regional report is unnecessary.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		SQM Disaggregation – Analog/ Benchmark	SQM Level of Disaggregation ... SQM Analog/Benchmark Resale Residence (Non-Design) ... Retail Residence (Non-Design) Resale Business (Non-Design) ... Retail Business (Non-Design) Resale Design ... Retail Design ~~Resale PBX ... Retail PBX~~ ~~Resale Centrex ... Retail Centrex~~ ~~Resale ISDN ... Retail ISDN~~ ~~2W~~ UNE Analog Loop Design ... Retail Residence, ~~and~~ Business and Design (Dispatch) ~~2W~~ UNE Analog Loop Non–Design ... Retail Residence and Business ~~(~~POTS~~)~~ (Exclusion of Switch- Based Feature Troubles) UNE Digital Loop < DS1 ... Retail Digital Loop < DS1 UNE Digital Loop >= DS1 ... Retail Digital Loop >= DS1 UNE Loop + Port Combinations ... Retail Residence and Business UNE EELs ... Retail DS1/DS3 ~~UNE Switch ports ... Retail Residence and Business (POTS)~~ ~~UNE Combo Other ... Retail Residence, Business and Design Dispatch~~ UNE xDSL (HDSL, ADSL and UCL) ... ADSL Provided to Retail UNE ISDN ... Retail ISDN – BRI UNE Line ~~Sharing~~ Splitting ... ADSL Provided to Retail UNE Other Design ... ~~Retail Design~~ Diagnostic UNE Other Non-Design ... ~~Retail Residence and Business~~ Diagnostic ~~Local Transport (Unbundled Interoffice Transport) ... Retail DS1/DS3 Interoffice~~ Local Interconnection Trunks ... ~~Parity with~~ Retail Trunks	Streamline plan by eliminating product disaggregations with consistently low volume. These low volumes render the measure virtually useless to evaluate performance. The products in the disaggregations that were removed will continue to be included in results. They will simply be part of another category instead of reported separately. Since the volumes are low, performance monitoring for either category would not be adversely affected. Modify product categories so that each product is reported only once. (Consolidated Disaggregation is the same for all M&R measures where appropriate.)
	~~M&R-5~~		Delete Out of Service (OOS) > 24 Hours	Remove duplicative measures. Not required because it is simply another time distribution of the Maintenance Average Duration (MAD) measure. That measure provides in which product rollups the average exceeded 24 hours duration for a trouble report. Since maintenance durations greater than 24 hours normally involve an out of service condition, the information is actually captured in the MAD measure.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
	AAT: Average Answer Time – Repair Centers	Title	~~M&R-6~~ AAT: Average Answer Time – Repair Centers	SQM measure identifier modified to insure consistency with the PARIS measure identifiers and facilitate better identification of metrics.
		Exclusions	~~Abandoned Calls~~ None	The volume of abandoned calls cannot be captured by the Automatic Call Distributors. However, the time that the abandoned call was in the queue is included in the total answer time.
		Business Rules	The duration ~~clock~~ starts when a CLEC representative or BellSouth customer makes a choice on the repair center~~'s~~ menu and is put in queue for the next repair attendant~~. The~~ and ~~clock~~ stops when the repair attendant answers the call. Abandoned calls are not included in the volume of calls handled but are included in total seconds. ~~Note: The Total Column is a combined BellSouth Residence and Business number.~~	Clarification of Business rules to state that abandoned calls are not counted in the volume but the time is included.
		Calculation	**Answer Time for BellSouth Repair Centers** = (a - b) • a = Time BellSouth repair attendant answers call • b = Time of entry into queue ~~after ACD selection~~ **Average Answer Time for BellSouth Repair Centers** = (c / d) • c = Sum of all answer times • d = Total number of calls ~~by~~ in the reporting period	Wording Clarification
		SQM Level of Disaggregation – Analog/ Benchmark	~~**SQM Level of Disaggregation**~~ ~~Region. CLEC/BellSouth Service Centers and BellSouth Repair Centers are regional.~~ ~~**SQM Analog/Benchmark**~~ ~~• For CLEC, Average Answer Times in UNE Center and BRMC are comparable to the Average Answer Times in the BellSouth Repair Centers.~~ **SQM Level of Disaggregation** **SQM Analog/Benchmark** CLEC Average Answer Time.....BellSouth Average Answer Time	Wording clarification

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
	~~M&R-7~~		Delete Mean Time to Notify CLEC of Network Outages	There are few CLECs who want this process anymore. When first implemented, 480 CLECs were on the notification list for the region. Now there are only 161 for the region, a 2/3 reduction. To the extent that there are network outages, these troubles are captured in other measurements. The process for sending the notification for CLECs and retail are similar. BellSouth will continue to offer this service to any customer who asks for their name to be put on the E-Mail list, but the measurement of this process is not necessary.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
BILLING	BIA: Invoice Accuracy	Title	~~B-1~~ BIA: Invoice Accuracy	
		Definition	This measure ~~provides~~ reports the ~~percentage of~~ accuracy of ~~the~~ billing invoices rendered ~~to CLECs during the current month~~ by BellSouth to both wholesale and retail customers.	Wording Clarification
		Exclusions	• Adjustments not related to billing errors (e.g., credits for service outage, special promotion credits, adjustments to satisfy the customer, adjustments as per agreements and/or settlements with CLEC, adjustments related to the implementation of regulatory mandated or contract negotiated rate changes) • Test Accounts	Necessary to exclude adjustments that are not billing 'errors.' Examples include pricing changes, bankruptcy settlements.
		Business Rules	~~The accuracy of billing invoices delivered by BellSouth to the CLEC must enable them to provide a degree of billing accuracy comparative to BellSouth bills rendered to retail customers of BellSouth. CLECs request adjustments on bills determined to be incorrect. The BellSouth Billing verification process includes manually analyzing a sample of local bills from each bill period. The bill verification process draws from a mix of different customer billing options and types of service. An end-to-end auditing process is performed for new products and services. Internal measurements and controls are maintained on all billing processes. The CLEC-specific raw data file (which is available on the PMAP web site) will contain the number of bills and adjustments for the reporting month. The number of bills and bill adjustments will be displayed by OCN and/or ACNA.~~ Absolute value of total billed revenue and absolute value of adjustment amounts related to billing errors appearing on the bill during the report month are used to compute invoice accuracy. All bill periods are included in a report month.	The proposed deletions describe the bill verification process and are this process language does not belong in the business rules of a measurement. These deletions do have no bearing on the calculations. The inserted language clarifies the calculation.
		Calculation	**Invoice Accuracy** = [(a – b) / a] X 100 • a = Absolute value of total billed revenues during ~~current~~ report month • b = Absolute value of total billing error related adjustments during ~~current~~ report month ~~**Measure of Adjustments** = [(c–d) / c] X 100~~ ~~• c = Number of Bills in current month~~ ~~• d = Number of Billing related Adjustments in current month~~	Wording clarification. Delete Measure of Adjustments - because it is not a meaningful measurement. There can be numerous adjustments to a single bill – all for valid reasons – and the result in this measurement is a negative number. As an example for the period Jun 2003 through May 2004, the Measure of Adjustment reported in FL ranged from a low of -7,656% to a high of 95% at the CLEC aggregate level.
		Report Structure	• CLEC Specific • CLEC Aggregate • BellSouth Aggregate • Geographic Scope - State ~~- Region~~ ~~• Number of Adjustments~~	Reporting at State Level. Regional results are not useful for State Commission. Deletion of Number adjustments – see above.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		SQM Disaggregation – Analog/ Benchmark	**SQM Level of Disaggregation** — **SQM Analog/Benchmark** ~~• Product/Invoice Type ..... Parity with BellSouth Retail Aggregate~~ CLEC Invoice Accuracy Resale ..... Retail Invoice Accuracy UNE ..... Retail Invoice Accuracy Interconnection ..... Retail Invoice Accuracy	Wording clarification. Moved SQM disaggregation below. To clarify CLEC and Retail comparisons.
	BIT: Mean Time to Deliver Invoices	Title	~~B-2~~ BIT: Mean Time to Deliver Invoices	SQM measure identifier modified to insure consistency with the PARIS measure identifiers and facilitate better identification of metrics.
		Definition	This report measures the mean interval for timeliness of billing invoices ~~sent to CLECs in an agreed upon format. CRIS based invoices are measured in business days, and CABS based invoices in calendar days.~~ delivered to USPS (US Postal Service) or transmitted to the customer in an agreed upon format.	Wording Clarification and to delete portion of definition that is actually a business rule.
		Business Rules	Invoice timeliness is determined by calculating the interval between the bill period date and actual transmission or distribution of the invoice. ~~Bill Distribution is calculated as follows: CRIS BILLS The number of workdays is reported for CRIS bills. This is calculated by counting the Bill Period date as the first workday. Weekends and holidays are excluded when counting workdays. J/N Bills are counted in the CRIS work day category for the purposes of the measurement since their billing account number (Q account) is provided from the CRIS system.~~ To determine the number of workdays, begin counting the bill period date as the first workday (or the next workday if the bill period date is a weekend or holiday). The invoice delivery date is counted as the last workday. Invoice delivery date is the workday the invoice is delivered to the Post Office or transmitted to the customer. CLEC bills and BellSouth bills delivered in less than or equal to one day difference will be considered parity. ~~CABS BILLS The number of calendar days is reported for CABS bills. This is calculated by counting the day following the Bill Period date as the first calendar day. Weekends and holidays are included when counting the calendar days.~~	Revised to more clearly state the calculation of invoice timeliness and to remove the separate language for CRIS and CABS bills. This business rule would apply to both. Evaluation of parity should be changed to bills delivered in < = 1-day difference will be considered parity. Under the current calculation the difference between CLEC and retail is frequently a fraction of one day. This numeric difference is not material nor does it reflect a material difference in customer service.
		Calculation	**Invoice Timeliness** = (a - b) • a = Invoice ~~Transmission~~ Delivery Date • b = ~~Close Date of Scheduled~~ Bill Cycle Period Date **Mean Time to Deliver Invoices** = (c / d) • c = Sum of all invoice timeliness intervals • d = Count of invoices ~~transmitted~~ delivered in reporting period	The "b" term reworded to clarify the bill cycle close date.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		Report Structure	• CLEC Specific • CLEC Aggregate • BellSouth Aggregate • Geographic Scope - State ~~- Region~~	Reporting at State Level. Regional results are Not useful for State Commission
		SQM Disaggregation – Analog/ Benchmark	**SQM Level of Disaggregation** **SQM Analog/Benchmark** ~~• Product/Invoice Type~~ ~~• State~~ The average delivery intervals are compared as follows: • Resale CRIS ..... Retail CRIS • UNE CRIS..... Retail CRIS • Interconnection CABS ..... Retail CABS ~~**SQM Analog/Benchmark**~~ ~~• CLEC Average Delivery Intervals for both CRIS and CABS Invoices are comparable to BellSouth Average delivery for both systems.~~	Wording clarification to more clearly show the how CLEC results are compared to Rretail results.
	~~B-3~~		Delete Usage Data Delivery Accuracy measure	Not a key measurement since it captures the accuracy of the packs, not the content of the packs.
	~~B-4~~		Delete Usage Data Delivery Completeness	Delete as duplicative. This measurement is similar to B-5. Both measure Usage Data Delivery, but at different points. B-4 measures at 30 days, B-5 measures at 6 days. Both measures are not needed.
	UDDT: Usage Data Delivery Timeliness	Title	~~B-5~~ UDDT: Usage Data Delivery Timeliness	SQM measure identifier modified to insure consistency with the PARIS measure identifiers and facilitate better identification of metrics.
		Definition	This ~~measurement provides a percentage of~~ report measures recorded usage data ~~(usage recorded by BellSouth and usage recorded by other companies and sent to BellSouth for billing)~~ that is delivered to the appropriate CLEC within six (6) calendar days from the receipt of the initial recording. ~~A parity measure is also provided showing timeliness of BellSouth messages processed and transmitted via CMDS. Timeliness, Completeness and Mean Time to Deliver Usage measures are reported on the same report.~~	Wording clarification. The last sentence referring to a retail comparison is not appropriate for this measurement which uses a benchmark.

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Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		Business Rules	~~The purpose of this measurement is to demonstrate the level of timeliness for processing and transmission of usage data delivered to the appropriate CLEC. The usage data will be mechanically transmitted or mailed to the CLEC data processing center once daily.~~ The timeliness interval of usage recorded by other companies is measured from the date BellSouth receives the records to the date BellSouth distributes to the CLEC. Method of delivery is at the option of the CLEC.	Wording clarification to remove 'definition-type' language from the business rules.
		Report Structure	• CLEC Aggregate • CLEC Specific • Geographic Scope - Region	Wording clarification
		SQM Level of Disaggregation – Analog/ Benchmark	**SQM Level of Disaggregation** — **SQM Analog/Benchmark** ~~Region~~ Usage Data Delivery Timeliness ..... >= 95% ~~Delivered within~~ ~~6~~ Six Calendar Days	Clarification.
	~~B-6~~		Delete Mean Time to Deliver Usage	Should be eliminated. This measure is directly correlated to B-5 timeliness. B-5 measures % in 6 days and B-4 measures % in 30 days. B-6 is average days to deliver, but is not measuring anything additional that is meaningful.
	~~B-7~~		Delete Recurring Charge Completeness	B-7 and B-8 do not have a significant meaning to the CLEC or to the Commission. BellSouth does not bill the CLEC's end user and BellSouth's recurring and non recurring charges have little, if any, impact on the CLEC's billing to the end user. Both of these measurements pertain to getting the billing initiated when service is installed. If there is a problem, and the data for this measurement shows that there is not, the problem is self-correcting since BellSouth has the incentive to initiate billing commensurate with the installation of service.
	~~B-8~~		Delete Non-Recurring Charge Completeness	See B-7.
	~~B-9~~		Delete Percent Daily Usage Feed Errors Corrected in "X" Business Days	This measure consistently has had no activity in the last 12 months.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
	~~B-10~~		Delete Percent Billing Errors Corrected in "X" Business Days	Although there is significant volume in this measurement, the dollar value of most of this volume is very small. While it is in the interest of the CLECs and BellSouth to resolve large billing disputes quickly, this measurement evaluates all disputes equally, regardless of the value. BellSouth is willing to consider another dispute timeliness metric
Operator Services and Directory Assistance	~~OS-1~~		Delete Speed to Answer Performance / Average Speed to Answer – Toll	These measures are Parity By Design. The architecture of the operator services processes and network are such that BellSouth handles retail and CLEC customers the same way. The KPMG audits in Georgia and Florida confirmed that this process is parity by design.
	~~OS-2~~		Delete Speed to Answer Performance / Percent Answered within "X" Seconds – Toll	See OS-1
	~~DA-1~~		Delete Speed to Answer Performance / Average Speed to Answer – Directory Assistance (DA)	See OS-1
	~~DA-2~~		Delete Speed to Answer Performance / Percent Answered within "X" Seconds – Directory Assistance (DA)	See OS-1
Database Update Information	~~D-1~~		Delete Average Database Update Interval	Delete this measure because the update process is essentially parity by design. The intervals for Directory Assistance and LIDB are the same or within 1 or 2 hundredths of an hour for both BST and CLEC. As an example, service order numbers are not assigned so as to identify it as a BST order or a CLEC order. As an order is completed it flows to the respective systems to be updated. The orders are not sorted, identified, or updated in any way that gives preference to any particular order. This measure has been verified as parity by design by a KPMG audit.
	~~D-2~~		Delete Percent Database Update Accuracy	Should be deleted since the accuracy of databases is also being assessed by the mechanized service order accuracy measurement.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
	~~D-3~~		Delete Percent NXXs and LRNs Loaded by the LERG Effective Date	This is not a key measurement and BellSouth's performance has been excellent. For example, BellSouth has achieved a 100% benchmark on this measure for the last 12 months. To the extent that there are problems with loading NXX and LRNs, these problems would affect the M&R measurements. Lastly, the CLECs are not interested in this metric as recent statistics shows CLECs rarely view this measure. [From 11/03 through 5/04 only 12% of CLECs took the opportunity to view this report.]
E911	~~E-1~~		Delete Timeliness	This measurement should be eliminated because the E911 processes, including those measured by Timeliness, Accuracy and Mean Interval are Parity By Design. KPMG confirmed that it was parity by design in the GA and FL audits.
	~~E2~~		Delete Accuracy	See E-1 above
	~~E-3~~		Delete Mean Interval	See E-1 above
Trunk Group Performance	TGPA: Trunk Group Performance	Title	~~TGP-1~~ TGPA: Trunk Group Performance ~~Aggregate~~	BellSouth is proposing to combine the current TPG-1 (aggregate) and TGP-2 (CLEC Specific) measures into one measurements with an Aggregate and CLEC-specific dimension – similar to many ordering, provisioning and M&R metrics. By deleting Aggregate from the title, this will allow for combining of TGP-1 (Aggregate) and TGP-2 (CLEC specific) in one measure and still provide the same data.
		Definition	~~The Trunk Group Performance report displays, over a reporting cycle, aggregate, average trunk group blocking data for each hour of each day of the reporting cycle, for both CLEC affecting and BellSouth affecting trunk groups.~~ This measure report adds Truck Group blocking performances for both BellSouth and CLECs.	Clarification and simplification of the definition to remove language that already appears (and is better suited) to the SQM sections for business rules and reporting structure.

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Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		Exclusions	• Trunk groups blocked due to unanticipated significant increase~~s~~ in CLEC traffic. (An unanticipated, significant increase in traffic is indicated by a 20% increase for small trunk groups or 1800 CCS for large groups over the previous months traffic when the increase was not forecasted by the CLEC). • Orders ~~that are~~ delayed or refused by CLEC • Trunk groups for which ~~there was no~~ valid data is not available for an entire study period • Duplicate trunk group information • Trunk groups blocked due to CLEC network/equipment failure • Final groups actually overflowing, not blocked	Wording clarification to better define 'significant increase.'
		Business Rules	The purpose of the Trunk Group Performance report is to provide trunk blocking measurements on CLEC and BellSouth trunk groups for comparison only. It is not the intent of the report that it be used for network management and/or engineering. ~~BellSouth should notify the CLEC when such blocking meets this exclusion criteria (orders that are delayed or refused by the CLEC) and report the results, both with and without the exclusions. An unanticipated significant increase in traffic is indicated by a 20% increase for small trunk groups or 1800 CCS for large groups over the previous months traffic when the increase was not forecasted by the CLEC.~~	The third sentence is deleted. This is a BellSouth operational practice. It is not a measurement issue and does not affect the measurement. The fourth sentence is already captured in the exclusions. Removal eliminates duplicative language.
		Report Structure	• CLEC Specific • CLEC Aggregate • BellSouth Aggregate • Geographic Scope - State • ~~With and Without Exclusion for Orders Delayed or Refused by CLEC~~	By adding CLEC Specific this allows for the deletion of TGP-2 Trunk Group Performance-CLEC Specific.
		SQM Disaggregation – Analog/ Benchmark	**SQM Level of Disaggregation** ..... **SQM Analog/Benchmark** CLEC Aggregate and CLEC Specific ..... BellSouth Aggregate Any ~~consecutive~~ 2 consecutive hours ~~period~~ in a 24-hour~~s~~ period where CLEC blockage exceeds BellSouth blockage by more than 0.5% using trunk groups 1, 3, 4, 5, 10 (where applicable)~~,~~ and 16 for CLECs and 1, 9, 10 (where applicable) and 16 for BellSouth ~~BellSouth Aggregate ..... Any consecutive 2 hour period in 24 hours where CLEC blockage exceeds BellSouth blockage by more than 0.5% using trunk groups 1, 3, 4, 5, 10, and16 for CLECs and 9 for BellSouth~~	By adding CLEC Specific this allows for the deletion of TGP-2 Trunk Group Performance – CLEC Specific

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Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		SEEM Measure	**SEEM** **Tier I** **Tier II** Yes .....X.....X	By adding Tier I for CLEC Specific this allows for the deletion of TGP-2 Trunk Group Performance – CLEC Specific
	~~TGP-2~~		Delete Trunk Group Performance – CLEC Specific	Combine this data with TGP-1 as noted above.
Collocation	ART: Collocation Average Response Time	Title	~~C-1~~ ART: Collocation Average Response Time	SQM measure identifier modified to insure consistency with the PARIS measure identifiers and facilitate better identification of metrics.
		Definition	This report ~~M~~measures the ~~average~~ time ~~(counted in calendar days) from the~~ it takes BellSouth to respond to the receipt of a complete and accurate collocation application ~~(including receipt of application fee if required) to the date BellSouth returns a response electronically or in writing~~. BellSouth must respond as to whether or not space is available w~~W~~ithin the required number of calendar days ~~as designated by the Collocation order~~ after having received a bona fide application for ~~physical~~ collocation~~, BellSouth must respond with space availability and a price quote~~.	Wording clarification.
		Business Rules	The ~~clock starts~~ interval begins on the date that BellSouth receives a complete and accurate collocation application accompanied by the appropriate application fee if required. The ~~clock~~ interval stops on the date that BellSouth returns a response. The ~~clock~~ interval will restart upon receipt of changes to the original application request.	Wording clarification. There really is no 'clock' associated with this measurement. Interval is a more suitable term.
		Report Structure	• ~~Individual~~ CLEC ~~(alias) aggregate~~ Specific • CLEC Aggregate ~~of all CLECs~~ • Geographic Scope - State	Wording clarification
		SQM Disaggregation – Analog/ Benchmark	**SQM Level of Disaggregation** **SQM Analog/Benchmark** • ~~State~~ Virtual .....~~Virtual –~~ 15 Calendar Days • ~~Virtual-Initial~~ Physical Caged .....~~Physical Caged –~~ 15 Calendar Days • ~~Virtual-Augment~~ Physical Cageless .....~~Physical Cageless –~~ 15 Calendar Days • ~~Physical Caged-Initial~~ • ~~Physical Caged-Augment~~	Wording clarification to change "State" to "Virtual." "State" is not a disaggregation. Clarification of SQM Disaggregation structure.
	AT: Collocation Average Arrangement	Title	~~C-2~~ AT: Collocation Average Arrangement Time	SQM measure identifier modified to insure consistency with the PARIS measure identifiers and facilitate better identification of metrics.

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Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
	Arrangement Time	Definition	This report ~~M~~measures ~~the average time (counted in calendar days) from receipt of a complete and accurate bona fide firm order (including receipt of appropriate fee if required) to the date BellSouth completes the collocation arrangement and notifies the CLEC.~~ BellSouth's performance in provisioning a collocation arrangement.	Revision removes a phrase more appropriate for a Business Rule from the definition.

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Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		Exclusions	• Any bona fide firm order canceled by the CLEC • Any bona fide firm order with a CLEC negotiated interval longer than the benchmark interval	If the CLEC requests an interval outside the benchmark, a miss should not be counted.
		Business Rules	The ~~clock starts~~ interval for collocation arrangements begins on the date that BellSouth receives a complete and accurate bona fide firm order accompanied by the appropriate fee, if required; and ends~~. The clock stops~~ on the date that BellSouth completes the collocation arrangement and notifies the CLEC. ~~The cable assignments associated with the specific collocation request will be provided prior to completion of the arrangement.~~	Wording revision to substitute interval for clock – more appropriate for this measurement. Some collocation requests do not require a fee. Last sentence deleted because it is a business practice that is in the individual CLEC's contract and should not be part of the measurement.
		Report Structure	• ~~Individual~~ CLEC ~~(alias) aggregate~~ Specific • CLEC Aggregate ~~of all CLECs~~ • Geographic Scope - State	Wording clarification
		SQM Disaggregation – Analog/ Benchmark	• ~~State~~ Virtual-Initial ..... ~~Virtual –~~ 60 Calendar Days • Virtual-~~Initial~~ Augment (without space increase) ..... ~~Virtual-Augment –~~ 60 Calendar Days ~~(Without Space Increase)~~ • Virtual-Augment (with space increase) ..... ~~Virtual-Augment –~~ 60 Calendar Days ~~(With Space Increase)~~ • Physical Caged-Initial (Ordinary) ..... ~~Physical Caged –~~ 90 Calendar Days ~~(Ordinary)~~ • Physical Caged-Augment (without space increase) ..... ~~Physical Caged-Augment –~~ 45 Calendar Days ~~(Without Space Increase)~~ • Physical Caged-Augment (with space increase) ..... ~~Physical Caged-Augment –~~ 90 Calendar Days ~~(With Space Increase)~~ • Physical Cageless-Initial ..... ~~Physical Cageless –~~ 90 Calendar Days • Physical Cageless-Augment (without space increase) ..... ~~Physical Cageless-Augment –~~ 45 Calendar Days ~~(Without space Increase)~~ • Physical Cageless-Augment (with space increase) ..... ~~Physical Cageless-Augment –~~ 90 Calendar Days ~~(With space Increase)~~	Wording clarification
	PMDD: Collocation Percent of Due Dates Missed	Title	~~C-3~~ PMDD: Collocation Percent of Due Dates Missed	SQM measure identifier modified to insure consistency with the PARIS measure identifiers and facilitate better identification of metrics.
		Definition	This report measures the percent~~age~~ of missed due dates for ~~both virtual and physical~~ collocation arrangements.	Wording clarification to broaden measurement definition to include all collocation arrangements. The disaggregations are listed below.

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Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		Business Rules	Percent Due Dates Missed is the percentage of total collocation arrangements which BellSouth is unable to complete by ~~end of~~ the BellSouth committed due date~~. The arrangement is considered a missed due date if it is not completed on or before the committed due date.~~	Wording clarification. The deleted sentence is redundant.
		Calculation	~~%~~ **Percent** ~~of~~ **Due Dates Missed** = (a / b) X 100 • a = Number of completed ~~orders~~ collocation arrangements that were not completed by the ~~BellSouth~~ committed due date ~~during~~ in the reporting period • b = Total n~~N~~umber of orders collocation requests completed in the reporting period	Wording clarification
		Report Structure	• ~~Individual~~ CLEC Specific ~~(alias) aggregate~~ • CLEC Aggregate ~~of all CLECs~~ • Geographic Scope - State	Wording clarification
		SQM Disaggregation – Analog/ Benchmark	~~State~~ Virtual .....>= 95% on time Physical .....>= 95% on time ~~Virtual- Initial~~ ~~Virtual- Augment~~ ~~Physical Caged- Initial~~ ~~Physical Caged- Augment~~ ~~Physical Cageless- Initial~~ ~~Physical Cageless- Augment~~	Disaggregation and benchmark clarification
Change Management	CMN: Timeliness of Change Management Notices	Title	~~CM-1~~ CMN: Timeliness of Change Management Notices	SQM measure identifier modified to insure consistency with the PARIS measure identifiers and facilitate better identification of metrics.
		Definition	This report measures whether CLECs receive required software release notices on time to prepare for BellSouth interface/system changes so CLEC interfaces are not impaired by change. The CCP is used by BellSouth and the CLECs to manage requested changes to the BellSouth local interfaces.	Wording clarification, primarily to add a definition of the CCP which is used elsewhere in the Change Management metrics. This definition has been moved from the business rules section.
		Exclusions	• Changes to release dates for reasons outside BellSouth control, such as the system software vendor changes~~. F~~(for example: a patch to fix a software problem). • Type 6 Change Requests (Defects/Expedites), as defined by the Change Control Process (CCP)	Minor wording clarification

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Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		Business Rules	~~This metric is designed to measure the percent of change management notices sent to the CLECs according to notification standards and timeframes set forth in the Change Control Process. The CCP is used by BellSouth and the CLECs to manage requested changes to the BellSouth Local Interfaces.~~ The ~~clock starts~~ interval begins on the notification date~~. The clock stops~~ and ends on the software release date. When project events occur (scope changes, analysis information, etc.), the software release date may change. A revised notification would be required and the ~~clock~~ interval would restart. Based on release constraints for defects/expedites, notification may be less than the agreed upon interval in the CCP for new features.	Wording clarification
		SQM Disaggregation – Analog / Benchmark	**SQM Level of Disaggregation** — **SQM Analog/Benchmark** ~~Region~~ Notices ..... ~~98% on time~~ 95% >= 30 Days of Release	Wording Clarification
	~~(CM-2)~~		Delete Change Management Notice Average Delay Days	CM-2 is not needed because it only measures those notices missed in the CM-1 measurement above. In order for any activity to appear in this measurement, it has to have failed CM-1. Therefore it is duplicative.
	CMD: Timeliness of Documents Associated with Change	Title	~~CM-3~~ CMD: Timeliness of Documents Associated with Change	Wording Clarification
		Definition	This report ~~M~~measures whether CLECs received requirements or business rule documentation on time to prepare for BellSouth interface/system changes so CLEC interfaces are not impaired by change. The CCP is used by BellSouth and the CLECs to manage requested changes to the BellSouth local interfaces.	Wording clarification, primarily to add a definition of the CCP which is used elsewhere in the Change Management metrics. This definition has been moved from the business rules section.
		Exclusions	- Documentation for release dates that slip less than 30 days for reasons outside BellSouth's control, such as changes due to Regulatory mandate ~~a change mandated by regulatory or legal entities (Federal Communications Commission [FCC], a state commission/authority, or state and federal courts)~~ or CLEC request - Type 6 Change Requests (Defects/Expedites), as defined by the Change Control Process	Wording clarification
		Business Rules	~~This metric is designed to measure the percent of requirements or business rule documentation sent to the CLECs according to d~~Documentation standards and timeframes ~~set forth~~ can be found in the Change Control Process, ~~a copy of which can be found~~ at http://www.interconnection.bellsouth.com/markets/lec/ccp_live/index.html. ~~The CCP is used by BellSouth and the CLECs to manage requested changes to the BellSouth Local Interfaces.~~ The ~~clock starts~~ interval begins on the date the business rule documentation is released ~~date. The clock stops~~ and ends on the software release date. When project events occur (scope changes, analysis information, etc.), the software release date may change. Revisions to documentation could be required and the ~~clock~~ interval would restart.	Clarified the determination of time calculation. Interval is a more appropriate term than clock for this metric. Moved CCP definition from Business Rules section to Definition.
		Calculation	**Timeliness of Documents Associated with Change** = (a / b) X 100 - a = Change Management ~~documentation~~ documents sent within required timeframes after notices - b = Total number of Change Management ~~documentation~~ documents sent	Change calculation to match measurement title.

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Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		SQM Disaggregation - Analog / Benchmark	**SQM Level of Disaggregation** ~~Region~~ Documents..... **SQM Analog/Benchmark** 95~~8~~% ~~on Time~~>= 30 days if new features coding is required 95% >= 5 days for documentation defects, corrections or clarifications	Wording Clarification
	~~(CM-4)~~		Delete Change Management Documentation Average Delay Days	CM-4 is not needed because it only measures those documentation releases missed in the CM-3 measurement above. In order for any activity to appear in this measurement, it has to have failed CM-3. Therefore it is duplicative.
	ION: Notification of CLEC Interface Outages	Title	~~CM-5~~ ION: Notification of CLEC Interface Outages	SQM measure identifier modified to facilitate better identification of metrics.
		Definition	This report ~~M~~measures the time it takes BellSouth to notify the CLECs of an ~~outage of an~~ interface outage as defined by the Change Control Process (CCP) documentation.	Wording clarification to better define an 'outage.'
		Business Rules	~~This metric measures the process of notifying CLECs of an interface outage as defined by the Change Control Process documentation.~~ BellSouth has 15 minutes to notify the CLECs via email, once the Help Desk has verified the existence of an outage. An outage is verified to exist when on or more of the following conditions occur: 1. BellSouth can duplicate a CLEC reported system error. 2. BellSouth finds an error message within the ~~system~~ error log that identically matches a CLEC reported system outage. 3. When 3 or more CLECs report the identical type of outage. 4. BellSouth detects a problem due to the loss of functionality for users of a system. ~~Note:~~ The 15-minute ~~clock~~ interval begins once a CLEC reported outage or a BellSouth detected outage has lasted for 20 minutes and has been verified. If the outage is not verified within 20 minutes, the ~~clock~~ interval begins at the point of verification. ~~This metric will be expressed as a percentage~~.	Wording clarification per the KPMG Florida Exception 81 and to change clock to interval which is a more appropriate term for this measurement.
	PSEC: Percentage of Software Errors Corrected in "X" Business Days	Title	~~CM-6~~ PSEC: Percentage of Software Errors Corrected in "X" ~~(10, 30, 45)~~ Business Days	SQM measure identifier modified to facilitate better identification of metrics.
		Definition	This report m~~M~~easures the percentage of ~~all outstanding~~ software errors ~~due and overdue to be~~ corrected by BellSouth in "X" ~~(10, 30, 45)~~ business days within the ~~monthly~~ report period.	Wording clarification.

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Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		Business Rules	~~This metric is designed to measure BellSouth's performance each month in correcting identified software errors within the specified interval.~~ The ~~clock starts~~ interval begins when a Software Error is validated per the Change Control Process (CCP~~), a copy of which can be found at http://www.interconnection.bellsouth.com/markets/lec/ccp_live/index.html,~~ and ~~stops~~ ends when the error is corrected and the notice is posted to the change control website. Currently "X" business days is defined in the CCP as 10 = Severity 2, 30 = Severity 3, and 45 = Severity 4. The current intervals for this measure will be consistent with the intervals set in the CCP. A copy of the most current CCP can be found on the Interconnection website (http://www.interconnection.bellsouth.com/markets/lec/ccp_live/index.html). ~~The monthly report should include all defects due and overdue to be corrected within the report period.~~ Software defects are defined as Type 6 Change Requests in the Change Control Process.	First sentence is a definition, not a business rule. Remaining changes are for clarification.
		Calculation	**Percent of Software Errors Corrected in "X"** ~~(10, 30, 45)~~ **Business Days** = (a / b) X 100 • a = Total number of software errors corrected ~~where~~ in "X" ~~= 10, 30, or 45~~ business days as defined for each severity level (Severity 2, Severity 3, and Severity 4) within the reporting period • b = Total number of Severity 2, Severity 3, and Severity 4 software errors ~~requiring correction where "X" = 10, 30, or 45 Business Days.~~ Corrected within the reporting period	Wording clarification.
		Report Structure	• Severity 2 = 10 Business Days • Severity 3 = 30 Business Days • Severity 4 = 45 Business Days • Geographic Scope - Region	Report Structure changed to region since this software errors are resolved for the region.
		SQM Disaggregation – Analog / Benchmark	**SQM Level of Disaggregation** — **SQM Analog/Benchmark** ~~Region~~ Errors Corrected ..... 95% within Interval	Wording clarification.
	PCRAR: Percentage of Change Requests Accepted or Rejected within 10 Days	Title	~~CM 7~~ PCRAR: Percent~~ag~~e of Change Requests Accepted or Rejected Within 10 Days	SQM measure identifier modified to facilitate better identification of metrics.
		Definition	This report m~~M~~easures the percentage of change requests other than Type 1 or Type 6 Change Requests, submitted by CLECs that are accepted or rejected by BellSouth in 10 business days within the report period.	Wording clarification
		Exclusions	Change requests ~~that are~~ canceled or withdrawn before a response from BellSouth is due	Wording clarification
		Business Rules	The acceptance/rejection interval ~~starts~~ begins when the acknowledgement is due to the CLEC per the Change Control Process, a copy of which can be found ~~at~~ on the Interconnection website: (http://www.interconnection.bellsouth.com/markets/lec/ccp_live/index.html). The ~~clock~~ interval ends when BellSouth issues an acceptance or rejection notice to the CLEC. This metric includes all change requests not subject to the above exclusions that have been responded to within~~, not just those received and accepted or rejected in~~ the reporting period.	Wording clarification

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		Calculation	**Percent of Change Requests Accepted or Rejected within 10 Business Days** = (a / b) X 100 • a = Total number of change requests accepted or rejected within 10 business days • b = Total number of change requests ~~submitted~~ responded to within the reporting period	Wording clarification
		Report Structure	• BellSouth Aggregate • Geographic Scope - Region	Report Structure changed to region since this process is at the region level.
		SQM Disaggregation – Analog / Benchmark	**SQM Level of Disaggregation** — **SQM Analog/Benchmark** ~~Region~~ Requests Accepted/Rejected ..... 95% within Interval	Wording clarification.
	PCRR: Percent Change Requests Rejected	Title	~~CM 8~~ PCRR: Percent Change Requests Rejected	SQM measure identifier modified to facilitate better identification of metrics.
		Definition	This report ~~M~~measures the percentage of change requests (other than Type 1 or Type 6 Change Requests) submitted by CLECs that are rejected ~~by reason~~ within the report period.	Wording clarification. The words 'by reason' are being eliminated from the definition as it is more appropriately addressed in the business rules and the disaggregation.
		Business Rules	This metric includes any rejected change requests in the reporting period, regardless of whether received early or late. The metric will be disaggregated by major categories of rejections per the Change Control Process, a copy of which can be found ~~at~~ on the interconnection website (http://www.interconnection.bellsouth.com/markets/lec/ccp_live/index.html). These reasons are: cost, technical feasibility, and industry direction. This metric includes all change requests not subject to the above exclusions that have been responded to within~~, not just those received and accepted or rejected in~~ the ~~same~~ reporting period.	Wording clarification
		Calculation	**Percent Change Requests Rejected** = (a / b) X 100 • a = Total number of change requests rejected • b = Total number of change requests ~~submitted~~ responded to within the reporting period	Wording clarification

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		Report Structure	• BellSouth Aggregate • ~~Cost~~ • ~~Technical Feasibility~~ • Geographic Scope - Region	Report Structure changed to region since this process is at the region level.
		SQM Level of Disaggregation – Analog / Benchmark	~~Region ..... Diagnostic~~ Reason – Cost ..... Diagnostic Reason – Technical Feasibility ..... Diagnostic Reason – Industry Direction ..... Diagnostic	Wording clarification
	NDPR: Number of Defects in Production Releases (Type 6 CR)	Title	~~CM-9~~ NDPR: Number of Defects in Production Releases (Type 6 CR)	SQM measure identifier modified to facilitate better identification of metrics.
		Definition	This report ~~M~~measures the number of defects in production releases. This measure will be presented as the number of Type 6 Severity ~~1~~ 2 ~~d~~Defects, the number of Type 6 Severity ~~2~~3 ~~d~~Defects without a mechanized work around, and the number of Type 6 Severity ~~3~~4 ~~d~~Defects resulting within a three week period from a production release date. The definition of Type 6 Change Requests (CR) and Severity ~~1~~2, Severity ~~2~~3, and Severity ~~3~~4 ~~d~~Defects can be found in the Change Control Process document.	Wording changes to correct a mistake in the labeling the severity defects. The current definition specifies Severity 1, 2, and 3. However Severity 1 defects are actually system outages, not defects in production releases. Defects in production releases are Severity 2, 3, 4.
		Business Rules	This metric measures the number of Type 6 Severity ~~1~~2 ~~d~~Defects, the number of Type 6 Severity ~~2~~3 ~~d~~Defects without a mechanized work around, and the number of Type 6 Severity ~~3~~4 ~~d~~Defects resulting within a three week period from a production release date. The definitions of Type 6 Change Requests (CR) and Severity ~~1~~2, ~~2~~3, and ~~3~~4 ~~d~~Defects can be found in the Change Control Process, which can be found ~~at~~ on the Interconnection website http://www.interconnection.bellsouth.com/markets/lec/ccp_live/index.html	Corrects the Severity level numbers. Additional clarification of the CCP.
		Calculation	The number of Type 6 Severity ~~1~~2 Defects, the number of Type 6 Severity ~~2~~3 Defects without a mechanized work around, and the number of Type 6 Severity ~~3~~4 Defects.	Corrects the Severity level numbers.
		Report Structure	• Production Releases • Number of Type 6 Severity ~~1~~2 ~~d~~Defects • Number of Type 6 Severity ~~2~~3 ~~d~~Defects without a mechanized work around • Number of Type 6 Severity ~~3~~4 ~~d~~Defects • Geographic Scope Region	Corrects the Severity level numbers. Noted that this is a regional metric.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
			SQM Level of Disaggregation — **SQM Analog/Benchmark** ~~Region —~~Number of Type 6 Severity ~~1~~2 Defects..... 0 Defects ~~Region —~~Number of Type 6 Severity ~~2~~3 Defects..... 0 Defects ~~without a mechanized work around~~ without a mechanized work around ~~Region —~~Number of Type 6 Severity ~~3~~4 Defects..... 0 Defects	Corrects the Severity level numbers.
	SV: Software Validation	Title	~~CM-10~~ SV: Software Validation	SQM measure identifier modified to facilitate better identification of metrics.
		Definition	This report ~~M~~measures software validation test results for production releases of BellSouth local interfaces.	Wording clarification
		Business Rules	BellSouth maintains a test deck of transactions that are used to validate that functionality in software production releases works as designed. Each transaction in the test deck is assigned a weight factor ~~which is~~ based on the weights ~~that have been~~ assigned to the metrics. Within the software validation metric, weight factors will be allocated among transaction types (e.g., Pre-Order, Order Resale, Order UNE, Order UNE-P) and then equally distributed across transactions within the specific type. BellSouth will begin to execute the software validation test deck within one (1) business day following a production release. Test deck transactions will be executed using production release software in the CAVE environment. Within seven (7) business days following completion of the production release software validation test in CAVE, BellSouth will report the number of test deck transactions that failed. Each failed transaction will be multiplied by the transaction's weight factor. A transaction is considered failed if the request cannot be submitted or processed, or results in incorrect or improperly formatted data. The test deck scenario weight table can be found in the Change Control Process, a copy of which can be found ~~at~~ on the Interconnection website (http://www.interconnection.bellsouth.com/markets/lec/ccp_live/index.html).	Wording clarification
		Report Structure	• BellSouth Aggregate • Geographic Scope • Region	Report Structure changed to region since this process is at the region level
		SQM Disaggregation – Analog / Benchmark	**SQM Level of Disaggregation** — **SQM Analog/Benchmark** ~~Region~~ Failed Transactions ..... <=5%	Wording clarification.
	PCRIP: Percentage of Change Requests	Title	~~CM-11~~ PCRIP: Percentage of Change Requests Implemented within 60 Weeks of Prioritization	SQM measure identifier modified to insure consistency with the PARIS measure identifiers and facilitate better identification of metrics.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
	Change Requests	Definition	This report ~~M~~measures whether BellSouth provides CLECs timely implementation of prioritized change requests.	Wording clarification

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		Exclusions	• Change requests ~~that are~~ implemented later than 60 weeks with the consent of the CLECs • Change requests where ~~for which~~ BellSouth has regulatory authority to exceed the interval	Wording clarification
		Business Rules	~~This metric is designed to measure BellSouth's monthly performance in implementing prioritized change requests.~~ The ~~clock starts~~ interval ~~when a~~ for each change request begins when it has ~~first~~ been prioritized as described in the Change Control Process~~.~~ and ends ~~The clock stops~~ when the change request has been implemented by BellSouth and made available to the CLECs~~. BellSouth will begin reporting this monthly measure with the next release for diagnostic purposes, and will be measured for SEEM purposes 60 weeks from first prioritization meeting following Commission approval of this measure.~~	First sentence eliminated as it is not a business rule. Remaining changes are proposed as the language in the original measurement, when first adopted by the TRA, is no longer needed for the future.
		Calculation	**Percentage of Type 5 CLEC Initiated Change Requests Implemented on Time** = (a / b) X 100 • a = Total number of prioritized Type 5 CLEC initiated Change Requests implemented within the data month having an implementation interval less than or equal to 60 weeks from the most recent release prioritization date ~~each month that are less than or equal to 60 weeks of age from the date of their first prioritization plus all other prioritized change requests existing at the end of the month that are less than or equal to 60 weeks of age from prioritization.~~ • b = ~~All entries in "a" above plus all~~ Total number of prioritized Type 5 CLEC initiated Change Requests implemented within the data month ~~prioritized more than 60 weeks before the end of the monthly reporting period~~ • **Percentage of Type 4 ~~BellSouth~~ CLEC Initiated Change Requests Implemented on Time** = ~~(a / b)~~ (c / d) X 100 • ~~a~~ c = Total number of prioritized Type 4 CLEC initiated Change Requests implemented within the data month having an implementation interval less than or equal to 60 weeks from the release prioritization date ~~each month that are less than or equal to 60 weeks of age from the date of the release prioritization list plus all other Type 4 prioritized change requests existing at the end of the month that are less than or equal to 60 weeks of age from prioritization.~~ • ~~b~~ d = Total number of prioritized Type 4 CLEC initiated Change Requests implemented within the data month ~~All entries in "a" above plus all Type 4 Change Requests prioritized more than 60 weeks before the end of the monthly reporting period.~~	The calculations have been modified to be consistent with other measures of pecent complete. The calculations have been restructured to measure the actual event, when the event occurs.
		Report Structure	• BellSouth Aggregate • Type 4 Requests Implemented • Type 5 Requests Implemented • ~~%~~ Percent implemented within 16, 32, 48 and 60 weeks • Geographic Scope - Region	Report Structure changed to region since this process is at the region level

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
		SQM Level of Disaggregation – Analog/ Benchmark	~~Region ..... 95% within interval~~ • Type 4 Requests Implemented ..... 95% within Interval • Type 5 Requests Implemented ..... 95% within Interval	Wording clarification
		SEEM Measure	**SEEM** **Tier I** **Tier II** **~~Tier III~~** Yes X	
~~Appendix A~~		~~Reporting Scope~~	Delete Appendix A – Reporting Scope	
Appendix ~~B~~ A		Glossary of Acronyms and Terms	The Glossary contains updates and corrections.	

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
Appendix ~~C~~ B		BellSouth Audit Policy	**Appendix ~~C~~B: BellSouth Audit Policy** **~~C-1: BellSouth's Internal Audit Policy~~** ~~BellSouth's internal efforts to make certain that the reports produced by the PMAP platform are of the highest accuracy has been formalized into a Performance Measurements Quality Assurance Plan (PMQAP) that documents and augments existing quality assurance processes integral to the production and validation of Performance Measurements data.~~ ~~The plan consists of three sections:~~ ~~1. Change Control addresses the quality assurance steps involved in the introduction of new measurements and changes to existing measurements.~~ ~~2. Production addresses the quality assurance steps used to create monthly SQM reports.~~ ~~3. Monthly Validation addresses the quality assurance steps used to ensure accurate posting of monthly results.~~ ~~The BellSouth PMQAP will ensure that BellSouth effectively and consistently provides accurate performance measurements data for the activities included in the SQM. The BellSouth Internal Audit department will audit this plan and its quality assurance steps annually, beginning in 4Q01.~~ **~~C-2: BellSouth's External Audit Policy~~** BellSouth currently provides many CLECs with certain audit rights as a part of their individual interconnection agreements. However, it is not reasonable for BellSouth to undergo an audit of the SQM for every CLEC with which it has a contract. BellSouth has developed a proposed regional Audit Plan for use by the parties to an audit. If requested by a Public Service Commission or by a CLEC exercising contractual audit rights, BellSouth will agree to undergo an ~~comprehensive~~ audit of the ~~current year~~ aggregate level reports for both BellSouth and the CLEC(s) every other year for ~~each of~~ the next five (5) years (~~2001–2005~~ 2005-2010), to be conducted by an independent third party ~~auditor jointly selected by BellSouth and the CLEC~~. The results of audits will be made available to all the parties subject to proper safeguards to protect proprietary information. ~~Requested~~ This aggregate level audit~~s~~ includes the following specifications: 1. The cost shall be borne 50% by BellSouth and 50% by the CLEC or CLECs. 2. The independent third party auditor shall be selected ~~with input from~~ by BellSouth, with input from the PSC, if applicable, and the CLEC(s). 3. BellSouth, the PSC and the CLEC(s) shall jointly determine the scope of the audit. BellSouth reserves the right to make changes to this audit policy as growth and change in the industry dictate. ~~These comprehensive audits are intended to provide the basis for the PSCs and CLECs to determine that the SQM, PMAP and SEEM produce accurate data that reflects each States Order for performance measurements. Once this has been verified by an initial audit, the BellSouth PMQAP will provide the basis for future audits.~~	

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
Appendix ~~D~~ C:		~~OSS~~ Interface Tables	Updated Interface Availability (IA) and Interface Availability (Maintenance and Repair) (MRIA) tables.	Updates to reflect current applications in Interface Availability (IA) and Interface Availability (Maintenance and Repair) (MRIA).
			OSS-1 removed from Interface Tables. OSS-4 removed from Interface Tables.	OSS-1 and OSS-4 measures were deleted from the SQM.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
Appendix D		BellSouth's Policy on Reposting of Performance Data and Recalculation of SEEM Payments BellSouth's Reposting Policy	**Appendix D: BellSouth's Policy on Reposting of Performance Data and Recalculation of SEEM Payments** BellSouth will make available reposted performance data as reflected in the Service Quality Measurement (SQM) reports and recalculate Self-Effectuating Enforcement Mechanism(SEEM) payments using the Parity Analysis and Remedy Information System (PARIS), to the extent technically feasible, under the following circumstances: 1. Those measures included in a state's specific SQM plan with corresponding sub-metrics are subject to reposting. A notice will be placed on the PMAP website advising CLECs when reposted data is available. 2. Performance sub-metric calculations that result in a shift in the performance in the aggregate from an "in parity" condition to an "out of parity" condition will be available for reposting. 3. Performance sub-metric calculations with benchmarks that are in an "out of parity" condition will be available for reposting whenever there is a >= 2% decline in BellSouth's performance at the sub-metric level. 4. Performance sub-metric calculations with retail analogues that are in an "out of parity" condition will be available for reposting whenever there is a decline in performance as shown by an adverse change of <= .5 in the z-score at the sub-metric level. 5. Any data recalculations that reflect an improvement in BellSouth's performance will be reposted at BellSouth's discretion. However, statewide performance must improve by at least 2% for benchmark measures and the z-score must improve by at least 0.5 for retail analogs at the sub-metric level to qualify for reposting. 6. Performance data will be made available for a maximum of three months in arrears. 7. When updated performance data has been made available for reposting or when a payment error in PARIS has been discovered, BellSouth will recalculate applicable SEEM payments. Where technically feasible, SEEM payments will be subject to recalculation for a maximum of three months in arrears from the date updated performance data was made available or the date when the payment error was discovered. 8. Any adjustments for underpayment of Tier 1 and Tier 2 calculated remedies will be made consistent with the terms of the state-specific SEEM plan, including the payment of interest. Any adjustments for overpayment of Tier 1 and Tier 2 remedies will be made at BellSouth's discretion. 9. Any adjustments for underpayments will be made in the next month's payment cycle after the recalculation is made. The final current month PARIS reports will reflect the transmitted dollars, including adjustments for prior months where applicable. Questions regarding the adjustments should be made in accordance with the normal process used to address CLEC questions related to SEEM payments.	This Appendix incorporates into the SQM the Commission approved Reposting policy.

Proposed Tennessee SQM Modifications

Domain	Measure No.	Section	Proposed Change	Rationale for Proposed Change
Appendix E		Description of Raw Data and Other Supporting Data Files	**BellSouth Service Quality Measurement Plan (SQMP)** **Raw (Supporting) Data Files (SDF)** **Other Supporting Data Files (OSDF)**	These additions are proposed to incorporate what had been separate documents for the supporting/raw data files into the SQM. There are 2 ½ pages of Appendix E.
		~~LSR Flow Through Matrix~~	The current version of the LSR Flow-Through Matrix is on BellSouth's PMAP website (http://pmap.bellsouth.com) in the Documentation/Exhibits folder and contains a list of services, including complex services, and whether LSRs issued for the services are eligible to flow through.	As a result of flow through improvement efforts, the flow through capability of products occasionally changes from not eligible for flow through to one that is flow through capable. Placing this matrix on the PMAP website will allow it to be current.
Special Access	All		Deleted BellSouth Service Quality Measurement Plan for Access Services (SQMP-A).	

Tennessee SEEM Administrative Plan

Self-Effectuating Enforcement Mechanism (SEEM)

Proposed - Version 3.2

February 25, 2005

Contents

1: Administrative Plan

1.1 Scope

This Administrative Plan (Plan) includes Service Quality Measurements (SQM) with corresponding Self Effectuating Enforcement Mechanisms (SEEM) to be implemented by BellSouth pursuant to the Order issued by the Tennessee Regulatory Authority in Docket No. 01-00193.

1.2 Reporting

In providing services pursuant to the Interconnection Agreements between BellSouth and each CLEC, BellSouth will report its performance to each CLEC in accordance with BellSouth's SQMs and pay penalties in accordance with the applicable SEEMs, which are posted on the Performance Measurement Reports website.

BellSouth will make performance reports available to each CLEC on a monthly basis. The reports will contain information collected in each performance category and will be available to each CLEC via the Performance Measurements Reports website. BellSouth will also provide electronic access to the raw data underlying the SQMs.

Final validated SEEM reports will be posted on the Performance Measurements Reports website on the 15th of the month following the final validated SQM reports.

BellSouth shall pay penalties to the Authority, in the aggregate, for all late SQM reports in the amount of $2000 per day. Such penalty shall be made to the Authority for deposit into the state General Revenue Fund within fifteen (15) calendar days of the end of the reporting month in which the late publication of the report occurs.

BellSouth shall pay penalties to the Authority, in the aggregate, for all reposted SQM reports in the amount of $400 per day. The cirumstances which may necessitate a reposting of SQM reports are detailed in Appendix G, Reposting of Performance Data and Recalculation of SEEM Payments. Such penalty shall be made to the Authority for deposit into the state General Revenue Fund within fifteen (15) calendar days of the final publication date of the report or the report revision date.

1.3 Review of Measurements

At the Authority's discretion, the SEEM Plan would be reviewed at the periodic 6-month SQM review.

1.4 Enforcement Mechanisms

1.4.1 Definitions

Enforcement Measurement Elements – the performance measurements identified as SEEM measurements in this Plan.

Enforcement Measurement Benchmark– level of performance used to evaluate the performance of BellSouth for CLECs where no analogous retail process, product or service is feasible.

Enforcement Measurement Retail Analog Compliance – comparing performance levels provided to BellSouth retail customers with performance levels provided by BellSouth to the CLEC customer for measures where retail analogs apply.

Test Statistic and Balancing Critical Value – the means by which enforcement will be determined using statistically valid equations. The Test Statistic and Balancing Critical Value are set forth in Appendix D, Statistical Formulas and Technical Description.

Cell – a grouping of transactions at which like-to-like comparisons are made. For example, all BellSouth retail (POTS) services, for residential customers, requiring a dispatch in a particular wire center, at a particular point in time will be compared directly to CLEC resold services for residential customers, requiring a dispatch, in the same wire center, at a similar point in time. When determining compliance, these cells can have a positive or negative Test Statistic. See Appendix D, Statistical Formulas and Technical Description, attached.

Affected Volume – that proportion of the total impacted CLEC volume or CLEC Aggregate volume for which remedies will be paid.

Delta – a measure of the meaningful difference between BellSouth performance and CLEC performance. For individual CLECs the Delta value shall be 0.5 and for the CLEC aggregate the Delta value shall be 0.35.

Parity Gap – refers to the incremental departure from a compliant-level of service. This is also referred to as "diff" in Appendix D, Statistical Formulas and Technical Description.

Tier-1 Enforcement Mechanisms – self-executing liquidated damages paid directly to a CLEC when BellSouth delivers non-compliant performance of any one of the Tier-1 Enforcement Measurement Elements for any two consecutive months as calculated by BellSouth.

Tier-2 Enforcement Mechanisms – assessments paid directly to the Tennessee Regulatory Authority or its designee. Tier 2 Enforcement Mechanisms are triggered by three consecutive monthly failures in which BellSouth performance is out of compliance or does not meet the benchmarks for the aggregate of all CLEC data as calculated by BellSouth for a particular Tier-2 Enforcement Measurement Element.

1.4.2 Application

The application of the Tier-1 and Tier-2 Enforcement Mechanisms does not foreclose other legal and regulatory claims and remedies available to each CLEC.

Payment of any Tier-1 or Tier-2 Enforcement Mechanisms shall not be considered as an admission against interest or an admission of liability or culpability in any legal, regulatory or other proceeding relating to BellSouth's performance. The payment of any Tier-1 Enforcement Mechanism to a CLEC shall be credited against any liability associated with or related to BellSouth's service performance.

It is not the intent of the Parties that BellSouth be liable for both Tier-2 Enforcement Mechanisms and any other assessments or sanctions imposed by the Authority. CLECs will not oppose any effort by BellSouth to set off Tier-2 Enforcement Mechanisms from any assessment imposed by the Authority.

The Enforcement Mechanisms contained in this Plan have been provided by BellSouth on a voluntary basis in order to maintain compliance between BellSouth and each CLEC. As a result, CLECs may not use the existence of this section or any payments of any Tier-1 or Tier-2 Enforcement Mechanisms under this section as evidence that BellSouth has not complied with or has violated any state or federal law or regulation.

1.4.3 Methodology

Tier-1 Enforcement Mechanisms will be triggered by BellSouth's failure to achieve applicable Enforcement Measurement Compliance or Enforcement Measurement Benchmarks for each CLEC for the State of Tennessee for a given Enforcement Measurement Element for two (2) consecutive months. Liquidated damages will be applicable to each of the two months of failure. Enforcement Measurement Compliance is based upon a Test Statistic and Balancing Critical Value calculated by BellSouth utilizing BellSouth generated data. The method of calculation is set forth in Appendix D, Statistical Formulas and Technical Description.

Tier-1 Enforcement Mechanisms apply on a per transaction basis for each Enforcement Mechanism Element for which BellSouth has reported non-compliance. All transactions for individual CLEC subsidiaries will be consolidated for purposes of calculating Tier-1 Enforcement Mechanisms.

When a measurement has five or more transactions for the CLEC, calculations will be performed to determine remedies according to the methodology described in the remainder of this document.

The Standard and Low Performance Fee Schedules for Tier-1 Enforcement Mechanisms are shown in “Table 1: Liquidated Damages For Tier-1 Measures”. Standard Fee Schedule amounts are used when BellSouth’s overall performance in a given month remains within three standard deviations of a baseline performance level. This baseline level is the average of the percent of submetrics met each month for the 12 consecutive months ending prior to the month an Authority order adopting the plan goes into effect. These averages will be taken from across

all reporting domains. These domains are: OSS/Pre-ordering, Ordering, Provisioning, Maintenance and Repair, LNP, Billing, Interconnection Trunks, Collocation, and Service Order Accuracy.

Should BellSouth's performance as measured by the percent of submetrics met in the current data month fall below three standard deviations from the established baseline level of performance, the Tier 1 Low Performance Fee Schedule fees will be utilized for that month. If BellSouth's performance in the current month should exceed the baseline level by three standard deviations, no Tier 1 payment will apply for any CLEC in that month.

Tier-2 Enforcement Mechanisms will be triggered by BellSouth's failure to achieve applicable Enforcement Measurement Compliance or Enforcement Measurement Benchmarks for the State of Tennessee for given Enforcement Measurement Elements for three consecutive months based upon a statistically valid equation calculated by BellSouth utilizing BellSouth generated data. The method of calculation is set forth in Appendix D, Statistical Formulas and Technical Description.

Tier- 2 Enforcement Mechanisms apply, for an aggregate of all CLEC data generated by BellSouth, on a per transaction basis for each Enforcement Mechanism Element for which BellSouth has reported non-compliance.

The Standard and Low Performance Fee Schedules for Tier-2 Enforcement Mechanisms are shown in "Table 2: Liquidated Damages For Tier-2 Measures". Standard Fee Schedule amounts are used when BellSouth's overall performance in a given month remains within three standard deviations of a baseline performance level. The baseline performance level which Tier 2 performance will compare against shall be the same as that utilized for Tier 1. Three consecutive months of failure are necessary to trigger a Tier 2 payment. The percent submetrics met for the average of the three month period compared against the established baseline will be used to determine which Fee Schedule applies when calculating a Tier 2 payment.

Should BellSouth's performance, as measured by the average percent of submetrics met for the three months used to determine whether Tier 2 applies in the current data month, fall below three standard deviations from the established basline level of performance, the Tier 2 Low Performance Fee Schedule will be utilized. If BellSouth's performance, as measured by the average percent of submetrics met for the three months used to determine whether Tier 2 applies in the current data month, exceeds the baseline performance by three standard deviations, no Tier 2 payment will apply in the current data month.

1.4.4 Payment of Tier-1 and Tier-2 Amounts

If BellSouth performance triggers an obligation to pay Tier-1 Enforcement Mechanisms to a CLEC or an obligation to remit Tier-2 Enforcement Mechanisms to the Authority or its designee, BellSouth shall make payment in the required amount on the day upon which the final validated SEEM reports are posted on the Performance Measurements Reports website as set forth in Section 1.2 above.

For each day after the due date that BellSouth fails to pay a CLEC the required amount, BellSouth will pay the CLEC 6% simple interest per annum.

For each day after the due date that BellSouth fails to pay the Tier-2 Enforcement Mechanisms, BellSouth will pay the Authority an additional $1,000 per day.

If a CLEC disputes the amount paid for Tier-1 Enforcement Mechanisms, the CLEC shall submit a written claim to BellSouth within sixty (60) days after the date of the performance measurement report for which the obligation arose. BellSouth shall investigate all claims and provide the CLEC written findings within thirty (30) days after receipt of the claim. If BellSouth determines the CLEC is owed additional amounts, BellSouth shall pay the CLEC such additional amounts within thirty (30) days after its findings along with 6% simple interest per annum.

For Tier-2 Enforcement Mechanisms, if the Authority requests clarification of an amount paid, a written claim shall be submitted to BellSouth within sixty (60) days after the date of the performance measurement report for which the obligation arose. BellSouth shall investigate all claims and provide the Authority written findings within thirty (30) days after receipt of the claim. If BellSouth determines the Authority is owed additional amounts, BellSouth shall pay such additional amounts within thirty (30) days after its findings along with 6% simple interest per annum.

BellSouth may set off any SEEMs payment to a CLEC against undisputed amounts owed by a CLEC to BellSouth pursuant to the Interconnection Agreement between the parties which have not been paid to BellSouth within ninety (90) days past the Bill Due Date as set forth in the Billing Attachment of the Interconnection Agreement.

Any adjustments for underpayment or overpayment of calculated Tier 1 and Tier 2 remedies will be made consistent with the terms of BellSouth's Policy On Reposting Of Performance Data and Recalculation of SEEM Payments, as set forth in Appendix G of this document.

Any adjustments for underpayments will be made in the next month's payment cycle after the recalculation is made. The final current month PARIS reports will reflect the final paid dollars, including adjustments for prior months where applicable. Questions regarding the adjustments should be made in accordance with the normal process used to address CLEC questions related to SEEM payments.

At the end of each calendar year, BellSouth will have its independent auditing and accounting firm certify that the results of all Tier-1 and Tier-2 Enforcement Mechanisms were paid and accounted for in accordance with Generally Accepted Accounting Principles (GAAP).

1.4.5 Limitations of Liability

BellSouth will not be obligated to to pay Tier-1 or Tier-2 Enforcement Mechanisms for non-compliance with a performance measure if such non-compliance results from CLEC acts or omissions that cause or contribute towards failed or missed performance measures. These acts or omissions include but are not limited to accumulation and submission of orders at

unreasonable quantities or times, failure to follow established and documented procedures, or failure to submit accurate orders or inquiries. BellSouth shall provide each CLEC with reasonable notice of such acts or omissions and provide each CLEC any such supporting documentation.

BellSouth shall not be obligated to pay Tier-1 or Tier-2 Enforcement Mechanisms for non-compliance with a performance measurement if such non-compliance was the result of any of the following: a Force Majeure event (as defined in BellSouth's Statements of Generally Available Terms and Conditions for access and interconnection); an act or omission by a CLEC that is contrary to any of its obligations under the Act, Authority rule, or state law; or an act or omission associated with third-party systems or equipment.

In addition to these specific limitations of liability, BellSouth may petition the Authority to consider a waiver based upon other circumstances.

1.4.6 Change of Law

The Authority recognizes that SEEM payments are associated with BellSouth's obligation to continue providing CLECs with a level of service that complies with Section 251 of the Act ("Obligations"). Accordingly, if any effective legislative, regulatory, judicial or other legal action eliminates such Obligations, including any SEEM metric (or submetric) associated with such Obligations, BellSouth, upon providing sixty (60) days written notice to the Authority and affected CLECs, may discontinue any SEEM payment(s) that arises out of any eliminated Obligations.

1.4.7 Enforcement Mechanism Cap

BellSouth's total liability for the payment of Tier-1 and Tier-2 Enforcement Mechanisms shall be collectively and absolutely capped at 36 Percent of net revenues in Tennessee, based upon the most recently reported ARMIS data..

If projected payments exceed the state cap, a proportional payment will be made to the respective parties.

If BellSouth's payment of Tier-1 and Tier-2 Enforcement Mechanisms would have exceeded the cap referenced in this plan, a CLEC may commence a proceeding with the Authority to demonstrate why BellSouth should pay any amount in excess of the cap. The CLEC shall have the burden of proof to demonstrate why, under the circumstances, BellSouth should have additional liability.

1.4.8 Audits

BellSouth currently provides many CLECs with certain audit rights as a part of their individual interconnection agreements. However, it is not reasonable for BellSouth to undergo an audit of the SQM for every CLEC with which it has a contract. BellSouth has developed a proposed Audit Plan for use by the parties to an audit. If requested by a Public Service Commission or by a

CLEC exercising contractual audit rights, BellSouth will agree to undergo a comprehensive audit of the aggregate level reports for both BellSouth and the CLEC(s) each of the next five (5) years (2005-2010) to be conducted by an independent third party. The results of that audit will be made available to all the parties subject to proper safeguards to protect proprietary information. This aggregate level audit includes the following specifications:

1. The cost shall be borne 50% by BellSouth and 50% by the CLEC or CLECs.

2. The independent third party auditor shall be selected with input from BellSouth, the PSC, if applicable, and the CLEC(s).

3. BellSouth, the PSC and the CLEC(s) shall jointly determine the scope of the audit.

BellSouth reserves the right to make changes to this audit policy as growth and changes in the industry dictate.

1.4.9 Dispute Resolution

Notwithstanding any other provision of the Interconnection Agreement between BellSouth and each CLEC, any dispute regarding BellSouth's performance or obligations pursuant to this Plan shall be resolved by the Authority.

1.5 Regional and State Coefficients

Some metrics are calculated for the entire BellSouth region, rather than by state.

- A regional coefficient is calculated to split Tier 1 payments for regional metrics among CLECs by submetric depending on the volume of certain activities in each OCN for the current month.
- A state coefficient is calculated to split Tier 2 payments for regional metrics among states by submetric.

All measures using regional (Tier 1) or state (Tier 2) coefficients are benchmark measures. The following metrics require calculation of a coefficient:

- Acknowledgement Completeness
- Percent Flow Through CLEC Aggregate - Residence
- Percent Flow Through CLEC Aggregate - Business
- Percent Flow Through CLEC Aggregate – UNE Loop & Port Combo
- Percent Flow Through CLEC Aggregate – UNE Loops
- Percent Flow Through CLEC Aggregate - LNP
- Timeliness of Change Management - Notices
- Timeliness of Documents Associated with Change - Documents
- Percent of Software Errors Corrected in X (10, 30, 45) Business Days – Errors Corrected
- Percent Change Requests Accepted or Rejected in 10 Days – Requests Accepted or Rejected

- Percent of Change Request Implemented Within 60 Weeks of Prioritization – Type 4 Requests Implemented
- Percent of Change Request Implemented Within 60 Weeks of Prioritization - Type 5 Requests Implemented
- Interface Availability – Pre-Ordering/Ordering
- Interface Availability – Maintenance & Repair

The methodology for calculating coefficients is detailed in Appendix E.

A: Fee Schedule

Table 1: Liquidated Damages For Tier-1 Measures

Performance Measurement	Standard Performance		Low Performance	
	Per Affected Item Month 1	Per Affected Item Month 2	Per Affected Item Month 1	Per Affected Item Month 2
OSS/Pre-Ordering	$10	$13	$20	$30
Ordering	$20	$25	$40	$50
Provisioning - Resale	$45	$56	$100	$125
Provisioning UNE	$95	$119	$400	$450
Provisioning - UNEP	$40	$50	$400	$450
Maintenance and Repair - Resale	$45	$56	$100	$125
Maintenance and Repair UNE	$35	$44	$400	$450
Maintenance and Repair - UNEP	$25	$31	$400	$450
LNP	$95	$119	$150	$250
Billing – BIA	$0.02*	$0.025*	$1.00	$1.00
Billing – BIT	$5	$7	$10	$14
IC Trunks	$25	$31	$100	$125
Collocation	$3,640	$4,550	$5000	$5000
Service Order Accuracy	$20	$25	$40	$50

*Reflects percent interest to be paid on adjusted amounts.

Table 2: Liquidated Damages For Tier-2 Measures

Performance Measurement	Standard Performance	Low Performance
	Per Affected Item	Per Affected Item
OSS/Pre-Ordering	$15	$20
Ordering	$30	$60
Provisioning - Resale	$68	$300
Provisioning - UNE	$143	$875
Provisioning - UNEP	$60	$875
Maintenance and Repair - Resale	$68	$300
Maintenance and Repair – UNE	$53	$875
Maintenance and Repair - UNEP	$38	$875
Billing – BIA	$0.03*	$1.00
Billing – BIT	$8	$16
LNP	$143	$500
IC Trunks	$38	$500
Collocation	$5460	$15,000
Change Management	$1000	$1000
Service Order Accuracy	$30	$50

***Reflects percent interest to be paid on adjusted amounts**

B: SEEM Submetrics

B.1 Tier 1 Submetrics

Item No.	SQM Ref	Submetric
1	ERT	Loop Makeup - Response Time - Electronic
2	AKC	Acknowledgement Message Completeness - EDI
3	AKC	Acknowledgement Message Completeness - TAG
4	RI	Reject Interval - Fully Mechanized
5	FOCRC	Firm Order Confirmation and Reject Response Completeness - Fully Mechanized
6	PIAM	Percent Installation Appointments Met- Resale (POTS)
7	PIAM	Percent Installation Appointments Met - Resale Design
8	PIAM	Percent Installation Appointments Met - LNP (Standalone)
9	PIAM	Percent Installation Appointments Met - UNE Loops
10	PIAM	Percent Installation Appointments Met - UNE Loop and Port Combinations
11	PIAM	Percent Installation Appointments Met - UNE xDSL
12	PIAM	Percent Installation Appointments Met - UNE Line Splitting
13	PIAM	Percent Installation Appointments Met - Local Interconnection Trunks
14	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) - Resale (POTS)
15	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) - Resale Design
16	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) - LNP (Standalone)
17	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) - UNE Loops
18	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) - UNE Loop and Port Combinations
19	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) - UNE EELs
20	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) - UNE xDSL - With Conditioning
21	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) - UNE xDSL - Without Conditioning
22	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) - UNE Line Splitting

Item No.	SQM Ref	Submetric
23	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) - Local Interconnection Trunks
24	CCCI	Coordinated Customer Conversions Interval - UNE Loops
25	CNDD	Non-Coordinated Customer Conversions - % Completed and Notified on Due Date
26	HCT	Coordinated Customer Conversions - Hot Cut Timeliness Percent Within Interval and Average Interval – UNE Loops
27	PPT	Percent Provisioning Troubles within 5 days of Service Order Completion - Resale (POTS)
28	PPT	Percent Provisioning Troubles within 5 days of Service Order Completion - Resale Design
29	PPT	Percent Provisioning Troubles within 5 days of Service Order Completion - UNE Loops
30	PPT	Percent Provisioning Troubles within 5 days of Service Order Completion - UNE Loop and Port Combinations
31	PPT	Percent Provisioning Troubles within 5 days of Service Order Completion - UNE xDSL
32	PPT	Percent Provisioning Troubles within 5 days of Service Order Completion - UNE Line Splitting
33	PPT	Percent Provisioning Troubles within 5 days of Service Order Completion - Local Interconnection Trunks
34	SOAC	Service Order Accuracy - Resale
35	SOAC	Service Order Accuracy - UNE
36	SOAC	Service Order Accuracy - UNE/P
37	LAT	LNP - Percent of Time BellSouth Applies the 10-Digit Trigger Prior to the LNP Order Due Date
38	LOOS	LNP - Percent Out of Service < 60 Minutes
39	DTNT	LNP - Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution (Non-Trigger)
40	PRAM	Repair Appointments Met - Resale (POTS)
41	PRAM	Repair Appointments Met - Resale Design
42	PRAM	Repair Appointments Met - UNE Loops
43	PRAM	Repair Appointments Met - UNE Loop and Port Combinations
44	PRAM	Repair Appointments Met - UNE xDSL
45	PRAM	Repair Appointments Met - UNE Line Splitting
46	PRAM	Repair Appointments Met - Local Interconnection Trunks
47	MAD	Maintenance Average Duration- Resale (POTS)
48	MAD	Maintenance Average Duration - Resale Design
49	MAD	Maintenance Average Duration - UNE Loops
50	MAD	Maintenance Average Duration - UNE Loop and Port Combinations
51	MAD	Maintenance Average Duration - UNE xDSL
52	MAD	Maintenance Average Duration - UNE Line Splitting
53	MAD	Maintenance Average Duration - Local Interconnection Trunks

Item No.	SQM Ref	Submetric
54	PRT	Percent Repeat Customer Troubles within 5 days - Resale (POTS)
55	PRT	Percent Repeat Customer Troubles Within 5 Days - Resale Design
56	PRT	Percent Repeat Customer Troubles Within 5 Days - UNE Loops
57	PRT	Percent Repeat Customer Troubles Within 5 days - UNE Loop and Port Combinations
58	PRT	Percent Repeat Customer Troubles Within 5 Days - UNE xDSL
59	PRT	Percent Repeat Customer Troubles Within 5 Days - UNE Line Splitting
60	PRT	Percent Repeat Customer Troubles Within 5 Days - Local Interconnection Trunks
61	BIA	Invoice Accuracy
62	BIT	Mean Time to Deliver Invoices - CRIS
63	BIT	Mean Time to Deliver Invoices - CABS
64	TGPS	Trunk Group Performance – CLEC Specific
65	PMDD	Collocation Percent of Due Dates Missed

B.2 Tier 2 Submetrics

Item No	SQM Ref	Submetric
1	IA	Interface Availability - Pre-Ordering/Ordering
2	MRIA	Interface Availability - Maintenance & Repair
3	ERT	Loop Makeup - Response Time - Electronic
4	AKC	Acknowledgement Message Completeness - EDI
5	AKC	Acknowledgement Message Completeness - TAG
6	PFT	Percent Flow-through Service Requests – Residence
7	PFT	Percent Flow-through Service Requests – Business
8	PFT	Percent Flow-through Service Requests – UNE Loop & Port Combo
9	PFT	Percent Flow-through Service Requests – UNE Other
10	PFT	Percent Flow-through Service Requests - LNP
11	RI	Reject Interval - Fully Mechanized
12	FOCRC	Firm Order Confirmation and Reject Response Completeness – Fully Mechanized
13	PIAM	Percent Installation Appointments Met - Resale (POTS)
14	PIAM	Percent Installation Appointments Met - Resale Design
15	PIAM	Percent Installation Appointments Met - LNP (Standalone)
16	PIAM	Percent Installation Appointments Met - UNE Loops
17	PIAM	Percent Installation Appointments Met - UNE Loop and Port Combinations
18	PIAM	Percent Installation Appointments Met - UNE xDSL
19	PIAM	Percent Installation Appointments Met - UNE Line Splitting
20	PIAM	Percent Installation Appointments Met - Local Interconnection Trunks
21	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) - Resale (POTS)
22	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) - Resale Design
23	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) - LNP (Standalone)
24	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) - UNE Loops
25	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) - UNE Loop and Port Combinations
26	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) - UNE EELs
27	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) – xDSL - with conditioning

Item No	SQM Ref	Submetric
28	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) – xDSL - without conditioning
29	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) - UNE Line Splitting
30	FOCI	Firm Order Confirmation Interval (FOCI) Plus Average Order Completion Interval (OCI) - Local Interconnection Trunks
31	CCCI	Coordinated Customer Conversions Interval - UNE Loops
32	CNDD	Non-Coordinated Customer Conversions - % Completed and Notified on Due Date
33	HCT	Coordinated Customer Conversions - Hot Cut Timeliness Percent Within Interval and Average Interval –UNE Loops
34	PPT	Percent Provisioning Troubles within 5 days of Service Order Completion - Resale (POTS)
35	PPT	Percent Provisioning Troubles within 5 days of Service Order Completion - Resale Design
36	PPT	Percent Provisioning Troubles within 5 days of Service Order Completion - UNE Loops
37	PPT	Percent Provisioning Troubles within 5 days of Service Order Completion - UNE Loop and Port Combinations
38	PPT	Percent Provisioning Troubles within 5 days of Service Order Completion - UNE xDSL
39	PPT	Percent Provisioning Troubles within 5 days of Service Order Completion - UNE Line Splitting
40	PPT	Percent Provisioning Troubles within 5 days of Service Order Completion - Local Interconnection Trunks
41	SOAC	Service Order Accuracy - Resale
42	SOAC	Service Order Accuracy - UNE
43	SOAC	Service Order Accuracy - UNE/P
44	LAT	LNP - Percent of Time BellSouth Applies the 10-Digit Trigger Prior to the LNP Order Due Date
45	LOOS	LNP - Percent Out of Service <60 Minutes
46	DTNT	LNP - Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution (Non-Trigger)
47	PRAM	Repair Appointments Met – Resale (POTS)
48	PRAM	Repair Appointments Met - Resale Design
49	PRAM	Repair Appointments Met - UNE Loops
50	PRAM	Repair Appointments Met - UNE Loop and Port Combinations
51	PRAM	Repair Appointments Met - UNE xDSL
52	PRAM	Repair Appointments Met - UNE Line Splitting
53	PRAM	Repair Appointments Met - Local Interconnection Trunks
54	MAD	Maintenance Average Duration - Resale (POTS)
55	MAD	Maintenance Average Duration - Resale Design

Item No	SQM Ref	Submetric
56	MAD	Maintenance Average Duration - UNE Loops
57	MAD	Maintenance Average Duration - UNE Loop and Port Combinations
58	MAD	Maintenance Average Duration - UNE xDSL
59	MAD	Maintenance Average Duration - UNE Line Splitting
60	MAD	Maintenance Average Duration - Local Interconnection Trunks
61	PRT	Percent Repeat Customer Troubles within 5 days - Resale (POTS)
62	PRT	Percent Repeat Customer Troubles Within 5 Days - Resale Design
63	PRT	Percent Repeat Customer Troubles Within 5 Days - UNE Loops
64	PRT	Percent Repeat Customer Troubles Within 5 days - UNE Loop and Port Combinations
65	PRT	Percent Repeat Customer Troubles Within 5 Days - UNE xDSL
66	PRT	Percent Repeat Customer Troubles Within 5 Days - UNE Line Splitting
67	PRT	Percent Repeat Customer Troubles Within 5 Days - Local Interconnection Trunks
68	BIA	Invoice Accuracy
69	BIT	Mean Time to Deliver Invoices - CRIS
70	BIT	Mean Time to Deliver Invoices - CABS
71	TGPA	Trunk Group Performance - CLEC Aggregate
72	PMDD	Collocation Percent of Due Dates Missed
73	CMN	Timeliness of Change Management Notices – Region
74	CMD	Timeliness of Documents Associated with Change – Region
75	PSEC	Percent of Software Errors Corrected in X (10, 30, 45) Business Days – Region
76	PCRAR	Percent of Change Requests Accepted or Rejected Within 10 Days – Region
77	PCRIP	Percent of Change Requests Implemented Within 60 Weeks of Prioritization–Region

B.3 SEEM Retail Analogs

Retail Analogs - Provisioning Measures

SEEM Disaggregation	SEEM Analog
Resale POTS	Retail Residence and Business POTS
Resale Design	Retail Design
UNE Loop & Port Combinations	Retail Residence and Business
UNE Loops	Retail Residence and Business Dispatch
UNE xDSL	ADSL Provided to Retail
UNE xDSL with conditioning*	6 Days*
UNE xDSL without conditioning*	12 days*
UNE Line Splitting	ADSL Provided to Retail
LNP (Standalone)	Retail Residence and Business POTS
Local Interconnection Trunks	Local Interconnection Trunks

*Applies to the measure Firm Order Confirmation Interval Plus Average Order Completion Interval only.

Retail Analogs – Maintenance and Repair Measures

SEEM Disaggregation	SEEM Analog
Resale POTS	Retail Residence and Business POTS
Resale Design	Retail Design
UNE Loop & Port Combinations	Retail Residence and Business
UNE Loops	Retail Residence and Business Dispatch
UNE xDSL	ADSL Provided to Retail
UNE Line Splitting	ADSL Provided to Retail
Local Interconnection Trunks	Local Interconnection Trunks

B.4 SEEM Benchmark Thresholds

SQM Ref	Submetric	Analog / Benchmark
AKC	Acknowledgement Message Completeness - EDI	99.5%
AKC	Acknowledgement Message Completeness - TAG	99.5%
BIA	Invoice Accuracy	Parity With Retail
BIT	Mean Time to Deliver Invoices - CRIS	Parity With Retail
BIT	Mean Time to Deliver Invoices - CABS	Parity With Retail
CCCI	Coordinated Customer Conversions Interval - UNE Loops	95% <= 20 Minutes
CMD	Timeliness of Documents Associated with Change – Region	95% >=30 Days if New Feature Coding required; 95%>=5 days for documentation defects, corrections, or clarifications
CMN	Timeliness of Change Management Notices – Region	95% >= 30 Days of Release
CNDD	Non-Coordinated Customer Conversions - % Completed and Notified on Due Date	95% Completed on Due Date with CLEC Notification
DTNT	LNP - Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution (Non-Trigger)	95% Within 12 Hours
ERT	Loop Makeup - Response Time - Electronic	95% <= 1 Minute
FOCRC	Firm Order Confirmation and Reject Response Completeness – Fully Mechanized	95% Returned
HCT	Coordinated Customer Conversions - Hot Cut Timeliness Percent Within Interval and Average Interval – UNE Loops	SL1 – Time Specific: 95% Within +/- 15 Min. of Scheduled Start Time SL1 IDLC: 95% Within +/- 2 hours of Scheduled Start Time
IA	Interface Availability - Pre-Ordering/Ordering	>= 99.5%
LAT	LNP - Percent of Time BellSouth Applies the 10-Digit Trigger Prior to the LNP Order Due Date	>95%
LOOS	LNP - Percent Out of Service <60 Minutes	>95%
MRIA	Interface Availability - Maintenance & Repair	>= 99.5%
PCRAR	Percent of Change Requests Accepted or Rejected Within 10 Days – Region	95% Within Interval
PCRIP	Percent of Change Requests Implemented Within 60 Weeks of Prioritization – Region	95% Within Interval
PFT	Percent Flow-through Service Requests – Residence	90%
PFT	Percent Flow-through Service Requests – Business	90%
PFT	Percent Flow-through Service Requests – UNE Loop & Port Combo	85%
PFT	Percent Flow-through Service Requests – UNE Other	85%
PFT	Percent Flow-through Service Requests - LNP	85%
PMDD	Collocation Percent of Due Dates Missed	>=95% On Time
PSEC	Percent of Software Errors Corrected in X (10, 30, 45) Business Days – Region	95% Within Interval
RI	Reject Interval - Fully Mechanized	97% <= 1 hour
SOAC	Service Order Accuracy - Resale	95% Correct
SOAC	Service Order Accuracy - UNE	95% Correct
SOAC	Service Order Accuracy - UNE/P	95% Correct
TGPA	Trunk Group Performance - CLEC Aggregate	Any 2 consecutive hour period in 24 hours where CLEC blockage exceeds BellSouth blockage by more than 0.5% using trunk groups 1,3,4,5,10 (where applicable), 16 for CLECs and 1,9,10 (where applicable), and 16 for BellSouth
TGPS	Trunk Group Performance – CLEC Specific	Any 2 consecutive hour period in 24 hours where CLEC blockage exceeds BellSouth blockage by more than 0.5% using trunk groups 1,3,4,5,10 (where applicable), 16 for CLECs and 1,9,10 (where applicable), and 16 for BellSouth

C: Statistical Properties and Definitions

C.1 Statistical Methods for BellSouth Performance Measure Analysis

C.1.1 Necessary Properties for a Test Methodology

The statistical process for testing if competing local exchange carriers (CLECs) customers are being treat equally with BellSouth (BST) customers involves more than just a mathematical formula. Three key elements need to be considered before an appropriate decision process can be developed. These are

- the type of data,
- the type of comparison, and
- the type of performance measure.

Once these elements are determined a test methodology should be developed that complies with the following properties.

- *Like-to-Like Comparisons* – When possible, data should be compared at appropriate levels, e.g. wire center, time of month, dispatched, and residential, new orders. The testing process should:
  - Identify variables that may affect the performance measure.
  - Record these important confounding covariates.
  - Adjust for the observed covariates in order to remove potential biases and to make the CLEC and the ILEC units as comparable as possible.
- *Aggregate Level Test Statistic* – Each performance measure of interest should be summarized by one overall test statistic giving the decision maker a rule that determines whether a statistically significant difference exists. The test statistic should have the following properties.
  - The method should provide a single overall index, on a standard scale.
  - If entries in comparison cells are exactly proportional over a covariate, the aggregated index should be very nearly the same as if comparisons on the covariate had not been done.
  - The contribution of each comparison cell should depend on the number of observations in the cell.
  - Cancellation between comparison cells should be limited.
  - The index should be a continuous function of the observations.
- *Production Mode Process* – The decision system must be developed so that it does not require intermediate manual intervention, i.e. the process must be a "black box."
  - Calculations are well defined for possible eventualities.
  - The decision process is an algorithm that needs no manual intervention.
  - Results should be arrived at in a timely manner.

  - The system must recognize that resources are needed for other performance measure-related processes that also must be run in a timely manner.
  - The system should be auditable, and adjustable over time.
- *Balancing* – The testing methodology should balance Type I and Type II Error probabilities.
  - P(Type I Error) = P(Type II Error) for well defined null and alternative hypotheses.
  - The formula for a test's balancing critical value should be simple enough to calculate using standard mathematical functions, i.e. one should avoid methods that require computationally intensive techniques.
  - Little to no information beyond the null hypothesis, the alternative hypothesis, and the number of observations should be required for calculating the balancing critical value.

C.1.2 Measurement Types

The performance measures that will undergo testing are of three types:

- means,
- proportions, and
- ratios

While all three have similar characteristics, proportions are derived from count data while means and ratios are derived from interval measurements.

C.2 Testing Methodology – The Truncated Z

Many covariates are chosen in order to provide deep comparison levels. In each comparison cell, a Z statistic is calculated. The form of the Z statistic may vary depending on the performance measure, but it should be distributed approximately as a standard normal, with mean zero and variance equal to one. Assuming that the test statistic is derived so that it is negative when the performance for the CLEC is worse than for the ILEC, a positive truncation is done – i.e. if the result is negative it is left alone, if the result is positive it is changed to zero. A weighted average of the truncated statistics is calculated where a cell weight depends on the volume of BST and CLEC orders in the cell. The weighted average is re-centered by the theoretical mean of a truncated distribution, and this is divided by the standard error of the weighted average. The standard error is computed assuming a fixed effects model.

C.2.1 Proportion Measures

For performance measures that are calculated as a proportion, in each adjustment cell, the truncated Z and the moments for the truncated Z can be calculated in a direct manner. In adjustment cells where proportions are not close to zero or one, and where the sample sizes are reasonably large, a normal approximation can be used. In this case, the moments for the truncated Z come directly from properties of the standard normal distribution. If the normal

approximation is not appropriate, then the Z statistic is calculated from the hypergeometric distribution. In this case, the moments of the truncated Z are calculated exactly using the hypergeometric probabilities.

C.2.2 Mean Measures

For mean measures, an adjusted "t" statistic is calculated for each like-to-like cell which has at least 7 BST and 7 CLEC transactions. A permutation test is used when one or both of the BST and CLEC sample sizes is less than 6. Both the adjusted "t" statistic and the permutation calculation are described in Appendix D, Statistical Formulas and Technical Description.

C.2.3 Ratio Measures

Rules will be given for computing a cell test statistic for a ratio measure, however, the current plan for measures in this category, namely billing accuracy, does not call for the use of a Z parity statistic.

D: Statistical Formulas and Technical Description

We start by assuming that the data are disaggregated so that comparisons are made within appropriate classes or adjustment cells that define "like" observations.

D.1 Notation and Exact Testing Distributions

Below, we have detailed the basic notation for the construction of the truncated z statistic. In what follows the word "cell" should be taken to mean a like-to-like comparison cell that has both one (or more) ILEC observation and one (or more) CLEC observation.

L = the total number of occupied cells

j = 1, ,L; an index for the cells

n_{1j} = the number of ILEC transactions in cell j

n_{2j} = the number of CLEC transactions in cell j

n_j = the total number transactions in cell j; $n_{1j} + n_{2j}$

X_{1jk} = individual ILEC transactions in cell j; k = 1, , n_{1j}

X_{2jk} = individual CLEC transactions in cell j; k = 1, , n_{2j}

Y_{jk} = individual transaction (both ILEC and CLEC) in cell j

$$= \begin{cases} X_{1jk} & k = 1,K\ ,n_{1j} \\ X_{2jk} & k = n_{1j}+1,K\ ,n_j \end{cases}$$

$\Phi^{-1}( )$ = the inverse of the cumulative standard normal distribution function

For Mean Performance Measures the following additional notation is needed.

$\bar{X}_{1j}$ = The ILEC sample mean of cell j

$\bar{X}_{2j}$ = The CLEC sample mean of cell j

s_{1j}^2 = The ILEC sample variance in cell j

s_{2j}^2 = The CLEC sample variance in cell j

$\{y_{jk}\}$ = a random sample of size n_{2j} from the set of Y_{j1}, K, Y_{jn_j} ; k = 1, ,n_{2j}

M_j = The total number of distinct pairs of samples of size n_{1j} and n_{2j};

$$= \binom{n_j}{n_{1j}}$$

The exact parity test is the permutation test based on the "modified Z" statistic. For large samples, we can avoid permutation calculations since this statistic will be normal (or Student's t) to a good approximation. For small samples, where we cannot avoid permutation calculations, we have found that the difference between "modified Z" and the textbook "pooled Z" is negligible. We therefore propose to use the permutation test based on pooled Z for small samples. This decision speeds up the permutation computations considerably, because for each permutation we need only compute the sum of the CLEC sample values, and not the pooled statistic itself.

A permutation probability mass function distribution for cell j, based on the "pooled Z" can be written as

$$PM(t) = P(\sum_k y_{jk} = t) = \frac{\textit{the number of samples that sum to } t}{M_j}$$

and the corresponding cumulative permutation distribution is

$$CPM(t) = P(\sum_k y_{jk} \le t) = \frac{\textit{the number of samples with sum } \le t}{M_j}$$

For Proportion Performance Measures the following notation is defined

a_{1j} = The number of ILEC cases possessing an attribute of interest in cell j

a_{2j} = The number of CLEC cases possessing an attribute of interest in cell j

a_j = The number of cases possessing an attribute of interest in cell j; $a_{1j} + a_{2j}$

The exact distribution for a parity test is the hypergeometric distribution. The hypergeometric probability mass function distribution for cell j is

$$HG(h) = P(H = h) = \begin{cases} \dfrac{\binom{n_{1j}}{h}\binom{n_{2j}}{a_j - h}}{\binom{n_j}{a_j}}, & \max(0, a_j - n_{2j}) \le h \le \min(a_j, n_{1j}) \\ 0 & \text{otherwise} \end{cases}$$

and the cumulative hypergeometric distribution is

$$CHG(x) = P(H \le x) = \begin{cases} 0 & x < \max(0, a_j - n_{2j}) \\ \sum_{h=\max(0,a_j-n_{1j})}^{x} HG(h), & \max(0, a_j - n_{2j}) \le x \le \min(a_j, n_{1j}) \\ 1 & x > \min(a_j, n_{1j}) \end{cases}$$

The exact distribution for a parity test is the binomial distribution. The binomial probability mass function distribution for cell j is

$$BN(k) = P(B = k) = \begin{cases} \binom{n_j}{k} q_j^k (1 - q_j)^{n_j - k}, & 0 \le k \le n_j \\ 0 & \text{otherwise} \end{cases}$$

and the cumulative binomial distribution is

$$CBN(x) = P(B \le x) = \begin{cases} 0 & x < 0 \\ \sum_{k=0}^{x} BN(k), & 0 \le x \le n_j \\ 1 & x > n_j \end{cases}$$

For Ratio Performance Measures the following additional notation is needed.

U_{1jk} = additional quantity of interest of an individual ILEC transaction in cell j; k = 1, , n_{1j}

U_{2jk} = additional quantity of interest of an individual CLEC transaction in cell j; k = 1, , n_{2j}

$\hat{R}_{ij}$ = the ILEC (I = 1) or CLEC (i = 2) ratio of the total additional quantity of interest to the base transaction total in cell j, i.e.,

$$\sum_k U_{ijk} \Big/ \sum_k X_{ijk}$$

D.2 Calculating the Truncated Z

The general methodology for calculating an aggregate level test statistic is outlined below.

D.2.1 Calculate Cell Weights (W_j)

A weight based on the number of transactions is used so that a cell, which has a larger number of transactions, has a larger weight. The actual weight formulae will depend on the type of measure.

Mean or Ratio Measure

$$W_j = \sqrt{\frac{n_{1j} n_{2j}}{n_j}}$$

Proportion Measure

$$W_j = \sqrt{\frac{n_{2j} n_{1j}}{n_j} \cdot \frac{a_j}{n_j} \cdot \left(1 - \frac{a_j}{n_j}\right)}$$

D.2.2 Calculate a Z Value (Z_j) for each Cell

A Z statistic with mean 0 and variance 1 is needed for each cell.

- If $W_j = 0$, set $Z_j = 0$.
- Otherwise, the actual Z statistic calculation depends on the type of performance measure.

Mean Measure

$$Z_j = \Phi^{-1}(\alpha)$$

where α is determined by the following algorithm.

If $\min(n_{1j}, n_{2j}) > 6$, then determine α as

$$\alpha = P(t_{n_{1j}-1} \le T_j)$$

that is, α is the probability that a t random variable with $n_{1j} - 1$ degrees of freedom, is less than

$$T_j = \begin{cases} t_j + \frac{g}{6}\left(\frac{n_{1j}+2n_{2j}}{\sqrt{n_{1j}\,n_{2j}(n_{1j}+n_{2j})}}\right)\left(t_j^2 + \frac{n_{2j}-n_{1j}}{n_{1j}+2n_{2j}}\right) & t_j \ge t_{minj} \\ t_j + \frac{g}{6}\left(\frac{n_{1j}+2n_{2j}}{\sqrt{n_{1j}\,n_{2j}(n_{1j}+n_{2j})}}\right)\left(t_{minj}^2 + \frac{n_{2j}-n_{1j}}{n_{1j}+2n_{2j}}\right) & \text{otherwise} \end{cases}$$

where

$$t_j = \frac{\bar{X}_{1j} - \bar{X}_{2j}}{s_{1j}\sqrt{\frac{1}{n_{1j}} + \frac{1}{n_{2j}}}}$$

$$t_{minj} = \frac{-3\sqrt{n_{1j}n_{2j}n_j}}{g(n_{1j}+2n_{2j})}$$

and g is the median value of all values of

$$\gamma_{1j} = \frac{n_{1j}}{(n_{1j}-1)(n_{1j}-2)}\sum_k\left(\frac{X_{1jk} - \bar{X}_{1j}}{s_{1j}}\right)^3$$

with $n_{1j} > n_{3q}$ for all values of j. n_{3q} is the 3 quartile of all values of n_{1j}.

Note, that t_j is the "modified Z" statistic. The statistic T_j is a "modified Z" corrected for the skewness of the ILEC data.

If $\min(n_{1j}, n_{2j}) \le 6$, and

- $M_j \le 1{,}000$ (the total number of distinct pairs of samples of size n_{1j} and n_{2j} is 1,000 or less).
  - Calculate the sample sum for all possible samples of size n_{2j}.
  - Rank the sample sums from smallest to largest. Ties are dealt by using average ranks.
  - Let R_0 be the rank of the observed sample sum with respect all the sample sums.

$$\alpha = 1 - \frac{R_0 - 0.5}{M_j}$$

- $M_j > 1{,}000$
  - Draw a random sample of 1,000 sample sums from the permutation distribution.
  - Add the observed sample sum to the list. There are a total of 1001 sample sums. Rank the sample sums from smallest to largest. Ties are dealt by using average ranks.
  - Let R_0 be the rank of the observed sample sum with respect all the sample sums.

$$\alpha = 1 - \frac{R_0 - 0.5}{1001}$$

Proportion Measure

$$Z_j = \frac{n_j\, a_{1j} - n_{1j}\, a_j}{\sqrt{\frac{n_{1j}\, n_{2j}\, a_j\, (n_j - a_j)}{n_j - 1}}}$$

Ratio Measure

$$Z_j = \frac{\hat{R}_{1j} - \hat{R}_{2j}}{\sqrt{V(\hat{R}_{1j})\left(\frac{1}{n_{1j}} + \frac{1}{n_{2j}}\right)}}$$

$$V(\hat{R}_{1j}) = \frac{\sum_k \left(U_{1jk} - \hat{R}_{1j} X_{1jk}\right)^2}{\bar{X}_{1j}^2 (n_{1j} - 1)} = \frac{\sum_k U_{1jk}^2 - 2\hat{R}_{1j} \sum_k \left(U_{1jk} X_{1jk}\right) + \hat{R}_{1j}^2 \sum_k X_{1jk}^2}{\bar{X}_{1j}^2 (n_{1j} - 1)}$$

D.2.3 Obtain a Truncated Z Value for each Cell (Z^*_j)

To limit the amount of cancellation that takes place between cell results during aggregation, cells whose results suggest possible favoritism are left alone. Otherwise the cell statistic is set to zero. This means that positive equivalent Z values are set to 0, and negative values are left alone. Mathematically, this is written as

$$Z_j^* = \min(0, Z_j)$$

D.2.4 Calculate the Theoretical Mean and Variance

Calculate the theoretical mean and variance of the truncated statistic under the null hypothesis of parity, $E(Z_j^*|H_0)$ and $Var(Z_j^*|H_0)$. To compensate for the truncation in step 3, an aggregated, weighted sum of the Z_j^* will need to be centered and scaled properly so that the final aggregate statistic follows a standard normal distribution.

- If $W_j = 0$, then no evidence of favoritism is contained in the cell. The formulae for calculating $E(Z_j^*|H_0)$ and $Var(Z_j^*|H_0)$ cannot be used. Set both equal to 0.
- If $\min(n_{1j}, n_{2j}) > 6$ for a mean measure, $\min\left\{a_{1j}\left(1-\frac{a_{1j}}{n_{1j}}\right), a_{2j}\left(1-\frac{a_{2j}}{n_{2j}}\right)\right\} > 9$ for a proportion measure, or n_{1j} and n_{2j} are large for a ratio measure then

  $$E(Z_j^*|H_0) = -\frac{1}{\sqrt{2\pi}}$$

  and

  $$Var(Z_j^*|H_0) = \frac{1}{2} - \frac{1}{2\pi}$$

- Otherwise, determine the total number of values for Z_j^*. Let z_{ji} and θ_{ji}, denote the values of Z_j^* and the probabilities of observing each value, respectively.

  $$E(Z_j^*|H_0) = \sum_i \theta_{ji} z_{ji}$$

  and

  $$Var(Z_j^*|H_0) = \sum_i \theta_{ji} z_{ji}^2 - \left[E(Z_j^*|H_0)\right]^2$$

The actual values of the z's and θ's depends on the type of measure.

Mean Measure

$N_j = \min(M_j, 1{,}000),\ i = 1, K, N_j$

$z_{ji} = \min\left\{0, \Phi^{-1}\left(1-\frac{R_i-0.5}{N_j}\right)\right\}$ where R_i is the rank of sample sum i

$\theta_j = \frac{1}{N_j}$

Proportion Measure

$$z_{ji} = \min\left\{0, \frac{n_j\, i - n_{1j}\, a_j}{\sqrt{\frac{n_{1j}\, n_{2j}\, a_j\, (n_j - a_j)}{n_j - 1}}}\right\}, \quad i = \max(0, a_j - n_{2j}), K, \min(a_j, n_{1j})$$

$$\theta_{ji} = HG(i)$$

Ratio Measure

The performance measure that is in this class is billing accuracy. If a parity test were used, the sample sizes for this measure are quite large, so there is no need for a small sample technique. If one does need a small sample technique, then a re-sampling method can be used.

D.2.5 Calculate the Aggregate Test Statistic (Z^T)

$$Z^T = \frac{\sum_j W_j Z_j^* - \sum_j W_j E(Z_j^* \mid H_0)}{\sqrt{\sum_j W_j^2 \, Var(Z_j^* \mid H_0)}}$$

The Balancing Critical Value

There are four key elements of the statistical testing process:

- the null hypothesis, H_0, that parity exists between ILEC and CLEC services
- the alternative hypothesis, H_a, that the ILEC is giving better service to its own customers
- the Truncated Z test statistic, Z^T, and
- a critical value, *c*

The decision rule[1] is

- If $Z^T < c$ then accept H_a.
- If $Z^T \geq c$ then accept H_0.

There are two types of error possible when using such a decision rule:

- **Type I Error**:Deciding favoritism exists when there is, in fact, no favoritism.
- **Type II Error**:Deciding parity exists when there is, in fact, favoritism.

The probabilities of each type of each are:

[1] This decision rule assumes that a negative test statistic indicates poor service for the CLEC customer. If the opposite is true, then reverse the decision rule.

- **Type I Error**: $\alpha = P(Z^T < c \mid H_0)$
- **Type II Error**: $\beta = P(Z^T \geq c \mid H_a)$

We want a balancing critical value, c_B, so that $\alpha = \beta$.

It can be shown that.

$$c_B = \frac{\sum_j W_j M(m_j, se_j) - \sum_j W_j \frac{-1}{\sqrt{2\pi}}}{\sqrt{\sum_j W_j^2 V(m_j, se_j)} + \sqrt{\sum_j W_j^2 \left(\frac{1}{2} - \frac{1}{2\pi}\right)}}$$

where

$$M(\mu,\sigma) = \mu\,\Phi\left(\tfrac{-\mu}{\sigma}\right) - \sigma\,\phi\left(\tfrac{-\mu}{\sigma}\right)$$

$$V(\mu,\sigma) = (\mu^2 + \sigma^2)\Phi\left(\tfrac{-\mu}{\sigma}\right) - \mu\sigma\,\phi\left(\tfrac{-\mu}{\sigma}\right) - M(\mu,\sigma)^2$$

$\Phi(\cdot)$ is the cumulative standard normal distribution function, and $\phi(\cdot)$ is the standard normal density function.

This formula assumes that Z_j is approximately normally distributed within cell j. When the cell sample sizes, n_{1j} and n_{2j}, are small this may not be true. It is possible to determine the cell mean and variance under the null hypothesis when the cell sample sizes are small. It is much more difficult to determine these values under the alternative hypothesis. Since the cell weight, W_j will also be small (see calculate weights section above) for a cell with small volume, the cell mean and variance will not contribute much to the weighted sum. Therefore, the above formula provides a reasonable approximation to the balancing critical value.

The values of m_j and se_j will depend on the type of performance measure.

Mean Measure

For mean measures, one is concerned with two parameters in each cell, namely, the mean and variance. A possible lack of parity may be due to a difference in cell means, and/or a difference in cell variances. One possible set of hypotheses that capture this notion, and take into account the assumption that transaction are identically distributed within cells is:

$$H_0: \mu_{1j} = \mu_{2j},\ \sigma_{1j}^2 = \sigma_{2j}^2$$

$$H_a: \mu_{2j} = \mu_{1j} + \delta_j \sigma_{1j},\ \sigma_{2j}^2 = \lambda_j \sigma_{1j}^2 \qquad \delta_j > 0,\ \lambda_j \quad 1 \text{ and } j = 1, \ldots, L.$$

Under this form of alternative hypothesis, the cell test statistic Z_j has mean and standard error given by

$$m_j = \frac{-\delta_j}{\sqrt{\frac{1}{n_{1j}} + \frac{1}{n_{2j}}}}$$

and

$$se_j = \sqrt{\frac{\lambda_j n_{1j} + n_{2j}}{n_{1j} + n_{2j}}}$$

Proportion Measure

For a proportion measure there is only one parameter of interest in each cell, the proportion of transaction possessing an attribute of interest. A possible lack of parity may be due to a difference in cell proportions. A set of hypotheses that take into account the assumption that transaction are identically distributed within cells while allowing for an analytically tractable solution is:

$$H_0: \quad \frac{p_{2j}(1-p_{1j})}{(1-p_{2j})p_{1j}} = 1$$

$$H_a: \quad \frac{p_{2j}(1-p_{1j})}{(1-p_{2j})p_{1j}} = \psi_j \qquad \psi_j > 1 \text{ and } j = 1, ,L.$$

These hypotheses are based on the "odds ratio." If the transaction attribute of interest is a missed trouble repair, then an interpretation of the alternative hypothesis is that a CLEC trouble repair appointment is ψ_j times more likely to be missed than an ILEC trouble.

Under this form of alternative hypothesis, the within cell asymptotic mean and variance of a_{1j} are given by[1]

$$E(a_{1j}) = n_j \pi_j^{(1)}$$

$$var(a_{1j}) = \frac{n_j}{\frac{1}{\pi_j^{(1)}} + \frac{1}{\pi_j^{(2)}} + \frac{1}{\pi_j^{(3)}} + \frac{1}{\pi_j^{(4)}}}$$

where

1 Stevens, W. L. (1951) Mean and Variance of an entry in a Contingency Table. *Biometrica*, 38, 468-470.

$$\pi_j^{(1)} = f_j^{(1)}\left(n_j^2 + f_j^{(2)} + f_j^{(3)} - f_j^{(4)}\right)$$
$$\pi_j^{(2)} = f_j^{(1)}\left(-n_j^2 - f_j^{(2)} + f_j^{(3)} + f_j^{(4)}\right)$$
$$\pi_j^{(3)} = f_j^{(1)}\left(-n_j^2 + f_j^{(2)} - f_j^{(3)} + f_j^{(4)}\right)$$
$$\pi_j^{(4)} = f_j^{(1)}\left(n_j^2\left(\tfrac{2}{\psi_j} - 1\right) - f_j^{(2)} - f_j^{(3)} - f_j^{(4)}\right)$$
$$f_j^{(1)} = \frac{1}{2n_j^2\left(\frac{1}{\psi_j} - 1\right)}$$
$$f_j^{(2)} = n_j n_{1j}\left(\tfrac{1}{\psi_j} - 1\right)$$
$$f_j^{(3)} = n_j a_j\left(\tfrac{1}{\psi_j} - 1\right)$$
$$f_j^{(4)} = \sqrt{n_j^2\left[4n_{1j}\left(n_j - a_j\right)\left(\tfrac{1}{\psi_j} - 1\right) + \left(n_j + \left(a_j - n_{1j}\right)\left(\tfrac{1}{\psi_j} - 1\right)\right)^2\right]}$$

Recall that the cell test statistic is given by

$$Z_j = \frac{n_j\, a_{1j} - n_{1j}\, a_j}{\sqrt{\frac{n_{1j}\, n_{2j}\, a_j\,(n_j - a_j)}{n_j - 1}}}$$

Using the equations above, we see that Z_j has mean and standard error given by

$$m_j = \frac{n_j^2 \pi_j^{(1)} - n_{1j}\, a_j}{\sqrt{\frac{n_{1j}\, n_{2j}\, a_j\,(n_j - a_j)}{n_j - 1}}}$$

and

$$se_j = \sqrt{\frac{n_j^3(n_j - 1)}{n_{1j}\, n_{2j}\, a_j\,(n_j - a_j)\left(\frac{1}{\pi_j^{(1)}} + \frac{1}{\pi_j^{(2)}} + \frac{1}{\pi_j^{(3)}} + \frac{1}{\pi_j^{(4)}}\right)}}$$

Ratio Measure

As with mean measures, one is concerned with two parameters in each cell, the mean and variance, when testing for parity of ratio measures. As long as sample sizes are large, as in the case of billing accuracy, the same method for finding m_j and se_j that is used for mean measures can be used for ratio measures.

D.2.6 Determining the Parameters of the Alternative Hypothesis

In this section we have indexed the alternative hypothesis of mean measures by two sets of parameters, λ_j and δ_j. Proportion and rate measures have been indexed by one set of parameters each, ψ_j and ε_j respectively. A major difficulty with this approach is that more than one alternative will be of interest; for example we may consider one alternative in which all the δ_j are set to a common non-zero value, and another set of alternatives in each of which just one δ_j is non-zero, while all the rest are zero. There are very many other possibilities. Each possibility leads to a single value for the balancing critical value; and each possible critical value corresponds to many sets of alternative hypotheses, for each of which it constitutes the correct balancing value.

The formulas we have presented can be used to evaluate the impact of different choices of the overall critical value. For each putative choice, we can evaluate the set of alternatives for which this is the correct balancing value. While statistical science can be used to evaluate the impact of different choices of these parameters, there is not much that an appeal to statistical principles can offer in directing specific choices. Specific choices are best left to telephony experts. Still, it is possible to comment on some aspects of these choices:

Parameter Choices for λ_j – The set of parameters λ_j index alternatives to the null hypothesis that arise because there might be greater unpredictability or variability in the delivery of service to a CLEC customer over that which would be achieved for an otherwise comparable ILEC customer. While concerns about differences in the variability of service are important, it turns out that the truncated Z testing which is being recommended here is relatively insensitive to all but very large values of the λ_j. Put another way, reasonable differences in the values chosen here could make very little difference in the balancing points chosen.

Parameter Choices for δ_j – The set of parameters δ_j are much more important in the choice of the balancing point than was true for the λ_j. The reason for this is that they directly index differences in average service. The truncated Z test is very sensitive to any such differences; hence, even small disagreements among experts in the choice of the δ_j could be very important. Sample size matters here too. For example, setting all the δ_j to a single value – $\delta_j = \delta \angle$ might be fine for tests across individual CLECs where currently in Tennessee the CLEC customer bases are not too different. Using the same value of δ for the overall state testing does not seem sensible. At the state level we are aggregating over CLECs, so using the same δ as for an individual CLEC would be saying that a "meaningful" degree of disparity is one where the violation is the same (δ) for each CLEC. But the detection of disparity for any component CLEC is important, so the relevant "overall" δ should be smaller.

Parameter Choices for ψ_j *or* ε_j – The set of parameters ψ_j or ε_j are also important in the choice of the balancing point for tests of their respective measures. The reason for this is that they directly index increases in the proportion or rate of service performance. The truncated Z test is sensitive to such increases; but not as sensitive as the case of δ for mean measures. Sample size matters here too. As with mean measures, using the same value of ψ or ε for the overall state testing does not seem sensible.

The three parameters are related however. If a decision is made on the value of δ, it is possible to determine equivalent values of ψ and ε. The following equations, in conjunction with the definitions of ψ and ε, show the relationship with delta.

$$\delta = 2 \cdot \arcsin(\sqrt{\hat{p}_2}) - 2 \cdot \arcsin(\sqrt{\hat{p}_1})$$
$$\delta = 2\sqrt{\hat{r}_2} - 2\sqrt{\hat{r}_1}$$

The bottom line here is that beyond a few general considerations, like those given above, a principled approach to the choice of the alternative hypotheses to guard against must come from elsewhere.

D.2.7 Decision Process

Once Z^T has been calculated, it is compared to the balancing critical value to determine if the ILEC is favoring its own customers over a CLEC's customers.

This critical value changes as the ILEC and CLEC transaction volume change. One way to make this transparent to the decision-maker, is to report the difference between the test statistic and the critical value, *diff* = Z^T - c_B. If favoritism is concluded when $Z^T < c_B$, then the *diff* < 0 indicates favoritism.

This makes it very easy to determine favoritism: a positive *diff* suggests no favoritism, and a negative *diff* suggests favoritism.

E: BST SEEM Remedy Calculation Procedures

E.1 BST SEEM Remedy Procedure

E.1.1 Tier-1 Calculation For Retail Analogs

1. Tier 1 is triggered by two consecutive monthly failures of any Tier 1 Remedy Plan submetric.
2. Calculate the overall test statistic for each CLEC; Example, z^{T}_{CLEC1} (Per Statistical Methodology)
3. Calculate the balancing critical value (Example, ${}^{c}B_{CLEC1}$) that is associated with the alternative hypothesis (for fixed parameters δ,Ψ, or ε)
4. If the overall test statistic is equal to or above the balancing critical value, stop here. That is, if ${}^{c}B_{CLEC1} <= z^{T}_{CLEC1,}$ stop here. Otherwise, go to step 5.
5. Select the cell with the greatest z-value (let i=1,…,I with i=1 having the z-value, i=2 having next greatest z-value, etc. and with i=I when the criterion in step 8 is fullfilled.) and set its z-value to zero ($z_{CLEC1,i} = 0$).
6. Calculate the overall test statistic for each CLEC with the altered data; Example, $z^{T}_{CLEC1}{}^{*}$ (Per Statistical Methodology)
7. Calculate the balancing critical value (Example, ${}^{c}B_{CLEC1}$) that is associated with the alternative hypothesis (for fixed parameters δ,Ψ, or ε)
8. If the new overall test statistic is equal to or above the balancing critical value, stop here. That is, if ${}^{c}B_{CLEC1} <= z^{T}_{CLEC1}{}^{*}$, go to step 9. Otherwise, repeat steps 6 – 8.
9. Calculate the Affected Volume (TAV) by summing the Total Impacted Volumes (TIV) of each cell whose z-value was reset to zero except the last cell changed ($TAV_{CLEC1} = TIV_{CLEC1,1} + TIV_{CLEC1,2} + \ldots + TIV_{CLEC1,I-1}$).
   The affected volume for the last cell changed should be interpolated by $(z^{T}_{CLEC1,I} - {}^{c}B_{CLEC1}) / (z^{T}_{CLEC1,I}{}^{*} - z^{T}_{CLEC1,I-1}{}^{*}) * TIV_{CLEC1,I}$
   and added to TAV_{CLEC1}.
10. Calculate the payment to CLEC1 by multiplying the result of step 9 by the appropriate dollar amount from the fee schedule.
11. Then, CLEC1 payment = TAV_{CLEC1} * $$from Fee Schedule. For the example that follows, fee amounts are from the default Standard Performance fee schedule.
12. If this calculation is being performed for the second consecutive month of failure, repeat steps 5 - 11 for the first (1st) month of failure. For the third and subsequent months of failure this calculation will only be performed for the current data month.

E.1.2 Example: CLEC1 Percent Repeat Customer Troubles Within 30 Days (PRT) for Resale (DSGN)

	n_I	n_C	I_c	z^T_{CLEC1}	$^cB_{CLEC1}$		Order Zeroed Out	TAV
State	312	27	18	-4.10	-1.22			
Cell				$z_{CLEC1,i}$	RANK	z^{T*}_{CLEC1}		
1		1	0	0.75				
2		4	2	-0.69	8			
3		3	3	-1.76	3	-0.65?	3	2o
4		1	0	0.67				
5		4	3	-1.45	5			
6		3	3	-3.45	1	-2.46	1	3
7		2	2	-1.81	2	-1.60	2	2
8		3	2	-1.09	6			
9		1	1	-1.65	4			
10		2	1	-0.84	7			
11		1	0	0.62				
12		2	1	-0.40	9			
Total			**18**					**7**

? Note that after making $z_{CLEC1,I} = 0$, the overall $zT_{CLEC1}* = -0.65$ is less than the balancing critical value $CB_{CLEC1} = -1.22$.

oFor cell#3 the TAV would be calculated with ((-1.60) – (-1.22))/((-1.60) – (-0.65)) × 3 = 1.2 which is rounded up to 2 transactions.

Assuming this is at least the second consecutive month of failure, payout for CLEC1 is (7 units) * ($56/unit) = **$392** under standard performance criteria and (7 units) * ($125/unit) = **$875** under low performance criteria, plus the previous failed month's calculated amount.

E.2 Tier-2 Calculation For Retail Analogs

1. Tier-2 is triggered by three consecutive monthly failures of any Tier 2 Remedy Plan sub-metric.
2. Therefore, calculate monthly statistical results and affected volumes for the CLEC Aggregate performance for each of the three consecutive months as outlined in steps 2 through 9 of section E.1.1. Determine average monthly affected volume

for the rolling 3-month period.

3. Calculate the payment to State Designated Agency by multiplying average monthly volume by the appropriate dollar amount from the Tier-2 fee schedule.
4. Therefore, State Designated Agency payment = Average monthly volume * $$ from Fee Schedule.

E.2.1 Example:STATE-A Percent Provisioning Troubles within 5 Days-UNE Loops

Month 1	n_I	n_C	I_c	z^T_{CLEC1}	$^cB_{CLEC1}$		**Order Zeroed Out**	**TAV**
State	155	37	8	-5.11	-0.35			
Cell				$z_{CLEC1,i}$	RANK	$z^T_{CLEC1}{}^*$		
1		3	1	-1.53	5			
2		1	0	0.31				
3		2	1	-2.18	3	-1.21	3	1
4		1	1	-4.52	2	-2.39	2	1
5		1	0	0.28				
6		18	1	-0.24	8			
7		5	1	-0.45	7			
8		1	1	-5.39	1	-3.74	1	1
9		4	1	-0.50	6			
10		1	1	-2.14	4	-0.04?	4	1^0
Total			**8**					**4**

? Note that after making $z_{CLEC1,I} = 0$, the overall $zT_{CLEC1}* = -0.04$ is greater than the balancing critical value $CB_{CLEC1} = -0.35$.

oFor cell#10 the TAV would not be interpolated given that the impacted volume for that cell is only 1.

TAV for month 1 is 4 units

Month 2	n_I	n_C	I_c	z^T_{CLEC1}	$^cB_{CLEC1}$		**Order Zeroed Out**	**TAV**
State	175	13	3	-0.94	-0.39			
Cell				$z_{CLEC1,i}$	RANK	$z^T_{CLEC1}{}^*$		

Month 2	n_I	n_C	I_c	z^T_{CLEC1}	$^CB_{CLEC1}$		**Order Zeroed Out**	**TAV**
1		2	1	-1.58	2			
2		1	0	1.00				
3		1	0	0.25				
4		1	0	0.26				
5		2	0	0.46				
6		1	0	0.20				
7		2	1	-0.71	3			
8		1	1	-4.12	1	0.28?	1	1o
9		1	0	0.35				
10		1	0	0.50				
Total			**3**					**1**

? Note that after making $z_{CLEC1,I} = 0$, the overall $zT_{CLEC1}* = 0.28$ is greater than the balancing critical value $\mathbf{CB_{CLEC1}} = -0.39$.

oFor cell#8 the TAV would not be interpolated given that the impacted volume for that cell is only 1.

TAV for month 2 is 1 unit

Month 3	n_I	n_C	l_c	z^T_{CLEC1}	$^CB_{CLEC1}$		**Order Zeroed Out**	**TAV**
State	196	33	8	-4.76	-0.49			
Cell				$z_{CLEC1,i}$	RANK	z^{T*}_{CLEC1}		
1		2	0	0.48				
2		4	1	-2.55	**6**			
3		2	0	0.57				
4		1	1	-3.00	**4**	-0.81	4	1
5		1	1	-3.16	**2**	-2.78	2	1
6		1	0	0.20				
7		1	1	-3.32	**1**	-3.76	1	1
8		2	1	-3.00	**3**	-1.78	3	1
9		1	1	-2.92	**5**	0.18?	5	1o
10		6	1	-0.41	**7**			
11		10	1	-0.32	**8**			
12		1	0	0.24				
13		1	0	0.28				
Total			**8**					**5**

? Note that after making $z_{CLEC1,I} = 0$, the overall $zT_{CLEC1}* = 0.18$ is less than the balancing critical value $CB_{CLEC1} = -0.49$.

oFor cell#9 the TAV would not be interpolated given that the impacted volume for that cell is only 1.

TAV for month 3 is 5 units.

If the above examples represent performance for each of months 1 through 3, then

E.2.2 Example: STATE-A Percent Provisioning Troubles within 5 Days-UNE Loops

State	TAV	Remedy Dollars – Standard Performance	Remedy Dollars – Low Performance
Month 1	4		
Month 2	1		
Month 3	5		
Payment – Average TAV for rolling 3 mo. period * fee schedule	3.33	**$200**	**$2,914**

For Standard Performance the $$from Fee Schedule is $60/unit.

Fro Low Performance the $$from Fee Schedule is $875/unit.

E.3 Tier-1 Calculation For Benchmarks

1. For each CLEC with five or more observations, calculate monthly performance results for the State.
2. CLECs having observations (sample sizes) between 5 and 30 will use Table I below. The only exception will be for Collocation Percent Missed Due Dates.

Table I - Small Sample Size Table (95% Confidence)

Sample Size	Equivalent 90% Benchmark	Equivalent 95% Benchmark	Sample Size	Equivalent 90% Benchmark	Equivalent 95% Benchmark
5	60.00%	80.00%	18	77.78%	83.33%
6	66.67%	83.33%	19	78.95%	84.21%
7	71.43%	85.71%	20	80.00%	85.00%
8	75.00%	75.00%	21	76.19%	85.71%
9	66.67%	77.78%	22	77.27%	86.36%
10	70.00%	80.00%	23	78.26%	86.96%
11	72.73%	81.82%	24	79.17%	87.50%
12	75.00%	83.33%	25	80.00%	88.00%
13	76.92%	84.62%	26	80.77%	88.46%
14	78.57%	85.71%	27	81.48%	88.89%
15	73.33%	86.67%	28	78.57%	89.29%
16	75.00%	87.50%	29	79.31%	86.21%
17	76.47%	82.35%	30	80.00%	86.67%

3. If the percentage (or equivalent percentage for small samples) meets the benchmark standard, stop here. Otherwise, go to step 4.
4. Determine the Volume Proportion by taking the difference between the benchmark and the actual performance result.
5. Calculate the Affected Volume by multiplying the Volume Proportion from step 4 by the Total Impacted CLEC-$_1$ Volume.
6. Calculate the payment to CLEC-1 by multiplying the result of step 5 by the appropriate dollar amount from the fee schedule.
7. Repeat steps 3-6 for the second month of failure.
8. CLEC-1 payment = (Affected Volume$_{\text{CLEC-1(month 1)}}$* $$from Fee Schedule) + (Affected Volume$_{\text{CLEC-1(month 2)}}$* $$ from Fee Schedule). For the purpose of this example, fee amounts are from the default Standard Performance fee schedule.

E.3.1 Example: CLEC-1 Percent Missed Due Dates for Collocations

	n_C	Benchmark	$PMDD_C$	Volume Proportion	Affected Volume
State	600	>=95% on time	92%	.03	18

Payout for CLEC-1 is (18 units) * ($3640/unit) = $65,520

E.4 Tier-1 Calculation For Benchmarks (In The Form Of A Target)

1. For each CLEC with five or more observations calculate monthly performance results for the State.
2. CLECs having observations (sample sizes) between 5 and 30 will use Table I above.
3. Calculate the interval distribution based on the same data set used in step 1.
4. If the 'percent within' (or equivalent percentage for small samples) meets the benchmark standard, stop here. Otherwise, go to step 5.
5. Determine the Volume Proportion by taking the difference between benchmark and the actual performance result.
6. Calculate the Affected Volume by multiplying the Volume Proportion from step 5 by the Total CLEC-$_1$ Volume.
7. Calculate the payment to CLEC-1 by multiplying the result of step 6 by the appropriate dollar amount from the fee schedule. CLEC-1 payment = Affected Volume$_{\text{CLEC1}}$ * $ from Fee Schedule.. For this example, fee amounts are from the default Standard Performance fee schedule.

E.4.1 Example: CLEC-1 Reject Interval – Fully Mechanized

	n_C	Benchmark	Reject Interval	Volume Proportion	Affected Volume
State	600	97% <= 1 hour	95% <= 1 hour	.02	12

Assuming two consecutive months of failure, payout for CLEC-1 is (12 units) * ($20/unit) = $240 plus the previous failed month's calculated amount.

E.5 Tier-2 Calculations For Benchmarks

Tier-2 calculations for benchmark measures are the same as the Tier-1 benchmark calculations, except the CLEC Aggregate data will have failed for three (3) consecutive months.

E.6 Regional and State Coefficients

This section describes the method of calculating regional and state coefficients.

E.6.1 AKC

- Acknowledgement Completeness

Regional Coefficient Formula (Tier 1 – for Low Performance)

Coefficient = (A+B) / (C+D) where:

- A= number of valid FOC transactions of the CLEC in the state (fully & partially mechanized)
- B = number of valid RI transactions of the CLEC in the state (fully & partially mechanized)
- C = total valid FOC transactions of the CLEC in the region (fully & partially mechanized)
- D = total valid RI transactions of the CLEC in the region (fully & partially mechanized)

State Coefficient Formula (Tier 2)

State Coefficient = (A+B) / (C+D) where:

- A= number of valid FOC transactions for all CLECs in the state (fully & partially mechanized)
- B = number of valid RI transactions for all CLECs in the state (fully & partially mechanized)
- C = total valid FOC transactions in the region (fully & partially mechanized)
- D = total valid RI transactions in the region (fully & partially mechanized)

E.6.2 CMN, PSEC, PCRAR, PCRIP

- Timeliness of Change Management (CMN)
- Percent of Software Errors Corrected in X (10, 30, 45) Business Days - Region (PSEC)
- Percent Change Requests Accepted or Rejected in 10 Days - Region (PCRAR)
- Percent of Change Request Implemented Within 60 Weeks of Prioritization - Region (PCRIP)

State Coefficient Formula (Tier 2)

Coefficient = (A+B) / (C+D) where:

- A= number of valid FOC transactions for all CLECs in the state (fully & partially mechanized)
- B = number of valid RI transactions for all CLECs in the state (fully & partially mechanized)
- C = total valid FOC transactions in the region (fully & partially mechanized)
- D = total valid RI transactions in the region (fully & partially mechanized)

E.6.3 IA

- Interface Availability (IA)

State Coefficient Formula (Tier 2)

Coefficient = (A+B) / (C+D) where:

- A= number of valid FOC transactions for all CLECs in the state (fully & partially mechanized)
- B = number of valid RI transactions for all CLECs in the state (fully & partially mechanized)
- C = total valid FOC transactions in the region (fully & partially mechanized)
- D = total valid RI transactions in the region (fully & partially mechanized)

F: OSS Tables

F.1 IA: Interface Availability (Pre-Ordering/Ordering)

SEEM Interface Availability

Interface Availability Application	Applicable to:	% Availability
EDI	CLEC	X
HAL	CLEC	X
LENS	CLEC	X
LEO Mainframe	CLEC	X
LESOG	CLEC	X
PSIMS	CLEC	X
TAG/XML	CLEC	X

F.2 MRIA: Interface Availability (Maintenance and Repair)

SEEM Availability (M&R)

Interface	% Availability
CLEC TAFI	X
CLEC ECTA	X

G: Reposting Of Performance Data and Recalculation of SEEM Payments

BellSouth will make available reposted performance data as reflected in the Service Quality Measurement (SQM) reports and recalculate Self-Effectuating Enforcement (SEEM) payments using the Parity Analysis and Remedy Information System (PARIS), to the extent technically feasible, under the following circumstances:

1. Those measures included in a state's specific SQM plan with corresponding sub-metrics are subject to reposting. A notice will be placed on the PMAP website advising CLECs when reposted data is available.

2. Performance sub-metric calculations that result in a shift in the performance in the aggregate from an "in parity" condition to an "out of parity" condition will be available for reposting.

3. Performance sub-metric calculations with benchmarks that are in an "out of parity" condition will be available for reposting whenever there is a >= 2% decline in BellSouth's performance at the sub-metric level.

4. Performance sub-metric calculations with retail analogues that are in an "out of parity" condition will be available for reposting whenever there is a decline in performance as shown by an adverse change of <= .5 in the z-score at the sub-metric level.

5. Any data recalculations that reflect an improvement in BellSouth's performance will be reposted at BellSouth's discretion. However, statewide performance must improve by at least 2% for benchmark measures and the z-score must improve by at least 0.5 for retail analogs at the sub-metric level to qualify for reposting.

6. Performance data will be made available for a maximum of three months in arrears.

7. When updated performance data has been made available for reposting or when a payment error in PARIS has been discovered, BellSouth will recalculate applicable SEEM payments. Where technically feasible, SEEM payments will be subject to recalculation for a maximum of three months in arrears from the date updated performance data was made available or the date when the payment error was discovered.

8. Any adjustments for underpayment of Tier 1 and Tier 2 calculated remedies will be made consistent with the terms of the statespecific SEEM plan, including the payment of interest. Any adjustments for overpayment of Tier 1 and Tier 2 remedies will be made at BellSouth's discretion.

9. Any adjustments for underpayments will be made in the next month's payment cycle after the recalculation is made. The final current month PARIS reports will reflect the transmitted dollars, including adjustments for prior months where applicable. Questions regarding the adjustments should be made in accordance with the normal process used to address CLEC questions related to SEEM payments.

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Reporting		1.2. (paragraph 1)	In providing services pursuant to the Interconnection Agreements between BellSouth and each CLEC, BellSouth will report its performance to each CLEC in accordance with BellSouth's SQMs and pay penalties in accordance with the applicable SEEMs, which are posted on the Performance Measurement Reports website.	Clarification and correction.
Reporting		1.2 (paragraph 2)	BellSouth will make performance reports available to each CLEC on a monthly basis. The reports will contain information collected in each performance category and will be availbale to ach CLEC via the Performance Measurements Reports website. BellSouth will also provide electronic access to the ~~available~~ raw data underlying the SQMs.	Clarification.
Reporting		1.2 (paragraph 3)	~~Final validated SQM reports will be posted no later than the last day of the month following the data month in which the activity is incurred, or the first business day thereafter. Final validated SQM reports not posted by this time will be considered late.~~	This paragraph was removed because it pertains to the SQM only and not to SEEM.
Reporting		1.2 (paragraph 4)	Final validated SEEM reports will be posted on the Performance Measurements Reports website on the 15th ~~day~~ of the month~~,~~ following the posting of final validated SQM reports for that data month.	Clarification.
Reporting		1.2 (paragraph 5)	BellSouth shall pay penalties to the ~~Commission~~Authority, in the aggregate, for all late SQM reports in the amount of $2000 per day. Such penalty shall be made to the ~~Commission~~Authority for deposit into the state General Revenue Fund within fifteen (15) calendar days of the end of the reporting month in which the late publication of the report occurs.	Correction
Reporting		1.2 (paragraph 6)	BellSouth shall pay penalties to the ~~Commission~~ Authority, in the aggregate, for all ~~incomplete or inaccurate~~ reposted SQM reports in the amount of $400 per day. The circumstances which may necessitate a reposting of SQM reports are detailed in Appendix G, Reposting of Performance Data and Recalculation of SEEM Payments. Such penalty shall be made to the ~~Commission~~Authority for deposit into the state General Revenue Fund within fifteen (15) calendar days of the final publication date of the report or the report revision date.	Only changes that are significant enough to trigger reposting according to the specified criteria could have a meaningful effect on data accuracy. To the extent that posted performance measurement reports are incomplete, the Reposting Policy covers the requirements to repost the data, and consequently to pay associated penalties. Accordingly, there is no need to reflect separately a penalty associated with incomplete reports.
Reporting		1.2 (paragraph 7)	~~BellSouth shall retain the performance measurement raw data files for a period of 18 months and further retain the monthly reports produced in PMAP for a period of~~	This provision refers to PMAP data related to the SQM and is therefore deleted.

[1] Section numbers are reflected based on the existing numbering scheme in the Current Plan. If sections are deleted or added for the Plan ultimately adopted , the section will be renumbered accordingly and reflected in the new Plan..

Category	Section Title or Measure No.	Section No. [1]	Proposed Change	Rationale for Proposed Change
			~~three years.~~	
Reporting		1.2 (paragraph 8)	~~BellSouth will provide documentation of late and incomplete occurences during the reporting month that the data is posted to the website. These notations may be viewed on the Performance Measurements website from the home page on the Current Month Site Updates link.~~	This language is applicable to performance measurement data posting as required by the SQM only and not for SEEM.
~~Modification to Measures~~ Review of Measurements		1.3 (paragraph 1)	~~During the first two years of implementation, BellSouth will participate in six-month review cycles starting six months after the date of the Commission order. A collaborative work group, which will include BellSouth, interested ALECs and the Commission will review the Performance Assessment Plan for additions, deletions or other modifications. After two years from the date of the order, the review cycle may, at the discretion of the Commission, be reduced to an annual review.~~ At the Authority's discretion, the SEEM Plan would be reviewed at the periodic 6-month SQM review.	Formalizes a schedule for SEEM plan review.
~~Modification to Measures~~ Review of Measurements		1.3 (paragraph 2)	~~BellSouth and the ALECs shall file any proposed revisions to the SEEM plan one month prior to the beginning of each review period.~~	Unnecessary because Commission or Staff will establish schedule.
~~Modification to Measures~~ Review of Measurements		1.3 (paragraph 3)	~~From time to time, BellSouth may be ordered by the Tennessee Regulatory Authority to modify or amend the SQMs or SEEMs. Nothing will preclude any party from participating in any proceeding involving BellSouth's SQMs or SEEMs from advocating that those measures be modified.~~	Superfluous
~~Modification to Measures~~ Review of Measurements		1.3 (paragraph 4)	~~In the event a dispute arises regarding the ordered modification or amendment to the SQMs or SEEMs, the parties will refer the dispute to the Tennessee Regulatory Authority.~~	Section 1.4.9 already reflects the provision for dispute resolution, so this provision is unnecessary.
Enforcement Mechanisms	Definitions	1.4.1 (paragraph 1)	*Enforcement Measurement Elements* – the performance measurements identified as SEEM measurements ~~within the SEEM~~ in this ~~p~~Plan.	Minor wording change.
Enforcement Mechanisms	Definitions	1.4.1 (paragraph 2)	*Enforcement Measurement B~~b~~enchmark ~~compliance~~* – ~~competitive~~ level of performance ~~established by the Commission~~ used to evaluate the performance of BellSouth ~~and each ALEC~~ for CLECs ~~for penalties~~ where no analogous retail process, product or service is feasible.	Clarification and simplification.
Enforcement Mechanisms	Definitions	1.4.1 (paragraph 3)	*Enforcement Measurement ~~r~~Retail ~~a~~Analog ~~c~~Compliance* – comparing performance levels provided to BellSouth retail customers with performance levels provided by	Clarification and correction.

Category	Section Title or Measure No.	Section No. [1]	Proposed Change	Rationale for Proposed Change
			BellSouth to the CLEC ~~ALEC~~ customer for ~~penalties~~ measures where retail analogs apply.	
Enforcement Mechanisms	Definitions	1.4.1 (paragraph 4)	*Test Statistic and Balancing Critical Value* – the means by which enforcement will be determined using statistically valid equations. The Test Statistic and Balancing Critical Value properties are set forth in Appendix ~~C, incorporated herein by this reference~~D, Statistical Formulas and Technical Description.	Correction.
Enforcement Mechanisms	Definitions	1.4.1 (paragraph 5)	*Cell* – a grouping of transactions at which like-to-like comparisons are made. For example, all BellSouth retail ~~ISDN~~ (POTS) services, for residential customers, requiring a dispatch in a particular wire center, at a particular point in time will be compared directly to CLEC resold ~~ISDN~~ services for residential customers, requiring a dispatch, in the same wire center, at a similar point in time. When determining compliance, these cells can have a positive or negative Test Statistic. See Appendix ~~C, incorporated herein by this reference~~ D, Statistical Formulas and Technical Description, attached.	Changed to provide a more accurate example and corrected the referenced appendix.
Enforcement Mechanisms	Definitions	1.4.1 (paragraph 6)	*Delta* – a measure of the meaningful difference between BellSouth performance and CLEC ~~submetric~~ performance. For individual CLECs ~~submetrics~~ the Delta value shall be ~~determined using Ford's Delta Function as ordered by the Tennessee Regulatory Authority. See Appendix C, incorporated herein by this reference~~ 0.5 and for the CLEC aggregate the Delta value shall be 0.35.	BellSouth recommends the use of a single delta value for Tier 1 of 0.5 and a single delta value for Tier 2 of 0.35.[2] This would replace the current delta function included in the plan. The delta function was initially proposed by Z-Tel's economist Dr. Ford to address what he alleged to be a need for an adjustment to the statistical balancing methodology that several statisticians for BellSouth and CLECs had agreed upon. Unfortunately, Dr. Ford introduced some confusion about several key hypothesis testing issues, namely: (1) the meaning of a statistical hypothesis test's significance level; (2) the interpretation of a "balanced" hypothesis test; and (3) the statisticians' reasons for using "balancing" in the SEEM plan. This is understandable because these new statistical concepts had only been recently developed and as an economist, he was apparently not as conversant in this method as the statisticians. When all of the statistical issues are properly understood and considered as a whole, there is no reason to conclude that there are

[2] The recommended delta values of 0.5 for Tier 1 and 0.35 for Tier 2 assumes that penalties would only apply if BellSouth misses the performance standard for two consecutive months. Penalties payments based on an out-of-party indicator for a single month does not account for the randomness of such occurrences, which are not due to any inherent discrimination in BellSouth's systems or processes. See also the discussion for changes to section 1.4.1, paragraph 7. If a two-consecutive month criteria is not in place to account for random misses of performance standards the proposed delta values (0.5 and 0.35) are too small to avoid unjustly penalizing BellSouth for service that is nondiscriminatory. Consequently, if the two-consecutive month requirement is not in place the values for delta should be 1.0 for Tier 1 and 0.5 for Tier 2. These are the values that were established as a result of a study done in Louisiana initially setting values for delta.

Category	Section Title or Measure No.	Section No. [1]	Proposed Change	Rationale for Proposed Change
				serious flaws in the balancing methodology. Therefore, there is no need for the "fix" that Dr. Ford's delta function was aimed at addressing. In fact, BellSouth uses one delta value for Tier 1 and one delta value for Tier 2 in all seven of its other states without any indication of the problem initially alleged by Dr. Ford. Moreover, the use of this delta function, used in the existing SEEM plan, introduces additional variables, which requires a very subjective exercise in determining values for these variables as well . So in essence, the Ford delta function substitutes the need to make several subjective determinations in setting values for variables (for each tier) for the need to make only one subjective determination (for each tier). Thus, even on an intuitive level, use of the Ford delta function would suggest that it probably creates more problems than it solves. Indeed, as already mentioned, the approach that BellSouth proposes here has already been successfully implemented in seven other states. The delta function unnecessarily complicates the process, while presenting, at best, questionable value.
Enforcement Mechanisms	Definitions	1.4.1. (paragraph 7)	*Tier-1 Enforcement Mechanisms* – self-executing liquidated damages paid directly to a~~each~~ CLEC when BellSouth delivers non-compliant performance of any one of the Tier-1 Enforcement Measurement Elements for any two consecutive months as calculated by BellSouth.	Under the existing Tennessee SEEM plan, BellSouth is sometimes required to pay Tier 1 penalties for failure to meet the established benchmark standard or retail analogue comparison criteria for a measurement, although the occurrence is not due to a systemic problem. In other words, the disparity may have been just a random occurrence, due to a temporary random system malfunction or simply caused by a random human error. This situation is more likely to be problematic when volumes are low, which is the case in the current plan due to excessive disaggregation, and will still be true in the revised plan to some extent in Tier 1. Such events do not represent any type of discriminatory practice for which a payment should apply. There are no systemic changes required or that can be made to address failures due to random occurrences. That is, no corrective action can be taken because these types of failures are anomalies. As such, these events are generally neither predictable nor preventable and a penalty assessed in this case is clearly inconsistent with the objectives of SEEM. Further, it should be stressed that any statistical test used to determine parity, only deals in probabilities and not certainties. Also, the

Category	Section Title or Measure No.	Section No. [1]	Proposed Change	Rationale for Proposed Change
				statistical methodology depends on inputs for certain materiality parameters such as Delta. That is, the statistical test in and of itself can only identify whether an observed difference in BellSouth retail and CLEC service results is statistically significant. It cannot determine whether an observed difference in BellSouth versus CLEC results is material, *i.e.*, whether it actually impacts the CLEC competitively. The proposed feature virtually removes the likelihood of assessing anti-backsliding remedies due to random occurrences.
Enforcement Mechanisms	Definitions	1.4.1 (paragraph 8)	*Tier-2 Enforcement Mechanisms* – assessments paid directly to the Tennessee Regulatory Authority or its designee. Tier 2 Enforcement Mechanisms are triggered by three consecutive monthly failures ~~in Tier-2 enforcement measurement elements~~ in which BellSouth performance is out of compliance or does not meet the benchmarks for the aggregate of all CLEC data as calculated by BellSouth for a particular Tier-2 Enforcement Measurement Element.	Remove redundancy in description.
Enforcement Mechanisms	Definitions	1.4.1 (paragraph 9)	~~*Affiliate* – person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than 10Percent.~~	This term is not used in applying the methodology of the Plan therefore the definition is not needed.
Enforcement Mechanisms	Definitions	1.4.1 (new paragraph)	*Affected Volume* – that proportion of the total impacted CLEC volume or CLEC Aggregate volume for which remedies will be paid.	New definition required for operation of proposed transaction-based remedy mechanism.
Enforcement Mechanisms	Definitions	1.4.1 (new paragraph)	*Parity Gap* – refers to the incremental departure from a compliant-level of service. This is also referred to as "diff" in Appendix D, Statistical Formulas and Technical Description.	New definition required for operation of proposed transaction-based remedy mechanism.
Enforcement Mechanisms	Application	1.4.2 (paragraph 2)	Payment of any Tier-1 or Tier-2 Enforcement Mechanisms shall not be considered as an admission against interest or an admission of liability or culpability in any legal, regulatory or other proceeding relating to BellSouth's performance. ~~and~~ The payment of any Tier-1 ~~or Tier-2~~ Enforcement Mechanism~~s~~ to a CLEC ~~shall not be used as evidence that BellSouth has not complied with or has violated any state or federal law or regulation~~. shall be credited against any liability associated with or related to BellSouth's service performance. It is not the intent of the Parties that BellSouth be liable for both Tier-2 Enforcement Mechanisms and any other assessments or sanctions imposed by the Authority.	These changes are intended to avoid situations where CLECs are paid multiple times for problems associated with the same transaction or occurrence. Certainly the purpose of plans like the SEEM plan is not to unduly penalize BellSouth and unjustly enrich the CLECs. Similarly, Tier 2 penalties, which are paid to the Authority, should not represent dual assessments against BellSouth for the same performance

Category	Section Title or Measure No.	Section No. [1]	Proposed Change	Rationale for Proposed Change
			CLECs will not oppose any effort by BellSouth to set off Tier-2 Enforcement Mechanisms from any assessment imposed by the Authority. The Enforcement Mechanisms contained in this Plan have been provided by BellSouth on a voluntary basis in order to maintain compliance between BellSouth and each CLEC. As a result, CLECs may not use the existence of this section or any payments of any Tier-1 or Tier-2 Enforcement Mechanisms under this section as evidence that BellSouth has not complied with or has violated any state or federal law or regulation.	related problems. Clarification to remove potential controversy about whether the proposed SEEM can be mandated.
Enforcement Mechanisms	Methodology	1.4.3 (paragraph 1)	Tier-1 Enforcement Mechanisms will be triggered by BellSouth's failure to achieve applicable Enforcement Measurement Compliance or Enforcement Measurement Benchmarks for each CLEC for the State of Tennessee for a given Enforcement Measurement Element ~~in a given~~ for two (2) consecutive months. Liquidated damages will be applicable to each of the two months of failure. Enforcement Measurement Compliance is based upon a Test Statistic and Balancing Critical Value calculated by BellSouth utilizing BellSouth generated data. The method of calculation is set forth in Appendix D, ~~incorporated herein by this reference~~ Statistical Formulas and Technical Description. • ~~All OCNs and ACNAs for individual ALECs will be consolidated for purposes of calculating measure-based failures.~~	See discussion for section 1.4.1 (paragraph 7) above concerning why two-consecutive months of failure should occur before penalties apply. Clarify how penalty will be calculated when it applies. This statement is deleted because the fact that consolidation of CLEC OCNs and ACNAs is done is included in another paragraph.
Enforcement Mechanisms	Methodology	1.4.3 (paragraph 1, 3rd bullet)	Tier-1 Enforcement Mechanisms apply on a per ~~measurement~~ transaction basis ~~and will escalate based upon the number of consecutive months that~~ for each Enforcement Mechanism Element for which BellSouth has reported non-compliance. All transactions for individual CLEC subsidiaries will be consolidated for purposes of calculating Tier-1 Enforcement Mechanisms.	BellSouth believes that the SEEM methodology for penalty calculations should be based on a per transaction approach rather than a per measurement approach. A fatal flaw in addition to its other many problems, of a measurement based plan, is that it is not scalable. Specifically, a measurement-based plan, like the current Tennessee SEEM plan, assesses the same penalty amount whether there is 1 failed transaction or 1000. Consequently, the measurement-based plan imposes a high penalty on the "first offense" of missing a measurement, rather than a lower threshold penalty, which would be compounded depending on whether BellSouth continues to perform badly after having missed the measurement standard on a particular transaction. This is especially problematic when applied to Tier 1 payments. Tier 1 payments are aimed at addressing impact to individual CLECs. A penalty calculation methodology that

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				compensates a CLEC that experiences poor performance on 1 transaction the same as a CLEC that experiences poor performance on 1000 transactions is intuitively flawed. Both BellSouth and the CLECs agree on this point. This is in contrast to a transaction-based approach, which is inherently scalable, and is used in seven of BellSouth's other states. Varying penalties based on the severity of failure in a transaction-based plan are straightforward. Once disparate performance is identified, a penalty amount is calculated by multiplying the number of disparate transactions times the appropriate fee. Further, aside from the fact that a transaction-based plan is preferable as a general proposition, from a practical standpoint, history has demonstrated the inherent difficulty of attempting to forcibly graft a foreign mechanism onto a measurement-based plan to create an appearance that it reflects the degree of disparity between CLEC and retail performance (for measures with retail analogues) or to account for differences between actual performance and desired performance (for measures with a benchmark). There has been an ongoing effort to address this problem by introducing a severity component into the existing measurement-based plan, but no suitable method for doing so has been determined after examining a multitude of increasingly complex methods over almost two years. These efforts have at best resulted in arbitrary overlays to create a false appearance of reflecting the degree severity in a measure-based plan, which by definition is not designed to accommodate variation in penalties based on severity of failure. On the other hand, a transaction based plan, by definition, incorporates this feature. Some of the problems with the approaches to overlaying severity determination onto a measure-based plan that were examined are: 1) no direct linkage to performance; 2) inability to link corrective action to performance failure; 3) arbitrary measures of severity; 4) huge payments for small performance differences; 5) imposition of arbitrary caps; and 6) penalties increasing simply due to growth in number of customers served by CLECs. All of these problems result from attempts to artificially retrofit a measure based plan to do something that a measure based plan is not designed to do instead of using a

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				structure that inherently accommodates the ability to vary penalties by the degree of failure. The end result of these retrofits is a plan built on a flawed foundation overlaid with multiple patches to compensate for the flaws in the foundation. Certainly, instead of attempting to recalibrate a flawed approach, the Commission would be better served by adopting a plan that is designed to accommodate varying penalties due to severity of failure, which is inherent in a transaction-based remedy calculation approach by definition.. Moreover, currently, at least 40 states[3] use transaction-based plans for Section 271 enforcement purposes and seven of the nine states in BellSouth's region use transaction-based plans. Only Florida and Tennessee in BellSouth's region use a measurement-based plan. Now that BellSouth has lived under both models, it is clear the transaction-based model works more logically and more fairly in achieving the FCC's goal of preventing backsliding after 271 relief. BellSouth therefore urges the Commission to adopt a transaction-based model to replace the current measurement-based plan.
Enforcement Mechanisms	Methodology	1.4.3 (paragraph 1, 4th bullet)	~~Fee Schedule for Tier-1 Enforcement Mechanisms is shown on the Performance Measurement Reports in Table-1 of Appendix A, incorporated herein by this reference. Failures beyond Month 6 will be subject to Month 6 fees.~~ The Standard and Low Performance Fee Schedules for Tier-1 Enforcement Mechanisms are shown in "Table 1: Liquidated Damages For Tier-1 Measures". Standard Fee Schedule amounts are used when BellSouth's overall performance in a given month remains within three standard deviations of a baseline performance level. This baseline level is the average of the percent of submetrics met each month for the 12 consecutive months ending prior to the month the Authority order adopting the plan goes into effect. These averages will be taken from across all reporting domains. These domains are: OSS/Pre-ordering, Ordering, Provisioning, Maintenance and Repair, LNP, Billing, Interconnection Trunks, Collocation, and Service Order Accuracy.	This provision implements the new anti- backsliding mechanism of the proposed plan. The professed role of SEEM is to provide another mechanism designed to deter backsliding in performance. However, it is not the sole means that exists to address backsliding. There are complaints to federal and state commissions, monitoring by those same commissions, contract provisions, and court action that also act as deterrents. The distinguishing feature of the SEEM plan is that it is automatic. The facts show that there has been no backsliding under the current SEEM. So to remove any concern that performance might backslide if a more rational SEEM is implemented, this provision requires SEEM to revert to a much more punitive SEEM if performance deteriorates materially. As additional incentive to improve performance and to partially compensate for the risk of reverting to the current plan even if no material decline in performance occurs, a provision is included that relieves BellSouth of SEEM payments if a material improvement in

[3] The following states have adopted enforcement plans which are primarily transaction-based: Alabama, Arizona, Arkansas, Colorado, Connecticut, Delaware, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming. The state plans include RBOC plans for BellSouth, Qwest, SBC, and Verizon.

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			Should BellSouth's performance as measured by the percent of submetrics met in the current data month fall below three standard deviations from the established baseline level of performance, the Tier 1 Low Performance Fee Schedule fees will be utilized for that month. If BellSouth's performance in the current month should exceed the baseline level by three standard deviations, no Tier 1 payment will apply for any CLEC in that month.	relieves BellSouth of SEEM payments if a material improvement in overall performance occurs. Although SEEM is supposed to generate penalties only when a material performance deficiency occurs, the existing plan requires BellSouth to provide CLECs better service in the aggregate than it provides to retail customers in order to eliminate penalty payments. This problem occurs because the performance fro each individual CLEC is compared to BellSouth's average performance across a geographic area. It is impractical to manage performance in such a manner that performance for each CLEC is exactly equal to the average retail performance, so aggregate performance for the CLECs must exceed retail performance in order to eliminate payments. This condition is contrary to the intent of SEEM. Without the proposed criteria, this flaw would continue in the proposed plan.
Enforcement Mechanisms	Methodology	1.4.3 (paragraph 2)	Tier-2 Enforcement Mechanisms will be triggered by BellSouth's failure to achieve applicable Enforcement Measurement Compliance or Enforcement Measurement Benchmarks for the State of Tennessee for given Enforcement Measurement Elements for three consecutive months based upon a statistically valid equation calculated by BellSouth utilizing BellSouth generated data. T~~t~~he method of calculation is set forth in Appendix D, ~~incorporated herein by this reference~~ Statistical Formulas and Technical Description.	Clarification.
Enforcement Mechanisms	Methodology	1.4.3 (paragraph 2, 1st bullet)	Tier- 2 Enforcement Mechanisms apply, for an aggregate of all CLEC ~~ALEC~~ data generated by BellSouth, on a per ~~measurement~~ transaction basis for ~~a particular Enforcement Measurement Element~~ each Enforcement Mechanism Element for which BellSouth has reported non-compliance.	See the discussion for section 1.4.3 (paragraph 1, 3rd bullet) above concerning the recommended change for Tier 1 from per-measure to a per-transaction based plan.
Enforcement Mechanisms	Methodology	1.4.3 (paragraph 2, 2nd bullet)	~~Fee Schedule for Total Quarterly Tier-2 Enforcement Mechanisms is shown in Table 2 of Appendix A, incorporated herein by this reference. Unlike the method used for other Tier 2 metrics, which imposes payments after results fall below the benchmark for three consecutive months, Tier 2 payments for Flow Through will be paid each month BellSouth fails to meet the benchmark~~. The Standard and Low Performance Fee Schedules for Tier-2 Enforcement Mechanisms are shown in "Table 2: Liquidated Damages For Tier-2 Measures". Standard Fee Schedule amounts are used when BellSouth's overall performance in	The first sentence is deleted because a new fee schedule reference is included in the paragraph that follows. The additional punitive mechanism, reflected in the second sentence with respect to flow through, was established in the belief that such additional punitive measures would cause improved flow through performance. Regardless of whether such requirements worked, they are clearly no longer necessary because flow through performance has improved considerably. See the discussion for section 1.4.3 (paragraph 1, 4th bullet) above concerning the analogous recommended change for Tier 1.

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			a given month remains within three standard deviations of a baseline performance level. The baseline performance level which Tier 2 performance will compare against shall be the same as that utilized for Tier 1. Three consecutive months of failure are necessary to trigger a Tier 2 payment. The percent submetrics met for the average of the three month period compared against the established baseline will be used to determine which Fee Schedule applies when calculating a Tier 2 payment. Should BellSouth's performance, as measured by the average percent of submetrics met for the three months used to determine whether Tier 2 applies in the current data month, fall below three standard deviations from the established basline level of performance, the Tier 2 Low Performance Fee Schedule will be utilized. If BellSouth's performance, as measured by the average percent of submetrics met for the three months used to determine whether Tier 2 applies in the current data month, exceeds the baseline performance by three standard deviations, no Tier 2 payment will apply in the current data month.	See the discussion for section 1.4.3 (paragraph 1, 4th bullet) above concerning the analogous recommended change for Tier 1.
Enforcement Mechanisms	Payment of Tier-1 and Tier-2 Amounts	1.4.4. (paragraph 1)	If BellSouth performance triggers an obligation to pay Tier-1 Enforcement Mechanisms to a~~n~~ CLEC~~ALEC~~ or an obligation to remit Tier-2 Enforcement Mechanisms to the Authority~~Commission~~ or its designee, BellSouth shall make payment in the required amount ~~by the 15th day of the second month following the month for which disparate treatment was incurred~~ on the day upon which the final validated SEEM reports are posted on the Performance Measurements Reports website as set forth in Section 1.2. above.	Clarification and to ensure consistency.
Enforcement Mechanisms	Payment of Tier-1 and Tier-2 Amounts	1.4.4. (paragraph 3)	For each day after the due date that BellSouth fails to pay the Tier-2 Enforcement Mechanisms, BellSouth will pay the Authority~~Commision~~ an additional $1,000 per day.	Clarification and correction.
Enforcement Mechanisms	Payment of Tier-1 and Tier-2 Amounts	1.4.4 (paragraph 4)	If a~~n~~ CLEC disputes the amount paid ~~under~~for Tier-1 Enforcement Mechanisms, the CLEC shall submit a written claim to BellSouth within sixty (60) days after the ~~payment due~~ date of the performance measurement report for which the obligation arose. BellSouth shall investigate all claims and provide the CLEC ~~ALEC~~ written findings within thirty (30) days after receipt of the claim. If BellSouth determines the CLEC is owed additional amounts, BellSouth shall pay the CLEC such additional amounts within thirty (30) days after its findings along with 6~~Percent~~% simple interest per annum. ~~However, the ALEC shall be responsible for all administrative costs associated with resolution of disputes that result in no actual~~	Clarification and correction.

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			~~payment. Administrative costs are those reasonable costs incurred in the resolution of the disputed matter. Such costs would include, but not be limited to, postage, travel and lodging, communication expenses, and legal costs. If BellSouth and the ALEC have exhausted good faith negotiations and are still unable to reach a mutually agreeable settlement pertaining to the amount disputed, the Commission will settle the dispute. If Commission intervention is required, a mediated resolution will be pursued.~~	
Enforcement Mechanisms	Payment of Tier-1 and Tier-2 Amounts	1.4.4 (new paragraph)	For Tier-2 Enforcement Mechanisms, if the Authority requests clarification of an amount paid, a written claim shall be submitted to BellSouth within sixty (60) days after the date of the performance measurement report for which the obligation arose. BellSouth shall investigate all claims and provide the Authority written findings within thirty (30) days after receipt of the claim. If BellSouth determines the Authority is owed additional amounts, BellSouth shall pay such additional amounts within thirty (30) days after its findings along with 6% simple interest per annum.	Correct oversight by adding procedure to address clarification requests for Tier 2 by the Authority, which already exists for Tier 1 for CLECs.
Enforcement Mechanisms	Payment of Tier-1 and Tier-2 Amounts	1.4.4. (new paragraph)	BellSouth may set off any SEEMs payment to a CLEC against undisputed amounts owed by a CLEC to BellSouth pursuant to the Interconnection Agreement between the parties which have not been paid to BellSouth within ninety (90) days past the Bill Due Date as set forth in the Billing Attachment of the Interconnection Agreement.	Prevent unreasonable situation where BellSouth is paying SEEM to a CLEC who is not paying an undisputed bill.
Enforcement Mechanisms	Payment of Tier-1 and Tier-2 Amounts	1.4.4 (new paragraph)	Any adjustments for underpayment or overpayment of calculated Tier 1 and Tier 2 remedies will be made consistent with the terms of BellSouth's Policy On Reposting Of Performance Data and Recalculation of SEEM Payments, as set forth in Appendix G of this document.	This provision is provided to formalize the incorporation of the Reposting Policy.
Enforcement Mechanisms	Payment of Tier-1 and Tier-2 Amounts	1.4.4 (new paragraph)	Any adjustments for underpayments will be made in the next month's payment cycle after the recalculation is made. The final current month PARIS reports will reflect the final paid dollars, including adjustments for prior months where applicable. Questions regarding the adjustments should be made in accordance with the normal process used to address CLEC questions related to SEEM payments.	Clarify by stating current practice used to make adjustments and address CLEC questions.
Enforcement Mechanisms	Payment of Tier-1 and Tier-2 Amounts	1.4.4 (paragraph 5)	~~At the end of each calendar year, an independent accounting firm, mutually agreeable to the Tennessee Regulatory Authority and BellSouth, shall certify that all penaalties under Tier-1 and Tier-2 Enforcement Mechanisms were paid and~~	The deleted portion is covered to the extent necessary by revised language shown following the deleted portion and the audit policy in section 1.4.8 of the SEEM Plan.

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			~~penaalties under Tier-1 and Tier-2 Enforcement Mechanisms were paid and accounted for in accordance with Generally Accepted Account Principles (GAAP). These annual audits shall be performed based upon audited data of BellSouth's performance measurements.~~ At the end of each calendar year, BellSouth will have its independent auditing and accounting firm certify that the results of all Tier-1 and Tier-2 Enforcement Mechanisms were paid and accounted for in accordance with Generally Acceoted Accounting Principles (GAAP).	
Enforcement Mechanisms	Limitations of Liability	1.4.5 (paragraph 1)	~~BellSouth's total liability for the payment of Tier-1 and Tier-2 Enforcement Mechanisms shall be collectively and absolutely capped at 39 % of net revenues in Tennessee, based upon the most recently reported ARMIS data.~~	Addressed in new Section 1.4.7 entitled "Enforcement Mechanism Cap."
Enforcement Mechanisms	Limitations of Liability	1.4.5 (paragraph 2)	BellSouth will not be ~~responsible for~~ obligated to pay Tier-1 or Tier-2 Enforcement Mechanisms for non-compliance with a performance measure if such non-compliance results from~~a~~ CLEC's acts or omissions that cause or contribute towards failed or missed performance measures. ~~to be missed or failed,~~ These acts or omissions includ~~inge,~~ but are not limited to, accumulation and submission of orders at unreasonable quantities or times, failure to follow established and documented procedures, or failure to submit accurate orders or inquiries. BellSouth shall provide each CLEC with reasonable notice of such acts or omissions and provide ~~the~~ each CLEC ~~with~~ any such supporting documentation.	Clarifies current provisions by stating additional specific instances where BellSouth should not be obligated to pay SEEM.
Enforcement Mechanisms	Limitations of Liability	1.4.5 (paragraph 3)	~~BellSouth shall not be obligated for Tier-1 or Tier-2 Enforcement Mechanisms for non-compliance with a performance measure if such non-compliance was the result of an act or omission by a CLEC that was in bad faith.~~	Covered in revised Section 1. 4.5 (paragraph 4).
Enforcement Mechanisms	Limitations of Liability	1.4.5 (paragraph 4)	BellSouth shall not be obligated ~~for penalties under~~ to pay Tier-1 or Tier-2 Enforcement Mechanism~~s~~ for non-compliance with a performance measure ment if such noncompliance was the result of any of the following: a Force Majeure event (as defined in BellSouth's Statements of Generally Available Terms and Conditions for access and interconnection); an act or omission by a~~n~~ CLEC that is contrary to any of its obligations under the Act, Authority rule, or state law; or an act or omission associated with third-party systems or equipment.	Clarification by identifying the specific source of the definition of a Force Majeure event
Enforcement Mechanisms	Affiliate Reporting	1.4.6	~~Affiliate Reporting~~ Change of Law	This is a new section that uses the section number previously designated for Affiliate Reporting.

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Enforcement Mechanisms	~~Affiliate Reporting~~ Change of Law	1.4.6	~~BellSouth shall provide monthly results for each metric for each BellSouth CLEC affiliate; however, only the Tennessee Regulatory Authority shall be provided the number of transactions or observations for BellSouth CLEC affiliates. Further, BellSouth shall inform the Commission of any changes regarding non-CLEC affiliates' use of its OSS databases, systems, and interfaces.~~ Although SEEM payments are voluntary, such payments are, among other things, designed to prevent performance backsliding following BellSouth's receipt of long distance authority pursuant to Section 271 of the Act ("Obligations"). Accordingly, if any effective legislative, regulatory, judicial or other legal action eliminates such Obligations, including any SEEM metric (or submetric) associated with such Obligations, BellSouth, upon providing sixty (60) days written notice to the Authority and affected CLECs, may discontinue any SEEM payment(s) that arise out of any eliminated Obligations.	The Affiliate Reporting section is eliminated because it is irrelevant for SEEM. That is, this provision is unnecessary to determine whether BellSouth provides nondiscriminatory access. The standards for nondiscriminatory access are defined for each metric in the SQM. Adds specific provision to address how changes of law will be handled in SEEM. This provision represents a reasonable balance between providing adequate notice that payments will cease with prompt relief for BellSouth to discontinue payments that should no longer be required.
Enforcement Mechanisms	Enforcement Mechanism Cap	1.4.7	Add Section: Enforcement Mechanism Cap	Separates provisions related to the Enforcement Mechanism Cap into its own section. Formerly, this information was reflected in section 1.4.5 (paragraph 1).
Enforcement Mechanisms	Enforcement Mechanism Cap	1.4.7	BellSouth's total liability for the payment of Tier-1 and Tier-2 Enforcement Mechanisms shall be collectively and absolutely capped at 36 Percent of net revenues in Tennessee, based upon the most recently reported ARMIS data. If projected payments exceed the state cap, a proportional payment will be made to the respective parties. If BellSouth's payment of Tier -1 and Tier 2 Enforcement Mechanisms would have exceeded the cap referened in this plan, a CLEC may commence a proceeding with the Authority to demonstrate why BellSouth should pay any amount in excess of the cap. The CLEC shall have the burden of proof to demonstrate why, under the circumsatnces, BellSouth should have additional liability.	The proposed cap is changed from 39% to 36%. The 36% cap level is consistent with levels approved by the FCC in states outside of the BellSouth region. Further, 36% is certainly more than sufficient as a substantial financial deterrent to potential discriminatory behavior on BellSouth's part.

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Enforcement Mechanisms	Audits	1.4.8	Add new section: Audits BellSouth currently provides many CLECs with certain audit rights as a part of their individual interconnection agreements. However, it is not reasonable for BellSouth to undergo an audit of the SQM for every CLEC with which it has a contract. BellSouth has developed a proposed regional Audit Plan for use by the parties to an audit. If requested by a Public Service Commission or by a CLEC exercising contractual audit rights, BellSouth will agree to undergo an audit of the aggregate level reports for both BellSouth and the CLEC(s) every other year for the next five (5) years (2005-2010) to be conducted by an independent third party. The results of audits will be made available to all the parties subject to proper safeguards to protect proprietary information. This aggregate level audit includes the following specifications: 1. The cost shall be borne 50% by BellSouth and 50% by the CLEC or CLECs. 2. The independent third party auditor shall be selected by BellSouth, with input from the PSC, if applicable, and the CLEC(s). 3. BellSouth, the PSC and the CLEC(s) shall jointly determine the scope of the audit. BellSouth reserves the right to make changes to this audit policy as growth and changes in the industry dictate.	Incorporates a more thorough audit plan into SEEM. Having all parties share in the cost provides equal incentive to limit the scope of the audit to meaningful activities.
Enforcement Mechanisms	Dispute Resolution	~~1.4.7.~~1.4..9	Notwithstanding any other provision of the Interconnection Agreement between BellSouth and each CLEC, any dispute regarding BellSouth's performance or obligations pursuant this Plan shall be resolved by the Authority~~Commission~~.	Correction and changed section number.
Enforcement Mechanisms	Regional and State Coefficients	1.5	Add Section: Regional and State Coefficients Some metrics are calculated for the entire BellSouth region, rather than by state. • A regional coefficient is calculated to split Tier 1 payments for regional metrics among CLECs by submetric depending on the volume of certain activities in each OCN for the current month. • A state coefficient is calculated to split Tier 2 payments for	Provided for completeness of documentation. Describes method currently used to apportion penalties calculated for regional measures and modified based on the proposed change from a measurement-based plan to a transaction-based plan.

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			regional metrics among states by submetric. All measures using regional (Tier 1) or state (Tier 2) coefficients are benchmark measures. The following metrics require calculation of a coefficient: • Acknowledgement Completeness • Percent Flow Through CLEC Aggregate - Residence • Percent Flow Through CLEC Aggregate - Business • Percent Flow Through CLEC Aggregate – UNE Loop & Port Combo • Percent Flow Through CLEC Aggregate – UNE Loops • Percent Flow Through CLEC Aggregate - LNP • Timeliness of Change Management - Notices • Timeliness of Documents Associated with Change - Documents • Percent of Software Errors Corrected in X (10, 30, 45) Business Days – Errors Corrected • Percent Change Requests Accepted or Rejected in 10 Days – Requests Accepted or Rejected • Percent of Change Request Implemented Within 60 Weeks of Prioritization – Type 4 Requests Implemented • Percent of Change Request Implemented Within 60 Weeks of Prioritization - Type 5 Requests Implemented • Interface Availability – Pre-Ordering/Ordering • Interface Availability – Maintenance & Repair The methodology for calculating coefficients is detailed in Appendix E.	
Fee Schedule	Liquidated Damages for Tier-1 Measures	Table 1	Change Tier 1 Fee Schedule to reflect penalty amounts through Month 2 rather than Month 6. Failures beyond month 2 will be subject to Month 2 fees.	Escalation beyond the second month of failure is excessively punitive. Under the existing SEEM, the fee escalation feature applied to Tier 1 sub-metrics increases for each consecutive month that BellSouth fails to meet the established performance criteria, up to six consecutive months. Consecutive failures beyond month six are capped at the month-six fee. There is, however, no basis for the amount that the Fee

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				Schedule increases by each month. In fact, under the existing Fee Schedule, the fee amounts are so excessive, as already discussed, that the application of the escalation feature only compounds the arbitrarily punitive nature of the plan. What's more, consecutive months of disparate performance at minimum levels of differences also cause the fee to be increased, despite the lack of any actual appreciable or additional impact on the CLEC. Further, Tier 1 was designed to be liquidated damages and there is no basis to conclude that damages continue to escalate at the rate or extent indicated by the current schedule especially since each month's failures are separate transactions unrelated to transactions in the previous months. Under BellSouth's SEEM proposal, the Tier 1 fee amounts would only escalate in month-two. As today, beginning in month three, Tier 2 penalties would apply. This is a sufficient degree of escalation and more fully utilizes the Tier 2 mechanism, which was designed to address cases of persistent metric failures. Specifically, the Tier 2 penalty is initiated once a metric fails for three consecutive months and continues to apply until the metric comes into parity. Of course, Tier 1 penalties would also continue to apply. The fee per disparate transaction simply would not escalate any further beyond month two. Under the current plan this limit does not apply until month six. In recognition of the fact that Tier1 payments go to the CLEC and that there may be some additional damage done if failures persist, escalation in the second month is retained, which is sufficient.
Appendix A: Fee Schedule	Liquidated Damages for Tier-1 Measures	Table 1	Appendix A, Table A.1, reflects the proposed the Fee Schedule for Tier 1. See Exhibit AJV-4 for a discussion of how the fee amounts were developed.	A new SEEM fee schedule is necessary because the current SEEM fee schedule generates excessive penalties that bear no rational relationship to the damage (if any) sustained by a CLEC as a result of a missed performance measurement standard. Additionally, such penalties often amount to years worth of free service to a CLEC when one compares the penalty paid to a CLEC to the recurring charge such CLEC pays for the service associated with the penalty. Specific examples are provided in the Direct Testimony included with this filing. Including excessive penalties in a SEEM plan is contrary to the concept that good performance should result in few, if any, payments for a failure to perform. This is particularly true in the absence of backsliding.

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				Despite the soundness of the transaction-based penalty plan structure used in other BellSouth states, the fee schedule associated with such existing plans in BellSouth is outdated and continued use of the fee schedule in those plans is unwarranted and inefficient. Specifically, the current transaction based fee schedule, which resulted from evidence considered by the Georgia Public Service Commission in the year 2000, four years ago, was developed at time when there was much less CLEC activity in the local market. As such, there were some concerns that BellSouth's potential SEEM payment liability – given the level of CLEC activity – was perhaps too low to be an effective deterrent against backsliding. At least in part, to compensate for the overall low level of CLEC activity at the time, the resulting per-transaction fee schedule was artificially high. Even at that time, the amount of the penalty per transaction was excessive, in relation to the typical rate the CLECs paid for the service. Today, that imbalance of penalty versus rate for the service is exacerbated by the overall CLEC volumes, which are much higher than they were 4 years ago. This is because a transaction-based payment plan is scalable (the more transactions where disparate service is detected, the higher the payment), the problems created by an artificially high fee schedule are compounded with increased CLEC activity. There are two fee schedules proposed, a new standard fee schedule that is more rational and would apply as long as BellSouth continues to provide nondiscriminatory performance. There is also a low performance schedule, which will apply if performance materially deteriorates from current levels. This low performance schedule is the same as the fee schedule that currently applies in all other transaction-based SEEMs for BellSouth. These two schedules are required to implement an important new feature, which should allay any concerns that the Proposed SEEM is soft on performance backsliding. In BellSouth's Proposed SEEM, Bellsouth has an added incentive to avoid backsliding because, if performance deteriorates in a month by a statistically significant degree from BellSouth's performance for the 12 months preceding implementation of the Proposed SEEM, then the **fees in the Proposed SEEM increase dramatically.** Further, the Proposed SEEM also encourages improved performance because it permits BellSouth to avoid penalties if there is statistically significant improvement in overall performance.

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				The fees in the standard fee schedule are more in line with the types of rebates that typically apply in commercial transactions where performance guarantees are provided. The basis for establishing each specific fee is stated in Attachment 1 to this exhibit.
Fee Schedule	Liquidated Damages for Tier-2 Measures	Table 2	Appendix A, Table A.2, reflects the proposed Fee Schedule for Tier 2	Same rationale as for Table 1 above.
SEEM Sub-metrics	Applicable to all SEEM sub-metrics	Tables B-1 and B-2.	General approach taken to set of measures included in plan.	Generally, one measure of timeliness and one measure of accuracy should apply to each major domain; e.g., Ordering, Provisioning, Maintenance & Repair, etc. In addition to the specific reasons given below, BellSouth is proposing to move closer to this general concept with the proposed changes. Also, measures of some intermediate processes were removed because such process may have little if any customer effect and any significant customer effect would likely be reflected in other measures.
SEEM Sub-metrics	Measure OSS-1	Table B-2: Tier 2 Sub-metrics	Remove measure OSS-1, Average Response Interval and Percent within Interval (Pre-Ordering/Ordering), from Tier 2 of the SEEM plan.	BellSouth proposed removal of this measure from the SQM. See the SQM matrix attached to this filing as Exhibit AJV-2 for the rationale.
SEEM Sub-metrics	Measure OSS-4	Table B-2: Tier 2 Sub-metrics	Remove measure OSS-4, Response Interval (Maintenance & Repair), from Tier 2 of the SEEM plan.	BellSouth proposed removal of this measure from the SQM. See the SQM matrix attached to this filing as Exhibit AJV-2 for the rationale.
SEEM Sub-metrics	Measure PO-1	Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics	Remove measure PO-1, Loop Makeup –Response Time-Manual, from Tier 1 and Tier 2 of the SEEM plan.	BellSouth proposed removal of this measure from the SQM. See the SQM matrix attached to this filing as Exhibit AJV-2 for the rationale.
SEEM Sub-metrics	Measure O-1	Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics	Remove measure O-1, Acknowledgement Message Timeliness from Tier 1 and Tier 2 of the SEEM plan.	BellSouth proposed removal of this measure from the SQM. See the SQM matrix attached to this filing as Exhibit AJV-2 for the rationale.
SEEM Sub-metrics	Measure O-2; (AKC)	Table B-1: Tier 1 Sub-metrics	Remove measure O-2, Acknowledgement Message Completeness, from Tier 1 of the SEEM plan. This measure would apply to Tier 2 only.	Measure O-2 tracks whether an acknowledgement is returned to the CLECs after an LSR or transmission is electronically submitted. If acknowledgments are not being sent, it does not directly affect the CLECs ability to provide service to its customer but is a secondary measure of an intermediate process. As such, intermittent deficiencies, particularly with the high benchmark do not indicate a significant problem. Consequently, penalties should only apply if there are persistent problems in this area, which is the situation that Tier 2 was designed to address. Also, this measure captures performance related to an electronic process that uses regional systems - problems that occur are not limited to individual CLECs, as intended when Tier 1 penalties

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				apply. Further the nature of electronic systems usually makes this problem largely self-correcting and any harm that occurs affects the industry as a whole not an individual CLEC. Therefore, this measure should be included in Tier 2 only. Under the current proposal, if BellSouth's performance for a given month triggers the Low Performance Fee Schedule, BellSouth will pay Tier 1 penalties in addition to Tier 2 penalty for the month involved.
SEEM Sub-metrics	Measures O-3 & O-4; (PFT)	Table B-1: Tier 1 Sub-metrics	BellSouth recommended combining measure O-4, Flow-Through Service Requests (Detail), with measure O-3, Flow-Through Service Request (Summary). Thus, measure O-4 would no longer exist as a separate measure and measure O-3, as modified, would only apply to Tier 2; Tier 1 would not apply. Also change disaggregation for this measure as follows: 1. Combine Residence and Business into Resale. 2. Combine UNE Loop & Port Combo and UNE Other into UNE. The resulting disaggregation would be: Resale, UNE and LNP to agree with the SQM disaggregation. This was not shown correctly in the SEEM submetrics list originally filed.	BellSouth, in its current proposal, recommends that measures *O-3, Percent Flow-Through Service Requests (Summary)*, and *O-4, Percent Flow-Through Service Requests (Detail)* be combined into a single SQM that shows both the Aggregate CLEC data (Summary) and CLEC Specific data (Detail). The SEEM penalty, in BellSouth's proposal, would apply to the Aggregate CLEC data as a Tier 2 measure only. Flow Through results are based on the operation of regional systems and impact CLECs equally, based on the products or feature that they order. Because this measure captures performance related to an electronic process that uses regional systems, problems that occur are not limited to individual CLECs, as intended when Tier 1 penalties apply. Flow through typically only increase the standard for measuring FOC timeliness by 7 hours. The mechanized FOC Timeliness standard is 95% in 3 hours and for orders that do not flow through and should do so, the FOC Timeliness standard is 95% in 10 hours. Such delay periodically does not directly affect the CLECs ability to provide service to its customers. As such, intermittent deficiencies, particularly with the high benchmark do not indicate a significant problem. Consequently, penalties should only apply if there are persistent problems in this area, which is the situation that Tier 2 was designed to address. Further, the nature of electronic systems usually makes this problem largely self-correcting and any harm that occurs affects the industry as a whole not an individual CLEC Therefore, this measure should be included in Tier 2 only. Finally, since all CLECs are affectedly similarly, Tier 1 penalties should not apply. If BellSouth's performance for a given month triggers the Low Performance Fee Schedule, BellSouth will pay Tier 1 penalties in addition to Tier 2 penalty for the month involved.

Category	Section Title or Measure No.	Section No. [1]	Proposed Change	Rationale for Proposed Change
				The proposed disaggregation for this measure in the SEEM plan is the same as the SQM. See the SQM matrix attached to this filing as Exhibit AJV-2 for the rationale.
SEEM Sub-metrics	Measure O-8; (RI)	Table B-1: Tier 1 Sub-metrics	Remove the Partially Mechanized and Non-Mechanized disaggregations for O-8, Reject Interval, from Tier 1 and Tier 2.	BellSouth's Proposed SQM disaggregates the Reject Interval measurement by 3 methods of submission – fully mechanized, partially mechanized and non-mechanized (manual). For an effective enforcement plan, however, only the fully mechanized portion of this measurement should be included since this is the method of submission where the preponderance of CLEC activity occurs. Also, such treatment provides a further incentive for CLECs to move to electronic systems that BellSouth has expended huge resources to develop and maintain at the CLECs request. Finally, partially mechanized and non-mechanized methods of submission are subject to gaming by the CLECs. LSRs can effectively be submitted with known errors in such a way as to guarantee a penalty payment.
SEEM Sub-metrics	Measure O-9; (FOCT)	Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics	Remove measure O-9, Firm Order Confirmation (FOC) Timeliness, from the both Tier 1 and Tier2.	It should be noted that although this measure is being removed from SEEM, this function will still be measured in the new measurement *Firm Order Confirmation Average Completion Interva*l (FOCI) that BellSouth is proposing to include in both Tier 1 and Tier 2 of SEEM. The FOCI measure will combine the two current measures, *FOC Timeliness* and Average Completion Interval (OCI) & Order Completion Interval Distribution, into a single metric as requested by CLECs in the past.. Since the failure to return FOCs to CLECs in a timely manner will show up in the FOCI metric, which is proposed for both Tier 1 and Tier 2, including *FOC Timeliness* in the SEEM plan as well would result in dual penalties for the same failure. Therefore, BellSouth's proposal excludes *FOC Timeliness* from the SEEM plan.
SEEM Sub-metrics	Measure O-11; (FOCRC)	Table B-1: Tier 1 Sub-metrics	Remove measure O-11, Firm Order Confirmation and Reject Response Completeness, from Tier 1 of SEEM.	BellSouth's proposal excludes this measure from Tier 1 of the SEEM plan and includes it as a Tier 2 measure only. This is not a primary indicator of the timeliness or accuracy of the ordering process. The systems and processes that generate Reject Notices and FOCs are regional in nature and this measure simply tracks whether one of these two responses to a request was sent – not how long it takes to send it. If a response is not sent it is typically due to a system problem, which affects CLECs in general rather than only specific CLECs. Further the cure is fairly simple, which is for the CLEC to resubmit the order.

Category	Section Title or Measure No.	Section No. [1]	Proposed Change	Rationale for Proposed Change
				Consequently this area becomes a problem only if persistent problems arise, which makes it more appropriate to include this measure in Tier 2 only. Further, Tier 1 penalties are already paid, and would be paid under BellSouth's proposal, for the Reject Interval and FOCI measures. Further, if BellSouth's performance for a given month triggers the Low Performance Fee Schedule, BellSouth will pay Tier 1 penalties in addition to Tier 2 penalty for the month involved.
SEEM Sub-metrics	Measure P-4	Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics	Remove measure P-4, Average Completion Interval (OCI) & Order Completion Interval Distribution, from Tier 1 and Tier 2 of the SEEM plan.	Although this measure is being removed from SEEM, this function will still be measured in the new measurement *Firm Order Confirmation Average Completion Interva*l (FOCI) that BellSouth is proposing to include in both Tier 1 and Tier 2 of SEEM. The FOCI measure will combine the two current measures, *FOC Timeliness* and *Average Completion Interval (OCI) & Order Completion Interval Distribution*, into a single metric as requested by the CLECs in the past. Since the failure to complete orders within appropriate intervals will show up in the FOCI metric, which is proposed for both Tier 1 and Tier 2, including a separate OCI measure in the SEEM plan as well would result in dual penalties for the same failure.
SEEM Sub-metrics	New Measure; FOCI	Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics	Add the measure Firm Order Confirmation Average Completion Interval to both Tier 1 and Tier 2 of SEEM.	New measure that combines former measures FOC Timeliness and Average Completion Interval. These two functions are proposed to be in SEEM.
SEEM Sub-metrics	Measure P-7A; HCT	Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics	Combine the existing disaggregation levels for measure P-7A, Coordinated Customer Conversions Hot Cut Timeliness – Percent within Interval, into single a single sub-metric for "UNE Loops."	The proposed SQM reflects two levels of disaggregation for this measure, namely "Non-IDLC" and "IDLC." See the SQM matrix attached to this filing as Exhibit AJV-2. For purposes of the SEEM plan, while the proposed disaggregation for this metric in SEEM only reflects one category for "UNE Loops," the calculations for penalties actually applies the separate benchmarks for Non-IDLC and IDLC Loops. The penalties would simply be reported as a single category designated as UNE Loops.
SEEM Sub-metrics	Measure P-7C; (PT)	Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics	Remove measure P-7C, Hot Cut Conversions – Percent Provisioning Troubles Received within 5 Days (formerly 7 Days) of a Completed Service Order, from Tier 1 and Tier 2.	BellSouth's proposal excludes this measure from Tier 1 and Tier 2 of SEEM. This is because the same data are captured in the measure *Percent Provisioning Troubles within "X" Days*, which is included in Tier 1 and Tier 2. Including both these measures in SEEM would subject BellSouth to dual penalties for the same failure.
SEEM Sub-metrics	Measure P-8	Table B-1: Tier	Remove measure P-8, Cooperative Acceptance Testing, from Tier 1 and Tier 2 of the SEEM	BellSouth proposed removal of this measure from the SQM See the

Category	Section Title or Measure No.	Section No. [1]	Proposed Change	Rationale for Proposed Change
		1 Sub-metrics & Table B-2: Tier 2 Sub-metrics	plan.	SQM matrix attached to this filing as Exhibit AJV-2 for the rationale.
SEEM Sub-metrics	New measure: CNDD	Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics	Add measure CNDD, Non-Coordinated Customer Conversions – Percent Completed and Notified on Due Date, to both Tier 1 and Tier 2.	BellSouth proposes to add this new measure to both Tier 1 and Tier 2 of SEEM. This measure captures the percentage of non-coordinated customer conversions that BellSouth completes and provides notification to the CLEC on the due date. Considering the increased role that non-coordinated hot cuts may have in the future and the potential direct impact on customer service this measure is being proposed for inclusion in SEEM.
SEEM Sub-metrics	Measure M&R-2; CTRR	Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics	Remove measure M&R 2, Customer Trouble Report Rate, from both Tier 1 and Tier 2.	This measure is neither an indicator of timeliness nor accuracy of maintenance and repair. It is not a measure of whether troubles actually exist, but is at best a broad indicator of whether customers choose to submit trouble reports. Consequently, low results do not mean that there is a performance problem, instead it simply provides information that indicates whether a part of the maintenance process needs to be examined to see if a problem exists. Experience has shown that results vary widely due to differences in the way that CLECs choose to maintain their services. For example, some CLECs do a better job of isolating troubles to their network than others. Those that don't isolate troubles well have higher trouble report rates, and it hardly seems appropriate to penalize BellSouth because a CLEC did not isolate its troubles properly. Also, very small differences in performance result in large penalties for this measure as shown in the examples in our comments. Typically, some of the highest penalties are paid for this measure, and it is typically one of the areas where the measure usually indicates a high level of performance for both CLECs and retail. For example, overall, Trouble reports rate are usually less that 3% and the difference between CLEC and retail performance is less than 2%, but the penalties are among the highest of any measure. This occurs even though for many of the reports no actual trouble exists. SEEM penalties will apply to the measures Maintenance Average Duration and Repeat Troubles, which together measure the accuracy and timeliness of Maintenance and Repair efforts.
SEEM Sub-metrics	Measure M&R-5	Table B-1: Tier 1 Sub-metrics &	Remove measure M&R-5, Out of Service (OOS) > 24 hours, from Tier 1 and Tier 2 of the SEEM plan.	BellSouth proposed removal of this measure from the SQM. See SQM matrix attached to this filing as Exhibit AJV-2 for the rationale.

Category	Section Title or Measure No.	Section No. [1]	Proposed Change	Rationale for Proposed Change
		Table B-2: Tier 2 Sub-metrics		
SEEM Sub-metrics	Measure B-1	Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics	For measure B-1, Invoice Accuracy, change the disaggregation to eliminate separate sub-metrics for Interconnection, Resale and UNE.	This metric is simply an indication of whether BellSouth provides the CLECs with accurate bills. There is no need to show separate disggregations for Interconnection, Resale and UNE.
SEEM Sub-metrics	Measure B-3	Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics	Remove measure B-3, Usage Data Delivery Accuracy, from Tier 1 and Tier 2 of the SEEM plan.	BellSouth proposed removal of this measure from the SQM. See the SQM matrix attached to this filing as Exhibit AJV-2 for the rationale.
SEEM Sub-metrics	Measure B-10	Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics	Remove measure B-10, Percent Billing Errors Corrected in "X" Business Days, from Tier 1 and Tier 2 of the SEEM plan.	BellSouth proposed removal of this measure from the SQM. See the SQM matrix attached to this filing as Exhibit AJV-2 for the rationale.
SEEM Sub-metrics	Measure C-3; PMDD	Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics	For measure C-3, Collocation Percent of Due Dates Missed, remove the separate disaggregations for Virtual, Physical, which were further disaggregated by Initial and Augment.	This metric simply tracked whether a committed due date is met or missed. Specific disaggregation by Virtual or Physical (also Initial and Augment) is unnecessary. This especially true since BellSouth rarely missed a due date for this measure.
SEEM Sub-metrics	SEEM Measurement Disaggregation - General	Table B-1: Tier 1 Sub-metrics & Table B-2: Tier 2 Sub-metrics	Decrease the level of disaggregation for many SEEM Tier 1 and Tier 2 measurements. The measures within the Provisioning and Maintenance & Repair domains for which BellSouth proposes a reduction in disaggregation are shown below (the actual proposed level of disaggregation is shown in Appendix B, Tables B-1 and B-2, of the SEEM plan filed with the Authority on May 13, 2004: <u>Provisioning</u> 1. PIAM: Percent Installation Appointments Met (currently reflected as P-3, Percent Missed Installation Appointments). 2. PPT: Percent Provisioning Troubles within 5 Days (previously 30 Days) of Service Order Completion. <u>Maintenance & Repair</u> 1. PRAM: Percent Repair Appointments Met (currently reflected as MR-1, Percent Missed Repair Appointments) 2. MAD: Maintenance Average Duration 3. PRT: Percent Repeat Customer Troubles within 30 Days	As discussed concerning the excessive disaggregation in the current SQM, there are a large number of sub-metrics for which there is little or no activity month-to-month. There is, obviously, no benefit to maintaining the current level of disaggregation, which produces so many meaningless data reports. The resulting need, therefore, and the approach reflected in BellSouth's proposal, is for more aggregation rather than disaggregation. That is, grouping similar sub-metrics together for purposes of making more meaningful determinations of compliant performance. Beyond the disaggregation issues associated with the SQM, however, the design and intended functioning of the SEEM plan requires additional aggregation beyond that reflected in the SQM. Of course, the problem of the vast majority of sub-measures reflecting little or no activity is compounded in the SEEM plan for Tier 1. This is because in addition to the several levels of disaggregation in the SQM, SEEM Tier 1 calculations require further disaggregation by individual CLEC. Specifically, SEEM currently contains 830 sub-metrics at the Tier I level. There are over 80 CLECs in Tennessee. Since Tier I sub-metrics

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			The proposed SEEM disaggregation for Pre-Ordering and Ordering measures is the same as the proposed SQM disggregation except where already noted.	apply to all CLECs, there is a potential for over 66,400 SEEM determinations (830 sub-metrics x 80 CLECs). Too many sub-metrics (which are subject to further disaggregation and granularity) result in few or no transactions (or activity) in many sub-metrics. For example, an analysis of SEEM data for Florida (the Tennessee Plan is based on the Florida Plan) taken from the three-month period of August through October 2003 indicated that, on average, there was no activity for 97% of the CLEC specific opportunities for the 830 SEEM measures. The result would be similar for Tennessee. Additionally, the truncated-Z statistical methodology uses like-to-like comparisons at very granular level called cells so masking of poor performance by good performance is a minimal problem if it exists at all as indicated by an analysis conducted by AT&T. The truncated Z methodology was specifically designed to allow aggregation of several products without creating a problem with masking. According to the design of the statistical methodology used in the SEEM plan, given that like-to-like comparisons are made at the cell level, it is unnecessary for the SEEM plan payment categories of sub-metrics to be the same as the SQM level, which is used for reporting and monitoring.
SEEM Sub-metrics	SEEM Retail Analogs	B.3	Add new section to show the retail analogs for the measures in the SEEM plan.	Added for completeness of SEEM documentation.
SEEM Sub-metrics	SEEM Benchmark Thresholds	B.4	Add new section to show the benchmarks for the measures in the SEEM plan.	Added for completeness of SEEM documentation.
Appendix C	Statistical Properties and Definitions	C.1.5 Trimming	~~**Trimming**~~ ~~Trimming of extreme observations from BellSouth and ALEC distributions is needed in order to ensure that a fair comparison is made between performance measures. Three conditions are needed to accomplish this goal. These conditions are:~~ ~~• Trimming should be based on a general rule that can be used in a production setting.~~ ~~• Trimmed observations should not simply be discarded; they need to be examined and possibly used in the final decision-making process.~~ ~~• Trimming should only be used on performance measures that are~~	Trimming, as a statistical procedure, is a method of insuring that outliers in data are not unduly influencing the outcome of a statistical test. The trimming process used in SEEM originated in the Louisiana Workshop in 1999, when CLEC volumes and distributions were much smaller than they are now. If there were distributional differences 5 years ago, these differences are no longer a factor. An outlier, should it exist, should be included in the statistical test. Trimming also requires that observations must not simply be discarded, but that each should be examined to determine if there is a true business reason for the discarding of this real data. For each observation that is eliminated to be manually observed for validity would defeat the Self Effectuating aspect of the SEEM plan.

<table>
<tr><th>Category</th><th>Section Title or Measure No.</th><th>Section No.[1]</th><th>Proposed Change</th><th>Rationale for Proposed Change</th></tr>
<tr><td></td><td></td><td></td><td>~~sensitive to “outliers.”~~</td><td>Consequently the trimming rules in SEEM should be eliminated.</td></tr>
<tr><td>Appendix C</td><td>Statistical Properties and Definitions</td><td>~~C.1.6~~C.1.2</td><td>Measurement Types

The performance measurements that will undergo testing are of ~~four~~three types: ~~mean, ratio, proportion, and rate. All four have similar characteristics. Different types of data are used to calculate them. Table C-1 shows the type of data that is used to derive each measurement type.~~
• means,
• proportions, and
• ratios

~~Table C-1: Measurements Types and Data~~
<table><tr><th>~~Measurement Type~~</th><th>~~Data Used to Derive Measure~~</th></tr><tr><td>~~Mean~~</td><td rowspan="2">~~Interval measurements~~</td></tr><tr><td>~~Ratio~~</td></tr><tr><td>~~Proportion~~</td><td rowspan="2">~~Counts~~</td></tr><tr><td>~~Rate~~</td></tr></table></td><td>These changes reflect the fact that there are no rate measures in BellSouth’s proposed SEEM plan.</td></tr>
<tr><td>Appendix C</td><td>Statistical Properties and Definitions</td><td>C.2</td><td>Testing Methodolgy – The Truncated Z

~~The calculation of the Truncated Z statistic is described in Appendix A of the “Louisiana Statistician’s Report.” The methodology described in this document is the same as that described in the “Statistician’s Report;” however, this document contains extra technical details to avoid undefined situations when programming the technique.~~
~~In summary,~~ M~~m~~any covariates are chosen in order to provide deep~~meaningful~~ comparison levels ~~below the submetric level chosen for the parity comparison. This includes such factors as wire center and time of month, as well as order type for provisioning measures~~. In each comparison cell, a Z statistic is calculated. The form of the Z statistic may vary depending on the performance measure, but it should be distributed approximately as a standard normal, with mean zero and variance equal</td><td>These changes are added to make minor corrections, clarifications and to delete the discussion concerning the Louisiana study, which is not necessary for an understanding of the statistical methodology.</td></tr>
</table>

Category	Section Title or Measure No.	Section No. [1]	Proposed Change	Rationale for Proposed Change
			to one. Assuming that the test statistic is derived so that it is negative when the performance for the CLEC is worse than for the ILEC, a positive truncation is done – i.e. if the result is negative it is left alone, if the result is positive it is changed to zero. A weighted ~~sum~~average of the truncated statistics is calculated where a cell's weight depends on the volume of BST and CLEC orders in the cell. The weighted ~~sum~~average is re-centered~~standardized~~ by the ~~subtracting~~ theoretical mean of the truncated distribution, and this is divided by the standard error of the weighted average~~sum~~. The standard error is computed assuming a fixed effects model. ~~Summaries based on measurement type are given for the calculation of the cell Z statistic.~~	
Appendix C	Statistical Properties and Definitions	~~C.2.1~~C.2.2	**Mean Measures** For mean measures, an adjusted, asymmetric t statistic is calculated for each like-to-like cell that has at least 7~~seven~~ BST and 7~~seven~~ CLEC transactions. ~~This statistic is an adjustment to the modified z statistic in order to make the assumption that the statistic is approximately normally distributed more reasonable even for fairly small sample sizes. The adjusted, asymmetric t statistic is part of the methodology described in the "Statistician's Report," and it has been documented for the statistical community in the August 2001 issue of The American Statistician,~~[4] ~~a peer review statistics journal. The statistic was created for mean performance measure parity tests in order to reduce the number of permutation tests needed for calculating cell statistics. Several sets of BST/CLEC mean measure data from Louisiana were examined in order to determine when the adjustment results give approximately the same results as a permutation test. The result is that a~~A permutation test is used when one or both of the BST and CLEC sample sizes is less than 6~~seven~~. The adjusted, asymmetric t statistic and the permutation calculation are described ~~below~~in Appendix D, Statistical Formulas and Technical Description.	These changes are added for minor corrections, clarifications and to delete the discussion concerning the Louisiana study, which is not necessary for the understanding of the statistical methodology.
Appendix C	Statistical Properties and Definitions	~~C.2.2~~C.2.1	**Proportion Measures** For performance measures that are calculated as a proportion, in each adjustment cell, the truncated~~cell~~ Z and the moments for the truncated cell Z can be calculated in a direct manner. In adjustment cells where proportions are not close to zero or	These changes are added for clarification purposes.

~~4 *Balkin, S. D. and Mallows, C. L. (2001), "An Adjusted, Asymmetric Two-Sample t Test," The American Statistician, 55, 203-206.*~~

Category	Section Title or Measure No.	Section No. [1]	Proposed Change	Rationale for Proposed Change
			one, and where the sample sizes are reasonably large ~~($n_{ij}p_{ij}(1-p_{ij}) > 9$)~~, a normal approximation can be used. In this case, the moments for the truncated Z come directly from properties of the standard normal distribution. If the normal approximation is not appropriate, then the Z statistic is calculated from the hypergeometric distribution~~. is the exact permutation distribution.~~ In this case, the moments of the truncated Z are calculated exactly using the hypergeometric probabilities.	
Appendix C	Statistical Properties and Definitions	~~C.2.3~~	**Rate Measures** ~~The truncated Z methodology for rate measures has the same general structure for calculating the Z in each cell as proportion measures. For the rate measure customer trouble report rate there are a fixed number of access lines in service for the CLEC, b_{2j}, and a fixed number for BST, b_{1j}. The modeling assumption is that the occurrence of a trouble is independent between access lines, and the number of troubles in b access lines follows a Poisson distribution with mean $_b$ where is the probability of a trouble per 1 access line and b ($= b_{1j} + b_{2j}$) is the total number of access lines in service. The exact permutation distribution for this situation is the binomial distribution (the limit for the hypergeometric distribution) that is based on the total number of BST and CLEC troubles, n, and the proportion of BST access lines in service, $q_j = b_{1j}/b$~~ ~~In an adjustment cell, if the number of CLEC troubles is greater than 15 and the number of BST troubles is greater than 15, and $n_{ij}q_{ij}(1-q_{ij}) > 9$, then a normal approximation can be used. In this case, the moments of the truncated Z come directly from properties of the standard normal distribution. Otherwise, if there are very few troubles, the number of CLEC troubles can be modeled using a binomial distribution with n equal to the total number of troubles (CLEC plus BST troubles.) In this case, the moments for the truncated Z are calculated explicitly using the binomial distribution~~	This proposed deletion of the existing language reflects the fact that there are no rate measures in BellSouth's proposed SEEM plan.
Appendix C	Statistical Properties and Definitions	~~C.2.4~~C.2.3	**Ratio Measures** ~~The current plan contains no measures that call for the use of a Z parity statistic.~~ Rules will be given for computing a cell statistic for a ratio measure, however, the current plan for measures in this category, namely billing acuracy, does not call for the use of a Z	This change reflects the fact that while there are currently no ratio measures in either the existing or the proposed SEEM plan, rules for computing ratio measures are given.

Category	Section Title or Measure No.	Section No. [1]	Proposed Change	Rationale for Proposed Change
			parity statistic.	
Appendix D	Statistical Formulas and Technical Descriptions	D.1 – D.2	Deleted references to Rate measures in this Appendix.	Because BellSouth's proposal dose not include any Rate measurements references to Rate measures are deleted from Appendix D.
Appendix E	BST SEEM Remedy Calculation Procedures	E.1 – E.5	The current SEEM plan is per-measurement based. BellSouth is proposing that the SEEM plan penalty calculations be based on the number of transactions. Section E has been substantially revised to reflect the change from a per-measurement based SEEM plan to a per-transaction based SEEM plan. Because additional steps are required to determine the number of transactions and because the examples of Appendix E required modification to show the calculation of transactions Appendix E has been replaced in its entirety. **Calculations for submetrics with Retail Analogs**. This change is required to implement a transaction based SEEM and is the method by which the number of transactions to use in calculating the penalty amount for those SEEM sub-metrics where the performance standard is a retail analog. First a failure must be indicated, meaning that the aggregate z-score is less than the balancing critical value (BCV), before it is necessary to calculate the number of transactions for which a penalty applies. For a SEEM sub-metric where a failure is indicated, each cell within that sub-metric where parity service was not provided, as indicated by a negative z-score, will be rank ordered. The cells will be ranked in order of z-score with the cell that has the most negative z-score being ranked highest down to the cell with the least negative z-score being ranked lowest. Next, the z-score for the highest ranked cell will be changed to zero, indicating that parity exists and the BCV will be recalculated. If the aggregate z-score for the SEEM sub-metric is still less than or equal to the BCV, BellSouth will pay penalties on all CLEC transactions in that cell. BellSouth will progressively change cell z-scores to 0 and recalculate the BCV until the SEEM sub-metric passes the truncated z parity test; i.e., the aggregate test statistic is equal to or greater than the BCV. BellSouth will then sum up the number of transactions in each cell where the z-score was changed up to the next to last cell that was changed and pay penalties on all CLEC transactions in those cells. Since it is often not necessary to resolve all of the transactions in the final cell manipulated, the last cell will be interpolated to determine how many transactions in that cell are required to achieve a parity situation. **Calculations for submetrics with benchmark performance standards.** This change is required to implement a transaction based SEEM and is the method to use in calculating the number of transactions where the performance standard is a benchmark. The use of the small sample size table and the determination of the failure to meet the benchmark are unchanged from the current Tennessee SEEM plan. BellSouth's proposal calculates the number of transactions required to be changed for the better to achieve the benchmark.	The current SEEM plan uses a per-measurement based approach for determining penalty payments. BellSouth is proposing that the SEEM plan base penalty payments on the number of disparate transactions. The methodology described here determines how many CLEC transactions are required to be changed for the better in order to achieve a parity situation where one does not exist. The measure of whether BellSouth is providing parity service under SEEM, where a retail analog standard applies, is whether the aggregate z-score equals or exceeds the BCV. The proposed method directly counts the number of transactions by which BellSouth is missing the parity standard and pays penalties on that number of transactions. The most direct and logical approach is to alter the most damaging out-of-parity situations first and then, if parity is still not achieved, to alter successively the next most damaging out-of-parity situations until parity is achieved. This approach essentially corrects the transactions having the greatest potential customer impact first, before correcting those transactions having a lesser potential impact. BellSouth is obligated to pay penalties under SEEM only up to the point necessary to achieve parity of service for CLECs. For this reason, BellSouth realizes that all of the transactions in the final cell manipulated may not need to be altered for parity to be achieved. An appropriate action is to interpolate how many of the transactions would need to be changed to bring the entire sub-metric into a parity situation. For those failed measurements having a benchmark performance standard, the proposed methodology simply determines the number of transactions that are changed for the better in order to achieve the benchmark standard and pays penalties on that number of transactions.

Category	Section Title or Measure No.	Section No. [1]	Proposed Change	Rationale for Proposed Change
Appendix F	OSS Tables	F.1 – F.2	Added the OSS designations to SEEM	This section was added to reflect the OSS applied to the SEEM plan parity determinations.
Appendix G	Reposting of Performance Data and Recalculation of SEEM Payments		Reposting policy added to the SEEM plan.	This policy is included in the SEEM plan documentation for completeness.

Exhibit AJV-5

Relationship of SEEM payments per 1000 CLEC lines in service – versus performance - % submetrics met in plan applicable to the state. (Shown in parenthesis after State abbreviation)
January – December 2004

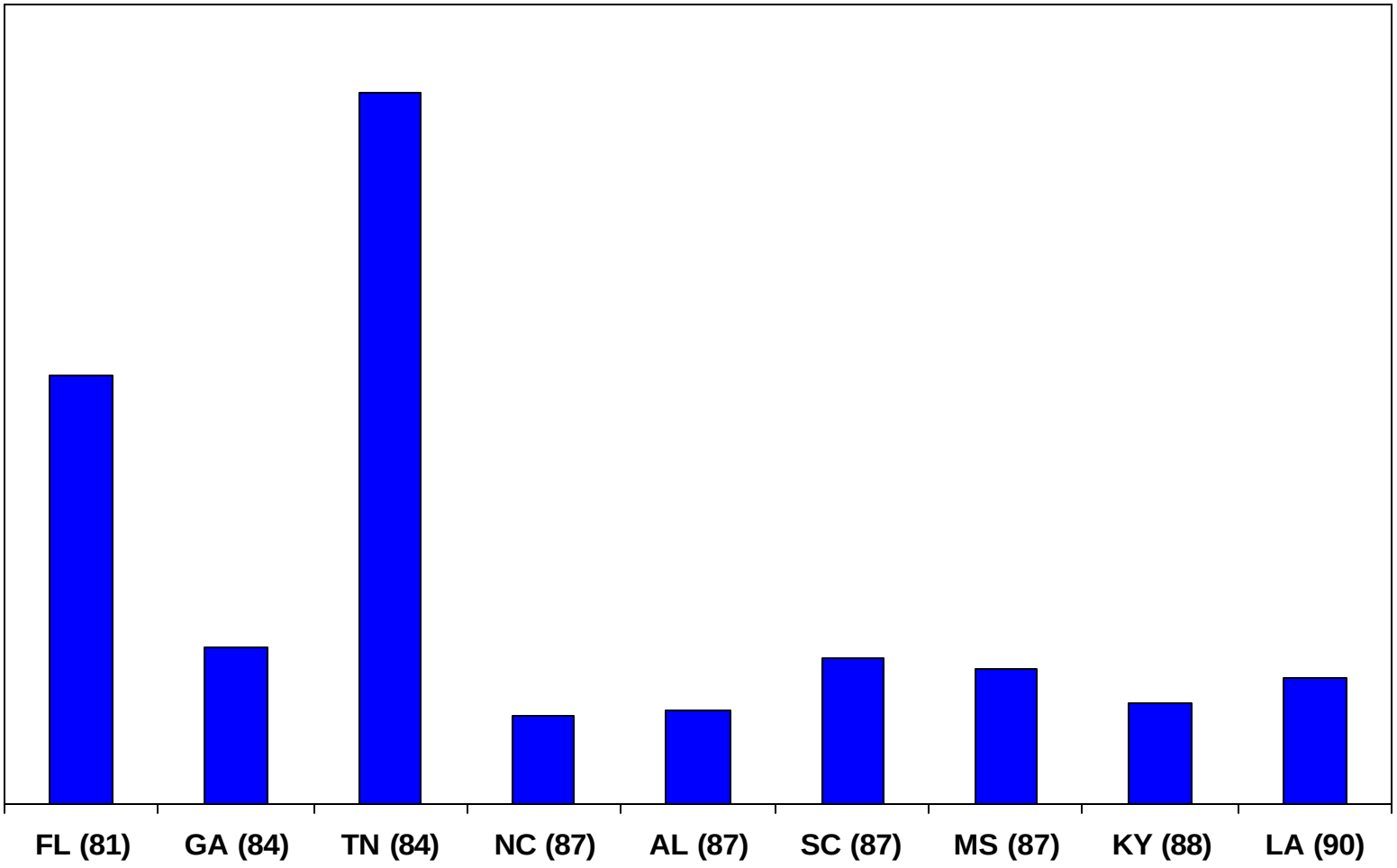

EXHIBIT AJV-6
EXAMPLES OF EXCESSIVE SEEM PAYMENTS BASED ON SERVICE LEVEL

The inclusion of penalties associated with the eight measures included in the following discussion does not constitute an exhaustive list of examples highlighting the mismatch between penalties paid and service provided. Rather these examples are used as illustrations of a much bigger problem.

1. CUSTOMER TROUBLE REPORT RATE (CTRR)

This metric is simply the number of trouble reports in a month divided by the units or lines in service. In the SEEM portion of the Current Plan, CTRR is disaggregated into 20 different sub-metrics. For instance "CTRR – 2W Analog Loop Design" and "CTRR- Loop Port Combo" are both UNE sub-metrics. "CTRR- Resale Business" is an example of a Resale Sub-metric.

BellSouth paid over $4.1 million in Tier 1 payments to individual CLECs during the period from January through December 2004 for the UNE and Resale SEEM sub-metrics of CTRR. Of the $4.1 million, $3.7 million was paid for UNE SEEM sub-metrics during the period. ***BellSouth paid over $4 million in Tier 1 SEEM payments for CTRR despite the fact that the overall average Customer Trouble Report Rate for the relevant time period was approximately 2%.*** This means that the CLECs were provided over 98% trouble free service (100% less the 2% trouble report rate) during this eleven-month period.

Moreover, in its *Motion of BellSouth Telecommunications, Inc., for the Establishment of a New Performance Assurance Plan* filed with the Authority on

May, 13, 2004 ("May 13, 2004 Motion") in Docket No. 97-00309, BellSouth cited instances for six CLECs were one reported trouble required BellSouth to pay penalties. In every instance cited in BellSouth's *Motion*, the CLEC simply claimed on one occasion that they had a trouble. Significantly, that trouble may not have even been a condition causing the customer's service to be impaired. Yet, because the number of circuits in service was relatively small, a single trouble report triggered a penalty. For example, in some case there were only 12 circuits. Consequently, the trouble report ***rate***, 1 divided by 12, was 8% and was above the retail comparison primarily due to the comparatively large number of retail lines in service.

Further examples indicate many of the same payments exist in specific submetrics. For the resale business submetric BellSouth paid 84 payments to 24 individual CLECs for a total of over $104,000 during the twelve month period. Of those 84 payments, 15 were for only one reported trouble. For resale design services, BellSouth made 44 payments to 12 separate CLECs for over $87,000 with 12 payments being for only one reported trouble. For UNE loop and port combinations, BellSouth in Tennessee paid over $1 million to 30 individual CLECs during the twelve months of 2004 for a report rate of less than 2% (These circuits had over 98% trouble free service during the period). Likewise, for the UNE digital loops >=DS1 rate, there were 100 payments to 13 individual CLECs for over 98% trouble free service. Finally for one of the most sophisticated services BellSouth provides to CLECs, UNE Combo Other (mainly EELs), over

$900,000 was paid to 15 individual CLECs despite an overall trouble free rate of 97%.

During this period, January to December 2004, a single trouble report generated a SEEM payment ranging from $4,750 to $14,250. Compared to the average monthly rate a CLEC pays for services ($25 for a UNE Analog Loop to $86 for a Digital DS-1 Loop), the SEEM payment for a single trouble report is equivalent to literally years of service – for free.

2. PERCENT PROVISIONING TROUBLES WITHIN 30 DAYS (PPT)

PPT measures the number of service orders where troubles were reported within the first 30 days after the service was installed. In the SEEM portion of the Current Plan, this metric is disaggregated by product, as noted under Customer Trouble Report Rate above, and also by whether the order was for 10 or more circuits or less than 10 circuits and whether a technician was dispatched to complete the order or not. The result is 109 Tier 1 SEEM sub-metrics for each CLEC.

BellSouth paid over $2.7 million in Tier 1 payments during the period from January through December 2004 for both UNE and Resale SEEM sub-metrics for PPT. This amount was paid for service order installations that had trouble rates of 3% or less. In other words, BellSouth paid $2.7 million in Tier 1 SEEM payments while installing over 97% of the service orders perfectly, without a trouble.

In fact, BellSouth provided several examples in its May 13, 2004 Motion where CLECs received SEEM payments for ***just one*** order with a trouble reported in a given month for all circuits that were installed in the previous 30 days. The actual payments for these cases of just one trouble ranged from $4,750 to $10,450. As with the Customer Trouble Report rate, the SEEM payment is equivalent to several years of BellSouth revenue from the service.

3. PERCENT REPEAT TROUBLE REPORTS WITHIN 30 DAYS (PRT)

As the name implies, this measure indicates the quality of repair activity by measuring the frequency of repeat troubles. The measure is calculated by : (a) the number of trouble reports on lines with more than one trouble report within the preceding 30 days, by, (b) the total number of trouble reports during the same period. In theory, if the repairs are made properly, the percent of repeat troubles reports should be small. This theory would produce rational results if the number of troubles was fairly high. For BellSouth, this is not usually the case, so this metric has the dubious distinction of potentially penalizing BellSouth for maintaining a high quality network. As an example, if the quality of the network is such that there are few troubles reported (as noted above where the trouble-free rate was 98%) any repeat trouble is likely to produce a high repeat rate, and, as a result, trigger SEEM penalties. For instance, BellSouth paid over $725,000 in Tier 1 payments during the period from January through December 2004 for both UNE and Resale sub-metrics for PRT. Of the $725,000, BellSouth paid over $690,000 in Tier 1 SEEM payments, ***even though the aggregate CLEC rate was actually lower (better) than the retail comparison for BellSouth's own customers***. Moreover, BellSouth paid some CLECs as much as $14,250 although

the overall CLEC repeat rates in a given month were less than the retail comparison.

Paying for superior service (as above) can occur when the number of CLEC troubles is small and is concentrated in a relatively few wire centers. Once again, the penalty amounts are startling in comparison to the impact on the CLEC.

4. ORDER COMPLETION INTERVAL (OCI)

This measure shows the average time period from receipt of a valid order from the CLEC to the delivery of the service to the end-user. In the SEEM portion of the Current Plan this metric is disaggregated by product, as noted under Customer Trouble Report Rate and Percent Provisioning Troubles within 30 Days above, and also by whether the order was for 10 or more circuits or less than 10 circuits and whether a technician was dispatched to complete the order or not.. The result is 125 Tier 1 SEEM sub-metrics for each CLEC. An example of a UNE sub-metric is "Average Completion Interval (OCI) & Order Completion Interval Distribution, Non-Dispatch Dispatch in < 10 - UNE Loop and Port Combo."

BellSouth in Tennessee paid over $2 million in Tier 1 SEEM payments for the twelve months of 2004. Of that $2 million, over $1.4 million was paid for the UNE Loop and Port Combo submetrics. The over all difference in the installation interval for the CLECs compared to the retail customers was less than 1 day. The CLEC received all orders installed in less than 2.5 days compared with a 1.8 day

average for the retail analogue. In addition, BellSouth met 99.85% of all the installation due dates. These installation intervals largely reflect the interval requested by the CLEC.

There are a number of instances where CLECs received SEEM payments even though their orders were completed in a shorter interval than the retail comparison for BellSouth's own customers. See BellSouth's May 13, 2004 Motion for examples. All of the measurements cited had less than 10 circuits per order. Payments ranged from $4,750 to $10,450.

5. PERCENT OUT OF SERVICE > 24 HOURS (OOS)

This measurement captures troubles, which result in an out-of-service condition (in which the end user cannot call or be called) that are not resolved within 24 hours. BellSouth paid over $283,000 in Tier 1 payments during the period from January through December 2004 for both UNE and Resale sub-metrics for OOS. Troubles reflected in this measure are also captured in the CTRR measure and could also be included in the PRT and the PPT measures. As a result, a single trouble report could generate up to four separate SEEM penalties. BellSouth, in its May 13, 2004 Motion, identified several examples of payments to CLECs for ***just one*** trouble out of service greater than 24 hours in a given month. Payments ranged from $4,750 to $10,450 for just one trouble out of service greater than 24 hours.

This measurement is another metric that can penalize BellSouth for good service. Since this measurement divides out of service troubles greater than 24 hours by the total number of out of service troubles, the fewer the total out of service troubles, the greater the potential for generating a penalty when just ***one trouble*** is very difficult to fix. Certainly, a SEEM payment of $4750 or above for one extended outage is significantly disproportionate to the level of service received when compared to the monthly rate for the service.

6. PERCENT MISSED INSTALLATION APPOINTMENTS (PMIA)

This measure indicates BellSouth's ability to install service on the scheduled day. In the SEEM portion of the Current Plan this metric is disaggregated by product, as noted with several other measures above, and also by whether the order was for 10 or more circuits or less than 10 circuits and whether a technician was dispatched to complete the order or not. The result is 125 Tier 1 SEEM sub-metrics for each CLEC.

Despite the fact that less than 0.2% of all installation appointments were missed, BellSouth paid over $572,000 in Tier 1 PMIA-related SEEM payments (UNE and Resale submetrics) during the period from January through December 2004. In other words, BellSouth met over 99.8% of all scheduled installation commitments during this twelve month period – but the SEEM plan required payments of $593,000. In its May 13, 2004 Motion BellSouth provided several examples where CLECs received SEEM payments for ***just one*** missed installation

appointment, ranging from $1,800 to $4,750. Again, these excessive SEEM payments are not warranted when compared to the level of service provided and to the price the CLEC pays for these products.

7. PERCENT MISSED REPAIR APPOINTMENTS (PMRA)

This measure quantifies BellSouth's ability to resolve a trouble report by the committed date and time. Further, this measure requires that BellSouth not only start the repair on time, but also complete it within the estimated time. Despite missing only 2% of the repair commitments made to CLECs, BellSouth paid over $844,000 in PMRA Tier 1 payments during the period from January through December 2004 for both UNE and Resale products. Said another way, even though BellSouth completed over 98% of all scheduled repairs by the committed time, the SEEM plan required payments of about $844,000. During the period from January through December 2004, there were several examples where CLECs received SEEM payments, ranging from $4,750 to $8,550, for ***just one*** missed repair appointment. For the UNE Digital Loops >= DS1 dispatch submetric, there were a total of 12 payments to 5 separate CLECs during this period with all 11 payments being for just one missed appointment.

In short, the excessive SEEM payments that BellSouth is required to pay for this measurement are not warranted when compared to the level of service provided and the charge for the affected service. As with many SEEM measurements,

Missed Repair Appointments can penalize BellSouth for providing good service. The more reliable the network, the fewer trouble reports and repair appointments. And, as a result, there is a greater potential for SEEM payments from just one missed appointment. Consequently, having one trouble take longer than anticipated to repair, perhaps for only a few hours, resulted in a payment of nearly $5000. Once again, a slight miss resulted in providing the CLEC the equivalent of decades of free service.

8. MAINTENANCE AVERAGE DURATION (MAD)

This measure shows the amount of time from receipt of a trouble report until it is cleared. It is disaggregated by product and by dispatch type. Like Percent Missed Repair Appointments above, MAD indicates whether a repair was completed timely. BellSouth paid over $504,000 in Tier 1 payments during the period from January through December 2004 for UNE and Resale sub-metrics for MAD. Of the $504,000 total, BellSouth paid over $350,000 in Tier 1 SEEM payments even though 95% of the MAD measurements indicate that BellSouth cleared the CLECs' troubles more quickly than the comparable retail service. BellSouth's May 13, 2004 Motion included ten (10) examples where CLECs received SEEM payments even though their average durations were less than the retail comparison. Payments ranged from $4,750 to $8,550.

The illustrative examples provided here, while not an exhaustive list, clearly demonstrate that BellSouth is paying extreme SEEM payments while providing

excellent service to the CLECs. The payments to the CLECs are not based on poor service quality and, more importantly, cannot be reduced by providing a better grade of service, short of perfection.

Overview:
The current fee schedule is based on the state of the industry in the year 2000. It was initially proposed by BellSouth in the Florida performance measurements proceeding in early 2001 and was subsequently converted to a per-measurement fee schedule. It is important to note that the resulting fee schedule has its' roots in a period before the CLECs generated the level of activity that we now experience. For example, UNE-P did not even exist in the year 2000. As a result it is largely, if not completely, arbitrary and not based on any consistent rationale. Instead, it was designed to generate a penalty amount that was perceived as a deterrent when activity levels were low. The proposed fee schedule is designed to base the penalty amounts on a rational relationship that mirrors those typically found in commercial transactions. For example, the fee for provisioning measures is related to nonrecurring charges for the underlying services and the fee for maintenance measures is related to recurring charges. Some categories, such as Pre-Ordering, do not lend themselves to direct relationship to products, however, there was still a rationale as stated below associated with the amount of the fee. The recurring and non recurring charges upon which the fee schedule is based are region-wide averages. This approach evens out variation in price determinations by individual states and facilitates use of a region-wide fee schedule as is the case today.

1. **Pre-Ordering/OSS** – There is no service upon which Pre-Ordering/ OSS functions relate. Pre-Ordering/OSS inquiries are used for a wide variety of activities including information gathering, ordering research and trouble status monitoring. As a result the fee for this category is maintained at 50% of the Ordering fee as is the case today.

2. **Ordering/Flow-through** – The figures used to derive the penalty amount for the ordering measures are Commission approved rates such as those found in the Statements of Generally Accepted Terms (SGAT) for each of the 9 states in which BellSouth operates. Region-wide, the charge billed to a CLEC for a mechanically-submitted LSR is $3.50. The charge for a manually-submitted LSR, however, is $19.99. Despite the fact that most LSRs are submitted to BellSouth electronically, the higher $19.99 charge was used as the basis for all ordering/flow-through measures, and was rounded up to an even $20.

3. **Maintenance and Repair-Resale** - The figures used to derive the penalty amount for the resale M&R measures are Commission approved rates such as those found in the Statements of Generally Accepted Terms (SGAT) for each of the 9 states in which BellSouth operates. For both Resale Residence and Business products, the monthly recurring charges billed to a CLEC (including EUCL, LNP, and USF) were added together for each state. Then, a straight average of these prices was used to derive an average region-wide dollar amount billed to our resale customers for residence and business services. Next, an overall average resale fee amount was calculated by weighting the individual residence and business fees, based on the monthly average number of lines in service

during the 2003 calendar year for each of those classes of products. Using this weighting method, the average region-wide resale residence recurring rate of $33.16 and the average region-wide resale business recurring rate of $74.39 generated an overall recurring resale rate of $41.33. This amount was rounded up to the nearest $5, leading to the $45 fee shown on the fee schedule.

4. **Maintenance and Repair – UNE** - The figures used to derive the penalty amount for the UNE M&R measures are Commission approved rates such as those found in the Statements of Generally Accepted Terms (SGAT) for each of the 9 states in which BellSouth operates. Seven of the top volume UNE products, other than UNEP which has a separate category, offered to our wholesale customers, in terms of average numbers of lines in service per month for the year 2003, were selected to represent the UNE category. These products are:

   i. 2 Wire UVL-SL1
   ii. 2 Wire UVL-SL2
   iii. 2 Wire ISDN Digital Grade Loop
   iv. 2 Wire ADSL Digital + LMU
   v. 4 Wire DS1 Digital Loop
   vi. 2 Wire Copper Loop (Design) Short with LMU
   vii. 2 Wire UCL – Non-design

   For each of these products, the monthly recurring Zone 1, 2, and 3 (and, in the case of Mississippi, Zone 4) recurring rates were averaged together to create a statewide average recurring rate. Then, a straight average of these prices was used to derive an average region-wide dollar amount billed to our wholesale customers for each of these services. Next, an overall average UNE rate was calculated by weighting the individual wholesale UNE fees, based on the monthly average number of lines in service during the 2003 calendar year for each of these classes of products. Using this weighting method, an average overall recurring UNE recurring rate of $33.29 was generated. This amount was rounded up to the nearest $5, leading to the $35 fee shown on the fee schedule.

5. **Maintenance and Repair – UNE-P** - The figures used to derive the penalty amount for the UNE-P M&R measures are Commission approved rates such as those found in the Statements of Generally Accepted Terms (SGAT) for each of the 9 states in which BellSouth operates. The 2 Wire Voice Grade SL-1 Loop with 2 Wire Line Port UNE-P offering was selected as representative of the UNE-P category, since this product represents an average 2 million CLEC lines in service per month region-wide for 2003. For this product, the monthly recurring Zone 1, 2, and 3 (and, in the case of Mississippi, Zone 4) recurring rates were averaged together to create a statewide average recurring rate. Then, a straight average of these prices was used to derive an average region-wide recurring rate billed to our wholesale customers for this service. Using this methodology, an average overall recurring UNE-P fee

of $22.58 was generated. This amount was rounded up to the nearest $5, leading to the $25 fee shown on the fee schedule.

6. **Provisioning – Resale** - The figures used to derive the penalty amount for the resale provisioning measures are Commission approved rates such as those found in the Statements of Generally Accepted Terms (SGAT) for each of the 9 states in which BellSouth operates. For both Resale Residence and Business products, the non-recurring charges billed to a CLEC were added together for each state. Then, a straight average of these non-recurring charges was used to derive an average region-wide non-recurring charge billed to our resale customers for installation of residence and business services. Next, an overall average resale non-recurring charge was calculated by weighting the individual residence and business charges, based on the monthly average number of lines in service during the 2003 calendar year for each of those classes of products. Using this weighting method, the average region-wide resale residence non-recurring charge of $40.01 and the average region-wide resale business non-recurring charge of $60.22 generated an overall non-recurring resale charge of $44.01. This amount was rounded up to the nearest $5, leading to the $45 fee shown on the fee schedule.

7. **Provisioning – UNE** – The figures used to derive the penalty amount for the UNE provisioning measures are Commission approved rates such as those found in the Statements of Generally Accepted Terms (SGAT) for each of the 9 states in which BellSouth operates. Seven of the top volume UNE products offered to our wholesale customers, in terms of average numbers of lines in service per month for the year 2003, were selected to represent the UNE category. These products are:

    i. 2 Wire UVL-SL1
    ii. 2 Wire UVL-SL2
    iii. 2 Wire ISDN Digital Grade Loop
    iv. 2 Wire ADSL Digital + LMU
    v. 4 Wire DS1 Digital Loop
    vi. 2 Wire Copper Loop (Design) Short with LMU
    vii. 2 Wire UCL – Non-design

    For each of these products, the non-recurring charges (including the first-line fee and the electronic service order charge) were added together for each state. Then, a straight average of these prices was used to derive an average region-wide non-recurring charge billed to our wholesale customers for each of these services. Next, an overall average UNE non-recurring charge was calculated by weighting the individual wholesale non-recurring UNE charges, based on the monthly average number of lines in service during the 2003 calendar year for each of these

classes of products. Using this weighting method, an average overall non-recurring UNE charge of $92.22 was generated. This amount was rounded up to the nearest $5, leading to the $95 fee shown on the fee schedule.

8. **Provisioning – UNE-P** - The figures used to derive the penalty amount for the UNE-P provisioning measures are Commission approved rates such as those found in the Statements of Generally Accepted Terms (SGAT) for each of the 9 states in which BellSouth operates. The 2 Wire Voice Grade SL-1 Loop with 2 Wire Line Port UNE-P offering was selected as representative of the UNE-P category, since this product represents an average 2 million CLEC lines in service per month for the year 2003. For this product, the non-recurring Zone 1, 2, and 3 (and, in the case of Mississippi, Zone 4) charges were averaged together to create a statewide non-recurring charge. Then, a straight average of these charges was used to derive an average region-wide non-recurring charge billed to our wholesale customers for this service. Using this methodology, an average overall non-recurring UNE-P charge of $38.97 was generated. This amount was rounded up to the nearest $5, leading to the $40 fee shown on the fee schedule.

9. **LNP** – There is no charge to CLECs use of LNP that is directly associated with providing LNP. Since this service is associated with providing UNE loops, the same fee that used for the Provisioning – UNE measures - $95 per item - is recommended for the LNP measures.

10. **Billing – BIA** – The fee amount for Billing Invoice Accuracy represents an interest rate of 2% to be paid on the adjusted amounts of affected bills under this measure. The 2% rate is derived from the interest rate charged on late payments made to BellSouth; under the current Access Services tariffs, this amount ranges from 1% to 1.83% per month, across the nine-state BellSouth region. Rounding up the higher of these amounts gives the 2% figure.

11. **Billing – BIT** – The fee amount for Billing Invoice Accuracy is based on 2% * $8,200 per the number of days in the month, divided by 30 days in the month. The value of $8,200 represents the average invoice amount taken from invoices region-wide between March 2003 and August 2003. The result, rounded to the nearest dollar, would be $5.00 per invoice, per day past due.

12. **IC Trunks** – The figures used to derive the penalty amount for the Interconnection Trunks measures are Commission approved rates such as those found in the Statements of Generally Accepted Terms (SGAT) for each of the 9 states in which BellSouth operates. Region-wide, the average installation price per DS0 is $21.60. Rounded up to the nearest $5, the recommended fee is $25.

13. **Collocation** – To derive the recommended Collocation fee, the number of collocation arrangements entered into between June 2002 and March 2003 were totaled by state. The non-recurring charges billed for each of these

arrangements was also totaled by state. Using these two sets of figures, a weighted average collocation fee of $3,640 for the region was calculated.

14. **SOA** – Service Order Accuracy is a measure of the accuracy of BellSouth's order processing for partially mechanized orders. Therefore, the same fee that is used ordering metrics - $20 – is used for service order accuracy.