# BEFORE THE
# TENNESSEE REGULATORY AUTHORITY

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EXECUTIVE SECRETARY

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| **In re:** | ) | |
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| **Petition for Arbitration of the Interconnection** | ) | |
| **Agreement Between BellSouth** | ) | **Docket No. 99-00948** |
| **Telecommunications, Inc. and Intermedia** | ) | |
| **Communications Inc. Pursuant to Section 252(b)** | ) | |
| **of the Telecommunications Act of 1996** | ) | |

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## PREFILED DIRECT TESTIMONY OF
## J. CARL JACKSON JR.
## ON BEHALF OF INTERMEDIA COMMUNICATIONS INC.

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**July 18, 2000**

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**ON BEHALF OF INTERMEDIA COMMUNICATIONS INC.**
**DOCKET NO. 99-00948**
**JULY 18, 2000**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, TITLE, AND BUSINESS AFFILIATION.**

A. My name is J. Carl Jackson Jr. . My business address is 360 Interstate North Parkway, Atlanta, Georgia 30339. I am Senior Director – Industry Policy for Intermedia Communications Inc. ("Intermedia").

**Q. WHAT ARE YOUR RESPONSIBILITIES IN THAT POSITION?**

A. My responsibilities include regulatory policy administration, including the negotiation of interconnection agreements with incumbent local exchange companies throughout the country. In addition, I testify before regulatory bodies on issues affecting Intermedia's business.

**Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.**

A. I graduated from Georgia State University with a Bachelor of Arts degree in 1978. I completed BellSouth's "Strategic Professional Development Program" in 1996.

This is a year-long program developed by and taught at Georgia Tech and University of Alabama, Birmingham, for selected high-potential BellSouth managers. I have more than 21 years of experience in the telecommunications industry, 18 of them with BellSouth. I began my career at BellSouth (Southern Bell) as a Business Office Supervisor in 1978, and worked my way up to positions of increasing responsibility, including Manager, Regulatory; Product Manager, Emergency Services; and Product Manager, Long Distance. I left BellSouth to work for Intermedia as Director, Local Exchange Service. In 1997, I joined ICG, another competitive local exchange carrier ("CLEC"), as Senior Director, Regulatory. In August 1999, I re-joined Intermedia as Senior Director, Industry Policy.

**Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS AUTHORITY?**

**A.** No, I have not.

## BACKGROUND

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY BEFORE THIS AUTHORITY?**

A. I am appearing before this Authority as a policy witness to present Intermedia's positions with respect to the substantive issues on which Intermedia and BellSouth Telecommunications, Inc. ("BellSouth") (collectively, the "Parties") have not reached agreement in the course of their interconnection negotiation. I wish to make clear that I do not claim to be an economist, an engineer, or a lawyer, and I am not testifying in this proceeding as such.

**Q. WERE YOU PERSONALLY INVOLVED IN THE NEGOTIATION OF THE INTERCONNECTION AGREEMENT WHICH IS THE SUBJECT OF THIS ARBITRATION?**

A. Yes, I was.

**Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

A. In this proceeding, the Parties seek resolution of the following general categories of issues: (1) the provision and pricing of local circuit-switched and packet-switched interconnection (*e.g.*, reciprocal compensation, including compensation for calls to Internet Service Provider ("ISP")); (2) collocation, including conversion of virtual collocation arrangements; (3) access to unbundled network elements ("UNEs") (including but not limited to, interoffice transport, frame relay elements, and UNE combinations); and (4) performance measures and associated self-executing

enforcement mechanisms. As will be shown in my testimony, the Communications Act of 1934, as amended (the "Communications Act"), and federal and state decisions interpreting same, mandate that BellSouth provide, among other things, reciprocal compensation for the exchange of local traffic, including ISP traffic, at the tandem interconnection rate; interconnection with, and access to, packet switching, including Frame Relay ("FR"); access to UNEs, including those that BellSouth currently combines, at cost-based (*i.e.*, Total Element Long-Run Incremental Cost or TELRIC) rates; efficient interconnection; and performance standards and remedies. Consequently, this Authority should rule in favor of Intermedia on each of the outstanding issues set forth in Intermedia's Answer to BellSouth's petition for arbitration and this testimony.

**Q. HAVE THERE BEEN ANY CHANGES TO THE ARBITRATION ISSUES AS ORIGINALLY SET FORTH IN THE ISSUES MATRIX PREVIOUSLY FILED BY INTERMEDIA?**

A. Yes. Subsequent to the filing of BellSouth's Petition for Arbitration and Intermedia's Answer, the Parties have held several discussions in an attempt to resolve as many of the remaining issues as possible. In addition, the Parties re-framed some of the issues for clarity. More recently, as part of the mediation process mandated by the Authority on April 13, 2000, the Parties attempted to further resolve additional issues. Consequently, of the original 48 issues, only

approximately half remain open. In addition, several of the issues have been rephrased and/or consolidated, in conformity with the Authority Staff's requests. Intermedia attaches as ***Jackson Exhibit 1*** a revised matrix that shows the current status of the arbitration issues. This revised matrix was filed with the Authority on June 13, 2000, pursuant to Hearing Officer Gary Hotvedt's instructions at the pre-arbitration conference on June 2, 2000.

**Q. PLEASE DESCRIBE INTERMEDIA.**

A. Since 1987 Intermedia has been transforming complex communications technologies into integrated, easy-to-use voice and data solutions. As one of the nation's largest and fastest growing competitive communications companies, Intermedia offers seamless end-to-end service virtually anywhere in the world through a comprehensive portfolio of local, long-distance, high-speed data and Internet services.

Intermedia's full range of services has been embraced by many customers nationwide. Among its award-winning services and technologies Intermedia leads as:

- the fourth largest IXC provider of frame relay nationwide;
- the largest Class-A shared tenant services provider;

- a top-five tier one ISP; and
- a top-five interconnect company.

These capabilities allow Intermedia to provide its customers with cutting-edge communications solutions, coupled with a personalized approach to customer service. Intermedia complements this approach with a truly unique business strategy that anticipates convergence of technologies, leverages access across existing technologies and adds value by controlling the network intelligence, rather than just transporting data. This strategy is propelling Intermedia into the next generation of communication technologies.

In Tennessee, Intermedia has hundreds of customer accounts and access line equivalents. Intermedia has made substantial network investments in the State. This investment includes the deployment of the following switches:

- Two (2) Northern Telecom DMS-500 voice switches located in Nashville and Memphis.
- Five (5) Frame Relay switches located in Chattanooga, Knoxville, and Memphis.
- Two (2) ATM switches located in Memphis and Nashville.

In addition, Intermedia has two (2) active collocation arrangements in Memphis.

## SPECIFIC ARBITRATION ISSUES

***Issue 1: Should the parties wait for final and nonappealable legislative, regulatory, judicial or other legislation before amending the contract to implement such actions?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed. Consequently, I will not provide a discussion of this issue.

***Issue 2: Should the definition of "local traffic" for purposes of the parties' reciprocal compensation obligations under Section 251(b)(5) of the 1996 Act include the following:***

***Subissue 2(a): ISP traffic?***

**Q. WHAT IS INTERMEDIA'S POSITION WITH RESPECT TO THE DEFINITION OF "LOCAL TRAFFIC" IN THE PARTIES' AGREEMENT?**

**A.** Intermedia's position is that the definition of local traffic should include traffic that originates from or is carried to an Internet Service Provider ("ISP"). Sections 251(b)(5), 251(c)(2) and 252(d)(2) of the Communications Act establish the obligation of incumbent local exchange carriers ("ILECs") to interconnect with competitive carriers and to provide reciprocal compensation for the exchange of

traffic. The Communications Act defines the interconnection obligations of ILECs in very broad terms and does not exclude local calls to ISPs from interconnection and reciprocal compensation arrangements.

**Q. DOES BELLSOUTH AGREE WITH INTERMEDIA'S POSITION AS TO THE DEFINITION OF LOCAL TRAFFIC?**

A. No. BellSouth's proposal includes language that would define local traffic as excluding traffic that originates from or terminates to an ESP or an ISP. If BellSouth's language were adopted, Intermedia would be forced to carry BellSouth's customer's calls to their eventual destination *gratis*.

**Q. ARE YOU FAMILIAR WITH THE RECENT RULING BY THE U.S. COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT CONCERNING THE FCC'S *ISP DECLARATORY RULING*?**

A. Yes, I am. In that appellate proceeding (*see Bell Atlantic Cos. V. FCC* (Nos. 99-1094 *et al.*)), the FCC's *ISP Declaratory Ruling* (*Implementation of the Local Competition Provisions in the Telecommunications Act of 1996: Inter-Carrier Compensation*, CC Docket Nos. 96-98 and 99-68, Declaratory ruling and Notice of Proposed Rulemaking (rel. Feb. 26, 1999)) was appealed from two directions. First, the ILECs challenged the FCC's determination that ISP-bound traffic could qualify

for reciprocal compensation under interconnection agreements. Second, numerous CLECs and their industry associations challenged the FCC's decision that ISP-bound traffic is not "local" and therefore does not qualify for reciprocal compensation under Section 251(b)(5) of the Communications Act. The D.C. Circuit Court only addressed the arguments raised by the CLECs. Because it vacated the FCC's decision, the Court saw no need to address the arguments raised by the ILECs.

The Court vacated and remanded the FCC's decision for lack of "reasoned decision-making." In deciding whether ISP-bound traffic is "local," the FCC looked at whether such traffic is jurisdictionally interstate or intrastate. The FCC applied the so-called "end-to-end" analysis, and found that most ISP-bound traffic is jurisdictionally interstate because the termination points of Internet traffic are usually located in a different state or country from the end-user subscriber. The Court did not reject the "end-to-end" analysis for purposes of establishing jurisdiction, but held that this analysis has no relevance to the question of whether ISP-bound traffic is "local" for reciprocal compensation purposes. Put another way, according to the Court, even if ISP-bound traffic is considered to be jurisdictionally interstate, the call from the end-user subscriber to the ISP still could be "local" traffic and thereby qualify for reciprocal compensation under Section 251(b)(5) of the Communications Act. The Court did not decide whether ISP-bound traffic is in

fact "local" traffic, but instead remanded the matter for further consideration by the FCC.

**Q. DOES THIS DECISION CUT AGAINST CLECs SEEKING RECIPROCAL COMPENSATION FOR ISP TRAFFIC?**

A. Not at all. If anything, it helps them. As I explained above, the Court confirmed that the *jurisdictional* nature of the traffic is irrelevant to reciprocal compensation under Section 252(b)(5) of the Communications Act. In other words, even if ISP-bound calls are *jurisdictionally* interstate, they could still be subject to reciprocal compensation under Section 252(b)(5) of the Communications Act.

**Q. HAS ANY STATE OF FEDERAL COURT RULED ON RECIPROCAL COMPENSATION FOR ISP TRAFFIC SUBSEQUENT TO THE D.C. CIRCUIT'S REMAND OF THE FCC'S *ISP DECLARATORY RULING*?**

A. Yes. On March 30, 2000, the U.S. Court of Appeals for the Fifth Circuit issued its decision in *Southwestern Bell Tel. Co. v. Public Util. Comm. of Texas* (No. 98-50787), in which it affirmed the decisions of the Texas Public Utility Commission and the district court below that dial-up calls to ISPs are, for purposes of reciprocal compensation, local calls. Notably, the Court stated that even if the FCC, on remand from the Court of Appeals for the D.C. Circuit, concludes that ISP dial-up calls are

jurisdictionally interstate, its analysis regarding the jurisdiction of a state commission to deem such calls "local" for reciprocal compensation purposes will not be affected.

**Q. HOW DO YOU INTERPRET THIS DECISION?**

A. I interpret it to mean that state commissions continue to have jurisdiction to mandate reciprocal compensation for the transport and termination of ISP traffic.

**Q. WHY SHOULD BELLSOUTH BE REQUIRED TO PAY RECIPROCAL COMPENSATION FOR CALLS FROM ITS CUSTOMERS TO AN ISP SERVED BY INTERMEDIA, AND VICE VERSA?**

A. Compensating Intermedia (and for that matter, BellSouth) is sensible because Intermedia is providing a valuable service to BellSouth and its customers by helping BellSouth complete calls placed by BellSouth end-users to ISPs served by Intermedia. BellSouth cannot reach the ISPs served by Intermedia directly, but must hand off the call to Intermedia at the point where the parties have interconnected, leaving Intermedia to carry the call the rest of the way over its own local network to the ISP. Because Intermedia is providing a service to BellSouth in helping to complete these calls, BellSouth must compensate Intermedia in the same manner as it does for every other seven-digit dialed call placed by a BellSouth customer that is

handed off for delivery to one of Intermedia's customers. If such compensation is not paid by BellSouth to Intermedia, Intermedia would be forced to terminate service to its customers or provide service to BellSouth for free. Such an outcome would be patently unfair to Intermedia, and would violate the letter of the law. I should note that this compensation is reciprocal, *i.e.*, BellSouth will be compensated by Intermedia for the transport and termination of calls originated by Intermedia's subscribers destined to BellSouth's ISP customers.

**Q. HAS THIS AUTHORITY ADDRESSED THE ISSUE OF RECIPROCAL COMPENSATION FOR ISP TRAFFIC?**

A. Yes, it has. In 1998, in Docket No. 98-00118, the Authority explicitly found that ISP traffic is local traffic and should be subject to reciprocal compensation. More recently, in Docket No. 99-00797, the Authority was asked to arbitrate the appropriate definition of "local traffic" for purposes of BellSouth's and Time Warner's reciprocal compensation obligations under Section 251(b)(5) of the Communications Act. The Authority resolved this issue in favor of Time Warner, ruling that "reciprocal compensation is an appropriate interim rate method to be used to recover the cost associated with the delivery of ISP-bound traffic pending completion of the FCC's rulemaking with regard to this traffic." The Authority reached the same

conclusion in resolving similar issues in BellSouth's arbitrations with DeltaCom and NEXTLINK.

This Authority consistently has held, both before and after the FCC's *ISP Declaratory Ruling*, that reciprocal compensation is required for ISP-bound calls -- both when interpreting existing interconnection agreements and when arbitrating new ones. There is no reason why this Authority should depart from its well-reasoned policy.

**Q. WHAT RATE, IF ANY, HAS THE AUTHORITY ADOPTED FOR RECIPROCAL COMPENSATION FOR ISP-BOUND CALLS IN TENNESSEE?**

A. It is my understanding that, in several arbitration proceedings, the Authority has applied the rates set forth in Docket Nos. 96-01152 and 96-01271 as interim, proxy rates for reciprocal compensation, including compensation for ISP-bound calls, pending the Authority's final order in its permanent pricing docket (Docket No. 97-01262).

**Q. IS THERE ANY REASON WHY THIS AUTHORITY SHOULD DEPART FROM ITS PRIOR RULINGS ON ISP RECIPROCAL COMPENSATION?**

**A.** None whatsoever. The Authority should continue to consider ISP-bound traffic as local traffic for purposes of compensation because a contrary decision would result in a class of calls for which no compensation is provided to the competitive local exchange carrier. This result is inconsistent with the carefully-drawn compensation scheme articulated in the Communications Act, which contemplates that carriers will receive compensation for the use of their respective networks through either access charges or reciprocal compensation. Since Intermedia does not receive access charges for transporting and terminating BellSouth-originated calls to Intermedia's ISP customers, it simply makes sense that reciprocal compensation should apply.

A ruling that ISP traffic is not subject to reciprocal compensation could have a detrimental effect on local competition. Without compensation for the carriage of local ISP traffic, CLECs will find that the cost of offering Internet service becomes increasingly prohibitive. This will have the perverse effect of fewer carriers providing Internet service and a dramatic increase in the cost of Internet service to customers. Finally, compelling CLECs to provide service to BellSouth free of charge (in essence subsidizing BellSouth's operations) would have negative financial and other anticompetitive effects on the CLECs, and would violate applicable law.

***Subissue (b): False traffic deliberately generated for the sole purpose of obtaining increased reciprocal compensation (e.g., Router-Router traffic)?***

**Q. WHAT IS THE STATUS OF THIS ISSUE.**

A. This issue has been closed. Consequently, I will not provide a discussion of this issue.

***Issue 3: Should Intermedia be compensated for end office, tandem, and transport elements, for purposes of reciprocal compensation?***

**Q. WHAT IS INTERMEDIA'S POSITION WITH RESPECT TO THE FOREGOING ISSUE?**

A. Intermedia's position is that it is entitled to compensation at BellSouth's tandem interconnection rate if Intermedia's switch serves a geographic area comparable to the area served by BellSouth's tandems. This position is fully supported by Section 51.711(a)(3) of the FCC's rules, which states that the ILEC's tandem interconnection rate is the appropriate rate to employ where a CLEC's switch "serves a geographic area comparable to the area served by the incumbent LEC's tandem switch."

**Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?**

A. BellSouth apparently considers that, if (due to differences in the way the Parties' networks are configured) Intermedia's switch is not actually utilized in precisely

the same manner as BellSouth's tandems, Intermedia should not be compensated for its use at the tandem rate. If I understand this position correctly, BellSouth contends that it makes no difference whether Intermedia's switch serves a geographic area comparable to that served by BellSouth's tandem switch: either it is used in the precise same manner as BellSouth's tandems switches are used, or it is not.

**Q. WHAT STANDARD SHOULD THIS AUTHORITY APPLY IN DETERMINING WHETHER INTERMEDIA SHOULD BE ENTITLED TO THE TANDEM INTERCONNECTION RATE?**

A. This Authority should apply one — and only one — criterion: geographic coverage. This criterion is explicitly set forth in Rule 51.711(a)(3) of the FCC's regulations. Rule 51.711(a)(3) states:

> *Where the switch of a carrier other than an incumbent LEC serves a geographic area comparable to the area served by the incumbent LEC's tandem switch, the appropriate rate for the carrier other than an incumbent LEC is the incumbent LEC's tandem interconnection rate.*

The language of the rule could not be any more plain. It says what it says: if the competing carrier's switch serves a geographic area comparable to that served by the ILEC's tandem, then the CLEC must be compensated at the tandem interconnection rate.

**Q. WHAT IS THE APPROPRIATE COMPARISON TO MAKE FOR PURPOSES OF DETERMINING WHETHER INTERMEDIA'S SWITCH SERVICE AREAS ARE "COMPARABLE" TO THAT OF BELLSOUTH'S TANDEM?**

A. The relevant comparison in each case is *not* Intermedia's switch service area versus the switch service areas for *some or all of* BellSouth's tandems, but rather simply *one* BellSouth tandem. This is consistent with both the language of FCC Rule 51.711(a)(3) and with federal case law. *See, e.g., US West Communications, Inc. v. Minn. Pub. Util. Comm'n,* 55 F. Supp. 2d 968 (D. Minn. 1999). It also makes sense. Each ILEC tandem switch is entitled to compensation as a tandem, so if a CLEC's switch is regarded to be a tandem "by proxy" for purposes of compensation, it should not have to be compared to more than one ILEC tandem switch.

**Q. BELLSOUTH APPEARS TO CONTEND THAT, UNLESS INTERMEDIA'S SWITCH ALSO HAS THE FUNCTIONALITY OF AN**

**ILEC TANDEM SWITCH, INTERMEDIA IS NOT ENTITLED TO RECIPROCAL COMPENSATION AT THE TANDEM INTERCONNECTION RATE. DO YOU AGREE WITH THIS ASSERTION?**

**A.** No, I do not. First of all, as I explained above, nowhere in the applicable FCC rules does it state that "functional equivalency" is a relevant criterion. Second, it would be inappropriate to expect that Intermedia would deploy outdated network architecture so that it could qualify for the higher tandem rate. BellSouth expects Intermedia to mimic its network topology, but mimicking its topology would simply result in inefficiencies. Intermedia has deployed sophisticated, multipurpose switches that may not look like the "traditional" tandem switches deployed by BellSouth in its outdated legacy network, but they most certainly serve many functions. Depriving Intermedia of reciprocal compensation at the tandem level would penalize Intermedia for taking advantage of advanced, state-of-the-art technology, and would send the wrong signal to the competitive local exchange market that deploying innovative technology is a liability.

**Q. HOW MANY SWITCHES DOES INTERMEDIA HAVE IN TENNESSEE**

A. Intermedia has two (2) Nortel DMS-500 voice switches, five (5) Frame Relay switches, and (2) ATM switches. These switches are deployed all over Tennessee, including Nashville, Memphis, Chattanooga, and Knoxville.

**Q. WHAT ARE DMS-500 SWITCHES?**

A. The easiest way to explain it is to quote directly from Nortel's (the switch manufacturer) product description:

> *The DMS-500 Local and Long Distance Switch is a DMS Supernode application that combines local services of the DMS-100 switch, toll and operator services of the DMS-100/200 Traffic Operator Position System (TOPS), and long distance services of the DMS-250 switch. In addition to the trunk connections supported by the DMS-250, the DMS-500 delivers all line types currently supported by the DMS-100 system for residential and business applications.*
>
> *The DMS-500 is a total solution with one of the industry's most application-rich portfolios of carrier services loaded with major capabilities that are market-ready today. These include local services,*

*long distance services, call center services, operator services, and data services. . . .*

Elsewhere in its product descriptions, Nortel states further:

*The DMS-500 Local and Long Distance Switch is a DMS SuperNode system application that combines the local/tandem services of the DMS-100/200 switch, the operator services of the DMS-100/200 Traffic Operator Position system (TOPS), and the long distance services of the DMS-250 switch.*

As Nortel describes them, Intermedia's DMS-500 switches are multifunctional switches that can be used for a variety of purposes. I have attached to this testimony as ***Jackson Exhibit 2*** materials describing Intermedia's DMS-500 switches.

**Q. PLEASE DESCRIBE INTERMEDIA'S NETWORK TOPOLOGY IN TENNESSEE.**

A. Intermedia's DMS-500 switches in Memphis and Nashville are interconnected, via a combination of one-way and two-way trunks, with BellSouth's three tandems in Nashville and Memphis. Intermedia's DMS-250 switches are

connected to several of BellSouth's access tandems via two-way Feature Group D trunk groups. Proprietary ***Jackson Exhibit 3*** contains two illustrations showing Intermedia's network topologies in Knoxville and Memphis.

**Q. PLEASE DESCRIBE INTERMEDIA'S LOCAL CALLING AREAS IN TENNESSEE.**

A. Through its facilities, Intermedia currently provides service to major parts of Tennessee, including Nashville and Memphis. I have attached as *proprietary* ***Jackson Exhibit 4*** Intermedia's calling area maps, showing Intermedia's present and planned geographic coverage in Tennessee. As these maps show, Intermedia intends ultimately to provide ubiquitous telecommunications service in the State of Tennessee.

**Q. WHAT DO THESE MAPS AND ILLUSTRATIONS DEMONSTRATE?**

A. These maps and illustrations prove convincingly that Intermedia is entitled to receive reciprocal compensation at the higher composite tandem rate. As I have discussed, Intermedia has deployed several sophisticated, multifunctional switches in Tennessee that serve customers in geographic areas that are comparable to those served by BellSouth's tandem switches. The advent of fiber optic technologies and multifunctional switching platforms have allowed

Intermedia to serve large geographic areas with fewer switches than would have been required under the old technology.

For example, Intermedia has a multiplicity of trunk groups to BellSouth tandem offices in Memphis and Nashville. The net result is to give Intermedia a local footprint that resembles or mirrors BellSouth's footprints. Accordingly, Intermedia's switches serve geographic areas which are comparable to those served by BellSouth's tandem switches.

**Q. DOES INTERMEDIA MEET BELLSOUTH'S PURPORTED "FUNCTIONAL EQUIVALENCY" TEST?**

A. Yes. Although Intermedia is not required to meet the purported "functional equivalency" test, as more fully explained above, Intermedia's multifunctional switches do exhibit tandem capabilities. Intermedia's switching platforms meet the definition and perform the same functions identified within the Local Exchange Routing Guide for tandem offices and for Class 4/5 switches. Among other things, for example, Intermedia's switches perform aggregation and transmission of traffic from multiple remote locations. Intermedia's switching platform transfers traffic among discrete network nodes that exist in the Intermedia network for purposes of serving groups of customers in exactly the same fashion that BellSouth's tandem switch distributes traffic. Consequently,

even assuming *arguendo* that the functional equivalency test applies, Intermedia fully meets that criterion.

**Q. HAVE OTHER JURISDICTIONS FOUND THAT COMPETING CARRIERS ARE ENTITLED TO RECIPROCAL COMPENSATION AT THE TANDEM INTERCONNECTION RATE BASED PRINCIPALLY ON A SHOWING OF GEOGRAPHIC COMPARABILITY?**

A. Yes, I know of several. In Massachusetts, for example, the Massachusetts Department of Telecommunications and Energy ("MA DTE") last year concluded that the applicable reciprocal compensation rate between Bell Atlantic-Massachusetts and a competing carrier is the tandem rate (*see Petition of MediaOne Telecommunications of Massachusetts, Inc. and New England Telephone and Telegraph Company d/b/a Bell Atlantic-Massachusetts, Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement*, D.T.E. 99-42/43, 99-52 (rel. Aug. 25, 1999)):

> *Regarding the parties' dispute on the appropriate rate to be paid for reciprocal compensation, the Department addressed this issue in its Consolidated Arbitrations, Phase 4 Order. In that Order, the Department stated that "the appropriate rate for the carrier other than the [ILEC] is the [ILEC's] tandem interconnection rate."*

*Consolidated Arbitrations, D.P.U./D.T.E. 96-73/74, 96-75, 96-80/81, 96-94-Phase 4, at 70, (1996), ("Consolidation Arbitrations"), citing 47 C.F.R. § 51.711(a)(3). The parties have presented us with no reason to deviate from this position. Therefore, the reciprocal compensation rate to be paid between the parties is the tandem rate.*

Notably, in *Consolidated Arbitrations* referenced by the MA DTE above, the MA DTE based its decision principally upon the competing carriers' demonstration that their switches cover a geographic area comparable to that served by Nynex (now Bell Atlantic-Massachusetts). A copy of this decision was produced by Intermedia in response to BellSouth's discovery requests in this proceeding.

Likewise, the Ohio Public Utilities Commission (the "PUCO") has held that, where a switch of a non-ILEC serves a geographic area comparable to the area served by the incumbent LEC's tandem switch, the appropriate rate for the non-ILEC is the ILEC's tandem interconnection rate. *See Petition of MCI Telecommunications Corporation for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Ameritech Ohio*, Case No. 96-88-TP-ARB, Arbitration Award (Jan. 9, 1997) (*MCI Arbitration*). Significantly, in the *MCI Arbitration*, the PUCO based its determination solely on the fact that MCI's local exchange certificate granted

MCI authority to provide local exchange service in the geographic areas served by Ameritech. A copy of this decision is attached hereto and incorporated herein by reference as ***Jackson Exhibit 5***.

The Alabama Public Service Commission ("AL PSC") also late last year required BellSouth to compensate ICG at the tandem rate based on the FCC's geographic comparability rule, explicitly dismissing BellSouth's attempt to engraft the "functional equivalency" test. In particular, in the *ICG Order* (*see Petition by ICG Telecom Group, Inc. for Arbitration of Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996*, Docket No. 27069, Final Order on Arbitration (Nov. 11, 1999)), the AL PSC concurred with the decision of the Arbitration panel which found that functional equivalency is not a requirement of FCC Rule 51.711. A copy of this decision was produced by Intermedia in response to BellSouth's discovery requests in this proceeding.

More recently, the North Carolina Utilities Commission (the "NCUC") found in favor of ITC DeltaCom on this issue, unequivocally rejecting BellSouth's argument that ITC DeltaCom must meet the purported functional equivalency test:

*After careful and extensive review of the FCC's Rule 51.711 and the attendant decision in Paragraph 1090, the Commission believes that the language in the FCC's Order clearly contemplates that exact duplication of the ILEC's network architecture is not necessary in order for the CLP [i.e., CLEC] to be eligible to receive reciprocal compensation at the tandem switching rate. Further, we believe that the language in the FCC's Order treats geographic coverage as a proxy for equivalent functionality, and that the concept of equivalent functionality is included within the requirement that the equipment utilized by both parties covers the same basic geographic area. We further believe that the Rule and the Order language are not, for this reason, in conflict in the manner described by BellSouth and the Public Staff.*

*In the Matter of Petition by ITC DeltaCom Communications, Inc. For Arbitration of Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1009*, Docket No. P-500, Sub 10, Recommended Arbitration Order (rel. Apr. 20, 2000). A copy of this decision is attached hereto and incorporated herein by reference as ***Jackson Exhibit 6***. Intermedia submits that the NCUC's well-reasoned analysis provides the most reasonable and logical interpretation of Rule 51.711.

**Q. HAS ANY STATE COMMISSION RULED IN FAVOR OF INTERMEDIA ON THIS ISSUE?**

A. Yes. As the Authority may be aware, BellSouth also filed petitions for arbitration against Intermedia in five other BellSouth states, including Georgia, Florida, Louisiana, Alabama, and North Carolina. The Georgia Public Service Commission and the North Carolina Utilities Commission recently have ruled in favor of Intermedia on the issue of tandem interconnection. Significantly, the NCUC based its holding on Intermedia's showing that "its switches cover a comparable geographic area to that covered by BellSouth's switches," thereby rejecting BellSouth's position that Intermedia should also demonstrate tandem functionality. I note the evidence provided by Intermedia in both the Georgia and North Carolina arbitration proceedings are, in material respects, substantially similar to that which has been submitted in this proceeding.

**Q. WHY IS IT IMPORTANT THAT INTERMEDIA BE COMPENSATED AT THE TANDEM INTERCONNECTION RATE?**

A. The answer is simple: Intermedia incurs costs when terminating calls that are originated by BellSouth. The generally accepted policy of "cost-causation" dictates that Intermedia be compensated for the costs incurred by it on behalf of BellSouth. Because Intermedia's switches serve geographic areas that are

comparable to those served by BellSouth's tandem switches, Intermedia appropriately should be compensated at the tandem interconnection rate.

**Q. WHAT WOULD BE THE EFFECT OF DENYING INTERMEDIA RECIPROCAL COMPENSATION AT THE TANDEM RATE?**

A. Although I do not profess to be an economist, it would seem to me that denying Intermedia full reciprocal compensation at the tandem level would force Intermedia to absorb some of the costs incurred in terminating BellSouth-originated calls. This is not only unfair from a policy standpoint, but it is also inconsistent with this Authority's policy of encouraging competition in the telephone exchange market. If competing carriers were denied the opportunity to recover their costs—as would be the case here if the Authority were to mandate reciprocal compensation at the "elemental" end office rate—it would only discourage or disincentivize the innovative and entrepreneurial competing carriers that have deployed state-of-the-art facilities in the State from further investing in their networks. The ultimate result, of course, could be the reversion to pre-1996 when the citizens of Tennessee had little, if any, choice of local carriers.

***Issue 4: Should BellSouth be required to pay for additional transport charges where Intermedia has configured its network in a way that its switch is in a different LATA than Intermedia's end user customer?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed. Accordingly, I will not provide a discussion of this issue.

***Issue 5: Should Intermedia be allowed to assign NPA/NXX's in such a way so as to make it impossible for BellSouth to distinguish local from non-local traffic for BellSouth originated traffic?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been consolidated into Issue No. 26 by agreement of the Parties. Accordingly, I discuss this issue at length in connection with Issue No. 26.

***Issue 6: Are BellSouth's proposed collocation intervals: (a) appropriate, and (b) should they be measured in business days?***

**Q. WHAT IS INTERMEDIA'S POSITION CONCERNING THIS ISSUE?**

**A.** The crucial question here is whether the collocation intervals proposed by BellSouth are reasonable. The answer simply is no. BellSouth's collocation intervals are calculated in terms of business days as opposed to calendar days. Use of business days has the effect of making an interval look shorter than it really is. In addition, measuring critical provisioning intervals in business days

unreasonably extends BellSouth's response time for every step of the collocation process.

**Q. WHAT PROCESSES AND INTERVALS DOES BELLSOUTH PROPOSE?**

A. The way BellSouth's proposed language reads, BellSouth uses a two-step process to respond to process collocation requests. First, the applicant submits its application, and there is a 10 business day (essentially two-week) period before BellSouth lets the applicant know whether the application is "Bona Fide," *i.e.*, essentially whether it can be eligible for processing or must be redone. So two weeks has passed, and the applicant has no idea yet whether he will or will not be afforded collocation space. Then, according to BellSouth's language, "when space has been determined to be available," there will be a 30 *business day* period after "the receipt of a complete application" before a "comprehensive written response is given. It is a little unclear from the phrasing whether the 30 business day clock starts from the day the applicant submitted the application, assuming it is later found to be Bona Fide *and* space as been "determined to be available," or whether the 30 business day clock starts *after* the 10 days period during which BellSouth is purportedly deciding whether the application is "Bona Fide." Certainly, if the 30 business day "comprehensive response" period and the 10 business day "Bona Fide response" period are additive, that would be an

unconscionable amount of time for an applicant to wait to find out whether space is or is not available: 40 business days, or 8 weeks!

But assuming that this is just a drafting problem, and the 30 business day and 10 business day period are concurrent (at least for applicants that have gotten the application right the first time), it is still a serious problem. First, to take two calendar weeks just to tell an applicant whether the form is filled out adequately is an unrealistic delay: at the end of that time, the applicant either has to start the entire process over, or he has another four calendar weeks before he finds out whether space is available. No matter how BellSouth intends this language to play out in practice it is a colossal waste of time.

**Q. PLEASE ILLUSTRATE HOW BELLSOUTH'S COLLOCATION INTERVALS ARE EXTREMELY UNFAVORABLE TO INTERMEDIA.**

A. Let's just take BellSouth's response to an initial collocation request as an example. BellSouth proposes a 10 *business day* turnaround for initial collocation applications, after which BellSouth will respond, telling Intermedia whether space is or is not available. This means that if Intermedia submits an application on Friday the 1st (assuming "day 1" is the following business day), BellSouth will not be required to respond until Friday the 15th. And if a holiday intervenes on a day that would otherwise be a "business day," BellSouth might not be required to

reply until Monday the 18th. So, instead of "10 days," BellSouth is really taking *two weeks or more* to process a very simple request. This is not a reasonable interval, and it directly violates the FCC's rules. This is why the interconnection agreement must be clarified to refer to "calendar days" in setting collocation and other intervals.

The situation becomes even more extreme in Section 6.2 of the draft agreement where BellSouth proposes to allow itself 30 business days, 36 business days and 42 business days, respectively, for providing comprehensive written responses to Intermedia's applications for collocation, depending on how many applications are received in a certain time frame. Thirty business days is not a calendar month; it is really closer to *six weeks*, depending on holidays, etc. These intervals are not efficient, when it is considered that Intermedia has a business plan to execute, and customers to serve. If BellSouth really requires this amount of time to respond to collocation applications, this would seem to indicate that BellSouth is understaffed and should devote more resources to this crucial process. If CLECs cannot collocate efficiently and relatively quickly, it is a severe detriment to the growth of competition in this state – and every link in the chain, every delay in the sequential provision of collocation, counts. For this reason, the Authority should adopt Intermedia's language, substituting calendar days for business days.

**Q. BELLSOUTH APPEARS TO SUGGEST THAT THE FCC MEANT "BUSINESS" DAYS," NOT "CALENDAR" DAYS, IN ITS *ADVANCED SERVICES ORDER*. DO YOU AGREE?**

A. No. The FCC is a very sophisticated, highly experienced regulatory agency. The FCC knows how to say "business" days when it wants to do so. I have read hundreds of FCC decisions, and I can tell you that when the FCC says "days," it means "calendar" days. For example, under its spectrum auction rules, the FCC explicitly required winning bidders paying by installments to bring their total deposits with the FCC to ten percent of their winning bids within five *business* days after the FCC issued a public notice announcing winning bidders (*see Application of Phoenix Data Communications, Inc. for 218-219 MHz Service Licenses in Metropolitan Statistical Area Nos. 43, 59, 93, 104, and 235*, 14 FCC Rcd 211221999 (Nov. 30, 1999)). Likewise, in its tariff suspension orders, the FCC has been explicit when it wants the offending carrier to make a revised tariff filing within a specified number of *business* days (*see, e.g., Virtual Collocation and Expanded Interconnection Offerings; Bell Atlantic Telephone Companies Revision to Tariff F.C.C. Nos. 1 and 11*, 200 FCC LEXIS 1267 (Mar. 13, 2000). Thus, as a general rule, when the FCC says "days," it means "calendar" days.

**Q. WHAT IS BELLSOUTH'S PROPOSED INTERVAL FOR PHYSICAL COLLOCATION PROVISIONING?**

A. BellSouth has proposed, in Section 6.4 of the draft agreement, 90 business days to turn around a collocation cage under normal circumstances, and 130 days if complications exist.

**Q. WHAT IS WRONG WITH BELLSOUTH'S PROPOSAL?**

A. Very simply, BellSouth's intervals are significant. Ninety business days is essentially 18 weeks, or 4 ½ months; 130 business days is approximately 26 weeks, or essentially six months. This is a long time to wait for a collocation cage to be turned over, and these intervals are inherently unreasonable. Intermedia's suggested compromise of 90 calendar days is more realistic. In fact a number of ILECs routinely complete collocation requirements in a matter of a few months. This practice is reflected in the FCC's March 31, 1999 *Advanced Services Order* at Paragraph 54, in which the FCC states that a six-month delay in provisioning a new collocation arrangement is "unnecessary" and results in "significant competitive harm."

**Q. DOES INTERMEDIA HAVE ANY OTHER ISSUES WITH REGARD TO PHYSICAL COLLOCATION INTERVALS PROPOSED BY BELLSOUTH?**

A. Yes. BellSouth has not specified any intervals for turning over cageless collocation arrangements, and Intermedia considers that these should be specified in the Parties' agreement, and should be significantly shorter in duration than caged collocation intervals.

**Q. ARE THERE ANY OBJECTIVE STANDARDS TO REFER TO WHEN APPRAISING WHETHER THE INTERVAL TO RESPOND TO A COLLOCATION APPLICATION IS REASONABLE?**

A. Yes. In Paragraph 55 of the FCC's March 31, 1999 *Advanced Services Order* in CC Docket No. 98-147, the FCC stated that GTE and Ameritech both have advised the FCC that they routinely respond to collocation applications within 10 days, informing the applicant whether space is available or not. The FCC concluded that it views "ten days as a reasonable time period within which to inform a new entrant whether its collocation application is accepted or denied." Viewed in this light, BellSouth's language with a 10 *business day* step before an applicant knows whether its application is "Bona Fide," followed by a 30 *business day* step after which, for the first time, BellSouth lets the applicant know whether it will be able to obtain the requested space, is quite wide off the mark.

The Authority should require BellSouth to respond substantively to complete applications within 10 *calendar* days of their submittal in good form. If some

very short interval is allowed during which incomplete or erroneously-completed applications can be reviewed and "kicked back" to the applicant, that should run concurrently with the 10 day substantive response period (unless, of course, an error is found and the process starts over). At most, BellSouth should be required to provide a complete response within 30 *calendar* days of the collocation request. BellSouth's proposed language is inherently unreasonable and inconsistent with stated FCC policy.

***Issue 7: What charges should Intermedia pay to BellSouth for space preparation for physical collocation?***

**Q. ARE BELLSOUTH'S CHARGES FOR SPACE PREPARATION FOR PHYSICAL COLLOCATION REASONABLE?**

A. No. For example, it would appear that BellSouth is charging a minimum of $2,400 for HVAC/Mechanical regardless of what is actually necessary for the space. And it would also seem that BellSouth wants to charge a flat "Project Management" fee of $1,675 without any regard to what the difficulty of preparing the space may be. These rates appear to be inherently unreasonable, and subject to challenge. Moreover, each of these functions should be fully recovered in the space preparation charge. These separate charges for HVAC and Project Management appear to be a clear case of "double-dipping." If this is not the case, let BellSouth come forward with appropriate cost studies to support these separate

fees. BellSouth is not entitled to the presumption that it can just fabricate prices that have no cost basis, and compel CLECs such as Intermedia to pay them without any regulatory oversight.

**Q. ARE THERE ANY OTHER PROBLEMS WITH BELLSOUTH'S CHARGES FOR SPACE PREPARATION?**

A. Yes. As noted above, the specified rates are too high and are not supported by suitable cost studies—they appear to have been simply plucked out of thin air. But the *specified* rates are just the tip of the iceberg here. In fact, many of the rates for space preparation are not stated at all, such as "cable racking/fiber duct," "frame/aisle lighting," and "framework ground conductors," all of which are specified in unit costs of "per arrangement, per square foot," but all of which are nonetheless designated "ICB" or "Individual Case Basis." This is a little like going to a restaurant where there are no prices on the menu: you have the feeling that when the bill comes, you will not like it.

Actually, it is even worse than a restaurant, because Intermedia cannot simply walk out the door if it is uneasy with the blank menu and eat somewhere else. BellSouth is the only "restaurant" in town. Intermedia has to buy collocation from BellSouth if it is going to build a suitable network and serve customers in Tennessee, so it must sit back down in its seat and order dinner, not knowing what

the check will look like. To say the least, this does not make for effective planning, and it is a little nerve-wracking.

BellSouth should be required to state reasonable prices for elements of collocation such as space preparation, and the use of ICB should be limited to those extraordinary arrangements that truly cannot be predicted in advance. Since the items I identified above are quoted in per arrangement, per square foot units, it would stand to reason that BellSouth could find out what it costs per unit to provide these items, and set them forth so that Intermedia can consider whether those prices are realistic. It strains credulity to think that BellSouth has never provided any of these features before and cannot set forth unit pricing for them. In fact, other ILECs have established per-foot rates for similar functions, making it clear that BellSouth can do the same.

In addition, it is my understanding is that the FCC has forbidden the use of "ICB" pricing for items that have costs that are reasonably determinable. It is one thing to price an item such as "Extraordinary Modifications" using ICB pricing—arguably, some truly unexpected space preparation issues might arise in a given context that will require an on-the-spot determination of costs. But this should be the exception rather than the rule: if CLECs such as Intermedia are forced constantly make provision for factoring in "unknown" costs, it greatly interferes with their ability to compete.

**Q. HAS THIS AUTHORITY ESTABLISHED SPACE PREPARATION RATES FOR PHYSICAL COLLOCATION THAT ARE GENERALLY APPLICABLE IN TENNESSEE?**

A. No. However, I understand that this issue is before the Authority in Docket No. 97-01271.

**Q. DOESN'T IT MAKE SENSE TO WAIT FOR THE AUTHORITY'S DECISION ON THIS ISSUE RATHER THAN ESTABLISH THE RATES NOW IN THIS ARBITRATION PROCEEDING?**

A. Intermedia appreciates the fact that the Authority is attempting to resolve this issue in the context of a generic pricing proceeding. However, Intermedia's ability to compete successfully in Tennessee hinges on BellSouth's obligation to provide interconnection, UNEs, and collocation at reasonable rates. Without reasonable collocation rates now, Intermedia's ability to compete against BellSouth will be severely hampered. Accordingly, Intermedia would prefer to have ascertainable cost-based rates now rather than wait for the conclusion of the Authority's generic pricing proceeding. I understand that the Authority also has ordered in the ITC DeltaCom arbitration (Docket No. 99-00430) that, among other things, BellSouth's tariffed rates for virtual collocation, with some

adjustments, should be utilized for cageless collocation pending the establishment of permanent rates. Because the Authority's written order has not yet been released, we are unable to determine what impact, if any, this decision would have on the ultimate resolution of Intermedia's issue.

***Issue 8: Is BellSouth's interval for responding to Intermedia's bona fide collocation requests appropriate?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A:** This issue has been incorporated into Issue No. 6 pursuant to the Authority's instructions. Accordingly, reference is made to my testimony concerning Issue No. 6.

***Issue 9: Is BellSouth's interval for physical collocation provisioning appropriate?***

**Q: WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been incorporated into Issue No. 6 pursuant to the Authority's instructions. Accordingly, reference is made to my testimony concerning Issue No. 6.

***Issue 10: What should BellSouth's policies be regarding conversion of virtual to physical collocation?***

**Q. WHAT IS BELLSOUTH'S POSITION ON CONVERTING A VIRTUAL COLLOCATION ARRANGEMENT TO PHYSICAL COLLOCATION?**

A. As I understand it, BellSouth will authorize the conversion of virtual collocation arrangements to physical collocation arrangements in place and without requiring the relocation of the virtually collocated equipment, absent extenuating circumstances or technical reasons, where (a) there is no change to the arrangement, (b) the conversion would not cause the arrangement to be located in the area reserved for BellSouth's future use, and (c) the conversion would not affect BellSouth's ability to secure its own facilities.

**Q. WHAT IS WRONG WITH THIS PROPOSAL?**

A. First, BellSouth's requirements are ambiguous. For example, it is not entirely clear what would constitute "extenuating" circumstances. Nor is it clear what BellSouth considers "technical reasons." Because these requirements are susceptible of several interpretations and, indeed, are overly broad, it would seem to me that BellSouth could change the rules of the game as it sees fit or convenient at any point in time.

Second, it is my understanding that BellSouth will not agree to install lockable cabinet doors on equipment bays. By suggesting that it is impossible to secure its equipment from the equipment of the CLECs, BellSouth effectively is suggesting that conversions of virtual collocation arrangements to physical collocation arrangements will always necessitate relocation of the CLECs' equipment. Intermedia does not agree that that result is acceptable.

**Q. WHAT ALTERNATIVE DO YOU PROPOSE?**

**A.** Intermedia does not disagree with BellSouth that it should be able to reserve space for future use, as long as it is reasonable. Consequently, Intermedia is willing to accept the proposition that "in place" conversion of virtual collocation to physical collocation may not be permitted where the conversion would cause the arrangement to be located in the area reserved for BellSouth's future growth. With respect to BellSouth's requirement that the conversion not require any change to the collocation arrangement, Intermedia is willing to agree that "in place" conversion will be allowed only if (a) Intermedia does not increase the number of bays it occupies, and (b) any changes to the arrangement can be accommodated by existing power, HVAC, and other facilities.

***Issue 11: Should BellSouth be required to provide reasonable and non-discriminatory access to UNEs in accordance with all effective rules and decisions by the FCC and this Authority?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed. Consequently, I will not provide a discussion of this issue.

***Issue 12: What is the appropriate definition of "currently combines" pursuant to FCC Rule 51.315(b)?***

**Q. DO BELLSOUTH AND INTERMEDIA DISAGREE AS TO BELLSOUTH'S DUTY TO PROVIDE INTERMEDIA ACCESS TO EXISTING COMBINATIONS OF ELEMENTS IN BELLSOUTH'S NETWORK AT UNE RATES?**

**A.** The disagreement appears to be somewhat more subtle. As I understand it, BellSouth recognizes its responsibility under law to furnish existing combined elements at UNE rates to Intermedia, since this is required by the FCC's rules (47 C.F.R. 51.315(b)) and the FCC's *UNE Remand Order*. But BellSouth wants to limit this as much as possible; so BellSouth is not willing to provide to Intermedia at UNE rates elements that can be ordered, for example, on a combined basis from BellSouth's special access tariff if those elements are not actually already combined. Intermedia seeks a more expansive approach: if combinations of

elements can be ordered as a service from BellSouth, Intermedia considers that these elements are customarily combined and should be available as UNEs.

**Q. HAS ANY STATE COMMISSION RULED ON THIS ISSUE?**

A. As a matter of fact, yes. In its Order in Docket No. 10692, the Georgia Public Service Commission ("Georgia PSC") explicitly held that "currently combines" means "ordinarily combined," thereby rejecting BellSouth's narrow interpretation. Specifically, the Georgia PSC held that

> *Rule 315(b), by its own terms, applies to elements that the incumbent "currently combines," not merely elements which are "currently combined." In the FCC's First Report and Order, the FCC stated that the proper reading of "currently combines" is "ordinarily combined within their network, in the manner which they are typically combined." First Report and Order, ¶ 296. In its Third Report and Order, the FCC stated that it was declining to address this argument at this time because the matter is currently pending before the Eighth Circuit. Third Report and Order, ¶ 479. Accordingly, the only FCC interpretation of "currently combines" remains the literal one contained in the First Report and Order. The Commission finds that "currently combines" means ordinarily*

*combined within the BellSouth network, in the manner which they are typically combined. Thus, CLECs can order combinations of typically combined elements, even if the particular elements being ordered are not actually physically connected at the time the order is placed.*

The Georgia PSC recently confirmed this ruling in Docket No. 10767-U (ICG arbitration) and 11644-U (Intermedia arbitration).

***Issue 13: Should BellSouth be required to: (a) provide access to enhanced extended links ("EELs") at UNE rates***

**Q. WHAT IS AN "EEL"?**

**A.** An Enhanced Extended Link or EEL typically is a combination of an unbundled loop running from a customer's premises to the serving BellSouth central office, and an unbundled dedicated transport/transmission from that central office to another BellSouth central office where a CLEC is collocated or to another CLEC switch. In some cases, the EEL also includes multiplexing. By allowing Intermedia to purchase EELs, the necessity to deploy collocation in each and every BellSouth central office is mitigated.

**Q. WHAT IS BELLSOUTH'S APPARENT POSITION WITH RESPECT TO THIS ISSUE?**

A. My understanding is that BellSouth wants to strictly limit EELs to those combinations that are already combined and in use for a particular customer.

**Q. WHAT IS INTERMEDIA'S POSITION?**

A. Intermedia believes that it should be allowed to purchase UNE combinations that are already physically combined (*i.e.*, existing special access circuits), as well as UNE combinations that BellSouth ordinarily combines, such as those that make up the EEL.

**Q. IS IT ALSO YOUR POSITION THAT THE AUTHORITY SHOULD INDEPENDENTLY REQUIRE THAT BELLSOUTH PROVIDE EELs AS A UNE?**

A. Yes. Consistent with Intermedia's position that BellSouth is required to provide access to combinations of UNEs that are already physically combined and those that BellSouth ordinarily combines, BellSouth should be required to provide access to EELs as a UNE. The Authority has full authority to determine what, if any, additional elements should be unbundled. For many CLECs, the availability

of EELs makes entry into the local exchange market possible. Conversely, without EELs, the ability of CLECs to provide local exchange service is materially impaired. Consequently, it is within this Authority's power to require BellSouth to provide EELs as a UNE.

***Issue 13: Should BellSouth be required to: (b) allow Intermedia to convert existing special access services to EELs at UNE rates?***

**Q:** It is my understanding that this issue has been closed. Consequently, I will not provide a discussion of this issue. I reserve the right to provide supplemental testimony on this issue if my understanding is incorrect.

***Issue 14: Should the parties utilize the FCC's most recent definition of "local loop"?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed. Consequently, I will not provide a discussion of this issue.

***Issue 15: Should BellSouth be required to condition loops in accordance with the FCC's most recent ruling?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed. Consequently, I will not provide a discussion of this issue.

***Issue 16: Should the parties utilize the FCC's most recent definition of network interface device ("NID")?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed. Consequently, I will not provide a discussion of this issue.

***Issue 17: Should BellSouth be required to offer subloop unbundling and access to BellSouth-owned inside wiring in accordance with the FCC's most recent ruling?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed. Consequently, I will not provide a discussion of this issue.

***Issue 18: Should BellSouth be required to provide access on an unbundled basis in accordance with, and as defined in, the FCC's UNE Remand Order, to the following:***

***Subissue 18(a): local circuit switching?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

A. This issue has been closed. Consequently, I will not provide a discussion of this issue.

*Subissue 18(b): local tandem switching?*

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

A. This issue has been closed. Consequently, I will not provide a discussion of this issue.

*Subissue 18(c): packet switching capabilities?*

**Q. WHY HAS INTERMEDIA PROPOSED TO INCLUDE PACKET SWITCHING CAPABILITIES AS AN UNBUNDLED NETWORK ELEMENT IN THE PARTIES' AGREEMENT?**

A. Intermedia seeks to specify in the clearest possible fashion its right to obtain access to this element in direct response to the FCC's ruling in *the UNE Remand Order*. In that Order, the FCC found that ILECs must make packet switching capabilities available in certain situations. Intermedia's proposed language changes seek to conform the terms of the parties' agreement to the FCC's rulings,

and to the terms of Rule 51.319, including the use of the applicable definition of packet switching.

**Q. UNDER WHAT CIRCUMSTANCES HAS THE FCC MADE IT MANDATORY FOR AN ILEC TO PROVIDE CLECS ACCESS TO PACKET SWITCHING AS AN UNBUNDLED NETWORK ELEMENT?**

A. The FCC has explicitly found that an ILEC must provide nondiscriminatory access to unbundled packet switching capability where: (a) the ILEC has deployed digital loop carrier ("DLC") systems, including integrated digital loop carrier or universal digital loop carrier systems, or has developed any other system in which fiber optic facilities replace copper facilities in the distribution section; (b) there are no spare copper lops capable of supporting xDSL services the requesting carrier seeks to offer; (c) the ILEC has not permitted a requesting carrier to deploy a DSLAM in the remote terminal, pedestal or environmentally controlled vault of other interconnection point, nor has the requesting carrier obtained a virtual collocation arrangement at these subloop interconnection points; and (d) the ILEC has deployed packet switching capability for its own use.

BellSouth refuses to agree to include the definition of packet switching capability in the interconnection agreement. Likewise, it refuses to include in the agreement a discussion of the conditions under which it must provide access to packet

switching capability to Intermedia, as provided under the FCC rules. Evidently, BellSouth believes that it will conform with the requirements of Section 51.319(c) of the FCC rules and, consequently, it need not specify the conditions under which it will provide access to packet switching capabilities. While BellSouth's intentions may be commendable, mere intentions alone do not guaranty that BellSouth ultimately will comply with applicable law. Accordingly, BellSouth's refusal to include language concerning its obligation to provide packet switching is unreasonable and should not be countenanced by the Authority.

**Q. HAS THE FCC LIMITED THE STATES' AUTHORITY TO TAKE A MORE EXPANSIVE POSITION WITH REGARD TO THE TREATMENT OF PACKET SWITCHING AS AN UNBUNDLED NETWORK ELEMENT?**

**A.** No, quite the contrary. The FCC expressly determined that state commissions could add to the list of mandatory UNEs as they consider appropriate. As I note later in my testimony, the Authority should affirmatively determine that certain specific types of packet switching technologies—*i.e.*, frame relay elements—should be treated as UNEs in the context of the Parties' interconnection agreement, and BellSouth should be required to make them available to Intermedia at TELRIC rates.

***Issue 19: Should the parties utilize a definition of local tandem switching capability consistent with the FCC's most recent ruling?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed. Consequently, I will not provide a discussion of this issue.

***Issue 20: Should the parties utilize a definition of local circuit switching capability consistent with the FCC's most recent ruling?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed. Consequently, I will not provide a discussion of this issue.

***Issue 21: Should the parties utilize a definition of packet switching capability consistent with the FCC's most recent ruling?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed. Consequently, I will not provide a discussion of this issue.

***Issue 22: Should BellSouth be required to provide nondiscriminatory access to interoffice transmission facilities, including dedicated transport (defined as incumbent LEC transmission facilities, including all technically feasible capacity-related services including, but not limited to, DS1, DS3 and OCn levels, dedicated to a particular customer carrier, that provides telecommunications between wire centers owned by incumbent LECs or requesting telecommunications carriers, or between switches owned by incumbent LECs or requesting telecommunications carriers), dark fiber transport (defined as incumbent LEC optical transmission facilities without attached multiplexing, aggregation or other electronics), and shared transport (defined as transmission facilities shared by more than one carrier, including the incumbent LEC, between end office switches, between end office switches and tandem switches, and between tandem switches, in the incumbent LEC network), in accordance with, and as defined in, the FCC's UNE Remand Order?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** It is my understanding that this issue has been closed. Consequently, I will not provide a discussion of this issue. I reserve the right to file supplemental testimony on this issue if my understanding is incorrect.

***Issue 23: Should the parties utilize a definition of interoffice transmission facilities, consistent with the FCC's most recent ruling, that includes dark fiber, DS1, DS3, and OCn levels, and shared transport.***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed. Consequently, I will not provide a discussion of this issue.

***Issue 24: Should BellSouth provide nondiscriminatory access to operations support systems ("OSS") and should the parties utilize a definition of OSS consistent***

*with the FCC's most recent ruling?*

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed. Consequently, I will not provide a discussion of this issue.

***Issue 25: Should BellSouth be required to furnish access to the following as UNEs: (i) User-to-Network Interface or "UNI," which provides connectivity between the end user and the frame relay network; (ii) Network-to-Network Interface or "NNI," which provides carrier-to-carrier connectivity to the frame relay network; and (iii) Data Link Control Identifiers or "DLCIs," at Intermedia-specified Committed Information Rates or "CIRs," which define the path and capacity of virtual circuits over which frame relay frames travel across the frame relay network?***

**Q. WHAT IS FRAME RELAY?**

**A.** Frame Relay is a very efficient and reliable means of transporting high-speed, high volume, bursty data between geographically dispersed local networks ("LANs"). Ideal for LAN-to-LAN internetworking, frame relay offers a cost-and performance-effective alternative to traditional meshed private line networks. Frame relay operates on Frame Relay Protocol, UNI Implementation Agreement FRF1.1., which is the standard protocol approved by the Frame Relay Forum.

Unlike some other transmission media, such as Internet Protocol ("IP"), frame relay today offers the distinct advantage of being able to accommodate efficiently

and reliably data packets of various sizes associated with almost any data protocol. For example, an X.25 packet of 128 or 256 bytes or an Ethernet frame of 1,500 bytes can be switched and transported over a frame relay network. This is possible because the specific data protocol associated with the payload is undisturbed (*i.e.*, no protocol conversion is required) in the process of encapsulating native protocol data units in frame relay frames. Attached as ***Jackson Exhibit 7*** is a diagram showing the various physical components of frame relay.

**Q. WHAT IS A "UNI PORT"?**

A. The User-to-Network Interface ("UNI") Port provides connectivity between the end user and the ILEC's frame relay network.

**Q. WHAT IS "DLCIs AT CIRs"?**

A. Data Link Connection Identifiers ("DLCI") at Committed Information Rates ("CIRs") defines the path and capacity of virtual circuits over which frame relay frames travel across the frame relay network.

**Q. WHAT IS AN "NNI PORT"?**

A. Network-to-Network Interface ("NNI") Port provides carrier-to-carrier connectivity to the ILEC's frame relay network.

**Q. WHAT IS INTERMEDIA'S POSITION WITH RESPECT TO THE FOREGOING ISSUE?**

A. Intermedia has asked BellSouth to establish the frame relay components UNI, NNI, and DLCI at CIR as unbundled network elements, priced at TELRIC-based rates. To date, BellSouth has refused to do so, although it has entered into an interconnection agreement with Intermedia that provides for the interconnection of BellSouth's and Intermedia's frame relay traffic.

Intermedia acknowledges that the FCC has not yet mandated frame relay UNEs. This does not prevent this Authority from doing so, however. In fact, in Paragraph 153 of the *UNE Remand Order*, the FCC made it clear that the Communications Act empowers state regulators "to impose additional obligations upon incumbent LECs beyond those imposed by the national [UNE] list. . ." The Authority should establish these frame relay elements as distinct UNEs because they reflect a vital element of modern, digital networks that is becoming increasingly important.

While Intermedia is one of the nation's largest facilities-based frame relay carriers, its frame relay networks do not reach everywhere. In fact, Intermedia's frame relay network within the State of Tennessee is modest in comparison with the facilities BellSouth has in this State. Although restrictions put in place by the Modification of Final Judgment prevent BellSouth from going "toe-to-toe" with Intermedia on a nationwide basis for frame relay provisioning, this is certainly not the case in any given state, where BellSouth is typically dominant because of its more fully developed network. And just as CLECs need access to ILEC loops and transport to supplement their own networks and expand their reach to provide traditional telephone service, data-oriented CLECs increasingly need access to ILEC frame relay loops and transport in order to extend the reach of their competitive data services. Pursuant to Section 252 of the federal Communications Act, the rates for these UNEs must be set at TELRIC-based levels. For the reasons I discuss below, the Authority should establish interim rates for these frame relay UNEs at 50% of BellSouth's currently effective tariffed rates for UNIs, NNIs and DLCIs at CIR. These rates may be subject to true-up after the Authority has had time to complete a rate inquiry.

Moreover, even if this Authority does not require BellSouth to establish the new frame relay UNEs discussed above, it must still require BellSouth to establish TELRIC-based rates for frame relay interconnection. As I noted above, Intermedia already has an interconnection agreement for frame relay with

BellSouth; however, the rates charged in that agreement reflect BellSouth's tariffed rates, which are not set at TELRIC-based levels. Intermedia was willing to accept these rates as part of the negotiating process that resulted in the currently effective BellSouth/Intermedia interconnection agreement—which was negotiated, not arbitrated. Now, however, Intermedia wishes to exercise its rights under Sections 251 and 252 of the Communications Act, and the FCC's rules that implement the Communications Act. These call for reciprocal compensation for local frame relay traffic, based on TELRIC. Because there have been no cost studies on reciprocal compensation for frame relay, the Authority should mandate bill and keep for local frame relay traffic as an interim rate. The Authority may subject this rate to true-up after a full rate inquiry is completed.

Finally, the Authority should mandate a TELRIC-priced meet-point arrangement for the high-capacity transport link between Intermedia's and BellSouth's respective frame relay switches. Because this transport is generally provided over standard dedicated special access or private line facilities (such as DS1 or DS3), the TELRIC-based rates for this form of interoffice transport should apply, with each party sharing the cost of the line according to the percent of traffic that it carries over it.

***Issue 26: Should parties be allowed to establish their own local calling areas and assign numbers for local use anywhere within such areas, consistent with applicable law?***

**Q. WHAT IS INTERMEDIA'S POSITION WITH RESPECT TO THE FOREGOING ISSUE?**

A. The heart of this controversy is really whether Intermedia's ability to assign NPA/NXXs as it sees fit should be subject to BellSouth's control. Very simply, Intermedia wants to be able to assign NPA/NXXs to its customers that may not be physically present in the rate center with which BellSouth typically associates the NPA/NXXs.

**Q. ARE YOU AWARE OF ANY LAW THAT WOULD PRECLUDE INTERMEDIA FROM ASSIGNING NPA/NXXs TO ITS CUSTOMERS THAT MAY NOT BE PHYSICALLY LOCATED IN THE RATE CENTER TO WHICH THE NPA/NXXs ARE TYPICALLY "HOMED"?**

A. I am not aware of any.

**Q. OTHER THAN THE FACT THAT BELLSOUTH'S PROPOSAL WOULD SEVERELY RESTRICT INTERMEDIA'S FLEXIBILITY TO ASSIGN ITS NPA/NXXs, ARE THERE ANY PUBLIC BENEFITS TO YOUR PROPOSAL?**

**A.** Yes, I can think of one at the moment. Under Intermedia's proposal, Intermedia would be permitted to use one NPA/NXX across multiple rate centers. As the Authority is well aware, the United States is facing numbering exhaust problems. This problem is, to some degree, exacerbated by the current practice of assigning each CLEC an NPA/NXX for each rate center. Intermedia's approach could help alleviate the problem of numbering exhaust by being able to assign an NPA/NXX to customers located in different rate centers.

***Issue 27: Should Intermedia be permitted to establish Points of Presence ("POP") and Points of Interface ("POI") for delivery of its originated interLATA toll traffic?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed. Consequently, I will not provide a discussion of this issue.

***Issue 28: Should the parties include language requiring BellSouth to designate Points of Presence and Points of Interface for delivery of its originated interLATA toll traffic?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed. Consequently, I will not provide a discussion of this issue.

***Issue 29: In the event Intermedia chooses multiple tandem access ("MTA"), must Intermedia establish points of interconnection at all BellSouth access tandems where Intermedia's NXXs are "homed"?***

**Q. WHAT IS MULTIPLE TANDEM ACCESS?**

A. Multiple Tandem Access or MTA allows a CLEC to reach end users served by end offices subtending BellSouth's tandems by interconnecting at only one or less than all of the tandems.

**Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?**

A. BellSouth wants Intermedia to establish a point of interconnection ("POI") at *every* tandem where its NPA/NXXs are homed, even where Intermedia elects to use MTA.

**Q. WHAT IS INTERMEDIA'S POSITION WITH RESPECT TO THE FOREGOING ISSUE?**

A. Any requirement that Intermedia establish a POI at *every* tandem where its NXXs are homed would effectively eliminate the usefulness of MTA altogether.

***Issue 30: Should Intermedia be required to: (a) designate a "home" local tandem for each assigned NPA/NXX; and (b) establish points of interconnection to BellSouth access tandems within the LATA on which Intermedia has NPA/NXXs homed?***

**Q. WHAT IS INTERMEDIA'S POSITION WITH RESPECT TO THE FOREGOING ISSUE?**

A. Intermedia seeks simple and straightforward language that guarantees that Intermedia can interconnect where it is efficient to do so, and without restricting the types of traffic Intermedia can carry over the interconnected facilities. This can be accomplished by eliminating the heavily restrictive language in Sections 1.10, 1.10.1 and 1.10.2 of Attachment 3, and replace it with a simple confirmation that states:

> **Local Tandem Interconnection.** This interconnection arrangement allows Intermedia to establish a Point of Interconnection at BellSouth local tandems for either party's delivery of traffic to the other party.

This simple statement assures that Intermedia can interconnect "at any technically feasible point" on the BellSouth network for the "transmission and routing of telephone exchange service and exchange access," as required by the Communications Act.

**Q. IS BELLSOUTH'S PROPOSED RESTRICTIVE LANGUAGE INCLUDED IN THE CURRENT BELLSOUTH-INTERMEDIA INTERCONNECTION AGREEMENT?**

A. No. As I recall, this is the first time that BellSouth has proposed the inclusion of this language to Intermedia.

**Q. HAS THE FACT THAT THIS LANGUAGE IS NOT IN THE CURRENT BELLSOUTH-INTERMEDIA INTERCONNECTION AGREEMENT CAUSED ANY PROBLEM TO BELLSOUTH IN THE PAST?**

A. No. It is precisely this reason why BellSouth's proposed language is dubious.

***Issue 31: For purposes of compensation, how should IntraLATA Toll Traffic be defined, e.g., should the definition include both voice and data traffic?***

**Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?**

A. BellSouth seeks to define "intraLATA toll traffic" in a manner that specifically excludes messaging or data, and only includes voice traffic.

**Q. WHAT IS INTERMEDIA'S POSITION WITH RESPECT TO THE FOREGOING ISSUE?**

A. It appears that the language proposed by BellSouth in Section 6.7.1 would limit the type of toll traffic that may be carried over an interconnection arrangement. The law makes no distinction between voice and data for interconnection

purposes, however. Accordingly, the language proposed by Intermedia should be adopted. Intermedia's definition would ensure that toll traffic cannot be limited to traffic that uses one type of equipment, such as analog circuit switches, but will include non-local traffic carried over facilities that employ new technologies, such as packet switching.

***Issue 32: How should "Switched Access Traffic" be defined?***

**Q. WHAT IS INTERMEDIA'S POSITION WITH RESPECT TO THE FOREGOING ISSUE?**

A. Intermedia proposes that Switched Access Traffic be defined as "telephone calls requiring local transmission or switching services for the purpose of the origination or termination of Telephone Toll Service," including Feature Groups A, B and D, 800/888 access, and 900 access (and their successors or similar Switched Exchange Access Services).

**Q. HOW DOES THIS DIFFER FROM BELLSOUTH'S LANGUAGE?**

A. BellSouth's proposed definition for Switched Access Traffic is as follows:

> *6.8.1 Switched Access Traffic. Switched Access Traffic is as defined in the BellSouth Access Tariff. Additionally, IP Telephony traffic will be considered switched access traffic.*

**Q. WHAT IS INTERMEDIA'S PROBLEM WITH THIS DEFINITION?**

A. Unfortunately, Intermedia has more than one problem with this definition. First of all, Intermedia has been unable to find *any* definition of the term "Switched Access Traffic" in *any* BellSouth Access Tariff. And, despite Intermedia's request, BellSouth has yet to point out where "Switched Access Traffic" is defined anywhere in any BellSouth tariff, federal or state. So, essentially, BellSouth wants Intermedia to agree in the Parties' interconnection agreement to refer to a definition that doesn't exist at all. This is, at the very least, an unrealistic demand.

Second, Intermedia believes that an agreed-upon definition for an important term such as Switched Access Traffic should be specified in the Parties' interconnection agreement: BellSouth's tariff language changes from time to time, and referring to its tariff allows BellSouth to define this crucial term any way it wishes, perhaps in ways that might be adverse to Intermedia.

Third, Intermedia does not believe that it is appropriate for BellSouth to attempt unilaterally to classify IP Telephony as access service when the FCC has not yet made that determination. Such an attempt would effectively re-write the FCC's

prevailing policy that Internet service is a deregulated, enhanced service, and would improperly prejudge the FCC's future decisions.

**Q. DOES BELLSOUTH INCLUDE THE CONCEPT OF IP TELEPHONY AS SWITCHED ACCESS IN ITS CURRENT ACCESS TARIFFS?**

A. No, not to my knowledge. But BellSouth wants to compel Intermedia to agree to it in the Parties' interconnection agreement nonetheless. I suspect that BellSouth is taking this approach because it believes that access tariff language taking this regulatory stance with respect to IP Telephony would be rejected, since the prevailing law is that Internet service is enhanced/information (not basic or telecommunications) service.

***Issue 33: Should BellSouth and Intermedia be liable to each other for lost switched access revenues due to lost or damaged billing data?***

**Q. WHAT IS INTERMEDIA'S POSITION WITH RESPECT TO THE FOREGOING ISSUE?**

A. This refers to Attachment 3, section 6.8.6 of the Parties' draft interconnection agreement. As a general principle, if conduct of one of the parties involved in a service mutually provided proximately causes a revenue loss for the other party, it would seem sensible for the party causing the loss to compensate the other. In

this case, Intermedia proposes a reciprocally-applicable provision that sets forth sound practices for addressing lost and damaged billing data, and holds financially responsible the party causing the loss. I should point out that Intermedia presently proposes a cap on reimbursement of $100,000 per episode.

**Q. HAS BELLSOUTH REJECTED THIS APPROACH?**

**A.** BellSouth is considering Intermedia's language, but has rejected the $100,000 cap on liability. The Parties are continuing to discuss this issue to determine whether a compromise position can be reached.

***Issue 34: Should the parties determine the rates to be used for intraLATA toll and Switched Access transit traffic, or shall rates from BellSouth's tariffs be utilized?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed. Consequently, I will not provide a discussion of this issue.

***Issue 35: How should Wireless Type 1 and/or Type 2A traffic be treated for purposes of the Parties' interconnection agreement?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

A. This issue has been closed. Consequently, I will not provide a discussion of this issue.

***Issue 36: What should the appropriate compensation mechanism for transit traffic be for purposes of the Parties' interconnection agreement?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

A. This issue has been closed. Consequently, I will not provide a discussion of this issue.

***Issue 37: Should all framed packet data transported within a VC that originate and terminate within a LATA be classified as local traffic?***

**Q. WHAT IS A "VC"?**

A. "VC" or Virtual Circuit (also sometimes referred to as permanent virtual circuit or PVC) is the predetermined path over which frames travel to connect one frame relay user with another.

**Q. WHAT IS THE POSITION OF INTERMEDIA WITH RESPECT TO THE FOREGOING ISSUE?**

A. Intermedia's position is that if frame relay data packets carried over a virtual circuit ("VC") originate and terminate in the same LATA, they should be considered local traffic.

**Q. WHAT IS BELLSOUTH'S POSITION?**

A. Evidently, BellSouth will treat such traffic as local circuit switched traffic for purposes of establishing interconnection only. BellSouth will not consider that traffic to be subject to reciprocal compensation.

**Q. IS IT INTERMEDIA'S POSITION THAT RECIPROCAL COMPENSATION SHOULD APPLY TO THIS TRAFFIC?**

A. Yes. Reciprocal compensation should apply to both circuit-switched and packet-switched local traffic.

***Issue 38: If there are no VCs on a frame relay interconnection facility when it is billed, should the parties deem the Percent Local Circuit Use to be zero?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

A. It is my understanding that this issue has been closed. Consequently, I will not provide a discussion of this issue at this time. I reserve the right to provide additional testimony concerning this issue if my understanding is incorrect.

***Issue 39: What are the appropriate charges for the following: (a) interconnection trunks between the Parties' frame relay switches; (b) frame relay network-to-network interface points; (c) permanent virtual circuit ("PVC") segments (i.e., Data Link Connection Identifier ("DLCI") and Committed Information Rates ("CIR"); (d) requests to change a PVC segment or PVC service order record?***

**Q. WHAT IS INTERMEDIA'S POSITION WITH RESPECT TO THE FOREGOING ISSUE?**

A. The rates and charges for interconnection and compensation for local traffic must reflect incremental cost, as mandated by Sections 251(c)(2) and 252(d)(1) of the Communications Act and the FCC's rules. The FCC has defined the incremental costing methodology that must be used as Total Long Run Incremental Cost. While the FCC's existing TELRIC rules are subject to appeal before the 8th Circuit Court of Appeals, the Supreme Court recently confirmed that the FCC has the discretion to establish the costing rules that must apply to interconnection and reciprocal compensation. In any event, this Authority has employed its own long run incremental costing model in setting rates for interconnection and reciprocal compensation in the past, and this model should also apply to the frame relay traffic arrangements now under discussion.

BellSouth has not shown that its tariffed frame relay rates are based on long run incremental cost, and I believe that it is unlikely that they are. As such, it is inappropriate to use BellSouth's tariffed rates for the frame relay interconnection arrangement under discussion. Intermedia suggests that one-half of BellSouth's tariffed frame relay rates should apply as an interim rate, until such time as the Authority may complete a rate inquiry and determine the appropriate incremental cost-based rates. Setting interim rates at 50% of BellSouth's tariffed frame relay rates is reasonable because that is typically the difference between BellSouth's UNE rates (which are based on incremental costs) and the tariffed rates for services that provide the equivalent functionality. Intermedia would not object to having the interim rates subject to true-up at the time final rates are established.

***Issue 40: Should compensation for the parties' use of frame relay NNI ports be determined by the parties, or be based on recurring and non-recurring rates in BellSouth's interstate access tariff?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed and incorporated into Issue No. 39 above. Please see my preceding discussion.

***Issue 41: Should compensation for the PVC segment between the parties' frame relay switches be determined by the parties, or based on recurring and non-recurring***

*rates in BellSouth's interstate access tariff?*

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed and incorporated into Issue No. 39 above. Please see my preceding discussion.

***Issue 42: Should compensation between the parties for local PVC be based on each party's portion of the non-recurring charge for a DLCI, or on the non-recurring and recurring PVC charges associated with the PVC segment?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed and incorporated into Issue No. 39 above. Please see my preceding discussion.

***Issue 43: Should compensation between the parties for interLATA PVCs be based on the non-recurring charge for a DLCI or on the non-recurring and recurring PVC and CIR charges associated with that PVC segment?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed and incorporated into Issue No. 39 above. Please see my preceding discussion.

***Issue 44: Should the parties' compensation to each other for requests to change a PVC segment or PVC service order record be determined by the parties or should it be based on BellSouth's interstate access tariff?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue has been closed and incorporated into Issue No. 39 above. Please see my preceding discussion.

***Issue 45: Should the interconnection agreement specifically state that the agreement does not address or alter either party's provision of Exchange Access Frame Relay Service or interLATA Frame Relay Service?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

**A.** This issue was closed at the mediation session before the Tennessee Regulatory Authority. Specifically, the Parties have agreed that Attachment 3, Section 7.9.6 of the proposed interconnection agreement, should be stricken in its entirety. Consequently, I am not providing a discussion of this issue.

***Issue 46: Should Intermedia's obligation to identify and report quarterly to BellSouth the PLCU of the Frame Relay facilities it uses cease when BellSouth obtains authority to provide in-region interLATA service?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

A. This issue has been closed. Consequently, I will not provide a discussion of this issue.

***Issue 47: Should BellSouth be required to offer frame relay interconnection at TELRIC rates, and should there be a true-up if it is subsequently found during the term of the agreement that BellSouth's rates were in excess of TELRIC?***

**Q. WHAT IS THE STATUS OF THIS ISSUE?**

A. This issue has been closed and incorporated into Issue No. 39 above. Please see my preceding discussion.

***Issue 48: Should the parties adopt the performance measures, standards and penalties imposed by the Texas Public Utility Commission on Southwestern Bell Telephone?***

**Q. WHAT IS INTERMEDIA'S POSITION WITH RESPECT TO THE FOREGOING ISSUE?**

A. Intermedia proposes the inclusion in the interconnection agreement of ascertainable performance metrics. In addition, Intermedia proposes that self-executing enforcement mechanisms be established that would apply when BellSouth's fails to meet mutually established performance standards. The purpose of the self-executing enforcement mechanisms would be to secure performance, not to establish damages or penalties for breach of contract.

Obviously, Intermedia cannot make a business out of collecting damages from BellSouth for faulty performance—what Intermedia is seeking is an enforceable assurance of satisfactory performance from BellSouth so that it can serve its customers. Self-executing enforcement mechanisms are appropriate to secure performance precisely because damages would likely not be adequate to cure both the business injury to Intermedia and the anticompetitive consequences of non-performance. Indeed, in a recent arbitration between BellSouth and ITC DeltaCom (Docket No. 99-00430), this Authority confirmed that performance measures and enforcement mechanisms are critical in ensuring BellSouth's compliance with the requirements of the Communications Act.

**Q. IN VIEW OF THE FACT THAT PERFORMANCE MEASURES ARE SO COMPLEX, AND INCLUDE SO MANY DIVERSE ELEMENTS THAT MUST BE MONITORED AND ENFORCED, HOW DOES INTERMEDIA RECOMMEND THAT THE AUTHORITY PROCEED?**

A. Intermedia considers that, for the most part, this work has been painstakingly done already by the Texas PUC in its performance measures and performance remedy plan (the "Texas Plan") imposed on Southwestern Bell Telephone ("SWBT") Intermedia believes that, as a shortcut, the Texas Plan could be imported into Tennessee and applied there. If BellSouth can convincingly demonstrate that its provision of service in certain discrete instances is materially

divergent from SWBT's practices in Texas, perhaps the plan could be modified slightly and customized for Tennessee. However, it is very likely, in my opinion, that this plan could be adopted "in whole cloth" so that Tennessee and its consumers can benefit from the work already carefully performed in Texas. After all, the public benefits directly from having certainty as to BellSouth's performance, whether for its own customers or on behalf of customers who have chosen competitive carriers for their service.

**Q. PLEASE DESCRIBE THE "TEXAS PLAN" TO WHICH YOU REFER.**

A. I am by no means an expert on the Texas Plan, but as I understand it, as part of its Section 271 proceeding, the Texas PUC has approved a set of performance measures and accompanying remedy plan for use in evaluating SWBT's wholesale performance. SWBT has established 131 performance measures. The performance measures themselves are divided into three categories: Tier 1, Tier-2, and diagnostic. There are 52 Tier-1, 52 Tier-2, and 36 diagnostic measures. Tier-1 measures provide for damages payable directly to CLECs for substandard performance. Tier-1 damages escalate for each month that SWBT misses a measure for a respective CLEC. Tier-2 measures, on the other hand, are the most critical customer and competition-affecting measures. Specifically, if SWBT provides inadequate service for three consecutive months on a Tier-2 measure, SWBT is obligated to pay an assessment to the State of Texas, in addition to any

Tier-1 damages due for a particular measure. Additionally, several diagnostic measures have been implemented to further capture performance.

**Q. WHAT ARE SOME OF THE MEASUREMENTS ESTABLISHED IN THE TEXAS PLAN?**

A. There are fifteen (15) major categories of performance measurements under the Texas Plan: resale POTs, resale specials, and UNEs (which includes measurements for pre-ordering/ordering, billing, and miscellaneous administrative); resale POTs and UNE loop and port combinations combined by SWBT; resale specials and UNE loops and port combinations combined by SWBT (which excludes "access" orders); UNEs; interconnection trunks; directory assistance and operator services; interim number portability; local number portability; 911; poles, conduit, and rights of way; collocation; directory assistance database; coordinated conversions; NXX; and bona fide/special request process. Under each of these major categories are specific measurements, such as Average Time to Return FOC; Mean Time to Return Mechanized Rejects; Order Process Percent Flow Through; Percent Busy in the Local Operations Center; Local Service Center Average Speed of Answer; Percent Installations Completed Within Industry Guidelines for LNP with Loop; Average Trunk Restoration Interval for Service Affecting Trunk Groups; and the list goes on. The

performance measures are clearly very detailed and highly specific. I have attached to this testimony as ***Jackson Exhibit 8*** a copy of the Texas Plan.

**Q. HAVEN'T PORTIONS OF THE TEXAS PLAN BEEN ADOPTED BY THIS AUTHORITY?**

A. Yes. In the *ITC DeltaCom Case* in Docket No. 99-00430, the Authority adopted certain of the Texas Plan measurements and added them to BellSouth's proposed SQMs. Some of the measurements adopted by the TRA include: Percent Firm Order Confirmation Returned; Percent Mechanized Rejects Returned; Billing Completeness; Percent Busy in the Local Service Center; Percent Installations Completed within Industry Guidelines for LNP with Loop; Directory Assistance Average Speed of Answer; Percentage Premature Disconnects for LNP Orders; Mean Time to Repair; Percentage of Request Processed within 30 Business Days; Percentage of DA Database Accuracy for Manual Updates; and Percent NXXs Loaded and Tested Prior to the LERG Effective Date.

**Q. WHAT RELIEF ARE YOU REQUESTING FROM THIS AUTHORITY?**

A: Intermedia respectfully requests that the Authority adopt the Texas Plan in full. In the alternative, Intermedia requests that the Authority adopt the same performance measures and self-executing enforcement mechanisms it adopted in

the DeltaCom arbitration, subject to further modification to incorporate additional performance measures and self-executing enforcement mechanisms ultimately adopted by the Authority in a separate performance measures generic proceeding.

**Q. DO YOU HAVE ANY CONCLUDING REMARKS?**

A. Yes. Intermedia is not asking for much in this proceeding. Intermedia wants to be compensated for the transport of termination of local traffic, including ISP traffic, at the appropriate level. It wants access to UNEs and UNE combinations, as mandated by applicable law. It wants appropriately provisioned collocation. It wants flexibility to assign its numbering resources and establish its calling areas. It wants reasonable and efficient interconnection. Finally, it wants performance measurements and self-executing enforcement mechanisms to ensure parity of performance. These are reasonable, and indeed, statutorily mandated, requirements. Intermedia respectfully requests that the Authority rule in its favor on each of the open arbitration issues.

**Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

A. Yes. I would like to reserve the right, however, to amend or modify my testimony, as appropriate.

**END OF TESTIMONY**

# DOCKET NO. 99-00948
# JACKSON DIRECT EXHIBIT 1
# JULY 18, 2000

# REVISED JOINT ISSUES MATRIX
# BELLSOUTH/INTERMEDIA ARBITRATION
# SUBMITTED TO THE TRA ON JULY 18, 2000
# TENNESSEE

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 7/18/2000 |
|---|---|---|---|---|---|---|
| **Issue 1:** Should the parties wait for final and nonappealable legislative, regulatory, judicial or other legislation before amending the contract to implement such actions? | No. Once a legislative, regulatory or judicial action becomes "effective," the parties should be able to implement it for purposes of their agreement. | Yes. BellSouth believes that a party should wait until an action is nonappealable before implementing the action; otherwise, the parties are potentially subject to multiple amendments to the contract. | General Terms and Conditions, Part A, § 16.5; Attachment 3, § 6.6.2. | N/A | | **CLOSED. BellSouth agreed to accept Intermedia's language.** |
| **Revised Issue 2:** Should the definition of "Local Traffic" for purposes of the Parties' reciprocal compensation obligations under Section 251(b)(5) of the 1996 Act include the following: | | | | | | **The parties agreed to split this issue into two subparts for consideration.** |

**REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/2**

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| 2(a) ISP traffic? | Yes. Intermedia should be fairly compensated for use of its facilities in the carriage of traffic originated by BellSouth customers. | "Local traffic" should be defined to apply only to traffic that originates and terminates within a local area. The definition should expressly exclude traffic to Internet Service Providers, which is interstate traffic. | Attachment 3, § 6.1 to 6.1.5. General Terms and Conditions Part B – definition of local traffic. | First Report and Order, *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, 11 FCC Rcd 13042, 16013, ¶ 1034; Declaratory Ruling, CC Docket No. 96-98, ¶ ¶ 26 n. 87 and 27 (Feb. 26, 199), 47 USC § 251(b)(5) and § 251(d)(2)(A). | | **ARBITRATE.** |
| 2(b) False traffic deliberately generated for the sole purpose of obtaining increased reciprocal compensation (e.g., Router-Router traffic)? | Intermedia does not oppose this BellSouth position on its merits, but seeks clearer language that is not overbroad. | BellSouth should not have to pay reciprocal compensation for false traffic generated for the purpose of obtaining reciprocal compensation. | Attachment 3, § 6.1 to 6.1.5. General Terms and Conditions Part B – definition of local traffic. | N/A | | **CLOSED. The parties agreed to new language on February 23, 2000.** |

## REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/3

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| **Issue 3:** Should Intermedia be compensated for end office, tandem, and transport elements, for purposes of reciprocal compensation? | Yes. In accordance with FCC Rule 51.711, Intermedia is entitled to be compensated at BellSouth's tandem interconnection rate if its switch covers a geographic area comparable to that covered by a BellSouth tandem switch. | Intermedia should be compensated for those functions it provides. The appropriate rates for reciprocal compensation are the elemental rates for end office switching, tandem switching and common transport that are used to transport and terminate local traffic. If a call is not handled by Intermedia's switch on a tandem basis, it is not appropriate to pay Intermedia reciprocal compensation for the tandem switching function. | Attachment 3, § 6.2. | *AT&T v. Iowa Utils. Bd.*, 119 S. Ct. 721 (1999); 47 C.F.R. § 51.711. | | **ARBITRATE.** |

## REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/4

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 4: Should BellSouth be required to pay for additional transport charges where Intermedia has configured its network in a way that its switch is in a different LATA than Intermedia's end user customer? | Yes. Intermedia designs its networks for its own business purposes and to provide the best possible service to its customers, not primarily for minimizing cost to BellSouth. BellSouth should be required to compensate Intermedia for services it receives, rather than suggesting that Intermedia redesign its network to accommodate BellSouth's interests. | No. BellSouth is required by law to hand off its traffic within the same LATA where the traffic is originated. BellSouth should not be forced into paying additional transport costs due to an inefficient configuration of Intermedia's network. | Attachment 3, § 6.1.6. | N/A | | **CLOSED** Intermedia agreed to accept BellSouth's language. |

## REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/5

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 5: Should Intermedia be allowed to assign NPA/NXX's in such a way so as to make it impossible for BellSouth to distinguish local from non-local traffic for BellSouth originated traffic? | Intermedia objects to BellSouth's pejorative and inaccurate framing of this issue. The point of Intermedia's proposed language is not to make it difficult for BellSouth to distinguish between local and non-local traffic as stated. Intermedia's language is intended to allow Intermedia appropriate flexibility in designing local calling areas and assigning NPA/NXXs so that Intermedia may provide innovative and competitive services to its customers. BellSouth's complaint that it cannot distinguish the character of traffic is unfounded. Intermedia's language allows for the exchange of CPNI data, and in instances where that is not available, exchange | No. If Intermedia assigns NPA/NXXs outside the BellSouth local calling area where the NPA/NXX is homed, BellSouth will not be able to identify whether BellSouth customers are making local, intraLATA or interLATA toll calls to Intermedia customers. | Attachment 3, §§ 1.2 and 1.2.1 | | | **CLOSED. The parties agreed that Issue 5 should be closed, and its content subsumed under Issue 26.** |

## REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/6

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| **Revised Issue 6:** Are BellSouth's proposed collocation intervals (a) appropriate, and (b) should they be measured in business days? | No. For example, BellSouth's interval of 30 business days for providing a response to a collocation request is unreasonably long. Similarly, BellSouth's interval of 90 to 130 *business days* for provisioning physical collocation is simply too long to be acceptable. In addition, BellSouth's intervals should be measured in "calendar" as opposed to "business" days. The use of "business" versus "calendar" days is deceptive and unreasonably prolongs Intermedia's ability to obtain collocation. | Business days. The FCC has not precluded the use of business days, therefore it is fair to use business days. BellSouth believes that business days are the appropriate means of calculating provisioning intervals. This language is reflected in BellSouth's standard interconnection agreement: "BellSouth will use best efforts to complete construction for collocation arrangements under ordinary conditions as soon as possible and within a maximum of 90 business days from receipt of a complete and accurate Bona Fide Firm Order." | Attachment 4, §§ 2.6, 6.4.3 | 47 U.S.C. § 251(c)(6); 47 C.F.R. § 51.323(d); *Deployment of Wireline Services Offering Advanced Telecommunications Capability,* CC Docket No. 98-147, First Report and Order in Docket No. 99-98, (released March 31, 1999). | | **ARBITRATE.** **This issue has been revised to incorporate issue nos. 6, 8, and 9, per the TRA's instructions on 6/2/2000.** |

**REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/7**

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| **Revised Issue 7**: What charges should Intermedia pay to BellSouth for space preparation for physical collocation? | Intermedia considers that BellSouth's space preparation charges are unreasonable on their face, in part because the quoted charges do not appear to have any cost basis in the task at hand. Moreover, apart from the magnitude of the charges, many of BellSouth's charges for space preparation are "ICB" when they should be definitive, cost-based charges. This is in violation of the FCC's policies, and hinders competition. | The issue of appropriate rates for physical collocation, including space preparation charges, is currently pending before the Authority in Docket 97-01262. BellSouth proposes that the Interconnection Agreement incorporates the rates for space preparation that result from the Authority's decision in that proceeding. | Attachment 4, § 6.4. | 47 U.S.C. § 251(c)(6); 47 C.F.R. § 51.323(d); *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket No. 98-147, First Report and Order in Docket No. 99-98, (released March 31, 1999). | | **ARBITRATE.** |

## REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/8

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 8: Is BellSouth's interval for responding to Intermedia's bona fide collocation requests appropriate? | No. 30 business days is an unreasonable interval for such a minimal transaction: nearly 6 weeks. The FCC has specified that ILECs should respond within 10 days as to space availability. BellSouth's language indicates that it will respond within 10 days as to whether a collocation order is Bona Fide or not, but it takes 30 days to have a substantive response. This violates the FCC's stated policies. | Yes. BellSouth believes that 30 business days is a reasonable time frame within which to respond to a CLEC's request and to advise a CLEC of the availability of collocation space in a specific office and what the cost will be. However, within this 30 business day time frame, BellSouth advises CLECs within 10 business days if space will be available. | Attachment 4, § 6.2 | 47 U.S.C. § 251(c)(6); 47 C.F.R. § 51.323(d); *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket No. 98-147, First Report and Order in Docket No. 99-98, (released March 31, 1999) at ¶ 55. | | CLOSED. **The parties agreed to close this issue and incorporate its content into Revised Issue 6.** |

**REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/9**

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 9: Is BellSouth's interval for physical collocation provisioning appropriate? | No. The 90 *business day* and 130 *business day* intervals are far too long to be realistic. 90 business days is approximately 18 weeks, or 4½ months; 130 business days is nearly 6 months. Intermedia proposes the use of calendar days as a compromise. | Yes. The FCC has not precluded the use of business days, therefore it is fair to use business days. As to the interval, BellSouth is not required by the FCC's Advanced Services Order to provide cageless collocation within fixed intervals. (¶ 54 First Report and Order and FNPRM, CC Docket 98-147) | Attachment 4, § 6.2 | 47 U.S.C. § 251(c)(6); 47 C.F.R. § 51.323(d); *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket No. 98-147, First Report and Order in Docket No. 99-98, (released March 31, 1999). | | **CLOSED. The parties agreed to close this issue and incorporate its content into Revised Issue 6.** |

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| **Issue 10**: What should BellSouth's policies be regarding conversion of virtual to physical collocation? | In the first instance, it should not be necessary from a technical or practical standpoint to relocate Intermedia's arrangement to a different portion of BellSouth's offices when converting to a cageless collocation arrangement. The FCC's rules forbid unreasonable segregation of CLEC equipment in this manner. Moreover, if for its own purposes, BellSouth wishes to take the extraordinary step of moving Intermedia's virtual arrangements to a different portion of its office – something that is patently unnecessary in nearly all cases -- BellSouth should both cover the costs of doing so, and ensure that it does not interrupt or disrupt services to | BellSouth will convert virtual collocation arrangements to physical collocation arrangements upon Intermedia's request. However, if BellSouth determines in a nondiscriminatory manner that the arrangement must be relocated, Intermedia should pay the cost of such relocation. | Attachment 4, § 6.9 | 47 U.S.C. § 251(c)(6); 47 C.F.R. § 51.323(d); *Deployment of Wireline Services Offering Advanced Telecommunications Capability,* CC Docket No. 98-147, First Report and Order in Docket No. 99-98, (released March 31, 1999). | | **ARBITRATE.**<br><br>**Note: This issue has been rephrased in conformity with the TRA Staff's suggestion.** |

**REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/11**

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 11: Should BellSouth be required to provide reasonable and non-discriminatory access to UNEs in accordance with all effective rules and decisions by the FCC and this Commission? | Yes. This is required by applicable law. | BellSouth has proposed language. | Attachment 2, New item 1.8 (p. 56). | *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released November 5, 1999); 47 U.S.C. § 51.319. | | **CLOSED. BellSouth agreed to adopt Intermedia's language.** |

## REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/12

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Revised Issue 12: What is the appropriate definition of "currently combines" pursuant to FCC Rule 51.315(b)? | BellSouth should provide Intermedia access at UNE rates to combinations of network elements that exist in BellSouth's network. | BellSouth's obligation should be limited to combinations that currently exist to serve a particular customer at a particular location. | Attachment 2, New item 1.9 (p. 56). | *AT&T v. Iowa Utils. Bd.*, 119 S. Ct. 721, 736-38 (1999); *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 475; 47 U.S.C. § 51.315. | | **ARBITRATE.** |
| **Revised Issue 13:** Should BellSouth be required to: | | | | | | **The parties agreed to split this issue into two subparts for consideration.** |

**REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/13**

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| 13(a): provide access to enhanced extended links ("EELs") at UNE rates; and | Yes, the law requires BellSouth to provide access to EELs at UNE rates. | BellSouth's obligation should be limited to combinations that currently exist to serve a particular customer at a particular location. | Attachment 2, New item 1.10 (p. 56). | *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 480; 47 U.S.C. § 51.315. | | **ARBITRATE.** |

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| 13(b). allow Intermedia to convert existing special access services to EELs at UNE rates? | Yes, the law requires BellSouth to convert, upon request, existing special access services to EELs at UNE rates. | Intermedia's ability to convert special access facilities to EELs at UNE rates is constrained at least until the FCC completes its Fourth Notice of Proposed Rulemaking. Until that rulemaking is complete, carriers may not convert special access services to combinations of UNEs unless the carrier uses the UNE combination to provide a significant amount of local exchange service, in addition to exchange access service to a particular customer. | Attachment 2, New item 1.10 (p. 56). | *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 480; 47 U.S.C. § 51.315. | | **CLOSED. Parties signed Combination Amendment to current Interconnection Agreement. Intermedia signed on 7/7/00, and BellSouth filed on 7/12/00.** |

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 14: Should the parties utilize the FCC's most recent definition of "local loop"? | Yes. This updated definition contains substantive clarifications that are essential for purposes of the parties' agreement. | BellSouth proposed language which it believes is consistent with §51.319(a)(1) of the FCC's UNE Remand Order. | Attachment 2, item 2.2.1 (p. 57). | *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 166-167; 47 U.S.C. § 51.319(a)(1). | | **CLOSED. BellSouth agreed to accept the FCC's definitional language; Intermedia has withdrawn the issue.** |

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 15: Should BellSouth be required to condition loops in accordance with the FCC's most recent ruling? | Yes. It is essential for CLECs offering advanced services to be able to obtain reliable access to conditioned loops. | BellSouth agrees that it is required to condition loops in accordance with the FCC's 319 Order and has proposed language which it believes is consistent with §51.319(a)(3) of the FCC's UNE Remand Order and with Intermedia's proposed language. | Attachment 2, new items 2.4 and 2.4.1 through 2.4.4 (p. 57). | *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 172; 47 USC § 51.319(a)(6). | | **CLOSED. The parties agreed to new language on February 23, 2000.** |
| Issue 16: Should the parties utilize the FCC's most recent definition of network interface device ("NID")? | Yes. The FCC's new definition of NID is updated and made more flexible to keep pace with changing technology and business practices. It is appropriate to include it in the parties' agreement. | Unstated. | Attachment 2, item 4.1.1 (p. 57) | *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 233. | | **CLOSED. BellSouth agreed to use the definition from the FCC's UNE Remand Order.** |

**REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/17**

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 17: Should BellSouth be required to offer subloop unbundling and access to BellSouth-owned inside wiring in accordance with the UNE Remand Order and FCC Rule 319(a)? | Yes. This is now required by applicable law, and it should be included in the parties' agreement. | Where facilities permit and subject to applicable and effective FCC rules and orders, BellSouth shall offer access to its Unbundled Sub Loop (USL), Unbundled Sub Loop Concentration (USLC) and Unbundled Network Terminating Wire (UNTW) elements. BellSouth shall provide nondiscriminatory access, in accordance with § 51.311 and section 251(c)(3) of the Act, to the subloop, including inside wiring owned or controlled by BellSouth, if any, on an unbundled basis. | Attachment 2, items 6.1 and 6.2.1.1 through 6.2.1.2, new items 6.2.1.3 through 6.2.1.4; items 6.3.1 through 6.4.1; items 6.6, 6.6.1, 6.6.2, 6.6.3, 6.6.4 and 6.6.5 (pp. 58-59) | *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 205-207. | | **CLOSED. The parties agreed to new language on February 23, 2000.** |

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| **Revised Issue 18:** Should BellSouth be required to provide access on an unbundled basis in accordance with, and as defined in, the FCC's UNE Remand Order, to the following: | | | | | | **The parties agreed to split this issue into three subparts for consideration.** |
| 18(a) local circuit switching | Yes. Applicable law (the UNE Remand Order and 47 C.F.R. § 51.319(a)) require this, and the parties' agreement should reflect the current rules. | Unstated | | | | **CLOSED. BellSouth agreed to track FCC rule language.** |

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| 18(b) local tandem switching | Yes. Applicable law (the UNE Remand Order and 47 C.F.R. § 51.319(a)) require this, and the parties' agreement should reflect the latest rules. | Unstated | | | | **CLOSED. BellSouth agreed to track FCC rule language.** |
| 18(c) packet switching capabilities | Yes, the unbundling of packet switching is required in certain instances. | Neither the 1996 Act nor the FCC's Rules require unbundling of packet switching. In its UNE Remand Order, the FCC expressly declined "to unbundle specific packet switching technologies incumbents LECs may have deployed in their networks." (Para. 311) | Attachment 2, items 7.1.1 and new 7.1.1.1(p. 60) | *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 241-317; 47 C.F.R. § 51.319(c). | | **ARBITRATE.** |

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 19: Should the parties utilize a definition of local tandem switching capability consistent with the FCC's most recent ruling? | Yes. | Unstated. | Attachment 2, new item 7.1.1.3 (pp. 60-61); 9.9.1 (p. 63) | *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 241-299; 47 C.F.R. § 51.319(c)(2). | | **CLOSED. The parties agreed to close this issue, and move its content to a revised Issue 18.** |

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 20: Should the parties utilize a definition of local circuit switching capability consistent with the FCC's most recent ruling? | Yes. | Unstated | Attachment 2, new item 7.1.1.1 (pp. 60) | *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 244; 47 C.F.R. § 51.319(c)(1)(A). | | **CLOSED The parties agreed to close this issue, and move its content to a revised Issue 18.** |

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 21: Should the parties utilize a definition of a packet switching capability consistent with the FCC's most recent ruling? | Yes. | Unstated | Attachment 2, new item 7.1.1.4 (p. 61) | *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 302; 47 C.F.R. § 51.319(c)(3). | | **CLOSED The parties agreed to close this issue, and move its content to a revised Issue 18.** |

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| **Revised Issue 22:** Should BellSouth be required to provide nondiscriminatory access to interoffice transmission facilities, including *dedicated transport* (defined as incumbent LEC transmission facilities, including all technically feasible capacity-related services including, but not limited to, DS1, DS3 and OCn levels, dedicated to a particular customer or carrier, that provides telecommunications between wire centers owned by incumbent LECs or requesting telecommunications carriers, or between switches owned by incumbent LECs or requesting telecommunications carriers), *dark fiber transport* (defined as | Yes. In addition, interoffice transport rates should be consistent with the pricing requirements of the 1996 Act. | BellSouth agrees that it is required to provide nondiscriminatory access to interoffice transmission facilities and has proposed language which it believes is consistent with §51.319(d) of the FCC's UNE Remand Order and with Intermedia's proposed language. | Attachment 2, item 8., new item 8.1.1, 8.3.1, 8.3.1.1 (p. 62) | *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 321; 47 C.F.R. § 51.319(d). | | **CLOSED. Intermedia has agreed to accept BellSouth's proposed rates. Each of the rates proposed by BellSouth in Tennessee will be TELRIC-based and will be interim, subject to a retroactive true-up, at such time as the Authority establishes permanent rates.** |

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 23: Should the parties utilize a definition of interoffice transmission facilities consistent with the FCC's most recent ruling, that includes dark fiber, DS1, DS# and OCn levels, and shared transport? | Yes. | Unstated at present. | Attachment s, item 8.1 (p. 62) | *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 322-330; 47C.F.R. § 51.319(d). | | **CLOSED. The parties agreed to close this issue, and move its content to a revised Issue 22.** |

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 24: Should BellSouth provide nondiscriminatory access to operations support systems ("OSS") and should the parties utilize a definition of OSS consistent with the FCC's most recent ruling? | Yes. | Unstated | Attachment 2, item 17.2 (p. 63) | *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 421-437; 47C.F.R. § 51.319(g). | | **CLOSED. Intermedia agreed to withdraw this issue and accept BellSouth's proposed language.** |

## REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/26

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| **Revised Issue 25**: Should BellSouth be required to furnish access to the following as UNEs: (i) User-to-Network Interface or "UNI," which provides connectivity between the end user and the frame relay network; (ii) Network-to-Network Interface or "NNI," which provides carrier-to-carrier connectivity to the frame relay network; and (iii) Data Link Control Identifiers or "DLCIs", at Intermedia-specified Committed Information Rates or "CIRs," which define the path and capacity of virtual circuits over which frame relay frames travel across the frame relay network? | Yes. These UNEs meet the requirements of the 1996 Act, and the TRA is empowered to mandate their availability. | No. These are components of Frame Relay, and Frame Relay is a form of packet switching. See BellSouth's response to issue 18(c). | Attachment 2, item 17.2 (p. 63) | *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (released Nov. 5, 1999) at ¶ 302-317. | | **ARBITRATE. This issue has been revised per the TRA's instructions on 6/2/2000.** |

**REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/27**

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 26: Should parties be allowed to establish their own local calling areas and assign numbers for local use anywhere within such areas, consistent with applicable law? | Yes, the parties should have the flexibility to assign their NPA/NXXs as they see fit, as well as to establish their own calling areas without being forced to mirror the other party's network topology. | When a CLEC assigns numbers having the same NPA/NXX to customers both inside and outside the BellSouth local calling area where the NPA/NXX is homed, it is impossible for BellSouth to determine whether BellSouth's end users are making a local or a long distance call when BellSouth's end user calls the CLEC's end user. Consequently, BellSouth can't tell whether access or reciprocal compensation should apply to the resulting traffic. | Attachment 3, items 1.2 and 1.2.1 (p. 3); item 1.9 (pp. 5-6); items 1.10.1 and 1.10.2 (p. 7) | N/A | | ARBITRATE. |

## REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/28

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 27: Should Intermedia be permitted to establish Points of Presence ("POP") and Points of Interface ("POI") for delivery of its originated interLATA toll traffic? | Yes. | All local service providers, including BellSouth and CLECs, should be permitted to establish Points of Interface (POI) as they choose so long as each local service provider designates at least one POI within the LATA to which it will deliver traffic originated by its end user customers bound for the end user customers of another local service provider. | Attachment 3, item 1.6 (p. 5) | N/A | | **CLOSED. The parties agreed to new language on February 23, 2000.** |
| Issue 28: Should the parties include language requiring BellSouth to designate Points of Presence and Points of Interface for delivery of its originated *inter*LATA toll traffic? | Yes. | Unstated | Attachment 3, item 1.7 (p. 5) | N/A | | **CLOSED. Intermedia agreed to withdraw this issue.** |

**REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/29**

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| **Issue 29:** In the event Intermedia chooses multiple tandem access ("MTA"), must Intermedia establish points of interconnection at all BellSouth access tandems where Intermedia's NXXs are "homed"? | No. Intermedia must have the freedom to configure its network and to assign NXXs in the most efficient manner possible, and to define local calling areas as it chooses. | Yes. If Intermedia elects BellSouth's multiple tandem access ("MTA") offer, Intermedia must designate for each of Intermedia's switches the BellSouth tandem at which BellSouth will receive traffic originated by Intermedia's end user customers. | Attachment 3, § 1.9 (page 5) | N/A | | **ARBITRATE.** |
| **Revised Issue 30:** Should Intermedia be required to: | | | | | | **The parties agreed to split this issue into two subparts.** |

**REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/30**

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| 30(a) designate a "home" local tandem for each assigned NPA/NXX; and | No. Intermedia desires simple and straightforward language guaranteeing that Intermedia can interconnect where it is efficient to do so, without restricting the type of traffic Intermedia can carry over the interconnected facilities. | Yes. If more than one BellSouth local tandem serves a particular local calling area, Intermedia must establish one of the BellSouth local tandems as a home local tandem for each of its NPA/NXXs. | Attachment 3, § 1.10.1 and 1.10.2 (page 7) | N/A | | **ARBITRATE.** |
| 30(b) establish points of interconnection to BellSouth access tandems within the LATA on which Intermedia has NPA/NXXs homed? | No. Intermedia desires simple and straightforward language guaranteeing that Intermedia can interconnect where it is efficient to do so, without restricting the type of traffic Intermedia can carry over the interconnected facilities. | Yes. Intermedia must interconnect at each access tandem where its NPA/NXXs are homed for Intermedia's exchange access traffic. | Attachment 3, § 1.10.1 and 1.10.2 (page 7) | N/A | | **ARBITRATE.** |

**REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/31**

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| **Issue 31:** For purposes of compensation, how should IntraLATA Toll Traffic be defined, *e.g.*, should the definition include both voice and data traffic? | IntraLATA Toll Traffic should be defined as all basic intraLATA message service calls other than Local Traffic, and should include both voice and data traffic. | IntraLATA Toll Traffic should be defined as any telephone call that is not local or switched access per the parties' agreement. | Attachment 3, item 6.7.1 (p. 16) | N/A | | **ARBITRATE,**<br><br>**Note: This issue has been rephrased in conformity with the TRA Staff's suggestion.** |

## REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/32

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| **Issue 32:** How should "Switched Access Traffic" be defined? | Switched Access Traffic should be defined as telephone calls requiring local transmission or switching services for the purpose of the origination or termination of Telephone Toll Service," including Feature Groups A, B and D, 800/888 access, and 900 access (and their successors or similar Switched Exchange Access Services). In no instance should IP telephony be included within the definition of Switched Access Traffic. | Switched Access Traffic should be defined in accordance with BellSouth's access tariff and should include IP Telephony. | Attachment 3, item 6.8.1 (p. 17) | N/A | | **ARBITRATE.** |

## REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/33

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| **Revised Issue 33:**<br><br>(a) Should BellSouth and Intermedia be liable to each other for lost switched access revenues due to lost or damaged billing data?<br><br>(b) Should there be a cap on the liability, and if so, what should that cap be? | Yes. If one party causes a revenue loss to the other due to lost or damage billing data, the responsible party should be liable, up to a maximum of $10,000 per episode. | Because this issue addresses switched access revenues, it is not appropriate for arbitration under section 252 of the Act. However, BellSouth is agreeable to Intermedia's proposed language, except that BellSouth does not wish to place a cap on the liabilities of the parties. BellSouth's switched access revenues are substantial, and BellSouth must rely on accurate information from CLECs such as Intermedia in order for BellSouth to accurately bill the appropriate IXCs. | Attachment 3, item 6.8.4 through 6.8.7 (p. 17) | N/A | | **ARBITRATE. The parties agreed to recast this issue to limit it to switched access revenues.**<br><br>**Note: This issue has been rephrased in conformity with the TRA Staff's suggestion.** |

**REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/34**

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 34: Should the parties determine the rates to be used for intraLATA toll and Switched Access transit traffic, or should rates from BellSouth's tariffs be utilized? | The parties should determine the rates they use, and BellSouth's tariffed rates should not be utilized for Intermedia's rates | BellSouth's access tariff should determine the rates for both parties. | Attachment 3, item 6.9 (p. 19) | N/A | | **CLOSED. BellSouth agreed that each party's tariffed rate shall govern.** |

**REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/35**

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| **Revised Issue 35:** How should Wireless Type 1 and/or Type 2A traffic be treated for purposes of the Parties' interconnection agreement? | BellSouth should not exclude these traffic types from transit traffic. The Communications Act does not restrict the type of traffic that may be carried over interconnection arrangements, and restrictions should not be allowed for public policy reasons. | Because Wireless Type 1 traffic is indistinguishable from land-line traffic, such traffic must be treated as if it were land-line traffic originated by BellSouth or the CLEC. Wireless Type 2A traffic should be treated as if it were land-line traffic originated by either BellSouth or the CLEC until the involved parties have the necessary Meet Point Billing system capabilities. | Attachment 3, item 6.9 (p. 19) | N/A | | **CLOSED. The parties agreed to new language on February 23, 2000.** |

## REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/36

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| **Revised Issue 36:** What should the appropriate compensation mechanism for transit traffic be for purposes of the Parties' interconnection agreement? | Intermedia has proposed language for BellSouth's review. | The appropriate compensation for transit traffic depends on whether the call is a local call or a long distance call. If it is a local call, then reciprocal compensation is the appropriate compensation mechanism. If it is a long distance call, then the applicable rate from either the state or the federal access service tariff is the appropriate compensation mechanism. Wireless Type 1 traffic will be compensated as local traffic. Wireless Type 2A traffic will be compensated as local traffic until the wireless provider executes a meet-point billing arrangement with BellSouth. Once that arrangement is established, such traffic will be compensated as | Attachment 3, new item 6.9.2 (p. 20) | N/A | | **CLOSED. The parties agreed to new language on February 23, 2000.** |

**REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/37**

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 37: Should all framed packet data transported within a Virtual Circuit that originate and terminate within a LATA be classified as local traffic? | Yes. Similarly, because the traffic is local traffic, it should be subject to reciprocal compensation like any other local traffic. | BellSouth agrees that all framed packet data transported within a VC that originate and terminate within a LATA will be classified as local traffic. However, BellSouth contends that frame relay traffic originated and terminated in the LATA is not subject to reciprocal compensation. | Attachment 3, item 7.5.1 (p. 22) | N/A | | **ARBITRATE.** |

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 38: If there are no Virtual Circuits on a frame relay interconnection facility when it is billed, should the parties deem the Percent Local Circuit Use to be zero? | No. The PLCU should be deemed to be 100%. Any other percentage could unreasonably impose higher rates on Intermedia, even though BellSouth would not be incurring higher costs in providing the facility. | Yes. BellSouth proposes a PLCU of zero in such circumstances. Frame Relay interconnection trunks primarily carry traffic outside the LATA. Therefore, the PLCU is typically going to be close to 0%. BellSouth has offered Intermedia a compromise such that the PLCU would be determined in aggregate by dividing the total number of local VCs in a given LATA by the total number of VCs in that LATA. This would result in the same PLCU being applied to all local VCs in a given LATA, even if there are no VCs on a particular frame relay interconnection facility when it is initially turned up for service. | Attachment 3, item 7.5.4 (p. 22) | N/A | | **CLOSED. The parties have agreed on language that settles this issue.** |

## REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/39

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| **Revised Issue 39**: What are the appropriate charges for the following: | | | | | | **The parties agreed to condense original issues 39-44 and 47 to one or two issues. The "Revised Issue 39" represents the parties' agreed-to phrasing for these issues as of 2/2/00.** |
| **39(a)** interconnection trunks between the Parties' frame relay switches? | BellSouth should make its interconnection trunk available to Intermedia at TELRIC prices established for dedicated transport. | Because BellSouth is not required to unbundle packet switching, as a Section 251 obligation, TELRIC pricing methodology is not applicable. Therefore, BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff. | Attachment 3, item 7.5.5 (p. 23), item 7.8 (p. 23) and 7.9.6 (p. 25); | N/A | | **ARBITRATE.** |

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| 39(b) frame relay network-to-network interface ("NNI") ports? | Compensation should be based on TELRIC costs; pending a cost study, an interim rate of 50% of BellSouth's tariffed rates should be employed. | Because BellSouth is not required to unbundle packet switching, as a Section 251 obligation, TELRIC pricing methodology is not applicable. Therefore, BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff. | | N/A | | **ARBITRATE.** |
| 39(c) permanent virtual circuit ("PVC") segments (i.e., Data Link Connection Identifier ("DLCI") and Committed Information Rates ("CIR")? | To prevent over-recovery, the parties should compensate each other only for the DLCI, at a rate based on TELRIC. The interconnection facilities are already accounted for in total, and each carrier will charge its own end users for the portion between the end user and the interconnection facilities. | Because BellSouth is not required to unbundle packet switching, as a Section 251 obligation, TELRIC pricing methodology is not applicable. Therefore, BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff. | Attachment 3, item 7.6 (p. 23) and 7.9.6 (p. 25) | N/A | | **ARBITRATE.** |

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| 39(d) requests to change a PVC segment or PVC service order record? | Compensation should be based on TELRIC costs; pending a cost study, an interim rate of 50% of BellSouth's tariffed rates should be employed. | Because BellSouth is not required to unbundle packet switching, as a Section 251 obligation, TELRIC pricing methodology is not applicable. Therefore, BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff. | Attachment 3, items 7.9.1 and 7.9.2 (p. 24) | N/A | | **ARBITRATE.** |
| 39(e) How should the Parties compensate each other for requests to change a PVC segment or PVC service order record? | Compensation should be based on TELRIC costs; pending a cost study, an interim rate of 50% of BellSouth's tariffed rates should be employed. | BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff. | Attachment 3, item 7.9.3 (p. 24) and 7.9.6 (p. 25) | N/A | | **CLOSED. This is now part of Revised Issue 39(d).** |

## REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/42

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 40: Should compensation for the parties' use of frame relay NNI ports be determined by the parties, or be based on recurring and non-recurring rates in BellSouth's interstate access tariff? | Compensation should be based on TELRIC costs; pending a cost study, an interim rate of 50% of BellSouth's tariffed rates should be employed. | BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff. | Attachment 3, item 7.6 (p. 23) and 7.9.6 (p. 25) | N/A | | **CLOSED. This is now part of Revised Issue 39, by agreement of the parties on 2/2.** |
| Issue 41: Should compensation for the PVC segment between the parties' frame relay switches be determined by the parties, or be based on recurring and non-recurring rates in BellSouth's interstate access tariff? | Compensation should be based on TELRIC costs; pending a cost study, an interim rate of 50% of BellSouth's tariffed rates should be employed. | BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff. | Attachment 3, item 7.8 (p. 23) and 7.9.6 (p. 25) | N/A | | **CLOSED. This is now part of Revised Issue 39, by agreement of the parties on 2/2.** |

## REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/43

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| **Issue 42:** Should compensation between the parties for local Permanent Virtual Circuit ("PVC") be based on each party's portion of the non-recurring charge for a Data Link Control Interface ("DLCI"), or on the non-recurring and recurring PVC charges associated with the PVC segment? | Compensation should be based on TELRIC costs, pending a cost study, an interim rate of 50% of BellSouth's tariffed rates should be employed. | BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff. | Attachment 3, items 7.9.1 and 7.9.2 (p. 24) | N/A | | **CLOSED. This is now part of Revised Issue 39, by agreement of the parties on 2/2.** |
| **Issue 43:** Should compensation between the parties for interLATA PVCs be based on the non-recurring charge for a DLCI or on the non-recurring and recurring PVC and CIR charges associated with that PVC segment? | Compensation should be based on TELRIC costs, pending a cost study, an interim rate of 50% of BellSouth's tariffed rates should be employed. | BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff. | Attachment 3, item 7.9.2 (p. 24) | N/A | | **CLOSED. This is now part of Revised Issue 39, by agreement of the parties on 2/2.** |

**REVISED ARBITRATION ISSUES MATRIX (TENNESSEE)/44**

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 44: Should the parties' compensation to each other for requests to change a PVC segment or PVC service order record be determined by the parties or should it be based on BellSouth's interstate access tariff? | Compensation should be based on TELRIC costs; pending a cost study, an interim rate of 50% of BellSouth's tariffed rates should be employed. | BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff. | Attachment 3, item 7.9.3 (p. 24) and 7.9.6 (p. 25) | | | **CLOSED. This is now part of Issue 39, by agreement of the parties on 2/2.** |
| Issue 45: Should the interconnection agreement specifically state that the agreement does not address or alter either party's provision of Exchange Access Frame Relay Service or interLATA Frame Relay Service? | No. This language should be deleted. The parties' agreement should specify the relationship between the parties with regard to these services, without the need for vague and general disclaimers of uncertain effect. | The purpose of this language is to make clear that the parties' obligations with respect to access service are not affected by this local interconnection agreement. | Attachment 3, § 7.9.6 | N/A | | **CLOSED. At the TRA mediation on 4/13, BellSouth agreed to delete this provision in its entirety.** |

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 46: Should Intermedia's obligation to identify and report quarterly to BellSouth the PLCU of the Frame Relay facilities it uses cease when BellSouth obtains authority to provide in-region interLATA service? | Yes. At the point where BellSouth obtains in region interLATA authority, maintaining a distinction between inter- and intra-LATA frame relay service, and compensation for two separate types of traffic, does not make sense, because the costs of transporting both types of traffic is the same. | BellSouth's obtaining authority to provide in-region interLATA service would have no impact on Intermedia's obligation to identify and report to BellSouth the PLCU of the Frame Relay facilities it uses. BellSouth contends that the language it has proposed in Attachment 3, item 7.12 addresses Intermedia's concern since it states that the parties agree to renegotiate this arrangement for the exchange of Frame Relay Service Traffic within one hundred eighty (180) days of the date BellSouth receives interLATA authority. | Attachment 3, item 7.10 (p. 25) | N/A | | **CLOSED. Intermedia agreed to accept BellSouth's language.** |

| ISSUE | INTERMEDIA'S POSITION | BELLSOUTH'S POSITION | AGREEMENT SECTION | FCC RULING | WITNESS TESTIMONY | STATUS AS OF 8/18/2000 |
|---|---|---|---|---|---|---|
| Issue 47: Should BellSouth be required to offer frame relay interconnection at TELRIC rates, and should there be a true-up if it is subsequently found during the term of the agreement that BellSouth's rates were in excess of TELRIC? | Compensation should be based on TELRIC costs; pending a cost study, an interim rate of 50% of BellSouth's tariffed rates should be employed. | BellSouth proposes use of the nonrecurring and recurring charges set forth in its interstate access tariff. | | | | **CLOSED. This is now part of Revised Issue 39, by agreement of the parties on 2/2.** |
| **Issue 48:** Should the parties adopt the performance measures, standards, and penalties imposed by the Texas Public Utility Commission on Southwestern Bell Telephone? | Yes. These standards have been painstakingly worked out, and the public interest would be served by adopting them. In addition, the imposition of penalties helps to enforce satisfactory performance, and should be adopted. | No. Penalties are not appropriate as an issue for arbitration, and penalties are not a requirement of Section 251 of the Act nor of the FCC's Rules. BellSouth's SQMs are appropriate for all CLECs and are fully enforceable through the Authority's complaint process. BellSouth has offered Intermedia its voluntary proposal for self-effectuating enforcement measures. | Attachment 9 (entire) | N/A | | **ARBITRATE.** |

**DOCKET NO. 99-00948**
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**JULY 18, 2000**

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# DMS-500

## Local and Long Distance Switch

The DMS-500 Local and Long Distance Switch is a DMS SuperNode application that combines local services of the DMS-100 switch, toll and operator services of the DMS-100/200 Traffic Operator Position System (TOPS), and long distance services of the DMS-250 switch. In addition to the trunk connections supported by the DMS-250, the DMS-500 delivers all line types currently supported by the DMS-100 system for residential and business applications.

The DMS-500 is a total solution with one of the industry's most application-rich portfolios of carrier services loaded with major capabilities that are market-ready today. These include local services, long distance services, call center services, operator services, and data services. And, as part of the Nortel Networks Succession Solutions plan, the DMS-500 is uniquely positioned for the evolution to data-centric communications.

### • Benefits

- Ability to quickly generate new revenue through new services, new markets, and new end-to-end telephony offerings
- Fully functional local/long distance switch enabling revenues to be generated on both sides of the switching business
- Maximum market flexibility for service providers:
  - selling or reselling long distance services
  - operating with or without operator services
  - offering business and residential line services
- Cost and operational efficiencies gained in combining DMS-100/200 and DMS-250 services:
  - reducing front-end hardware requirements
  - reducing office site and environmental requirements
  - centralizing operations, administration, maintenance, and provisioning (OAM&P)
- Expanded pre- and post-sales service support to build a network, train the staff, and operate the network, if needed
- Multi-vendor network operability ensured with the DMS-500 SuperNode system's open architecture


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# DMS-500

## Conversions

Converting an existing DMS-100 or DMS-250 switch to a DMS-500 enables service providers to offer Class Five through Class One end-office and toll applications. The DMS-500 - teamed with the Nortel Networks S/DMS AccessNode - gives service providers the power to choose how to access their residential and business customers.

**DMS-500 Switching System - The Platform for New, Full-Service Providers**

Nortel Networks DMS-500 Local and Long Distance Switching System provides a cost-effective vehicle to satisfy the evolving demands of the telecommunication marketplace. With one switching platform, service providers are able to offer local services such as Centrex, CLASS, ISDN, and ACD; long-distance services such as basic long distance, N00/NXX number services, calling card, virtual private networking, operator, and AIN services. The DMS-500's flexibility in integrating and increasing functionality gives service providers the competitive advantage they need to succeed.

The ease of converting an existing DMS-100 or DMS-250 switch to a DMS-500 reflects a true commitment to meet the demands of service providers and to optimize their network investment. More importantly, it underscores Nortel Networks desire for the continued success of its customers by preparing them for the challenges of today and those of tomorrow.

**Conversion of a DMS-100 or a DMS-250 to a DMS-500**

- **DMS-100/200 to DMS-500**
  An existing DMS-100/200 switch is converted to a DMS-500 system with the addition of new operating software and physical trunk facilities that support long-distance services, all while maintaining current services. For switches with BCS34 or earlier software, Nortel Networks first converts the DMS-100/200 switch to BCS36 capabilities, and then uses a One Night Process (ONP) to add the remaining capabilities of the DMS-500 feature set.
- **DMS-250 to DMS-500**
  DMS-250 conversion is as straightforward as the DMS-100/200 conversion. A DMS-250 is converted by adding new operating software, physical line facilities to support local access services, and interworking trunks for local-to-long distance switching. Current DMS-250 services are maintained during the conversion process. If necessary DMS-250 switch capabilities are first converted to BCS36 and then, using the ONP, to full DMS-500 status.

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# DMS-500

## FAQs

**Q: Can my company upgrade our current DMS-100 switch to a DMS-500?**
A: Yes, it is possible and easy to convert your DMS-100 switch to a DMS-500. All that is involved is adding some trunking and software, which can be loaded via Nortel Networks One Night Process.

**Q: Is this a new switch or a version of Nortel Networks existing DMS SuperNode systems?**
A: We believe the DMS-500 is an exciting new breed of product. It integrates the interexchange functionality of the DMS-250 with the feature-rich local exchange services from the DMS-100. It is particularly ideal for start-up applications found in the emerging CLEC telephony market.

**Q: How is this product different from your current DMS-100 or DMS-250 systems?**
A: The DMS-500 integrates the functionality of our premier local and long distance central office switches. This is ideally sized to meet the needs of the exploding list of emerging telephony providers.

**Q: What does the DMS-500 come equipped with as a standard offering in terms of features? What is optional?**
A: This product comes with a base software offering that is made up of the base DMS-250 and DMS-100 software offerings including SS7, Business and Residential POTs, IXC trunking and routing, ANI, Authcode, Account code screening and validation. Optional features include Centrex, ACD, CLASS, AIN, TCAP SCP database interface for network applications, 700/800/900 number services, and MCDN networking services.

**Q: Is the DMS-500 available in various versions?**
A: The DMS-500 is designed to address small to even large applications. It can utilize the SuperNode or SuperNode SE to provide room for growth.

**Q: Can the DMS-500 system be configured with just local lines or long distance trunks? If so, how does pricing/capabilities compare to the existing DMS-100 or DMS-250 systems?**
A: The DMS-500 has the flexibility to be configured to meet your needs. In situations where the interest is in exclusively long distance or local services, the DMS-500 would be priced comparable to an appropriately sized DMS-100 or DMS-250.

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AT A GLANCE

# *DMS-500 System Advantage*

*Local/long distance switch cost-effectively opens the door to lucrative new markets*

**the advantage**

**DMS-500**

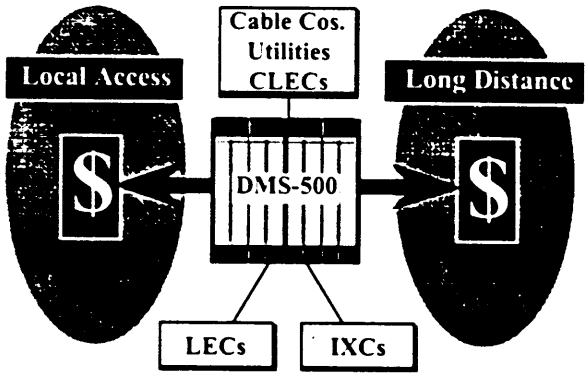
- ❑ ***Revenue Opportunities***
  Cost-effective way to penetrate new markets
- ❑ ***Flexibility***
  Versatile platform to accommodate network needs
- ❑ ***Differentiation***
  Range of capabilities to suit niche or mass markets
- ❑ ***Scalability***
  Modular design to allow for future expansion
- ❑ ***Interoperability***
  Standards compliance for interworking with array of equipment types
- ❑ ***Efficiencies***
  Combined platform that reduces footprint, equipment requirements

As service providers face the challenges of deregulation-inspired competition, they are also anticipating new opportunities with their own entry into untested markets and growing subscriber demand for quick, reliable access to advanced services.

Whether an incumbent in the local or long-distance marketplace or an entrepreneurial service provider, the key to a successful multimarket business strategy is a versatile switching platform that can cost-effectively deliver a range of services and applications to a variety of subscriber types. Nortel's (Northern Telecom's) DMS-500 switching system fulfills these requirements with all the reliability and robustness represented by the Nortel brand. Around the world, switches in the DMS family supply more than 100 million digital lines and 35 million digital trunks—making Nortel a leader in the global movement to fully digital networks.

The DMS-500 Local and Long Distance Switch is a DMS SuperNode switch application that combines the local and long distance services provided by other switches in the DMS family.

In the local marketplace, the DMS-500 system allows the service provider to offer everything from narrowband residential services to custom packages of highly sophisticated business features. Long-distance functionality gives the provider access to a market expected to bring gross revenues of $80 billion in 1997. For full integration of services, the provider can offer local/long distance packages, yielding the twin benefits of service efficiency and subscriber convenience.




*LEC. Local Exchange Carrier*
*IXC. Interexchange Carrier*
*CLEC. Competitive Local Exchange Carrier*

A DMS-500 system can be deployed as a new installation or as an upgrade to an existing DMS-100, DMS-100/200, or DMS-250 switch. Regardless of the deployment scenario, the investment can quickly pay dividends in the form of revenue gains, additional market share, and improved competitive positioning.

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# *Key Benefits of DMS-500 Switching System*

## • *Ability to Quickly Generate New Revenue*

The DMS-500 switch is an excellent, cost-effective way to establish a point of presence in markets previously out of reach. Initial product investments can help to broaden revenue streams when an existing DMS system is migrated to a platform that directly supports local, business, operator, and long distance services.

## • *Maximum Service Provider Flexibility*

Service providers can develop a highly flexible market entry or expansion strategy as an interexchange carrier (IXC) selling or reselling long distance services, a local exchange carrier (LEC) toll office with or without operator services, or an LEC end office offering business and residential line services.

## • *Service Development and Differentiation*

With its full range of service capabilities—from narrowband residential and business features to wideband data switching and Intelligent Network applications—the DMS-500 allows network providers to develop, package, and sell unique new services and service bundles to specific niche or mass customer markets.

## • *Scalable Architecture*

The DMS-500 switch uses a modular, scalable design that can meet a wide range of line and trunk size requirements, enabling network providers to enter the local/long distance market by deploying an economically sized DMS-500 switch today and adding advanced capabilities later as service needs expand.

## • *Local/Long Distance Network Interoperability*

The DMS-500 system provides a fully functional, standards-compliant technology for both local and long distance services on a switching platform that interworks with a wide variety of vendor-supplied network switching and transmission equipment.

## • *Cost and Operational Efficiencies*

By combining both local and long distance services and functions, the DMS-500 switch reduces front-end hardware requirements, conserves office and environmental space, and simplifies the centralization of operations, administration, maintenance, and provisioning functions.

# About This Document

*This document is a product overview for network planners, engineers, and marketers who need information about the DMS-500 systems—Nortel's multimarket switching platform. It has been designed to complement—not replace—more detailed Nortel technical documents.*

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# For More Information

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# *The DMS-500 Solution*

**the advantage**

*The DMS-500 system supports a wide range of lucrative applications that embrace local and long distance markets*

As competition stiffens in the deregulated telecommunications marketplace, the service provider faces increasing pressure from business subscribers desiring to gain an advantage in their own markets. In addition to enhanced services such as Virtual Private Networking and Dialable Wideband Service, these subscribers are seeking a new business relationship with the provider centered on a commitment to creative solutions and customer service.

Deregulation also entails the dissolution of traditional market boundaries: interexchange carriers (IXCs) are moving into local services, local exchange carriers (LECs) are moving into long distance markets, and cable companies and competitive LECs (CLECs) are seeking to establish services that address both markets. To flourish in this climate, the service provider must be responsive to the subscriber—creating custom packages and otherwise differentiating its service offerings from the rest of an increasingly crowded field (see Figure 1).

Nortel's DMS-500 platform supports a comprehensive range of revenue-producing, value-added network applications embracing the local and long distance markets as well as operator services. The DMS-500 enables local service providers to extend long-distance services to their subscriber base and to new customers. Likewise, long-distance providers can offer local exchange services from the DMS-500 while retaining access to their traditional national markets.

## *Market Opportunities*

The flexible DMS-500 system enables the service provider to tailor a cross-market business plan according to individual requirements. With the onset of deregulation, the bundling of local and long distance services has drawn particular interest among subscribers who would prefer the convenience of dealing with a single provider. This section includes descriptions of the local and long distance markets and the services that can be offered in each on the DMS-500 system.

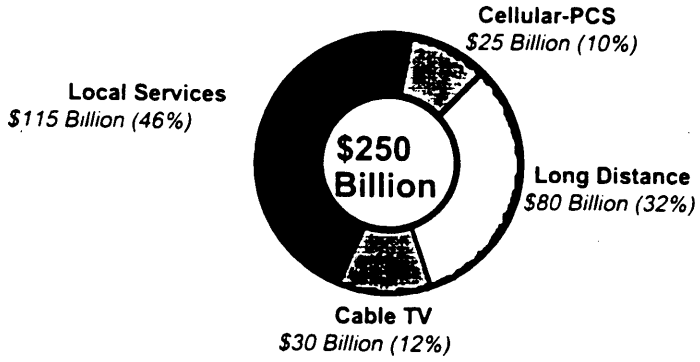


***Figure 1. U.S. Telecom Markets—Estimated Revenues for 1997***

## *Local Markets*

The feature-rich DMS-500 system allows service providers to offer unique service blends and customized packages to local exchange subscribers, who are expected to generate annual revenues of $115 billion by the end of 1997. The versatile platform allows local service providers to focus on specific niches or mass markets using DMS local services highlighted below.

- ***Meridian Digital Centrex (MDC)***—Nortel's flexible voice and data business services include more than 400 features, which can be packaged to fit the needs of individual subscribers. Among the key MDC features are:
  - — *Voice Features* help ensure call coverage, improve call handling, and make the placing and handling of calls more convenient.
  - — *Tailored Centrex* eases provisioning of and modifications to MDC services.
  - — *Data Services* include Datapath Switched 56, DataSPAN fast packet, ISDN features compliant with National ISDN 2/3 standards, and the multirate-on-demand Dialable Wideband Service.
  - — *Call Center Services* ease the handling of large volumes of incoming calls.
  - — *Billing and Tracking Services* include Station Message Detail Recording to help businesses track their communications costs.
- ***Residential Enhanced Services***—Nortel's portfolio of powerful, productivity-enhancing features for residential and small business subscribers includes the following:
  - — *Custom Calling Services* such as Call Forward, Call Waiting, Three-Way Calling, and Speed Dialing.
  - — *Other Enhanced Services* such as Call Transfer, Teen Service, Call Forward Remote Activation, Call Forward of Call Waiting, Warm Line, Call Hold, and Subscriber Activated Call Blocking.
  - — *CLASS Features* such as Calling Number and Name Display, Calling Name and Number Display Blocking, Call Trace, Screen List Editing, Automatic Call Blocking, and Automatic Recall.
  - — *Centrex to the Home (Hometrex)* offers a subset of MDC features for home use.
  - — *Analog Display Services Interface (ADSI)* such as Call Waiting Display and Call Waiting Display with Disposition.
- ***ISDN Services***—The popularity of Internet surfing and telecomuting are fueling the demand for ISDN, which offers digital clarity plus faster connections than most analog modems. An ISDN Basic Rate Interface (BRI) line features 2B+D connectivity, with each B channel rated at 64 kbps. ISDN Primary Rate Interface (PRI) uses trunk connections to link digital PBXs, host computers, and LANs to central office switches, with 23 channels at 64 kbps for voice or data and one message channel at 64 kbps.

## *Long Distance Markets*

Long distance functionality available through the DMS-500 platform and highlighted below allows the service provider to secure a share of this lucrative market, which is expected to generate total annual revenues of more than $80 billion by the end of 1997.

- ***Information Database Services***—These databases contain subscriber calling and called party information to assist interexchange call processing and Intelligent Network applications.
  - — *700 Number Services*–number translations for customer service numbers dealing with information about and assistance with network features.
  - — *800 Number Services*–number translations for toll-free calls across local calling area boundaries.
  - — *900 Number Services*–number translations used for opinion polls across a wide calling area or to provide special information services.
  - — *Account Codes*–validation numbers for fraud protection and charging calls to user projects, departments, or special accounts.
  - — *Authorization Codes*–validation numbers used to identify subscribers, bill calls, prevent unauthorized network access, and perform similar functions.
  - — *Calling Cards*–giving subscribers access to any carrier.
- ***Call Validation and Trunk Routing***—DMS-500 software can validate user access to long distance services in ways other than those listed above, and then route calls according to those received and interpreted parameters.
  - — *Call Routing*–provides call validation, routing, and feature selection based on calling number, class of service, digits received over Feature Group D trunks, or the time, day, and date.
  - — *Equal Access Trunks*–allow equal access routing to long distance carriers over Feature Group D trunks using either multifrequency or CCS7 signaling.
  - — *CCS7 Release Link Trunks*–provide initial CCS7-based trunk connections so that enhanced service providers, such as banks, can collect the information needed to complete a service call, release the CCS7 trunk connection, and bridge the call over standard trunks.
- ***Enterprise Network Services***—These services offer businesses cost-effective and efficient telecommunications between private facilities in different calling areas.
  - — *Dedicated Access Lines (DALs)*–non-switched DS-1 trunk facilities for private wide area network (WAN) data communications.
  - — *Meridian Switched Network (MSN)*–for MDC subscribers, direct dialing for non-local intra-business calls.
  - — *Virtual Access to Private Networks (VAPN)*–direct dialing between two separate private networks, effectively bypassing the public network and avoiding additional access charges.

- ***Data and Video Services***—Interexchange data and video switching is growing at an increasing pace as businesses expand operations and require sophisticated communications technologies to keep them competitive.
  - — *Switched 56-kbps Service*–data exchange and videoconferencing for nationwide multipoint data and/or video connections.
  - — *Dialable Wideband Service (DWS)*–on-demand, easily tracked connections of variable bandwidth—such as that required in videoconferencing—over public facilities.
  - — *ISDN Primary Rate Interface (PRI)*–highly reliable and flexible trunking facilities for traffic aggregation to Wide Area Telephone Service (WATS), DWS, and other services; enterprise-based hybrid network switching; and compatible interfaces with interexchange networks that use CCS7.
  - — *Integrated Echo Cancellation*–integration of voice and data within the network without the expense of external echo cancellers.
  - — *Bearer Capability Routing*–routing based on the contents of user service information within PRI or CCS7 messages.
- ***Multiple Dialing Plans***—The flexible DMS-500 software can recognize, process, and route different signaling protocols and multiple dialing plans.
  - — *Full 10-Digit Routing*–provides 10-digit routing to the station level.
  - — *7-Digit On-Network Routing*–facilitates VPN services by allowing private-to-private, private-to-public, and public-to-private network 7-digit dialing.
  - — *User Partitioning*–allows multiple private users to share trunk facilities.
  - — *Private and Public Speed Dialing*–allows abbreviated dialing for long distance calls.
  - — *Hotline Number Dialing*–an emergency number service that allows the user to connect to a dedicated number without dialing it.
  - — *Automatic Number Identification via DTMF Trunks*–facilitates calling line identification to call centers not yet using ISDN PRI trunks.
  - — *International Direct Distance Dialing (IDDD)*–allows direct dialing by the subscriber to international numbers.
- ***Virtual Private Networking***—This Intelligent Network-based service enables service providers to establish intra-business communication links across service boundaries without using external databases or costly private facilities.

## *Operator Services*

Nortel was the first to automate alternate billing and directory assistance call completion and the first to use speech recognition to automate directory assistance. The DMS-500 provides end-to-end operator services: from position, to switch, to database applications, to audio processors. Nortel developed the first operator workstation that could perform both toll services and directory assistance. Nortel's 17,000 operator workstations in North America account for 95 of every 100 operators.

2

# *DMS-500 Overview*

**the advantage**

*DMS-500 software loads include a comprehensive set of features, but service providers pay only for features that are actually used*

The DMS-500 Local and Long Distance Switch is a DMS SuperNode switch application combining the local services of the DMS-100 switch toll and operator services of the DMS-100/200 Traffic Operator Position System (TOPS); and long distance services of the DMS-250 switch.

The core of the DMS-500 system—called the DMS SuperNode—uses a powerful, flexible architecture built around the latest commercially available microprocessing technology. The DMS SuperNode system can serve every switching application across the public network, offering a range of local and long distance services to businesses and residences worldwide.

The single switching platform of the DMS-500 system allows service providers to become full-service providers to their existing subscribers and to offer a full range of services to new subscribers. Having two major business applications on a single platform sharply reduces the cost of ownership—including such expenses as training, maintenance, facilities, space, and power—and accelerates introduction of local and long distance features to the market.

Nortel, which provides 70 percent of all digital centrex service lines in the U.S, has a record of reliability, innovation, and customer service that stands at the forefront of the industry. Nortel's DMS systems serve more central offices in the United States than switches made by any other vendor. Around the world, DMS switching systems supply more than 115 million digital lines and 35 million digital trunks.

## *DMS-500 Software—Full Spectrum of Features*

The DMS-500 software load includes a comprehensive set of features by combining the line side service of the DMS-100/200 software and the interexchange features of the DMS-250 software into a single load. Each load is delivered with full feature availability, but the service provider pays only for those features actually deployed. Features can be deployed as demand warrants without the necessity of changing the software load, greatly reducing the risk of service-affecting network problems. The service provider also has the option of trialing a feature for a specified period without charge.

## *Configuration and Capacity*

The DMS-500 system can be configured to meet the specific business requirements of each service provider. Carriers have the option of deploying either long distance or local services initially, and then converting to provide both services at a later date. In situations where the network provides long distance or local service exclusively, the cost of the DMS-500 would be comparable to an appropriately sized DMS-100 or DMS-250 system. If other

types of services are required in the future, the existing switch can easily be upgraded by adding the associated peripheral modules and the service circuits.

## *Capacity Thresholds—DMS-500 Lines, Trunks*

The following capacity thresholds apply to DMS-500 lines and trunks:

- CCS for lines is 6.
- CCS for user trunks is 28.8.
- CCS for Interworking Trunks (IWT) is 28.8.
- Average call holding time (ACHT) is 180 seconds.

The maximum supportable number of lines and user (non-IWT) trunks for the DMS-500, given the particular call model's requirements for line and trunk percentages, is shown in Table A for the DMS SuperNode Series 60 and Series 70 Extended Memory (EM) BRISC processors. The required number of IWTs, given the percentage of calls that use IWTs in the particular Call Model, is also provided. (Note: Blocking in the line-side peripherals—where concentration is likely to occur—was not taken into account in Table A calculations. A call blocked in the peripherals may or may not be seen as an origination in the Computing Module. Trunks are not concentrated, and trunks for TOPS positions are not covered in the table.)

**Table A: Interworking Trunks (IWT)**
**Requirements and Maximum Supportable Lines and Trunks**

| | Default Call Model | Number of Lines | Number of Trunks | Number of IWT DS-0 Ports Reqd. |
|---|---|---|---|---|
| Series 60 | High 100 | 77,049 | 28,537 | 4238 |
| | High 100 TOPS | * | * | * |
| | High 250 | 26,879 | 41,066 | 4436 |
| | 100/250 Even | 49,189 | 31,579 | 7604 |
| Series 70 EM | High 100 | 122,278 | 45,288 | 7076 |
| | High 100 TOPS | * | * | * |
| | High 250 | 42,466 | 64,878 | 7374 |
| | 100/250 Even | 77,836 | 49,972 | 13,236 |

* Not supported

### *DMS SuperNode SE Line and Trunk Capacity*

The DMS SuperNode SE is a reduced-size version of the DMS SuperNode that combines the DMS-Core processing engine, the DMS-Bus high-speed messaging component, the Enhanced Network (ENET) non-blocking switching matrix, and the Link Peripheral Processor (LPP) into a single, compact cabinet.

The size and the configuration of the enhanced switching network (i.e., ENET), and not the capacity of the processor, determine the difference in the number of configurable network ports (lines and trunks) that can be supported by the DMS SuperNode and DMS SuperNode SE platforms.

### *Remote Access Vehicles*

The DMS-500 system supports all remote access vehicles currently available for the DMS-100. Switch remotes include the Remote Switching Center (RSC), the RSC-S, the Remote Line Concentrating Module (RLCM), and the Outside Plant Module (OPM). Digital loop carriers that are supported include Nortel's AccessNode and DMS-1 Urban as well as other vendors' TR-303 and TR-08 compliant access vehicles. A direct digital interface to low-end access vehicles (such as D4 channel banks) is currently under development.

## *OAM*

Operations, administration, and maintenance (OAM) is handled by the same Maintenance and Administration Position (MAP) terminals used today on the DMS-100/200 and DMS-250. All operational measurements, log utility reports, and various maintenance reports available for these systems are also available for the DMS-500 system. To facilitate database file management, an Ethernet Transmission Control Protocol/Internet Protocol (TCP/IP) interface permits manual transfer of billing records and other files into and out of the DMS-500 switch.

## *Conversion of DMS System to DMS-500*

A DMS-100, DMS-100/200, or DMS-250 meeting call mix and application requirements can easily be upgraded to a DMS-500. After the reconfiguration of the switch hardware, new software is loaded through Nortel's One Night Process (ONP), which requires no service interruption. Additional trunks, lines, and other facilities may be needed as demand for services grows.

# *DMS-500 vs. Competitors' Platforms*

The following attributes of the DMS-500 are ***not*** found in platforms manufactured by some Nortel competitors:

- Features allowing the DMS-500 system to serve as a full-service central office and interexchange platform (rather than a central office switch with "access tandem toll" capabilities)
- Availability of centrex services regardless of whether Integrated Services Digital Network (ISDN) is also available
- Feature transparency across the network
- Integrated call center capabilities (rather than external Automatic Call Distribution (ACD) that is dependent on ISDN)
- Multinode reorigination for calling card applications
- Availability of Release Link Trunk (RLT) through Common Channel Signaling No. 7 (CCS7) or ISDN (a great advantage for access to enhanced service providers [ESPs] and service nodes in the Advanced Intelligent Network [AIN])

In addition, the following DMS-500 features enable a smooth migration to external databases:

- Flexible dialing plans
- Virtual private networking capabilities
- Authorization codes
- Account codes
- Personal identification numbers (PINs)
- User-friendly prompt tones
- Call branding capability
- Easy-to-use billing formats
- Integrated 800/900 functionality
- Calling card services

**the advantage**

*Nortel offers a complete approach to network planning and building, from business case development to network operations*

3

# *The Nortel Advantage*

## *Support Services*

Nortel offers its customers a total network solution by helping them build, operate, and market telecommunications services as well as by providing contracted turnkey operations. Nortel's veteran network planning organization has worked with new market entrants for over 15 years. This expertise is made available through Nortel's Support Services organization, which offers optional, as-needed services to complement a network provider's core staff and internal resources. With our knowledge of the carrier network business and our proven ability to deliver state-of-the-art communications solutions, Nortel can offer a comprehensive approach to network building.

Among the broad range of optional services that Nortel makes available are:

### *Business Planning*

Any level of service, from business plan development to tactical assistance in implementing sales strategies in a target market.

### *Network Design and Services Development*

Analysis and design of local or global networks to meet business requirements, better integrate new services into an exiting network, and more—using sophisticated planning and modeling tools.

### *Engineering Services*

Design for up-to-date networks that meet current needs and enable cost-effective future growth . . . plus in-service engineering that fine tunes the switch for maximum efficiency in call processing, facility use, and equipment capacity.

### *Operations and Maintenance*

A choice of different support levels, including the following: (1) complete switch maintenance and management; (2) on-site technicians to help during a critical network rollout period; (3) remote coverage during evenings and weekends; or (4) emergency assistance.

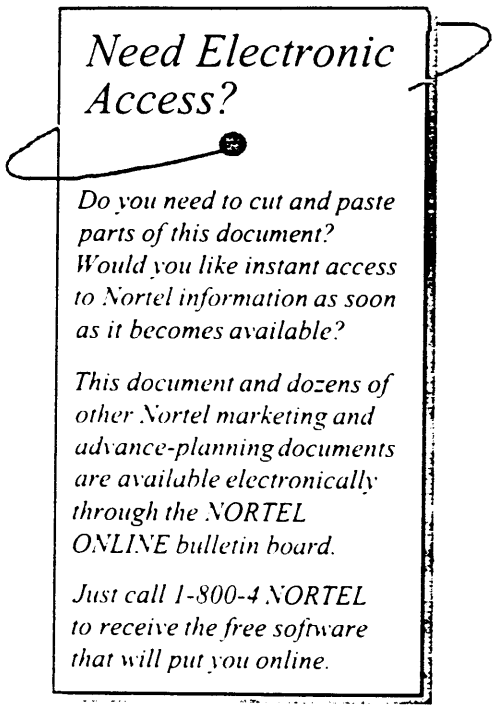
By taking advantage of Nortel expertise in these areas, service providers can quickly enter new local and long distance markets with a differentiating set of services and capabilities. Finally, Nortel can assist with creative financing options that minimize start-up costs and risks, letting providers focus their resources on aggressive market entry strategies.

# *The Nortel Difference—Competitive Networks*

Nortel has worked with more than 150 carriers in North America—including the top industry players—to help them build successful businesses in their markets. More than 400 Nortel switches are now providing 8 million ports around the globe, making Nortel a preferred supplier of local and long distance switch solutions.

Much of North America's telecommunications infrastructure was designed and built by Nortel. Nortel deployed the first fully digital switches more than two decades ago, and we have teamed with network providers worldwide to deliver more than 110 million lines of digital switching in over 90 countries. To achieve this position, Nortel has established close working relationships with each carrier. Our customers tell us what they want, and, in turn, we offer them products and services that can help to fuel their business plans for rapid revenue expansion and market share growth.

Top carriers have chosen Nortel and the DMS family of switches to be their main resource in North America. Now, as these carriers enter the lucrative global marketplace, they are choosing Nortel and the DMS portfolio to form the backbone of their international business expansion.




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# DMS-500

## A Long Distance Switch Solution for Local Exchange Carriers

As deregulation opens previously secure telephone networks to greater competition, the network providers who succeed will be responsive to changing market conditions and possess a combination of market savvy and enhanced technological agility. To move quickly into the long distance phone business, local exchange carriers (LECs) can now turn to the DMS-500 Local and Long Distance Switch.

**DMS-500 Switching System**
The DMS-500 Local and Long Distance Switch is a DMS SuperNode system application that combines the local/tandem services of the DMS-100/200 switch, the operator services of the DMS-100/200 Traffic Operator Position System (TOPS), and the long distance services of the DMS-250 switch. The DMS-500 system - purchased as a new switch or converted from a DMS-100/200 system - allows LECs to enter the lucrative long distance market today and provide full, custom service solutions to their subscribers.

**Features and Services**
The DMS-500 system offers a flexible and cost-effective way for local carriers to use one switching platform to establish a single point of presence in, and provide revenue-generating services to, both local and long distance markets.

**- Local Revenue Services**
The DMS-500 switch supports both residential and business service needs with the telecommunications industry's broadest range of station features, including:

- Custom Calling Call Waiting, Three-Way Calling, Call Forwarding features
- Custom Local Area Signaling Service (CLASS) Calling Number Delivery, Calling Name Delivery, Automatic Callback, Automatic Recall, Screening List Editing features
- Meridian Digital Centrex (MDC) the industry's most extensive business services portfolio, including S/DMS BusinessExpress, our advanced services offering for small businesses and enterprise networks
- National ISDN Basic Rate Interface (BRI) and Primary Rate Interface (PRI) Services
- DMS-100 Meridian Automatic Call Distribution (ACD)
- Bellcore Automatic Message Accounting (AMA) format, Centrex Station Message Detail Recording (SMDR)

- E800 Database access
- Operator Services access with DMS-100/200 TOPS capabilities
- Analog Display Services Interface (ADSI)
- Speech Recognition Services
- ADAS, AABS, AIN 0.1, etc.

**- Long Distance Revenue Services**
The DMS-500 switch supports a full complement of inter-exchange dialing plans and revenue-generating services, including:

- Dialing Plans and Database Services 800/900 Number Service, Wide Area Telephone Service (WATS), International Direct Distance Dialing (IDDD), Authorization Codes, Calling Cards, Account Codes, and Personal Identification Numbers (PINs)
- Enterprise Networking (Voice and Data) Meridian Switched Network, Dedicated Access Lines (DALs), Virtual Private Network (VPN)
- Long Distance Data Switching Services (Data and Video) ISDN PRI Service, Switched 56 Calling, Dialable Wideband Service (DWS)
- DMS-250 Call Detail Recording (CDR)
- AIN 0.2 NetworkBuilder, etc.

**Software and Feature Capabilities**
The DMS-500 switch combines mature, field-proven DMS-100/200 and DMS-250 capabilities into one software load for a comprehensive set of services on one switching platform. The current software load - NCS10 - combines the NA0010 features of the DMS-100/200 and the UCS10 features of the DMS-250.

**Benefits**
The advantages of the DMS-500 switch and the partnership with Nortel Networks can help LECs counter the anticipated decrease in local access fees brought on by deregulation, squarely meet the competition moving into local markets, and maximize revenue potential across the board by developing, packaging, and marketing new local, toll, and long distance services.

The following attributes of the DMS-500 switch benefit LECs in a variety of ways, from market strategy to network planning to service delivery.

- **Ability to Quickly Generate New Revenue**
  The DMS-500 switch is a cost-effective way to open service pathways beyond the local arena and establish a point of presence in markets previously out of reach. Initial product investments can help to broaden revenue streams when an existing DMS-250 system is migrated to a platform that directly supports local access services.
- **Maximum Service Provider Flexibility**
  Service providers can develop a highly flexible market entry or expansion strategy as an IXC selling or reselling long distance services, a LEC toll office with or without operator services, or a LEC end office offering business and residential line services-and do it today.
- **Service Development and Differentiation**
  With its full range of service capabilities - from narrowband residential and business features to wideband data switching and Intelligent Network applications - the DMS-500 allows network providers to develop, package, and sell unique new services and

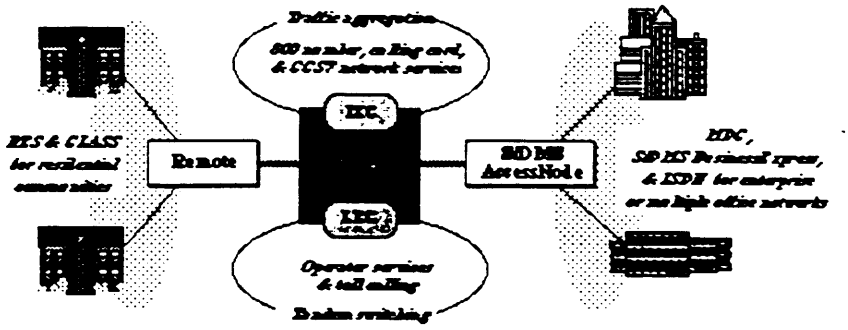
service bundles to specific niche or mass customer markets.

- **Scalable Architecture**
  The DMS-500 switch uses a modular, scalable design that can meet a wide range of line and trunk size requirements, enabling network providers to enter the local-long distance market by deploying an economically sized DMS-500 switch today and adding advanced capabilities later as service needs expand.
- **Local and Long Distance Network Interoperability**
  The DMS-500 system provides a fully functional, standards-compliant technology for both local and long distance services on a switching platform that inter-works with a wide variety of vendor-supplied network switching and transmissions equipment.
- **Cost and Operational Efficiencies**
  Combined DMS-100/200 and DMS-250 services and functions provide the following cost and operational efficiencies in a reduced-size, cost-effective footprint:
  - reduced front-end hardware requirements and subsequent expenditures
  - reduced office site and environmental requirements, such as installation space; power; cabling; peripheral modules; and heating, ventilation, and air conditioning (HVAC)
  - centralized operations, administration, maintenance, and provisioning (OAM&P) with DMS-100/200 and DMS-250 functions supported by a unified DMS Maintenance and Administration Position (MAP)

**Network Applications**
The technology of the DMS-500 system offers a distinct advantage to network providers competing in today's challenging telecommunications markets. By getting closer to the end user, an IXC or new LEC becomes a direct service provider instead of offering services indirectly. Because the DMS-500 system is designed for maximum switching versatility, it can deliver a wide range of local and long distance services tailored to the unique needs of any network or subscriber market.

In a deregulated environment, the DMS-500 switch can serve as a Class 4/5 access tandem switch using the following typical connections:

- subscriber line connections through remote switching platforms to provide custom calling and CLASS features to residential subscribers
- subscriber line connections through S/DMS AccessNodes (or other DMS remote access vehicles) to provide Centrex-based advanced voice and data services to a variety of businesses or business locations
- trunk connections to a LEC central office to provide toll center, billing, and operator-based services
- trunk connections to an IXC to provide traffic aggregation for long distance voice transport together with CCS7-based signaling trunks for Intelligent Network applications




Line connections to the DMS-500 switch include all line types currently supported by the DMS-100 system for residential and business applications, from Plain Old Telephone Service (POTS) analog lines to ISDN BRI digital lines.

Line interfaces on the DMS-500 switch comply with LATA Switching System Generic Requirements (LSSGR) and other published Bellcore Technical References (TRs) for Class 5 end offices and Class 4/5 access tandem offices delivering line services in the local loop.

Trunk connections to the DMS-500 switch include all trunk types currently supported by the DMS-100/200 and DMS-250 systems for interswitch, interoffice, and interexchange communications, such as:

- Feature Group A, B, C, and D*
- Intermachine Trunk (IMT)*
- Dedicated Access Line (DAL)
- ISDN PRI
- Centralized AMA (CAMA)
- Integrated Business Network (IBN)*
- Inter-Toll (IT)*
- Access to Carrier (ATC)*

*Note: Feature Group D, IMT, IBN, IT, and ATC trunks support both multifrequency (MF) and CCS7 signaling.

Trunk interfaces on the DMS-500 system comply with Bellcore and American National Standards Institute (ANSI) requirements defining T1 CCS7 for inter-LATA transport services.

**Converting a DMS-100/200 System**
A DMS-100/200 switch is converted to a DMS-500 switch with the simple addition of physical trunk facilities and new software, all while maintaining current services. For switches with BCS34 or earlier software, Nortel Networks first converts the DMS-100/200 system to BCS35 or BCS36 capabilities, and then uses a One Night Process (ONP) to add the remaining capabilities of the DMS-500 feature set.

**Hardware Requirements**
The DMS-500 system is based on a mature switching technology that uses the same hardware architecture of front-end and network elements found on today's DMS family of switches. This shared architecture makes the process of converting a DMS-100/200 system into a DMS-500 system as

simple as adding DMS-250 operating software, together with the necessary peripheral equipment for line side access.

Whether a DMS-100/200 switch at an established site is converted to a DMS-500 switch, or a DMS-500 switch is purchased for a new site installation, the following hardware is required.

DMS SuperNode or DMS SuperNode SE with:

- BRISC Series 60 Processor
- 96-Meg Memory Cards
- Enhanced Network (ENET), required for initial switch installations only
- Extended Peripheral Module Plus (XPM+)-based peripherals
- Link Peripheral Processor (LPP) with 8-Meg CCS7 Link Interface Units (LIU7s) (NTEX22BA/BB)
- Message Switch and Local Message Switch processor upgrades to NT9X13DD cards

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# DMS-250

The DMS-250 is a high-capacity long-distance tandem switching system for interexchange carriers of all sizes. Through the advanced DMS SuperNode processing architecture, state-of-the-art hardware, optimized system software, and maximum processing capacity, the DMS-250 provides high-speed message handling capacity to meet the most demanding voice and data communications needs of today's long distance users.

The DMS-250 is part of the Nortel Networks Succession Solutions converged voice/data network. This carrier-grade packet data system can be configured to handle from 480 to more than 100,000 trunks; offers enhanced operation, administration, maintenance, and provisioning (OAM&P) capabilities; offers N00, virtual private networking, calling card, AIN, wholesale capabilities, dialable wideband services; and supports a variety of custom features including speed calling, conference calling, and access to the carrier's operator.

## • Benefits

- Increased revenue with the delivery of powerful long-distance services
- Reduced training and maintenance costs and the need for spare equipment by using common, modular software and hardware technology
- Advanced OAM&P capabilities allow rapid introduction of new services
- Evolutionary path to Nortel Networks Succession Solutions

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# DMS-250

## Benefits

- **Accelerated Delivery of New Features**

  With a redesigned, modular software architecture, it is easier than ever to create new capabilities and enhance existing ones.

- **Easy Growth to Match Market Needs**

  The modular, scalable system architecture of the DMS-250 system allows network providers to add processing capacity, memory capacity, trunk capacity, and services as they are needed. For example, a DMS-250 system can easily grow from a relatively small configuration to 100,000 ports though incremental additions. Enhanced processors, additonal switching matrices, peripherals, and trunk cards can be added without redesigning the system or interrupting service.

- **Protected Investment**

  DMS family switching systems - from local to international systems - all operate on a common hardware base platform. That means that the carrier's investment is protected even as the business takes new directions and the network changes. It also means uncommon flexibility. For example, add software to a DMS-250 system and you have a DMS-250/300 system, capable of handling domestic and international long distance services. Or with the addition of software and certain DMS-100 hardware elements, a DMS-250 switch becomes a DMS-500 switch-capable of providing local and long distance service from a single platform.

- **Compatibility in the Multi-Vendor Network**

  With an open architecture that embraces industry standards, the DMS-250 system functions effectively in today's multi-vendor network. The system is fully compatible with industry-standard telecommunications protocols, including Common Channel Signaling System No. 7 (CCS7), Integrated Services Digital Network (ISDN) and Bellcore's Advanced Intelligent Networking (AIN).

- **Industry-Leading Reliability**

  The DMS-250 system offers the robust performance expected of public carrier systems. Crucial system components, such as the core processing module, are duplicated - "hot" standby units are ready to automatically take over operations if necessary. With a solid record of performance worldwide, the DMS-250 system has

earned recognition from industry journals for superior hardware and software quality and is known as "best in class" in terms of hardware- or software-related outages.

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# DOCKET NO. 99-00948
# JACKSON DIRECT EXHIBIT 3
# JULY 18, 2000

# PROPRIETARY DOCUMENT

**DOCKET NO. 99-00948**
**JACKSON DIRECT EXHIBIT 4**
**JULY 18, 2000**

# PROPRIETARY DOCUMENT

**DOCKET NO. 99-00948**
**JACKSON DIRECT EXHIBIT 5**
**JULY 18, 2000**

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1/9/97

TERMINATION (INTERCONN. RATE

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

| | | |
|---|---|---|
| In the Matter of the Petition of MCI Tele- | ) | |
| communications Corporation for Arbitration | ) | |
| Pursuant to Section 252(b) of the Telecom- | ) | |
| munications Act of 1996 to Establish an Inter- | ) | Case No. 96-888-TP-ARB |
| connection Agreement with Ameritech | ) | |
| Ohio. | ) | |

ARBITRATION AWARD

The Commission, considering the application, the evidence of record, and the arbitration panel report, and being otherwise fully advised, hereby issues its Arbit Award.

APPEARANCES:

Bell, Royer, & Sanders Co., LPA, by Ms. Judith B. Sanders, 33 South Grant Av Columbus, Ohio 43215, and Mr. Darrell Townsley, MCI Telecommunications Corporation, 205 North Michigan Avenue, Suite 3700, Chicago, Illinois 60601, on behalf of MCI Telecommunications Corporation.

Porter, Wright, Morris & Arthur, by Messrs. Daniel R. Conway and Mark S. Ste 41 South High Street, Columbus, Ohio 43215, Mr. Michael T. Mulcahy, Ameritech Ohio, Erieview Plaza, Room 1400, Cleveland Ohio 44114, and Mr. Jon F. Kelly, Ameritech Ohi 150 East Gay Street, Room 4C, Columbus, Ohio 43215, on behalf of Ameritech Ohio.

the jumper wire is not all that must be done. Ameritech states that the Commission adopt the panel's recommendation.

Arbitration Award: The cut-over process described by Ameritech requires man work and coordination between the two companies. MCI, however, only mentions the single task of moving the jumper wires to justify its five-minute conversion interva Commission, it does seem appropriate for Ameritech, prior to a live cut-over, to coo the cut-over with MCI's representative, to verify that the loop is indeed connected line that MCI requested, or to verify that the additional paths are installed correc number porting is requested. The Commission also notes that MCI will not be the onl customer of Ameritech with which it needs to coordinate loop cut-overs. The evidenc supports the 60-minute interval recommended by the panel.

V. Rates for Traffic Exchange and Unbundled Network Elements

What are appropriate compensation rates for transport and termination of local traffic (Petition, Ex. D.I.2.)?

Is Ameritech required to pay MCI the tandem office interconnection rate for transport and termination of calls on MCI's network (Petition, Ex. D.I.2.B.)?

What are the appropriate rates for the following UNEs: voice grade analog loops, DS-1 level loops, local switching, tandem switching and transport, loop distribution, and dark fiber (Petition, Ex. D.II.3.)?

Should Ameritech be able to recover nonrecurring and implementation costs (Petition, Ex. D.V.7.)?

The panel, recognizing that Ameritech's cost studies were severed from this tration proceeding, did an evaluation of the cost information presented by both part

panel determined that prices should be set at forward-looking economic costs, namely TELRIC, and a reasonable allocation of forward-looking joint and common costs. The evaluated both parties' cost information under the Commission's guidelines. The pan looked at Ameritech's TELRICs, plus joint and common costs, and then calculated a percentage adjustment, based upon the areas in which there were concerns. A 21 perc downward adjustment to the TELRICs was derived. The panel adjusted Ameritech's interim rate proposals by that percentage. Based upon these determinations, the pan recommended interim rates for transport and termination of local traffic, transit tr unbundled loops, unbundled ports, unbundled local switching, dedicated transmission links, shared transmission facilities, tandem switching, nonrecurring charges, and v and physical collocation. Also, the panel recommended that a "true-up" mechanism be instituted if the interim rates differ from the rates that will be established by th Commission in 96-922.

MCI and Ameritech both filed exceptions to various portions of the panel's i rate recommendations. MCI argues that the panel erred in five respects. First, MCI contends that the panel did not make a recommendation as to whether Ameritech is required to pay MCI the tandem office interconnection rate for transport and termina calls originated on Ameritech's network and terminated on MCI's network. MCI believ that, where its switch serves a comparable geographic area to that served by Amerite tandem switch, Ameritech must pay MCI a symmetrical rate to that which MCI pays for transport and termination through Ameritech's tandem switch. MCI states that its sw currently serves a comparable geographic area and provides the same essential functi Ameritech's tandem switch. Second, MCI believes that the panel's concerns with resp its cost model are incorrect and its cost model should be adopted by the Commission. Third, MCI states that the Commission should determine that, once the interim rates replaced by the rates developed by the Commission in 96-922, no further "true-up" wi allowed. Fourth, MCI contends that its proposed end office termination rate ($.002 minute-of-use (MOU)) should be adopted by the Commission, rather than the panel's recommendation of $.004 per MOU. In the alternative, MCI states that the Commission should set the interim rate at the mid-point, $.003 per MOU. Fifth, MCI strenuously

to the panel's recommendation to use Ameritech's tariffed rates for nonrecurring cha new service orders ($25.50) and line connection ($24.35). MCI states that the Commi should not adopt Ameritech's tariffed rates but, instead, make adjustments to Amerit proposed TELRIC nonrecurring charges. MCI made specific recommendations as to how each of those nonrecurring charges should be adjusted for determining interim rates.

Ameritech believes that the panel's interim rate recommendations should not adopted for essentially seven reasons. First, Ameritech argues that the panel's con with the modified assumptions utilized by Ameritech in its TELRIC studies are mispla Second, Ameritech contends that interim rates should be determined without reference the proxy rate ceilings or floors set by the FCC. Further, Ameritech believes that report contains an incorrect rate for end office local termination on page 21 and fa include a recommendation for an interim rate for tandem switching (Ameritech recommends that the interim tandem switching rate be $.0015 per MOU). Fourth, Ameritech maintains that the Commission should not use three weighted averages for unbundled loops prices (one for each of the three access areas/rate zones) because t associated with the eight loop types vary significantly from one another and since t weighted averages are not based upon forecasts appropriate to a weighted average pri structure. Ameritech believes that the panel's recommended weighted average rate structure will encourage carriers to purchase only high cost loops, leaving Ameritec undercompensated. Ameritech suggests that the Commission, if it accepts the panel's adjustments, could decrease each of Ameritech's proposed loop rates by 21 percent.

Fifth, Ameritech states that the panel's recommended interim unbundled port based upon costs from a prior study that involved ports with different features and functionalities than what Ameritech will unbundle for MCI and the costs associated w those features and functionalities will not be recovered through the unbundled local switching element. As with loops, Ameritech suggests that the Commission, if it acc panel's adjustments, could decrease each of Ameritech's proposed port rates by 21 pe Sixth, Ameritech took exception to the panel's recommendation to use the FCC's appro which converts dedicated transport rates into a per MOU rate, rather than establishi dedicated transport rates based upon a division of costs among the sharing carriers.

Finally, Ameritech argues that the Commission should use Ameritech's TELRIC cost stu as the basis for setting rates for nonrecurring charges associated with provisioning rather than its current tariffed rates, as the panel suggested.

Moreover, Ameritech states that Section 252(d)(2(A) of the 1996 Act requires rates paid by Ameritech to MCI for local transport and termination should not be symmetrical, but based upon the costs of providing interconnection. Ameritech argue until MCI demonstrates an ability to serve the geographic area reached by Ameritech' tandem switch (which it did not do in this proceeding), the default rate must be the office rate for local transport and termination. Therefore, Ameritech states that t Commission should deny MCI's request for the tandem interconnection rates for all lo transport and termination of calls originated on Ameritech's network. Lastly, Ameri states that MCI's new nonrecurring rates should not be adopted as MCI has just prese them in its exceptions and they are based on invalid premises.

Arbitration Award: Ameritech submits that, at page 21 of the panel's report panel inadvertently reported an end office local termination rate of $.0015 per MOU instead, should have reflected a rate of $.004 per MOU. The Commission agrees with Ameritech's correction and recognizes that the panel is recommending an end office l termination rate of $.004 and a tandem switching rate at $.0015 per MOU.

MCI proposes that compensation for transport and termination be based on the functionality of MCI's switch. How a non-incumbent LEC's switch functions is not th relevant criteria to determine the compensation rate. The Commission's guidelines s that, where a switch of a non-incumbent LEC serves a geographic area comparable to t area served by the incumbent LEC's tandem switch, the appropriate rate for the non- incumbent LEC is the incumbent LEC's tandem interconnection rate. The fundamental question then becomes: does MCI's switch located in Cleveland serve an area compara to that served by Ameritech's tandem switch. We turn our attention to MCI's conditi certificate approved in Case No. 94-2012-TP-ACE, wherein the Commission granted MCI authority to provide local telecommunications service in Cuyahoga, Franklin, and

Montgomery counties. We will presume, given the start-up nature of MCI's operations MCI shall serve the area for which we found it worthy of a certificate. In our view comparable service area. MCI's request that Ameritech pay MCI the tandem office interconnection rate for transport and termination of calls on MCI's network is gran The reciprocal compensation rate for the term of the interconnection agreement for transport and termination is the panel's recommended interim tandem switching rate o $.0015 per MOU, until revised in our 96-922 proceeding. We have reached this conclu on the basis of the information in this proceeding. We are deciding the issue on th information we have. We expect the parties to provide regular reports to the Commi telecommunications staff so that we may receive ongoing information.

Ameritech expressed its concern with the panel's recommendation on the price unbundled loops as those prices are based on weighted averages. The Commission supports the panel's recommendation requiring Ameritech to sell loops with a weighte average rate structure. We believe that applying a weighted average to all eight di types of loops, rather than developing eight separate rates for each access area, is appropriate method for interim rate setting. Furthermore, with the weighted averagi maintain consistency with Ameritech's alternative regulation plan for the setting of rates in access areas B, C, and D.

With regard to the other interconnection and recurring UNEs interim rates, M continues to believe its Hatfield Model should be used as the basis for setting rate proceeding. MCI specifically mentions that its proposed end office termination rate per MOU should be adopted or, alternatively, a rate no greater than $.003 per MOU. Hatfield Model, as noted by the panel, however, does not estimate nonrecurring costs accordingly, MCI did not propose any charges for nonrecurring costs. Nevertheless, its exceptions to the arbitration panel report attempted to develop interim nonrecur charges for service ordering and line connection. Ameritech, likewise, argues that panel's concerns with its TELRIC assumptions are misplaced and its TELRICs, as submi should be the basis to set rates. Ameritech also takes exception to the panel's mon unbundled line port rate derived from a prior Ameritech LRSIC study. We adopt the panel's recommendations on rates for interconnection and UNEs. We note that our fin

are solely for the purpose of setting interim rates and that these issues will be fu in the 96-922 proceeding. We also believe that, with the expedited nature of the co proceeding and our mechanism for a true-up, neither party will be significantly disadvantaged by these interim rates during this period. We believe that, despite M and Ameritech's exceptions, the panel's basis for setting these interim rates was appropriately determined and neither party's interim rates nor the exceptions raised parties provide a sufficient basis to reject the panel's recommended rates.

With regard to the true-up mechanism, MCI requests the Commission make clear that, when the interim rates are replaced by permanent rates, these permanent rates be derived in the 96-922 proceeding and that no further true-ups will be allowed. W previously stated that the interim rates set in this proceeding will be fully explor 96-922 cost proceeding. In this proceeding, we will not prejudge the issue or precl future possibility of true-up adjustments. Rates to be used other than the interim well as any need for a true-up, will be addressed at the appropriate time in the 96- proceeding.

## VI. Resale Issues

### A. Wholesale/Resale Discount Methodology

What is the appropriate calculation of the wholesale/resale discount rate (Petition, Ex. D.III.2.)?

What is the appropriate methodology to apply the discount rate (Petition, Ex. D.III.3.)?

MCI and Ameritech used different approaches to determining the appropriate discount to use in setting wholesale prices. While both companies' approaches deriv the FCC's rules, MCI proposed across-the-board discount percentages of either 28.88 percent or 21.42 percent, depending on whether MCI uses Ameritech's directory assist

**DOCKET NO. 99-00948**
**JACKSON DIRECT EXHIBIT 6**
**JULY 18, 2000**

**STATE OF NORTH CAROLINA**
**UTILITIES COMMISSION**
**RALEIGH**

DOCKET NO. P-500, SUB 10

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

| | | |
|---|---|---|
| In the Matter of<br>Petition by ITC^DeltaCom Communications, Inc. For Arbitration of<br>Interconnection Agreement with BellSouth Telecommunications, Inc.<br>Pursuant to Section 252(b) of the Telecommunications Act of 1996 | ) | RECOMMENDED<br>ARBITRATION ORDER |

HEARD IN: Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, on October 18-20, 1999

BEFORE: Commissioner Sam J. Ervin, IV, Presiding, and Commissioners Judy Hunt and William R. Pittman

APPEARANCES:

FOR ITC^DELTACOM COMMUNICATIONS, INC.:

Charles C. Meeker and Henry C. Campen, Jr., Parker, Poe, Adams & Bernstein, L.L.P., First Union Capitol Center, Suite 1400, 150 Fayetteville Street Mall, Raleigh, North Carolina 27602-0389

Nanette S. Edwards - Senior Manager and Regulatory Attorney, 700 Boulevard South, Suite 101, Huntsville, Alabama 35802

David I. Adelman, Sutherland, Asbill & Brennan, L.L.P., 999 Peachtree Street, NE, Atlanta, Georgia 30309-3996

FOR BELLSOUTH TELECOMMUNICATIONS, INC.:

Edward L. Rankin, III, General Counsel - North Carolina, BellSouth Telecommunications, Inc., Post Office Box 30188, Charlotte, North Carolina 28230

Thomas B. Alexander, General Attorney and Bennett L. Ross, General Attorney, BellSouth Telecommunications, Inc., 675 West Peachtree Street, Suite 4300, Atlanta, Georgia 30375-0001

FOR THE USING AND CONSUMING PUBLIC:

Lucy E. Edmondson, Staff Attorney, Public Staff - North Carolina Utilities Commission, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326

BY THE COMMISSION: This arbitration proceeding is pending before the North Carolina Utilities Commission pursuant to Section 252(b) of the Telecommunications Act of 1996 (TA96 or the Act) and Section 62-110(f1) of the North Carolina General Statutes. On June 14, 1999, ITC^DeltaCom Communications, Inc. (DeltaCom) filed a Petition for Arbitration of Interconnection Agreement with BellSouth Telecommunications, Inc. (BellSouth) in this docket which initiated this proceeding. By its Petition, DeltaCom requested that the Commission arbitrate certain terms and conditions with respect to interconnection between itself as the petitioning party and BellSouth.

The purpose of this arbitration proceeding is for the Commission to resolve the issues set forth in the Petition and Responses. 47 U.S.C.A. Section 252(b)(4)(C). Under the Act, the Commission shall ensure that its arbitration decision meets the requirements of Section 251 and any valid Federal Communications Commission (FCC) regulations pursuant to Section 252. Additionally, the Commission shall establish rates according to the provisions in 47 U.S.C.A. Section 252(d) for interconnection, services or network elements, and shall provide a schedule for implementation of the terms and conditions by the parties to the agreement. 47 U.S.C.A. Section 252(c).

Pursuant to Section 252 of TA96, the FCC issued its First Report and Order in CC Docket Numbers 96-98 and 95-185 on August 8, 1996 (Interconnection Order). The Interconnection Order adopted a forward-looking incremental costing methodology for pricing unbundled network elements (UNEs) which an incumbent local exchange company (ILEC) must sell new entrants, adopted certain pricing methodologies for calculating wholesale rates on resold telephone service, and provided proxy rates for State Commissions that did not have appropriate costing studies for UNEs or wholesale service. Several parties, including this Commission, appealed the Interconnection Order and on October 15, 1996, the United States Court of Appeals for the Eighth Circuit issued a stay of the FCC's pricing provisions and its "pick and choose" rule pending the outcome of the appeals.

The July 18, 1997 ruling of the Eighth Circuit, as amended on rehearing October 14, 1997, was largely in favor of state regulatory commissions and local phone companies and adverse to the FCC and potential competitors, primarily long distance carriers. The Eight Circuit held that 47 U.S.C.A. Sections 251 and 252 "authorize the state commissions to determine the prices an incumbent LEC may charge for fulfilling its duties under the Act." The Court of Appeals also vacated the FCC's "pick and choose rule." Iowa Utilities Board v. FCC, 120 F.3d 753 (8th Cir. 1997).

On January 25, 1999, the United States Supreme Court entered its Opinion in AT&T Corp. v. Iowa Utilities Board, 119 S.Ct. 721 (1999). The Supreme Court held, in pertinent part, that (1) the FCC has jurisdiction under Sections 251 and 252 of the Act to design a pricing methodology and adopt pricing rules; (2) the FCC's rules governing unbundled access are, with the exception of Rule 319, consistent with the Act; (3) it was proper for the FCC in Rule 319 to include operator services and directory assistance, operational support systems, and vertical switching functions such as caller I.D., call forwarding, and call waiting within the features and services that must be provided by competitors; (4) the FCC did not adequately consider the Section 251(d)(2) "necessary and impair" standards when it gave requesting carriers blanket access to network elements in Rule 319; (5) the FCC reasonably omitted a facilities-ownership requirement on requesting carriers; (6) FCC Rule 315 (b), which forbids ILECs to separate already-combined network elements before leasing them to competitors, reasonably interprets Section 251(c)(3) of the Act, which establishes the duty to provide access to network elements on nondiscriminatory rates, terms, and conditions and in a manner that allows requesting carriers to combine such elements; and (7) FCC Rule 809 (the "pick and choose" rule), which tracks the pertinent language in Section 252(i) of the Act almost exactly, is not only a

reasonable interpretation of the Act, it is the most readily apparent. The Supreme Court remanded the cases back to the Eighth Circuit Court of Appeals for proceedings consistent with its opinion.

On June 10, 1999, the Eighth Circuit Court of Appeals entered an Order on remand in response to the Supreme Court's decision which, in pertinent part, reinstated FCC Rules 501-515, 601-611, and 701-717 (the pricing rules), Rule 809 (the "pick and choose" rule), and Rule 315(b) (ILECs shall not separate requested network elements which are currently combined). The Eighth Circuit also vacated FCC Rule 319 (specific unbundling requirements). The Court set a schedule for briefing and oral argument of those issues which it did not address in its initial opinion because of its ruling on the jurisdictional issues. The Court also requested the parties to address whether it should take any further action with respect to FCC Rules 315(c) - (f) regarding unbundling requirements. Iowa Utilities Board v. FCC, F.3d (Order Filed June 10, 1999).

By Order dated June 29, 1999, the Commission set this matter for hearing on October 18, 1999.

On July 9, 1999, BellSouth filed its prefiled direct testimony as well as its Response to DeltaCom's Petition for Arbitration.

On July 26, 1999, DeltaCom prefiled its rebuttal testimony.

On September 27, 1999, the Public Staff of the North Carolina Utilities Commission filed a Notice of Intervention in this proceeding.

On October 1, 1999, BellSouth filed a Motion to Resolve Issues. In its Motion, BellSouth requested that certain arbitration issues concerning UNEs and collocation be transferred to Docket No. P-100, Sub 133d, the Commission's generic UNE docket, and Docket No. P-100, Sub 133j, the Commission's generic collocation docket. On October 8, 1999, DeltaCom filed its Opposition to BellSouth's Motion to Resolve Issues.

On October 11, 1999, the Commission issued its Order Concerning UNEs and Collocation Issues. The Commission deferred nine issues from the arbitration proceeding which concerned UNEs or collocation.

On October 13, 1999, DeltaCom filed a Motion for Clarification and to Defer Issues in which DeltaCom asked the Commission: (1) to clarify that its existing Interconnection Agreement with BellSouth will remain in effect until all issues deferred to the generic dockets have been decided and (2) to defer consideration of the issues relating to the reciprocal compensation associated with Internet Service Providers (ISPs) pending the Commission's decision in the ICG Telecom Group, Inc. (ICG) arbitration docket, Docket No. P-582, Sub 6. Specifically, DeltaCom was concerned with the 449 extended loops in service serving current customers in North Carolina and the status of the extended loops regarding additional customers.

On October 14, 1999, BellSouth prefiled redacted testimony.

On October 15, 1999, the Public Staff filed its Reply to DeltaCom's Motion for Clarification and to Defer Issues. With respect to the deferral of issues, the Public Staff supported the request of DeltaCom, saying that it is clearly in the public interest that there is no service disruption for DeltaCom customers receiving service via extended loops during the pendency of these issues. With respect to the deferral of a hearing concerning reciprocal compensation issues until a decision is

issued in the pending arbitration between BellSouth and ICG, the Public Staff supported deferral of the reciprocal compensation issues to a generic proceeding.

On October 15, 1999, BellSouth filed its Response to DeltaCom's Motion. BellSouth argued that DeltaCom's Motion regarding continued operation under the existing Interconnection Agreement should be denied as unnecessary, and it stated that it did not oppose DeltaCom's Motion to defer consideration of issues related to inter-carrier reciprocal compensation as long as such consideration occurs within the context of a general proceeding as requested by BellSouth, and not within the pending ICG arbitration.

By Order dated October 15, 1999, the Commission concluded that good cause existed to defer consideration of issues in this docket relating to reciprocal compensation. The Commission reserved the question of deferring the reciprocal compensation issue pending the issuance of an Order in the ICG/BellSouth arbitration docket or pending the conclusion of a generic docket such as that proposed by BellSouth. The Commission further concluded that a decision regarding DeltaCom's Motion concerning continued operation under the existing Interconnection Agreement should be deferred pending further argument and clarification from the Parties at the beginning of the hearing scheduled for October 18, 1999.

This matter came on for hearing as scheduled on October 18, 1999. At the beginning of the hearing, the Commission Panel heard oral arguments for reconsideration of its decision to defer consideration of the reciprocal compensation issues. The Commission concluded that it would hear evidence on the issue of reciprocal compensation in the hearing. The Commission Panel also heard arguments from BellSouth and DeltaCom concerning DeltaCom's Motion to hold its existing Interconnection Agreement in effect pending implementation of a further agreement. The arguments concerned BellSouth's provision of extended loops to existing and prospective customers.

Following the preliminary oral argument, the hearing commenced. DeltaCom offered the direct and rebuttal testimony of Christopher J. Rozycki, Director of Regulatory Affairs for DeltaCom; the direct and rebuttal testimony of Michael Thomas, Director - Information Services for DeltaCom; and the direct and rebuttal testimony of Thomas Hyde, Senior Manager - Industry Relations for DeltaCom. The direct testimony of Don J. Wood was entered into the record by stipulation. BellSouth offered the direct testimony of Dr. William E. Taylor, Senior Vice President of National Economic Research Associates, Inc.; the direct testimony of Alphonso J. Varner, Senior Director - Regulatory Policy and Planning for BellSouth; the direct testimony of Ronald M. Pate, Director - Interconnection Services for BellSouth; the direct testimony of David P. Scollard, Manager - Wholesale Billing for BellSouth Billing, Inc., a subsidiary of BellSouth; and the direct testimony of W. Keith Milner, Senior Director - Interconnection Services for BellSouth.

In response to the oral argument held on October 18, 1999, the Commission entered an Order on October 19, 1999, requesting that BellSouth and DeltaCom each make a filing by October 22, 1999, setting forth: (1) a concise restatement of their arguments, (2) citations and text of relevant sections of the existing Interconnection Agreement, (3) the substance of the terms of the oral agreement between the Parties concerning continuation of service referred to at the October 18, 1999 oral argument, (4) the rates applicable to the extended loops and collocation service and authority therefor, and (5) each party's "bottom line" concerning the terms and conditions under which a continuation of service as to extended loops to new and existing customers would be effected.

On October 21, 1999, the Commission issued its Post-Hearing Order wherein the Commission

instructed the Parties to consult with each other to arrive at a common list of remaining disputed issues consistently numbered and identified. The Commission further requested the Parties to prepare a post-hearing matrix to be submitted at the same time as Proposed Orders and Briefs.

DeltaCom and BellSouth both submitted their filings on October 22, 1999 in compliance with the Commission's October 19, 1999 Order. DeltaCom's "bottom line" position was that the Interconnection Agreement provided for continuation of extended loop service for new customers in North Carolina until the Commission ruled on this issue in the generic docket. BellSouth's "bottom line" position was that it is under no obligation under either the Agreement or the FCC rules to combine unbundled elements with BellSouth's retail services. BellSouth argued that the extended loops were provided to DeltaCom in error by BellSouth employees unfamiliar with the terms of the Agreement. To avoid a complete disruption of DeltaCom's service, however, BellSouth reached an oral agreement with DeltaCom by which BellSouth would continue to provision these extended loops until such time as DeltaCom could establish collocation arrangements in the affected central offices. Until these collocation arrangements are completed, BellSouth also agreed to accept orders from DeltaCom for extended loops to serve new customers, but only for those central offices with existing extended loops and for which collocation requests had been submitted. Further, under the oral agreement, BellSouth will not process any requests for DeltaCom for extended loops involving other central offices.

On November 2, 1999, the Commission entered an Order Concerning Continuation of Service. Through this Order, the Commission provided an interim solution to the dispute of the status of new and existing DeltaCom customers with regard to extended loops. Pursuant to the Order, existing DeltaCom customers who are receiving or have received extended loop service shall be able to receive extended loop service out of central offices already providing service by extended loops. New customers shall be able to receive extended loop service out of central offices already providing service by extended loops. DeltaCom has no obligation to initiate or continue the collocation process at this time in those central offices already providing service to DeltaCom customers by extended loops. BellSouth is under no obligation to provide extended loop service to new customers out of central offices which provide no extended loops service to DeltaCom customers. DeltaCom has the option of converting any extended loop arrangement at central offices where some service is provided to DeltaCom customers via extended loops to a collocation arrangement. The interim solution, which applies only to extended loop arrangements, is subject to prospective revision and change based upon the Commission's generic consideration of issues related to extended loops in Docket No. P-100, Sub 133d.

On December 1, 1999, BellSouth and DeltaCom provided their Notification of Resolved and Unresolved Issues for Purposes for Arbitration.

On December 2, 1999, BellSouth filed a Motion for Reconsideration of the Commission's November 2, 1999 Order concerning continuation of service.

On December 6, 1999, BellSouth and DeltaCom filed their Proposed Orders and Briefs. On that same day, the Public Staff filed its Proposed Order.

On December 13, 1999, DeltaCom filed its Response to BellSouth's Motion for Reconsideration concerning continuation of service.

On December 16, 1999, the Commission issued its Order Denying Motion for Reconsideration.

On December 20, 1999, DeltaCom filed its Motion for Leave to File a Supplemental Brief. DeltaCom stated in its Motion that the Public Staff, in its Proposed Order, raised two issues concerning the tandem switch rate which DeltaCom had not anticipated would be raised. DeltaCom argued that it had not previously briefed the issues and needed to brief the issues now.

On December 21, 1999, BellSouth filed its Response to DeltaCom's Motion. On December 23, 1999, the Public Staff filed its Response to DeltaCom's Motion.

By Order dated December 29, 1999, the Commission allowed Supplemental Briefs.

On December 29, 1999, DeltaCom filed its Supplemental Brief. On January 5, 2000, BellSouth filed its Supplemental Brief.

On January 5, 2000, the Public Staff filed its Response to DeltaCom's Supplemental Brief.

By Order dated January 20, 2000, the Commission required DeltaCom and BellSouth to submit as late-filed exhibits certain information concerning the issue of whether DeltaCom's switches serve a comparable geographic area to BellSouth's tandem switches.

On February 21, 2000, DeltaCom and BellSouth made separate filings in compliance with the Commission's January 20, 2000 Order.

By Order dated February 29, 2000, the Commission sought additional information as late-filed exhibits concerning the tandem switching issue in addition to the maps already provided.

On March 7, 2000, DeltaCom filed its late-filed exhibits in response to the Commission's February 29, 2000 Order. On March 14, 2000, BellSouth filed its Response to DeltaCom's March 7, 2000 late-filed exhibits.

A glossary of the acronyms referenced in this Order is attached hereto as Appendix A.

WHEREUPON, based upon a careful consideration of the entire record in this arbitration proceeding, the Commission now makes the following

## FINDINGS OF FACT

1. It is more appropriate to consider DeltaCom's proposed performance measurements and performance guarantees in the generic docket (Docket No. P-100, Sub 133k) established to address such issues. Further, the Commission concludes that it is appropriate for the Parties to include BellSouth's most recent Service Quality Measures (SQMs) in their Interconnection Agreement on an interim basis until a Final Order is issued by the Commission in the generic Docket No. P-100, Sub 133k, concerning performance measurements and enforcement mechanisms.

2. BellSouth is not required at this time to map Electronic Data Interchange (EDI) to the Direct Order Entry (DOE) system for all commonly ordered services requested by DeltaCom on behalf of its retail customers. However, the Commission is concerned about the lack of parity demonstrated in this proceeding and expects BellSouth to take appropriate action within a reasonable time frame to ensure that parity is reached in the instances noted in this proceeding. Finally, it is not

appropriate to include any additional language in the Interconnection Agreement setting out BellSouth's obligation for providing UNEs and Operations Support Systems (OSS).

3. The appropriate reciprocal compensation rate for local traffic is the sum of the permanent rates for the individual network elements actually used to handle the call as established in Docket No. P-100, Sub 133d. The overall rate, including tandem switching, is approximately $.003 per minute. Further, dial-up ISP traffic should be subject to an interim inter-carrier compensation mechanism and the relevant rates should mirror those used for reciprocal compensation for local traffic. Such rates shall be subject to true-up at such time as the Commission has ruled pursuant to the FCC's anticipated order on the subject.

4. For reciprocal compensation purposes, DeltaCom should be compensated at BellSouth's tandem interconnection rate.

5. The Parties should incorporate into their new Interconnection Agreement the existing local interconnection arrangements pertaining to the following matters until or unless the Parties reach agreement otherwise: (1) definition of local traffic, (2) reconfiguration charges for new installations at existing points of interconnection, (3) payment of nonrecurring charges as a result of network redesigns/reconfigurations initiated by BellSouth, (4) trunking options available to the Parties, (5) the routing of traffic by the least costly method, (6) cross-connection charges applicable in a collocation arrangement at the BellSouth wire center, (7) the loading and testing of NXX codes, and (8) the delivery of traffic between DeltaCom, BellSouth, and a third party. The Commission declines to include any proposed provisions, in this regard, that are not contained in the current local interconnection arrangements. However, the Commission encourages BellSouth and DeltaCom to continue to negotiate on the matter of binding forecasts.

6. It is reasonable and appropriate to adopt BellSouth's proposed language providing that the party requesting an audit should be responsible for paying for the audit; however, a party overstating Percent Local Usage (PLU) or Percent Interstate Usage (PIU) by 20% or more shall pay for the cost of the audit.

7. The Commission declines to require the inclusion of language obligating the losing party to an enforcement proceeding or proceeding for breach of the Interconnection Agreement to pay the cost of the litigation.

8. The Commission declines to require the insertion of a tax liability provision in the Interconnection Agreement but encourages the Parties to continue negotiations on this issue.

9. The Commission declines to require the inclusion of a provision establishing compensation for a material breach of contract in the Interconnection Agreement.

## EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 1

**MATRIX ISSUE NO. 1(a):** Should BellSouth be required to comply with the performance measures and guarantees for pre-ordering/ordering, resale and UNEs, provisioning, maintenance, interim number portability and local number portability, collocation, coordinated conversions, and the bona fide request process as set forth fully in Attachment 10 of Exhibit A to DeltaCom's Petition?

## POSITIONS OF PARTIES

**DELTACOM:** Yes. DeltaCom argued that although the Commission has recently established a generic docket concerning performance measures and guarantees, DeltaCom believes that interim measures should be adopted in this arbitration because it may be some time before a final order is issued in the generic docket. DeltaCom argued that nothing in TA96 gives the Commission authority to preclude certain issues from arbitration simply because those issues affect more than one carrier or because those issues may be considered at a later date. DeltaCom maintained that TA96 specifically mandates that all issues be resolved. DeltaCom argued that this Federal mandate is particularly important in this instance where inadequate service by BellSouth will cause DeltaCom to lose customers and likely damage DeltaCom's reputation. DeltaCom posited that performance measures and guarantees are essential for three primary reasons: (1) BellSouth has competitive and financial incentives to block entry of DeltaCom into the North Carolina market; (2) as the owner of the local loop, BellSouth has the means to limit DeltaCom's ability to provide quality service; and (3) seeking redress through the regulatory complaint procedure or through the courts would be wasteful and ineffective in a competitive environment. DeltaCom stated that performance measures and guarantees are necessary and in the public interest because such provisions would create meaningful incentives for BellSouth to perform. DeltaCom stated that it proposes a three-tier set of performance measures and guarantees. The first tier calls for the waiver of nonrecurring charges when BellSouth fails to provide the ordered service in a timely fashion. The second tier of guarantees is triggered when BellSouth fails to meet a measurement in two out of three months during a quarter. Where such a "Specified Performance Breach" occurs, BellSouth is required to provide compensation of $25,000. The third level of DeltaCom's proposed performance guarantees is triggered only in the cases of extreme and extraordinary nonperformance, where BellSouth fails to meet a single measure five times during a six-month period. For those extreme cases, BellSouth must pay $100,000 for each default, for each day the default continues. Also, DeltaCom is recommending that the second- and third-tier guarantees, if assessed, be paid to a public interest fund. DeltaCom concluded that although the generic docket will provide consistent guidance in this area on a state-wide basis, the Commission should be concerned that several months may elapse before a final order is issued in the generic docket. Therefore, DeltaCom recommended that the Commission find that the performance measures and guarantees contained in Exhibit A at Attachment 10 be in place until the Commission issues a final and nonappealable order in the generic proceeding.

**BELLSOUTH:** No. BellSouth maintained that despite having made numerous requests early during the negotiations, BellSouth did not receive a copy of Attachment 10 from DeltaCom until the day after the negotiations ended. BellSouth stated that it does not believe that the so-called performance measures and performance guarantees in Attachment 10 to the Petition are appropriate. BellSouth stated that the Parties do not dispute the importance of or need for performance measurements in their Interconnection Agreement, only which performance measures should be included. BellSouth argued that it has offered in its negotiations with DeltaCom comprehensive performance measures that will ensure that BellSouth provides DeltaCom with nondiscriminatory access consistent with the requirements of TA96 and FCC orders and rules known as BellSouth's SQMs. BellSouth further noted that the Commission issued a November 4, 1999 Order establishing a generic docket to address performance measurements and enforcement mechanisms and that docket may be the more appropriate place for a decision regarding this issue. BellSouth recommended that the Commission require the Parties to incorporate BellSouth's SQMs into their Interconnection Agreement as may be subsequently modified consistent with future decisions by the Commission in its recently established generic docket to address performance measurements and enforcement mechanisms. With respect to performance guarantees, BellSouth argued that DeltaCom's proposed performance guarantees constitute financial penalties, which the Commission lacks the statutory or jurisdictional authority

under state law to unilaterally award without a hearing and absent BellSouth's prior consent. BellSouth recommended that the Commission specifically decline to adopt any of the performance guarantees offered by DeltaCom, but note that the subject of appropriate enforcement mechanisms will be taken up in Docket No. P-100, Sub 133k.

**PUBLIC STAFF:** No. The Public Staff stated that on November 4, 1999, the Commission established a generic docket, Docket No. P-100, Sub 133k, for the consideration of performance measures and enforcement mechanisms. The Public Staff maintained that the issues of performance measures and an enforcement mechanism are more appropriate for consideration in that docket. The Public Staff argued that consideration in a generic docket would lead to a uniform decision which would apply to all competing local providers (CLPs) and ILECs operating in North Carolina. The Public Staff recommended that the Commission deny any request by DeltaCom that it establish performance measures and an enforcement mechanism in this case on an interim basis and defer the issue to the generic proceeding since it would be of greater benefit to decide this issue on an industry-wide basis rather than to consider individual cases and make decisions in a piecemeal fashion.

## DISCUSSION

The Commission notes that by Order dated November 4, 1999, the Commission established a generic docket to consider performance measurements and enforcement mechanisms which stemmed from the BellSouth/ICG arbitration proceeding (Docket No. P-582, Sub 6). In its Order, the Commission requested the industry, the Public Staff, the Attorney General, and other interested parties to form a Task Force. The Commission notes that, after being granted extensions of time, the Task Force is to file a report with the Commission by not later than May 3, 2000, which outlines specific issues agreed to by the Task Force as well as any issues on which the Task Force is unable to reach agreement. The Commission believes that it would be more appropriate for DeltaCom to actively participate on the Task Force established to address these issues on a statewide level rather than adopting DeltaCom's proposed set of performance measurements in this docket. Further, the Commission believes that BellSouth's proposal to include BellSouth's SQMs on an interim basis until an Order is issued in the generic proceeding in the Interconnection Agreement is a reasonable and appropriate recommendation. However, the Commission's decision is not intended to preclude the Parties from negotiating guarantees as referenced by BellSouth witness Varner during cross-examination by DeltaCom (See Transcript Volume 3, Page 117).

## CONCLUSIONS

The Commission concludes that it is more appropriate to consider DeltaCom's proposed performance measurements and performance guarantees in the generic docket established to address such issues. Further, the Commission concludes that it is appropriate for the Parties to include BellSouth's most recent SQMs in their Interconnection Agreement on an interim basis until a Final Order is issued by the Commission in the generic Docket No. P-100, Sub 133k, concerning performance measurements and enforcement mechanisms.

## EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 2

**MATRIX ISSUE NO. 2:** Is BellSouth providing services including OSS and UNEs to DeltaCom at parity with that which it provides to itself?

## POSITIONS OF PARTIES

**DELTACOM:** No. DeltaCom argued that its access to OSS must be at parity with BellSouth's access. DeltaCom maintained that its evidence showed that for a customer desiring to switch from BellSouth to DeltaCom and add several commonly ordered services, DeltaCom submits the order for the customer to BellSouth electronically through EDI. DeltaCom stated that by design, such order falls out when it reaches BellSouth and that when the same order is placed by BellSouth to provide the same services with BellSouth as the retail service provider, the order is processed electronically. DeltaCom argued that this example reflects the underlying problem of BellSouth's failure to map EDI to the DOE system. DeltaCom maintained that BellSouth's systems must provide access to OSS for DeltaCom at least equal to that enjoyed by BellSouth. DeltaCom stated that both companies initially enter orders manually - DeltaCom through EDI and BellSouth through DOE - but it is only DeltaCom's orders that must be re-entered by BellSouth personnel. DeltaCom stated that its orders fall out while BellSouth's orders do not. DeltaCom maintained that it is technically feasible for BellSouth to map EDI to DOE and avoid this problem and that the Commission should require BellSouth to do so. DeltaCom recommended that the Commission find that the intent of the parity requirement is that the service really be equal and, therefore, BellSouth should map fully between the EDI and DOE systems for all commonly ordered services requested by DeltaCom on behalf of its retail customers.

**BELLSOUTH:** Yes. BellSouth stated that it denies that it does not offer OSS and UNEs to DeltaCom at parity. BellSouth stated that it has offered to include language in the Interconnection Agreement consistent with TA96 and the FCC's rules regarding parity of services. BellSouth maintained that TA96 does not require BellSouth to provide DeltaCom with service at levels greater than BellSouth provides to its own end users. BellSouth argued that it is not clear what relief DeltaCom is seeking under this issue that is not already subsumed under other issues. BellSouth stated that FCC Rule 51.311 specifically provides: "The quality of an unbundled network element, as well as the quality of the access to such unbundled network element, that an ILEC provides to a requesting telecommunications carrier shall be at least equal in quality to that which the ILEC provides to itself." Therefore, BellSouth stated that it is already obligated, by TA96 and the FCC's rules, to provide DeltaCom and any other CLP nondiscriminatory access to telecommunications services, UNEs, and interconnection. BellSouth noted that it currently provides CLPs with nondiscriminatory electronic interfaces to access BellSouth's OSS including: the Local Exchange Navigation System (LENS) and the Telecommunications Access Gateway (TAG) for pre-ordering, ordering, and provisioning; EDI for ordering and provisioning; Trouble Analysis and Facilities Interface (TAFI) for maintenance and repair; Electronic Communications Trouble Administration (ECTA) for maintenance and repair; and Optional Daily Usage File (ODUF), Enhanced Optional Daily Usage File, and Access Optional Daily Usage File for billing. BellSouth asserted that it also offers CLPs manual interfaces to its OSS. BellSouth maintained that these interfaces allow CLPs to perform pre-ordering, ordering, provisioning, maintenance and repair, and billing functions for resale service in substantially the same time and manner as BellSouth does for itself, and, in the case of UNEs, provide a reasonable competitor with a meaningful opportunity to compete, which is all that is required. Further, BellSouth stated that although DeltaCom complains that more than 50% of its orders submitted electronically "fall out" for manual handling, that complaint must be put in proper perspective. BellSouth stated that it would be unfair to attribute every "fall out" to BellSouth and that obviously DeltaCom is having difficulty submitting complete and accurate orders. Also, BellSouth maintained that DeltaCom markets complex business services to its customers and such orders are designed to fall out for manual handling using the same processes that BellSouth uses to handle the same orders for its retail customers. BellSouth noted that its witness Pate testified that "[t]his 'fall out' has nothing to do with any supposed inadequacies in BellSouth's systems, but results from the fact

that the requested services are complex." BellSouth also pointed out that witness Pate testified that the manual processes are in compliance with TA96 and the FCC's Rules. In conclusion, BellSouth recommended that the Commission conclude that from the record evidence BellSouth is providing parity of service, as required by TA96 and the FCC's rules, to DeltaCom with respect to access to BellSouth's OSS and to the provision of UNEs. BellSouth recommended that the Commission decline to grant DeltaCom any relief with respect to this issue.

**PUBLIC STAFF:** Yes. The Public Staff argued that the FCC and the Act effectively set out BellSouth's obligations for providing UNEs and OSS and that, therefore, no further language on this issue is necessary for inclusion in an arbitrated Interconnection Agreement. The Public Staff maintained that BellSouth is not required to give CLPs the same access it has to its OSS, but functionally equivalent access. The Public Staff further stated that it is not satisfied that the language suggested by either party, DeltaCom's "parity equal to or greater in quality" or BellSouth's "meaningful opportunity to compete," completely captures the essence of the Act or the FCC Rules. The Public Staff opined that DeltaCom's requested language could be seen as an invitation to further muddy the waters and that the language appears to raise the standard above that required by the FCC. The Public Staff recommended that the Commission not include additional language in the Interconnection Agreement setting out BellSouth's obligations for providing UNEs and OSS.

## DISCUSSION

The Commission agrees with BellSouth that it is not clear from the record what relief DeltaCom is seeking under this issue that is not already subsumed under other issues. First, based on the Proposed Orders and Briefs of BellSouth and the Public Staff, it appears that DeltaCom is requesting that the language "parity equal to or greater in quality" be included in the Interconnection Agreement while BellSouth has suggested the language "meaningful opportunity to compete." DeltaCom requested in its Proposed Order that the Commission require BellSouth to map EDI to the DOE system for all commonly ordered services requested by DeltaCom on behalf of its retail customers.

The Commission notes that BellSouth has stated that it has offered to include language in the Interconnection Agreement consistent with TA96 and the FCC's Rules regarding parity of services. The Commission further notes that it agrees with BellSouth that TA96 does not require BellSouth to provide DeltaCom with service at levels greater than BellSouth provides to its own end users and that the FCC's language refers to service "at least equal in quality to" that which BellSouth provides to itself. Therefore, the Commission does not find it appropriate to include any additional language in the Interconnection Agreement setting out BellSouth's obligations for providing UNEs and OSS.

Additionally, the Commission notes that DeltaCom has requested that the Commission require BellSouth to map EDI to the DOE system for all commonly ordered services requested by DeltaCom on behalf of its retail customers. DeltaCom uses EDI to enter orders while BellSouth uses DOE to enter orders. DeltaCom maintained that by design, orders entered into EDI fall out when they reach BellSouth and that when the same order is placed by BellSouth to provide the same services with BellSouth as the retail service provider, the order is processed electronically. Therefore, DeltaCom maintained, BellSouth's systems are not providing access at least equal to that enjoyed by BellSouth in compliance with TA96 and the FCC. BellSouth asserted that it would be unfair to attribute every "fall out" to BellSouth and that obviously DeltaCom is having difficulty submitting complete and accurate orders. Also, BellSouth maintained that DeltaCom markets complex business services to its customers and such orders are designed to fall out for manual handling using the same processes that BellSouth uses to handle the same orders for its retail customers.

The Commission does not believe parity is obtained through BellSouth's OSS when DeltaCom's orders submitted through EDI fall out when they reach BellSouth for manual handling as evidenced in this record. Nevertheless, the Commission does not find it appropriate at this time to require BellSouth to map EDI to DOE as requested by DeltaCom. The Commission is concerned about the lack of parity demonstrated in this proceeding and expects BellSouth to take appropriate action within a reasonable time frame to ensure that parity is reached in the instances noted in this proceeding. However, the Commission is not inclined at this time to dictate specifically what action BellSouth should take to correct this lack of parity.

## CONCLUSIONS

The Commission concludes that BellSouth should not be required to map EDI to the DOE system at this time for all commonly ordered services requested by DeltaCom on behalf of its retail customers. However, the Commission is concerned about the lack of parity demonstrated in this proceeding and expects BellSouth to take appropriate action within a reasonable time frame to ensure that parity is reached in the instances noted in this proceeding. Finally, the Commission concludes that it is not appropriate to include any additional language in the Interconnection Agreement setting out BellSouth's obligation for providing UNEs and OSS.

## EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 3

**MATRIX ISSUE NO. 3:** What should be the rate for reciprocal compensation? Should BellSouth be required to pay reciprocal compensation to DeltaCom for all calls that are properly routed over local trunks, including calls to ISPs?

## POSITIONS OF PARTIES

**DELTACOM:** Yes, reciprocal compensation should be paid. Calls to ISPs are the same as calls to local customers and cause the same costs. As a result, reciprocal compensation should be paid for these calls. DeltaCom has proposed a compromise reciprocal compensation rate of $.0045 per minute pending final ruling by the FCC. This rate is approximately one-half the rate in the Parties' current Interconnection Agreement.

**BELLSOUTH:** With respect to the first issue, the appropriate rate for reciprocal compensation is the sum of the individual network elements that are actually used to handle the call such as transport or switching. The rates for each of these network elements have previously been established by the Commission in its generic UNE cost proceeding.

With respect to the second issue, calls to ISPs, even if routed over local interconnection trunks, are not subject to TA96's requirement of reciprocal compensation. The FCC's recent Declaratory Ruling in CC Docket Nos. 96-98 and 99-68, released on February 26, 1999, confirmed unequivocally that the FCC had, will retain, and will exercise jurisdiction over ISP traffic because it is interstate in nature, not local. Under the provisions of TA96 and the FCC's Orders and Rules, only local traffic is subject to the reciprocal compensation requirements. Thus, reciprocal compensation is clearly not applicable to ISP-bound traffic. In addition to being contrary to the law, treating ISP-bound traffic as local for reciprocal compensation purposes is contrary to sound public policy.

**PUBLIC STAFF:** The appropriate rates for reciprocal compensation are the interim UNE rates,

subject to true-up upon issuance of final rates in Docket No. P-100, Sub 133d. The same rates should apply to ISP-bound traffic as an interim inter-carrier compensation mechanism.

## DISCUSSION

This issue includes two parts. The first is the appropriate reciprocal compensation rate for local traffic generally. The second is whether there should be an interim inter-carrier compensation mechanism rate applied to dial-up ISP calls and, if so, at what rate.

With respect to the first part, the Commission agrees with BellSouth and the Public Staff that the appropriate reciprocal compensation rate for local traffic is the sum of the individual network elements actually used to handle the call.See footnote 1 These rates were set by Order dated March 13, 2000, in Docket No. P-100, Sub 133d.

With respect to the second part, the Commission concurs with the Public Staff that dial-up ISP traffic should be subject to an interim inter-carrier compensation mechanism and that the relevant rates should mirror those used for reciprocal compensation for local traffic. This matter has been exhaustively treated in the Commission's Recommended Arbitration Order in Docket No. P-582, Sub 6 (ICG/BellSouth Arbitration), and subsequent rulings related to that docket. There is no need to repeat that discussion here since no new evidence has been introduced for the Commission to reconsider its prior ruling. The Commission believes that the decision in that docket, on this matter, should apply to subsequent arbitrations, including a true-up once the Commission has ruled pursuant to the FCC's anticipated order on the subject.

## CONCLUSIONS

The Commission concludes that the appropriate reciprocal compensation rate for local traffic is the sum of the permanent rates for the individual network elements actually used to handle the call as established in Docket No. P-100, Sub 133d. The overall rate, including tandem switching, is approximately $.003See footnote 2 per minute.

It is further concluded that dial-up ISP traffic should be subject to an interim inter-carrier compensation mechanism and that the relevant rates should mirror those used for reciprocal compensation for local traffic. Such rates shall be subject to true-up at such time as the Commission has ruled pursuant to the FCC's anticipated Order on the subject.

## EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 4

**MATRIX ISSUE NO. 3:** Should reciprocal compensation include the tandem switching function?

## POSITIONS OF PARTIES

**DELTACOM:** Yes. As in the ICG arbitration, DeltaCom's compensation should include end-office, tandem, and transport elements of termination where its switches serve a geographic area similar to the area served by BellSouth's tandem switches.

**BELLSOUTH:** No. It is BellSouth's position that, consistent with FCC Rules and industry standards, DeltaCom does not qualify for tandem switching and common transport because its network design does not perform these functions. If a call is not handled by a switch on a tandem basis, it is not

appropriate to pay reciprocal compensation for the tandem switching function.

**PUBLIC STAFF:** No. DeltaCom is not entitled to compensation for tandem switching because it has failed to prove that its switches provide the same functions as BellSouth's tandem switches and serve the same geographic areas.

## DISCUSSION

DeltaCom witness Rozycki testified that if BellSouth wishes to charge DeltaCom for transport, end-office switching, and tandem switching on its terms, then DeltaCom should be able to charge BellSouth for the same elements. Witness Rozycki further testified that DeltaCom has designed a network where its switches perform the same functions as the BellSouth end-office and tandem switches. DeltaCom uses multifunction switches which serve large geographic areas in a manner similar to BellSouth's tandem switches, and represent precisely the situation contemplated in Section 51.711(a)(3).

In its Proposed Order, DeltaCom again contended that its compensation should include end-office, tandem, and transport elements of termination where such switches serve a geographic area similar to the area served by BellSouth's tandem switch. DeltaCom stated that, in view of the interim rate proposed by DeltaCom, detailed discussion of this issue is not required in the Commission Order, and that the rationale of the ICG/BellSouth Recommended Arbitration Order applies here as well.

BellSouth witness Varner testified that if a call is not handled by a switch on a tandem basis, it is not appropriate to pay reciprocal compensation for the tandem switching function. BellSouth will pay the tandem interconnection rate only if DeltaCom's switch is identified in the Local Exchange Routing Guide (LERG) as a tandem. Witness Varner explained that a tandem switch connects one trunk to another trunk and is an intermediate switch or connection between an originating call location and the final destination of the call. An end-office switch connects a line to a trunk enabling the subscriber to originate or terminate a call. If DeltaCom's switch is an end-office switch, then it is handling calls that originate from or terminate to customers served by that local switch, and thus BellSouth argued that DeltaCom's switch is not providing the tandem function. It is BellSouth's opinion that DeltaCom is seeking to be compensated for the cost of equipment it does not own and for functionality it does not provide.

In its Proposed Order, BellSouth argued that the FCC has identified two requirements that a CLP such as DeltaCom must meet in order to be compensated at the tandem interconnection rate: (1) DeltaCom's network must perform functions similar to those performed by BellSouth's tandem switch; and (2) DeltaCom's switch must serve a geographic area comparable to BellSouth's. BellSouth argued that DeltaCom cannot meet either of these requirements. BellSouth maintained that while DeltaCom's switch may be capable of performing tandem switching functions when connected to end-office switches, DeltaCom has presented no evidence in this record that proves that DeltaCom's switches perform such functions. BellSouth argued that, for example, there is not any evidence in this record that: (1) DeltaCom interconnects end-offices or performs trunk-to-trunk switching; (2) DeltaCom switches BellSouth's traffic to another DeltaCom switch; or (3) DeltaCom's switch provides other centralization functions, namely call recording, routing of calls to operator services, and signaling conversion for other switches, as BellSouth's tandem switches do and as is required by the FCC's Rules.

BellSouth further argued in its Proposed Order that even assuming DeltaCom's switch performs the same functions as BellSouth's tandem switch (which is not the case), there is no evidence in the record that DeltaCom's switch serves a geographic area comparable to BellSouth's. DeltaCom did not identify where the customers it serves in North Carolina are located -- information that would be essential to support a finding that DeltaCom's switch serves a comparable geographic area.

The Public Staff stated in its Proposed Order that under FCC Rule 51.711, DeltaCom failed to meet its burden of proof by showing that its switches performed similar functions to and served a comparable geographic area as BellSouth's tandem switches. The Public Staff contended that DeltaCom presented a "paucity of evidence" on this issue in this case. Other than DeltaCom witness Rozycki's testimony that DeltaCom's switches performed similar functions to and served a comparable geographic area as BellSouth's tandem switches, in the Public Staff's opinion there appears to be no further showing from DeltaCom as to details of these switches which DeltaCom contends should be treated as tandem switches.

The Public Staff cautioned in its Proposed Order that the FCC has set a high standard of proof on this issue and that it is infeasible, impracticable, and subjective for the Commission to determine whether one geographic area is comparable to another and whether one switch performs similar functions as another. Given the large number of wire centers in the state, there are innumerable permutations and combinations with which the Commission could be presented. The Public Staff opined that rendering a judgment on such issues would demand a substantial amount of Commission time, resources, and technical expertise.

On December 20, 1999, DeltaCom filed a Motion for Leave to File a Supplemental Brief regarding issues concerning the tandem switch rate. An Order Allowing Supplemental Briefs was issued on December 29, 1999.

In its Supplemental Brief, filed December 29, 1999, DeltaCom stated that the Public Staff has misinterpreted Rule 51.711 in a manner which, if adopted by this Commission, would impose a burden of proof on DeltaCom which has no legal basis, and which could result in an improper finding on a crucial issue in this docket. DeltaCom argued that the plain language of FCC Rule 51.711(a)(3) controls this issue. DeltaCom maintained that the Rule does not discuss functional equivalency, nor does it limit the type of switches used by non-ILECs that are entitled to the ILEC's tandem interconnection rate. DeltaCom stated that the Commission is required to adhere to the language of Rule 51.711.

DeltaCom further stated in its Supplemental Brief that the Public Staff erred when it asserted that DeltaCom had the burden of demonstrating that its switches performed similar functions to BellSouth's switches. DeltaCom stated that FCC Rule 51.711(a)(3) makes no mention of tandem functionality, nor does it imply that CLP switches must be functionally equivalent to ILEC tandem switches. If anything, the FCC's language implies an understanding that CLP network design and switch placement could vastly differ from traditional ILEC network design. DeltaCom argued that Rule 51.711 was crafted to ensure that CLPs were not financially penalized or discouraged from designing networks differently than that designed by the incumbent.

DeltaCom also argued in its Supplemental Brief that its testimony reflects that its local switch in North Carolina _ located in Greensboro _ serves the entire state of North Carolina, a geographic area "comparable" to the area served by BellSouth's tandem switches. DeltaCom stated that it has on file

with this Commission a price list which states the geographic area by exchange available to its facilities-based customers served by its North Carolina switch, and the price list shows that DeltaCom serves 73 exchanges located throughout North Carolina from its switch in Greensboro. DeltaCom argued that this arrangement is an example of the types of radically different network designs envisioned in FCC Rule 51.711(a)(3), and also demonstrates why the FCC made no reference to the switches performing "similar functions." DeltaCom argued that its network is fundamentally different from that of BellSouth. Rule 51.711(a)(3) requires only that the Commission consider whether a "comparable" geographic area is served _ there simply is no functionality comparison to be made.

DeltaCom contended in its Supplemental Brief that BellSouth did not meet the burden of demonstrating that DeltaCom's switch does not serve such a geographical area, indeed, it is undisputed that DeltaCom's switch in Greensboro serves the entire State of North Carolina. DeltaCom maintained that BellSouth's argument that DeltaCom does not identify its switch in the LERG specifically as a tandem switch is of no legal consequence, because identification of a switch as a tandem in the LERG is not a requirement of FCC Rule 51.711(a)(3). (In a footnote, DeltaCom indicated the tandem function performed by DeltaCom's switch is a local tandem function with the access tandem function performed by a different switch. DeltaCom indicated that it is in the process of listing its North Carolina switch as a local tandem switch in the LERG.)

DeltaCom further contended that the language of Rule 51.711(a)(3) demonstrates that DeltaCom's switch does not have to serve as a tandem. DeltaCom argued that the Rule refers to "the switch of a carrier other than an ILEC" serving a comparable geographic area to the area served by "the ILEC's tandem switch." If the FCC intended to require non-ILECs to have tandem switches in order to be entitled to an ILEC's tandem interconnection rate, it would have said so. DeltaCom stated its argument is validated by the fact that the FCC specifies the ILEC switch as a "tandem," but uses the broad, unqualified word "switch" when referring to non-ILECs' equipment.

BellSouth stated in its Supplemental Brief that it agrees that Rule 51.711(a)(3) controls this issue. However, BellSouth maintained that the Rule cannot be read in a vacuum, but must be read in the broader context of TA96 and the FCC's Order adopting the Rule, both of which fully support the Public Staff's analysis of DeltaCom's burden of proof on the tandem switching issue.

BellSouth further contended in its Supplemental Brief that the FCC directed state commissions to consider two factors in determining whether a CLP should receive the same reciprocal compensation rate as would be the case if traffic were transported and terminated via the incumbent's tandem switch. First, the FCC directed state commissions to "consider whether new technologies (e.g., fiber ring or wireless network) performed functions similar to those performed by an ILEC's tandem switch and thus whether some or all calls terminating on the new entrant's network should be priced the same as the sum of transport and termination via the ILEC's tandem switch." Second, in addition to the functionality comparison, the FCC instructed state commissions to consider whether the new entrant's switch serves a geographic area comparable to that served by the ILEC's tandem switch, in which case the appropriate proxy for the new carrier's costs is the incumbent's tandem interconnection rate.

BellSouth stated in its Supplemental Brief that the Public Staff's conclusion that DeltaCom failed to satisfy its burden of proof on the tandem switching issue is abundantly correct, particularly given that the record evidence from DeltaCom on the tandem switching issue consisted of slightly more than one page of prefiled testimony in addition to witness Rozycki's responses to four questions from the Public Staff on the issue at the hearing. BellSouth argued that DeltaCom's latest filing

should not obscure the inescapable truth that it failed to produce any evidence upon which this Commission could find in DeltaCom's favor on the tandem switching issue.

BellSouth contended in its Supplemental Brief that if the Commission were to conclude that DeltaCom was only required to prove that its switch serves a comparable geographic area to BellSouth's tandem switch (which BellSouth does not believe is the appropriate test), DeltaCom utterly failed to satisfy this burden of proof as well. BellSouth further contended that DeltaCom does not and cannot point to a single shred of evidence in this record that establishes what geographic area its Greensboro switch currently serves and whether that area is comparable to the geographic area served by BellSouth's tandem switch. BellSouth stated that neither DeltaCom's tariffs nor its network map were entered into evidence. Furthermore, BellSouth asserted that even if considered by the Commission, neither DeltaCom's tariffs nor its network map demonstrate what geographic area DeltaCom's switch actually serves in North Carolina. BellSouth maintained that the issue is whether DeltaCom's Greensboro switch "serves" a comparable geographic area, not whether its switch is technically capable of serving a particular geographic area. *See* 47 C.F.R. Paragraph 51.711(a)(3); *see also MCI Telecommunications Corp. (MCI) v. Illinois Bell Telephone Company d/b/a Ameritech Illinois, Inc.*, 1999 U.S. Dist. LEXIS 11418 (N.D. Ill. June 22, 1999).

BellSouth stated that the evidence in this record (or lack thereof) on the question of whether DeltaCom's switch serves a comparable geographic area is similar to the record evidence confronted by the federal district court in *MCI v. Illinois Bell Telephone Company d/b/a Ameritech Illinois, Inc.* In that case, MCI argued that it should be compensated at the tandem rate for its switch in Bensonville, Illinois. The Illinois Commerce Commission (ICC) rejected MCI's argument, finding that MCI had failed to provide sufficient evidence to support a conclusion that it was entitled to the tandem interconnection rate.

The Public Staff, in its Response to DeltaCom's Supplemental Brief, stated that DeltaCom failed to demonstrate that its switch performs tandem functions in terminating a call delivered to it by a local exchange company (LEC). The Public Staff argued that the determination of whether DeltaCom's switch performs the tandem functionality on calls delivered to it by BellSouth is central to the Commission's decision as to whether DeltaCom should be compensated for the tandem switching and transport elements. The Public Staff argued that even if it could be construed that DeltaCom's switch serves an area comparable to that served by BellSouth's tandem switch, that determination, standing alone, is insufficient to qualify DeltaCom to receive compensation for the tandem switching and transport elements.

The Public Staff further stated in its Response to DeltaCom's Supplemental Brief that it is clear in reading Paragraph 1090 of the FCC's First Report and Order as a whole, and as an indication of the FCC's intent in promulgating Section 51.711 of its Rules, that the functionality of the interconnecting carrier's network must be considered for the purpose of determining whether the carrier should be compensated for tandem switching. The Public Staff maintained that in Paragraph 1090, the FCC makes it clear that states may establish transport and termination rates which vary according to whether the traffic is routed through a tandem switch or directly to the end office switch. However, the Public Staff opined that the FCC specifically directs the states to consider whether new technologies (e.g., fiber ring or wireless networks) perform functions similar to those performed by an ILEC's tandem switch. The Public Staff stated that if the only requirement were that the interconnecting carrier's switch serve an area comparable to the LEC's tandem switch, any consideration of the new technologies would be completely irrelevant.

The Public Staff stated that if the Commission were to adopt DeltaCom's position that the rule should be read in isolation without any consideration of Paragraph 1090, then a CLP with a switch serving a geographic area comparable to that served by the LEC's tandem would be entitled only to reciprocal compensation for tandem switching and for no other functions such as end-office switching or transport. The Public Staff stated that it did not believe this is the result that was intended by the FCC or desired by DeltaCom. The Public Staff stated that a major theme of TA96 is that rates should be cost-based, and this is the principle underlying the FCC Rule. The Public Staff maintained that it is unreasonable to conclude that a switch that performs no tandem functions should be compensated as if it did, merely because it serves a comparable geographic area. According to the Public Staff, the functionality of the switch is a key element which cannot be overlooked.

The Public Staff submitted that a diagram handed out by DeltaCom as an exhibit to its counsel's opening statement to show the geographic coverage of DeltaCom's network, and the unsupported assertions of its witness Rozycki as to geographic coverage and functionality, do not rise to the level necessary to support DeltaCom's position on this issue.

In conclusion, in its Response to DeltaCom's Supplemental Brief, the Public Staff submitted that to qualify for reciprocal compensation for tandem switching and transport, the CLP must show that its network performs the same functions as the incumbent LEC's tandem switch in terminating calls directed to it by the interconnecting LEC and that the CLP's switch serves a comparable geographic area. The Public Staff further submitted that DeltaCom has not met its burden of proof on either of these two elements.

On February 21, 2000, in response to Commission Order, DeltaCom filed a map of its switch coverage in North Carolina vs. BellSouth's local tandems which depicted that DeltaCom's Greensboro switch covers the Greensboro, Raleigh, and Asheville Local Access and Transport Areas (LATAs), and its Columbia, South Carolina switch covers the Charlotte LATA. DeltaCom also filed a list of DeltaCom's collocations in BellSouth central offices in North Carolina, and a list of Common Language Location Identifier (CLLI) Codes for BellSouth central offices served by BellSouth local tandems. BellSouth filed LATA tandem serving area maps for its Asheville LATA Tandem, Asheville LATA Local Tandem, Charlotte LATA Tandem, Charlotte LATA Local Tandem, Greensboro LATA Tandem, Greensboro LATA Local Tandem, Raleigh LATA Tandem, Raleigh LATA Local Tandem, Wilmington LATA Tandem, and Wilmington LATA Local Tandem.

On March 7, 2000, in response to Commission Order dated February 29, 2000, DeltaCom filed a description of its switches and network architecture in North Carolina. DeltaCom described its network architecture as "super switches," and stated that these super switches perform many functions similar to the BellSouth end office and local tandem switches as well as also performing long distance or interexchange switching and access tandem switching functions. DeltaCom further stated that its "super switches" switch originating and terminating local traffic, sending the traffic to or receiving it from Traffic Concentration Nodes (TCNs) in the DeltaCom network. For local calls, the TCN gathers or concentrates originating local traffic in an area, and sends that traffic to the DeltaCom switch, thus performing a function similar to a BellSouth end office subtending a BellSouth tandem.

DeltaCom also filed four Exhibits as support. Exhibit 1 illustrated DeltaCom's North Carolina network, showing 17 Points of Presence (POPs). Exhibit 2 illustrated examples of North Carolina local calls that DeltaCom's Greensboro, North Carolina and Columbia, South Carolina switches handle today. DeltaCom contended that together, Exhibits 1 and 2 demonstrated that with the advent

of fiber optic transport facilities and the enormous switching capacity available in today's switching platforms, the economics of the switch/transport tradeoff have changed. DeltaCom argued that competing local exchange companies (CLECs) today are able to perform many of the same functions with a single switch that may be performed by at least two switches in the BellSouth network.

In Exhibit 3, DeltaCom provided their number of customers and location. In Exhibit 4, DeltaCom illustrated a small sample of the calling to DeltaCom customers in Charlotte, originated by customers of BellSouth and other North Carolina LECs.

In its Response to DeltaCom's Exhibits filed on March 7, 2000, BellSouth contended that DeltaCom has failed to demonstrate that it incurs any "additional costs" beyond its end office switching function that would justify BellSouth paying DeltaCom the tandem interconnection rate. BellSouth further contended that the technology and concentration nodes referred to by DeltaCom as TCNs are used to multiplex traffic, not to switch traffic. Therefore, BellSouth stated that contrary to DeltaCom's claim, TCNs are simply multiplexing nodes on DeltaCom's transport facilities, not traffic switching points. According to BellSouth, DeltaCom's equipment provides long (or extended) loops, but does not perform a switching function.

BellSouth summarized its opposition as follows:

1. SONET loop concentration nodes are not switches, nor do they perform functions even similar to an end office switch.
2. While DeltaCom attempts to define the loops between the DeltaCom end user and the DeltaCom switch as trunks on "common transport" facilities, these facilities are nothing more than long loops.
3. To the extent that DeltaCom utilizes SONET technology and loop concentration nodes for its loops, either short or long, such costs are prohibited by the FCC from being recovered in reciprocal compensation for local traffic.
4. Contrary to DeltaCom's claims, the DeltaCom switch performs only end office loop-to-trunk port switching and does not perform local tandem switching functions.

The Commission concluded, in *Petition of ICG Telecom Group, Inc. for Arbitration of its Interconnection Agreement with BellSouth Telecommunications, Inc.*, Docket No. P-582, Sub 6, that ICG had met its burden of proof in regard to both geographic coverage and similar functionality. That decision, based primarily on the testimony of ICG witness Starkey, was upheld and reaffirmed in the Commission's Order Ruling on Objections, Request for Clarification, Reconsideration, and Composite Agreement issued March 1, 2000. In the same Order, the Commission concluded that although it chose not to make a decision in the ICG case on the principal difference in the positions of the parties - whether FCC Rule 51.711 prevails or if the attendant discussion in Paragraph 1090 of the FCC Order should also be considered - parties arbitrating this issue in future proceedings should file maps and provide substantial testimony in the record including information as to location of actual customersSee footnote 3, description of equipment and associated technology, and other relevant information.

After careful and extensive review of the FCC's Rule 51.711 and the attendant discussion in Paragraph 1090, the Commission believes that the language in the FCC's Order clearly contemplates that exact duplication of the ILEC's network architecture is not necessary in order for the CLP to be eligible to receive reciprocal compensation at the tandem switching rate. Further, we believe that the language in the FCC's Order treats geographic coverage as a proxy for equivalent functionality, and

that the concept of equivalent functionality is included within the requirement that the equipment utilized by both parties covers the same basic geographic area. We further believe that the Rule and the Order language are not, for this reason, in conflict in the manner described by BellSouth and the Public Staff.

Based on the information filed by DeltaCom including the map and the description of its network, the Commission believes that DeltaCom has met its burden of proof that its switches cover a comparable area to that covered by BellSouth's switches and that, for reciprocal compensation purposes, DeltaCom is entitled to compensation at BellSouth's tandem interconnection rate.

## CONCLUSIONS

The Commission concludes that, for reciprocal compensation purposes, DeltaCom should be compensated at BellSouth's tandem interconnection rate.

## EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 5

**MATRIX ISSUE NO. 5:** Should the Parties continue operating under existing local interconnection arrangements?

## POSITIONS OF PARTIES

**DELTACOM:** Yes. The Parties' existing Interconnection Agreement addresses each of the following topics, and the existing language in this regard should remain in place. Specifically, the current Interconnection Agreement language concerning cross-connect fees, reconfiguration charges, network redesign, NXX translation, the definitions of the terms "local traffic" and "trunking options", and the parameters establishing routing of originating traffic and each party's exchange of transit traffic should remain.

**BELLSOUTH:** BellSouth does not understand this issue and needs clarification from DeltaCom. The fact that DeltaCom has filed for arbitration with BellSouth and listed some 73 issues, many of which contain multiple questions, belies DeltaCom's request to maintain its existing arrangements with BellSouth. Additionally, DeltaCom proposed a new Interconnection Agreement attached as Exhibit A to the Petition rather than relying upon the existing Agreement. BellSouth has negotiated with DeltaCom in good faith and will continue to do so in an effort to reach a new Interconnection Agreement. This issue is not appropriate for arbitration.

**PUBLIC STAFF:** Yes. The Parties should continue to operate under the existing local interconnection arrangements until or unless the Parties reach agreement otherwise. The Commission should decline to include any proposed provisions not contained in the current local interconnection arrangements.

## DISCUSSION

In addressing this issue, DeltaCom witness Hyde testified that at the time of the filing of DeltaCom's Petition, BellSouth was reviewing DeltaCom's proposed language. Thus, in order to preserve these issues, witness Hyde generically requested the same interconnection language that is in the current Interconnection Agreement as part of Issue 5. Witness Hyde testified that DeltaCom listed each section of the proposed language that it provided to BellSouth that it understood as open and

under review as an unresolved issue in DeltaCom's Exhibit B matrix attached to its Petition.

In its Post-Hearing Brief, DeltaCom addressed this issue by dividing it into four subtopics which were included in DeltaCom's Exhibit B matrix, among others. DeltaCom stated that the existing Interconnection Agreement addresses, at least in part, each of the subtopics with the exception of binding forecasts. DeltaCom noted that the Parties have been able to negotiate all the other provisions concerning local interconnection with the exception of the following four subtopics: **(a)** "Should the current Interconnection Agreement language continue regarding cross-connect fees, reconfiguration charges, or network redesigns and NXX translations?"; **(b)** "What should be the definition of the terms 'local traffic' and 'trunking options'?"; **(c)** "What parameters should be established to govern routing DeltaCom's originating traffic and each party's exchange of transit traffic?"; and **(d)** "Should the Parties implement a procedure for binding forecasts?"

In regard to DeltaCom's subtopics a, b, and c, DeltaCom noted that the Parties had been unable to negotiate any alternative arrangements. Thus, DeltaCom proposed that the language which is in the existing Interconnection Agreement relating to these subtopics should remain in place. DeltaCom noted that BellSouth agreed to the language that is in the existing Agreement and that this Commission approved that Agreement approximately two years ago as compliant with the Act and consistent with the public interest as required by Section 252(e)(2)(A) of the Act. DeltaCom stated that the terms and conditions in the previously approved Interconnection Agreement have enabled DeltaCom to enter the North Carolina local exchange market and have encouraged DeltaCom to make significant investments in facilities in North Carolina. DeltaCom believes that the current language related to DeltaCom's subtopics a, b, and c should be renewed and incorporated into the Interconnection Agreement resulting from this proceeding. DeltaCom argued that BellSouth has not provided any evidence that these requirements are no longer appropriate for the Interconnection Agreement between the Parties and the Parties have been unable to negotiate any alternative arrangements. Thus, absent a compelling reason to remove the existing language related to these subtopics a, b, and c, DeltaCom argued that the existing related language should remain in the Agreement.

BellSouth witness Varner testified that BellSouth's position on this issue is that negotiations take place in order to incorporate new language and terms into an Interconnection Agreement based upon new situations, governing law, processes, and technologies. Furthermore, witness Varner stated that this is not an arbitrable issue due to the fact that there is no contract language attached to this issue. Witness Varner noted that as stated in DeltaCom's position on this issue, the current arrangement has worked well for the past two years. However, DeltaCom's supporting testimony and petition seem to infer otherwise. Further, witness Varner testified that in order to ensure that DeltaCom and BellSouth have the most beneficial agreement for both Parties, new negotiations need to take place.

In its Proposed Order, BellSouth stated that for reasons that are not readily apparent, DeltaCom is asking this Commission to decide that DeltaCom should be permitted to operate under certain terms of its expired local Interconnection Agreement, while at the same time asking this Commission to arbitrate numerous disputes concerning proposed terms for a new Interconnection Agreement. Furthermore, BellSouth argued that DeltaCom attempted to expand the scope of this issue after the Petition for Arbitration was filed, by seeking to add an issue concerning binding forecasts and other newly raised matters. BellSouth objects to DeltaCom being permitted to do so. BellSouth noted that under the Act, DeltaCom is required to state the unresolved issues in its Petition. It is BellSouth's position that DeltaCom is attempting to expand those issues and it should not be allowed to do so.

In its Proposed Order, the Public Staff noted that Exhibit B to the Petition for Arbitration contains 19 particular references to DeltaCom's proposed Interconnection Agreement which pertain to this issue. The Public Staff noted that the record contains little substantive information on this issue. However, the Public Staff pointed out that if the current local interconnection arrangements cease and no substitute exists, service disruptions may well occur. Thus, the Public Staff stated that it is necessary to continue the current arrangements unless the Parties have reached agreement otherwise. Further, the Public Staff also stated that if the provision is not included in the current local interconnection arrangements, then the Commission should decline to order the inclusion of the proposed language.

The Commission disagrees with BellSouth's assertion that this is not an arbitrable issue because no contract language was attached. DeltaCom filed its Petition for Arbitration on June 14, 1999, and attached three exhibits to its Petition as follows: Exhibit A-Proposed Interconnection Agreement, Exhibit B-Matrix of Unresolved Issues, and Exhibit C-Verification. In its Exhibit B attached to the Petition, DeltaCom raised 19 items under this issue and specifically cited where the proposed related language was set forth in its proposed Interconnection Agreement. Based on DeltaCom's Proposed Order, it now appears that 10 of these items have been negotiated and that nine items remain unresolved. These nine items relate to the following matters: (1) definition of local traffic, (2) reconfiguration charges for new installations at existing points of interconnection, (3) payment of nonrecurring charges as a result of network redesigns/reconfigurations initiated by BellSouth, (4) trunking options available to the Parties, (5) the routing of traffic by the least costly method, (6) cross-connection charges applicable in a collocation arrangement at the BellSouth wire center, (7) the loading and testing of NXX codes, (8) the delivery of traffic between DeltaCom, BellSouth, and a third party, and (9) binding forecasts with liquidated damages. Of these nine items, all but one which relates to binding forecasts, have existing provisions that are in the current local interconnection arrangements.

The Commission agrees with the Public Staff that if the current local interconnection arrangements cease and no substitute exists, service disruptions may well occur. That, of course, is an undesired outcome. The local interconnection arrangements outline how the Parties exchange and account for different traffic. Accordingly, the Commission believes that in order to avoid service disruptions, it is appropriate to require the Parties to incorporate into their new Interconnection Agreement their current local interconnection arrangements as they relate to the foregoing items, excluding binding forecasts, unless they negotiate other mutually acceptable provisions.

In regard to the implementation of a procedure for binding forecasts, DeltaCom urged the Commission to direct BellSouth to form a binding forecast capability that gives DeltaCom the assurance of having available facilities when needed and as forecasted. DeltaCom noted that with binding forecasts, BellSouth can build out its network without fearing that it will not be able to recoup its investments. DeltaCom stated its willingness to be bound by its forecasts. DeltaCom is willing to pay an underutilization charge for any trunks that are constructed by BellSouth for DeltaCom as a result of a binding forecast. Furthermore, DeltaCom stated that binding forecasts and the requirement that suppliers be made whole where purchasers over-forecast needs are procedures that have worked and continue to work well in the interexchange industry, and should be applied to the local exchange industry.

DeltaCom stated that it has been negotiating this matter of binding forecasts with BellSouth for almost a year. DeltaCom stated that it was approached by the BellSouth account team to implement

binding forecasts on the assumption by at least some at BellSouth that binding forecasts had been agreed to and were needed to efficiently govern the relationship between the companies. DeltaCom stated that it is perplexed by BellSouth's refusal to agree to binding forecasts because of the benefits such a program will provide to BellSouth. Further, DeltaCom noted that BellSouth has not clearly opposed binding forecasts and still seems to be analyzing the issue. DeltaCom believes that binding forecasts should be implemented as one means to facilitate orderly and efficient local competition. It is DeltaCom's position that through the forecasts, BellSouth will be assisted in knowing what facilities need to be constructed and will not be harmed since DeltaCom will be required to pay an underutilization fee on any trunks that are not put into service.

BellSouth witness Varner testified that although not required under the Act or by FCC Rules, BellSouth is currently analyzing the possibility of providing a service whereby BellSouth commits to provisioning the necessary network buildout and support when a CLP agrees to enter into a binding forecast of its traffic requirements. Further, witness Varner testified that while BellSouth has not yet completed the analysis needed to determine if this is a feasible offering, BellSouth is willing to discuss the specifics of such an arrangement with DeltaCom.

In its Proposed Order, BellSouth argued that the Commission should deny DeltaCom's request for binding forecasts. BellSouth stated that Section 251 of the Act does not impose a duty nor an obligation on the part of an incumbent to enter into binding forecasts, which makes this issue inappropriate for arbitration. Further, BellSouth argued that DeltaCom's proposal for binding forecasts is ill-defined and administratively unworkable. Although DeltaCom would be willing to compensate BellSouth if DeltaCom fails to meet its forecast, the specifics of how this compensation would work are not spelled out in DeltaCom's proposal. Additionally, DeltaCom's proposal may make it difficult for BellSouth to serve other carriers that may require trunking capacity that has been reserved for DeltaCom pursuant to a binding forecast. For example, under DeltaCom's proposal, BellSouth would be prohibited from allowing other carriers to take advantage of these existing trunks, even though DeltaCom is not using, and may never use the trunks.

The Commission believes that it should decline to decide at this time whether the Act mandates a binding forecast requirement of the sort requested by DeltaCom, consistent with the Commission Recommended Arbitration Order in Docket No. P-582, Sub 6, involving ICG and BellSouth. However, the Commission does note that DeltaCom's request for this type of requirement does not appear to be inappropriate. In fact, such a provision can be found in BellSouth's Revised Statement of Generally Available Terms (SGAT). The Commission also agrees with the Public Staff that since this provision for binding forecasts is not included in the current local interconnection arrangements, then the Commission should decline to order the inclusion of the proposed language. However, BellSouth witness Varner testified that BellSouth was still analyzing this proposal and that BellSouth was willing to discuss the specifics of such an arrangement with DeltaCom. Accordingly, the Commission encourages BellSouth and DeltaCom to continue to negotiate on the matter of binding forecasts.

## CONCLUSIONS

The Commission concludes that the Parties should incorporate into their new Interconnection Agreement the existing local interconnection arrangements pertaining to the following matters until or unless the Parties reach agreement otherwise: (1) definition of local traffic, (2) reconfiguration charges for new installations at existing points of interconnection, (3) payment of nonrecurring charges as a result of network redesigns/reconfigurations initiated by BellSouth, (4) trunking options available to the Parties, (5) the routing of traffic by the least costly method, (6) cross-connection

charges applicable in a collocation arrangement at the BellSouth wire center, (7) the loading and testing of NXX codes, and (8) the delivery of traffic between DeltaCom, BellSouth, and a third party. The Commission declines to include any proposed provisions, in this regard, that are not contained in the current local interconnection arrangements. However, the Commission encourages BellSouth and DeltaCom to continue to negotiate on the matter of binding forecasts.

## EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 6

**MATRIX ISSUE NO. 7(b)(iv):** Who pays for the audit?

## POSITIONS OF PARTIES

**DELTACOM:** DeltaCom argued that the party requesting the audit should pay for it. DeltaCom stated that this approach is simple and avoids any dispute as to who ultimately is responsible for the expense of the audit.

**BELLSOUTH:** BellSouth maintained that the issue is relatively straightforward: should one carrier that inaccurately reports information to a significant extent to another carrier be required to pay for the costs of the audit that uncovers the inaccurate information. BellSouth stated that it agrees that the party requesting an audit should be responsible for the costs of the audit, except that BellSouth would add that if the audit reveals that either party is found to have overstated the PLU or PIU by 20% or more, then that party should be required to reimburse the other party for the costs of the audit. Therefore, if a BellSouth-requested audit reveals that DeltaCom has overstated PLU/PIU percentages by 20% or more, DeltaCom should pay for the audit; otherwise, BellSouth would be required to do so. BellSouth maintained that this is a fair and reasonable provision for the protection of both Parties. BellSouth maintained that DeltaCom's argument that "each Party should pay for their own audits regardless of the outcome otherwise it would constitute a 'penalty'" is inconsistent with basic principles of cost causation. BellSouth further stated that paying the costs of an audit is not akin to a "penalty" as DeltaCom argued, since BellSouth would only be entitled to recover its actual costs incurred in conducting the audit, not fines or punitive damages. BellSouth argued that including such a provision in the Interconnection Agreement is reasonable and would create an incentive for DeltaCom to report accurately PLU/PIU information in the first place. Therefore, BellSouth recommended that the Commission conclude that it is reasonable to require the inclusion of a provision for audit rights in the Interconnection Agreement such that if one party is found to have overstated the PLU/PIU percentages by 20% or more, then that party should be required to pay for the entire audit.

**PUBLIC STAFF:** The Public Staff maintained that both Parties agree that, generally, the party requesting an audit should pay for it. The Public Staff further stated that one reason a party would request an audit is if it believed that reports provided by the other party were inaccurate or overstated. The Public Staff argued that should this belief be borne out by the audit, it is equitable that the party in error should pay the costs of the audit. The Public Staff maintained that including such language in the Interconnection Agreement encourages the Parties to deal with each other honestly and to ensure that information provided to each other is accurate. The Public Staff, therefore, recommended that the Commission accept BellSouth's proposed language providing that each party bears the cost of an audit; however, a party overstating PLU/PIU by 20% or more will bear the other party's audit costs.

## DISCUSSION

The Commission notes that the Parties agree that the party requesting an audit should be responsible for paying for the audit. In addition, the Commission believes that it is reasonable and appropriate to adopt the additional language proposed by BellSouth that if an audit reveals that a party reported PLU/PIU in error and overstated such percentages by 20% or more, the party in error should pay for the cost of the audit. The Commission agrees with BellSouth and the Public Staff that inclusion of such language would encourage the Parties to deal with each other honestly and provide accurate information to each other.

## CONCLUSIONS

The Commission concludes that it is reasonable and appropriate to adopt BellSouth's proposed language providing that the party requesting an audit should be responsible for paying for the audit; however, a party overstating PLU/PIU by 20% or more shall pay for the cost of the audit.

## EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 7

**MATRIX ISSUE NO. 8(b):** Should the losing party to an enforcement proceeding or proceeding for breach of the Interconnection Agreement be required to pay the costs of such litigation?

## POSITIONS OF PARTIES

**DELTACOM:** Yes. The losing party should pay the costs of such proceeding and litigation. Such a provision will deter frivolous claims, and encourage both Parties to resolve disputes informally. The Parties' present Interconnection Agreement contains this provision.

**BELLSOUTH:** No. BellSouth believes that the inclusion of a "loser pays" provision would have a chilling effect on both Parties to the extent that even meritorious claims may not be filed. TA96 is barely three years old and clearly represents an evolving area of rules and regulation. It is inevitable that complaints will be brought by various parties seeking clarification as issues emerge. Often times there is no clear "winner" or "loser," thus further complicating the use of a "loser pays" clause. A negative provision like "loser pays" should not be included in the agreement.

**PUBLIC STAFF:** No. It is not within the Commission's province to order the payment of attorney's fees and other costs by one party to another. While such a provision might indeed reduce litigation and encourage settlement and fair play, there is a real danger of even more controversy erupting as to whether a party can unequivocally be denominated as a winner.

## DISCUSSION

DeltaCom witness Rozycki testified that a provision in the contract as to whether the losing party to an enforcement proceeding or a proceeding for breach of the Interconnection Agreement should be required to pay the costs of litigation would not encourage "forum shopping." First, DeltaCom stated that the proposed language is in the Parties' existing Interconnection Agreement so BellSouth has agreed to this language previously. Second, according to DeltaCom, the purpose of this provision is to encourage Parties to meet their commitments under this Agreement. Witness Rozycki further testified that he believed this provision actually encourages Parties to settle rather than face a negative decision. The Interconnection Agreement between DeltaCom and BellSouth which was previously approved contains a "loser pays" provision. DeltaCom simply seeks to continue that

provision for two more years.

BellSouth witness Varner testified that it is inevitable that complaints will be brought by various parties seeking clarification as issues emerge. Often times there is no clear "winner" or "loser," thus further complicating the use of a "loser pays" clause. BellSouth stated that a negative provision like "loser pays" should not be included in the Agreement. Witness Varner further testified that BellSouth will agree to appropriate language regarding jurisdictional issues that would allow the Parties to seek damages under the Agreement from the courts since that would be a matter outside the Commission's jurisdiction. It is BellSouth's position that the Parties should determine at the time they enter the Interconnection Agreement where disputes will be resolved. BellSouth asserted that this is standard contract language and for good reason. It gives certainty as to how and where disputes will be resolved and it helps prevent the potential for "forum shopping" as well as the potential for inconsistent decisions under the Agreement.

The Public Staff recommended that the Commission encourage the Parties to continue negotiation of this issue and to consider seeking redress in another forum.

The Commission concurs with the Public Staff that it is not appropriate to require the inclusion of language obligating the losing party to an enforcement proceeding or proceeding for breach of the Interconnection Agreement to pay the cost of the litigation.

## CONCLUSIONS

The Commission declines to require the inclusion of language obligating the losing party to an enforcement proceeding or proceeding for breach of the Interconnection Agreement to pay the cost of the litigation.

## EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 8

**MATRIX ISSUE NO. 8(e):** Whether language covering tax liability should be included in the Interconnection Agreement and, if so, whether that language should simply state that each party is responsible for its tax liability?

## POSITIONS OF PARTIES

**DELTACOM:** No. A statement concerning tax liability need not be included. DeltaCom has proposed a compromise, supplying tax language acceptable to it to BellSouth which was less verbose and more understandable. BellSouth has not responded. In any event, the Agreement needs no provision relating to tax liability, which is an issue between the respective Parties and the relevant taxing authorities. DeltaCom noted that BellSouth had not put forward its suggested language into the record.

**BELLSOUTH:** Yes. BellSouth has proposed language for the Interconnection Agreement based upon BellSouth's experiences with tax matters and liability issues in connection with the Parties' obligations under interconnection agreements. A variety of taxes are imposed upon telecommunications carriers, both directly and indirectly (collected from end-users and other carriers). As would be expected, problems and disputes over the application and validity of these taxes will and do occur. The Interconnection Agreement should clearly define the respective rights and duties for each party in the handling of such tax issues so that they can be resolved fairly and

quickly.

**PUBLIC STAFF:** No. Each party should be responsible for its own tax liability outside the Interconnection Agreement. However, if the Parties desire a provision on tax liability in the Agreement, such a provision should simply state that each party shall be responsible for its own tax liability.

## DISCUSSION

The Commission believes that, while it may be desirable as a business practice to have provisions in a contractual agreement which spell out tax liability, the Commission should not itself impose such a provision, absent mutual agreement by the Parties. In his rebuttal testimony, DeltaCom witness Rozycki agreed with BellSouth that the Interconnection Agreement should clearly define the Parties' rights and duties in handling tax issues. The Parties did not agree, however, on the specific language to be included in the Agreement. While DeltaCom in negotiations proposed no language on taxes, witness Rozycki, in his direct testimony, did suggest language. The Commission believes that the Parties should continue their negotiations on this issue and arrive at a mutually agreeable provision, even if it is one that simply states that each party shall be responsible for its own tax liability.

## CONCLUSIONS

The Commission declines to require the insertion of a tax liability provision in the Interconnection Agreement but encourages the Parties to continue negotiations on this issue.

## EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 9

**MATRIX ISSUE NO. 8(f):** Should BellSouth be required to compensate DeltaCom for breach of material terms of the contract?

## POSITIONS OF PARTIES

**DELTACOM:** Yes. There should be a provision establishing liability for a material breach of contract.

**BELLSOUTH:** The issue of penalties or liquidated damages is not an appropriate subject of arbitration. The Commission lacks the statutory or jurisdictional authority to award or order monetary damages or financial penalties. Even if a penalty or liquidated damage award could be arbitrated, it is completely unnecessary. State law and Commission complaint procedures are available, and are more than sufficient, to address or remedy any breach of contract situation should it occur. Furthermore, nothing in TA96 nor in any order of the FCC requires the inclusion of a liquidated damages provision in an Interconnection Agreement.

**PUBLIC STAFF:** The Commission should decline to include a provision in the Interconnection Agreement that requires either party to compensate the other party for the breach of material terms of the contract.

## DISCUSSION

The Commission concurs with the Public Staff that the Commission should decline to include a provision establishing compensation for a material breach of contract. Further, the Commission notes that the Parties presented Section 11 - Resolution of Disputes in Part A of Exhibit A - Interconnection Agreement Between DeltaCom and BellSouth filed with DeltaCom's June 14, 1999 Petition for Arbitration.

## CONCLUSIONS

The Commission declines to require the inclusion of a provision establishing compensation for a material breach of contract in the Interconnection Agreement. The Parties are referred to Section 11 of the Parties' Interconnection Agreement.

IT IS, THEREFORE, ORDERED as follows:

1. That BellSouth and DeltaCom shall prepare and file a Composite Agreement in conformity with the conclusions of this Order not later than June 5, 2000. Such Composite Agreement shall be in the form specified in paragraph 4 of Appendix A in the Commission's August 19, 1996 Order in Docket Nos. P-140, Sub 50, and P-100, Sub 133, concerning arbitration procedure (Arbitration Procedure Order).

2. That, not later than May 22, 2000, a party to the arbitration may file objections to this Order consistent with paragraph 3 of the Arbitration Procedure Order.

3. That, not later than May 22, 2000, any interested person not a party to this proceeding may file comments concerning this Order consistent with paragraphs 5 and 6, as applicable, of the Arbitration Procedure Order.

4. That, with respect to objections or comments filed pursuant to decretal paragraphs 2 or 3 above, the party or interested person shall provide with its objections or comments an executive summary of no greater than one and one-half pages single-spaced or three pages double-spaced containing a clear and concise statement of all material objections or comments. The Commission will not consider the objections or comments of a party or person who has not submitted such executive summary or whose executive summary is not in substantial compliance with the requirements above.

5. That parties or interested persons submitting Composite Agreements, objections or comments shall also file those Composite Agreements, objections or comments, including the executive summary required in decretal paragraph 4 above, on an MS-DOS formatted 3.5-inch computer diskette containing noncompressed files created or saved in WordPerfect format.

ISSUED BY ORDER OF THE COMMISSION.

This the 20th day of April, 2000.

NORTH CAROLINA UTILITIES COMMISSION
Cynthia S. Trinks, Deputy Clerk

bc041900.01

**APPENDIX A**

## GLOSSARY OF ACRONYMS

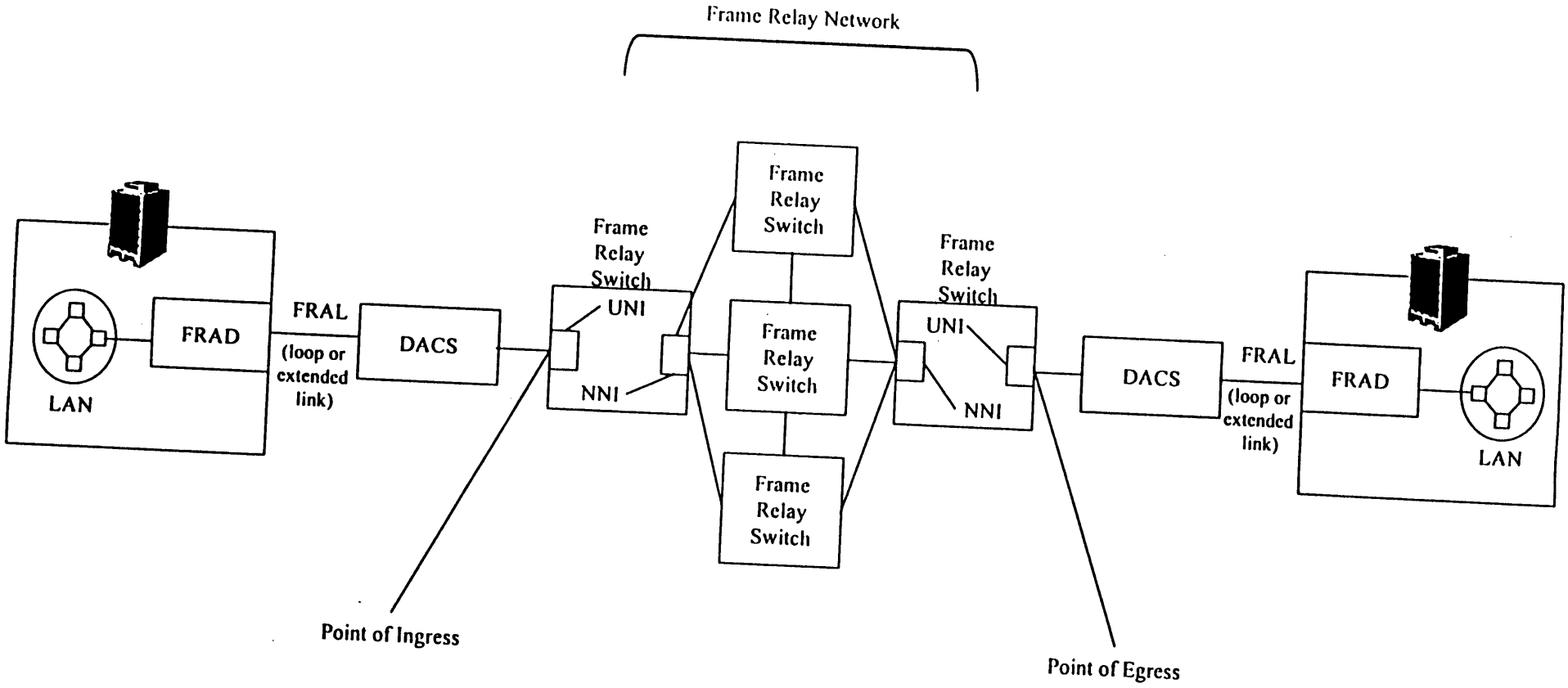
**Docket No. P-500, Sub 10**

| | |
|---|---|
| Act | Telecommunications Act of 1996 |
| BellSouth | BellSouth Telecommunications, Inc. |
| CLLI | Common Language Location Identifier |
| CLP | Competing Local Provider |
| CLEC | Competing Local Exchange Company (Carrier) |
| Commission | North Carolina Utilities Commission |
| DeltaCom | ITC^DeltaCom Communications, Inc |
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**DOCKET NO. 99-00948**
**JACKSON DIRECT EXHIBIT 7**
**JULY 18, 2000**

# Frame Relay - Physical Components



**DOCKET NO. 99-00948**
**JACKSON DIRECT EXHIBIT 8**
**JULY 18, 2000**

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# APPENDIX
# PERFORMANCE MEASUREMENT BUSINESS RULES (VERSION 1.6)
# RESALE POTS, RESALE SPECIALS AND UNES

## Pre-Ordering/Ordering

| **1. Measurement** | |
|---|---|
| Average Response Time For OSS Pre-Order Interfaces | |
| **Definition:** | |
| The average response time in seconds from the SWBT side of the Remote Access Facility (RAF) and return for pre-order interfaces (Verigate, DataGate and EDI where the pre-order functionality is integrated) by function. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| The clock starts on the date/time when the request is received by SWBT, and the clock stops on the date/time when SWBT has completed the transmission of the response to the CLEC. Timestamps are taken at the DataGate and Verigate servers and do not include transmission time through the LRAF. Response time is accumulated for each major query type, consistent with the specified reporting dimension, and then divided by the associated total number of queries received by SWBT during the reporting period. The response time is measured only within the published hours of interface availability. Published hours of interface availability are documented on the CLEC web site. (SWBT will not schedule system maintenance during normal business hours (8:00 a.m. to 5:30 p.m. Monday through Friday). | |
| **Levels of Disaggregation:** | |
| • Address Verification<br>• Request For Telephone Number<br>• Request For Summary Customer Service Record (CSR) < = 30 WTNs (Also broken down for Lines as required for DIDs).<br>• Request For Summary Customer Service Record (CSR) > 30 WTNs (Also broken down for Lines as required for DIDs).<br>• Request for Detailed Customer Service Request (CSR)<br>• Service Availability<br>• Service Appointment Scheduling (Due Date)<br>• Dispatch Required<br>• PIC | |
| **Calculation:** | **Report Structure:** |
| Σ[(Query Response Date & Time) - (Query Submission Date & Time)] ÷ (Number of Queries Submitted in Reporting Period) | Reported on a CLEC and all CLECs basis by interface for DATAGATE and VERIGATE. |

| **Measurement Type:** | | |
|---|---|---|
| Tier 1 – Low<br>Tier 2 – Medium | | |
| **Benchmark:** | | |
| Benchmarks for summary CSR applies to < = 30 WTNs. Benchmarks for diagnostic measurements will be evaluated at the six months review. | | |
| **Measurement** | **EDI/Datagate** | **Verigate** |
| Address Verification | 4.7 seconds | 4.7 seconds |
| Request For Telephone Number | 4.5 seconds | 4.5 seconds |
| Request For Customer Service Record (CSR) | 6.6 seconds | 6.6 seconds |
| Service Availability | 6.6 seconds | 6.6 seconds |
| Service Appointment Scheduling (Due Date) | 1.0 second | 1.0 second |
| Dispatch Required | 12.6 seconds | 12.6 seconds |
| PIC | 28.0 seconds | To be determined at six month revision period |

**2. Measurement**

Percent Responses Received within "X" seconds – OSS Interfaces

**Definition:**

The percent of responses completed in "x" seconds for pre-order interfaces (Verigate, DataGate, and EDI where the pre-order functionality is integrated) by function.

**Exclusions:**

See Measurement No. 1

**Business Rules:**

See Measurement No. 1

**Levels of Disaggregation:**

See Measurement No. 1

| **Calculation:** | **Report Structure:** |
|---|---|
| (# of responses within each time interval ÷ total responses) * 100 | Reported on a company basis by interface for DATAGATE and VERIGATE. |

**Measurement Type:**

Tier 1 – Low
Tier 2 – Medium

**Benchmark:**

| **Measurement** | **EDI/Datagate** | **Verigate** |
|---|---|---|
| Address Verification | 90% in = 8.0 seconds<br>95% in = 12.0 seconds | 80% in = 5.0 seconds<br>90% in = 7.0 seconds |
| Request For Telephone Number | 90% in = 7.0 seconds<br>95% in = 9.5 seconds | 80% in = 4.0 seconds<br>90% in = 6.0 seconds |
| Request For Customer Service Record (CSR) | 90% in = 8.0 seconds<br>95% in = 13 seconds | 80% in = 7.0 seconds<br>90% in = 10.0 seconds |
| Service Availability | 90% in = 12.0 seconds<br>95% in = 16.0 seconds | 80% in = 11.0 seconds<br>90% in = 13.0 seconds |
| Service Appointment Scheduling (Due Date) | 90% in = 1 seconds<br>95% in = 2.0 seconds | 80% in = 2.0 seconds<br>90% in = 3.0 seconds |
| Dispatch Required | 90% in = 15.0 seconds<br>95% in = 25.0 seconds | 80% in = 17.0 seconds<br>90% in = 19.0 seconds |
| PIC | 90% in = 39 seconds<br>95% in = 60 seconds | To be determined at six month revision period |

| **3. Measurement** | |
|---|---|
| EASE Average Response Time | |
| **Definition:** | |
| Average screen to screen response from the SWBT side of the Remote Access Facility (RAF) and return. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| The response time for a query is measured from the point in time when the CLEC customer service agent submits the query for information through a function key option on their keyboard into the OSS until the time when the OSS releases the information to the CLEC customer service agent by unlocking the keyboard for a new transaction. Response time is a combination of Network time, Host time and Fasterm time. Response time is accumulated for each query and then divided by the associated total number of queries received by SWBT during the reporting period. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| Σ[(Query Response Date & Time) - (Query Submission Date & Time)] ÷ (Number of Queries Submitted in Reporting Period) | Reported for all CLECs and SWBT by division name (CPU platform). |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity. However, a Benchmark will be used until such time that SWBT has the ability to calculate sum of the squares in order to provide the parity comparison. The benchmark will be SWBT performance for the given month plus .05 seconds, and no z-test or modified z-test will be applied. | |

| **4. Measurement** | |
|---|---|
| OSS Interface Availability | |
| **Definition:** | |
| Percent of time OSS interface is available compared to scheduled availability. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| The total "number of hours functionality to be available" is the cumulative number of hours (by date and time on a 24 hour clock) over which SWBT plans to offer and support CLEC access to SWBT's operational support systems (OSS) functionality during the reporting period. "Hours Functionality is Available" is the actual number of hours, during scheduled available time, that the SWBT interface is capable of accepting or receiving CLEC transactions or data files for processing through the interface and supporting operational support systems (OSS). The actual time available is divided by the scheduled time available and then multiplied by 100 to produce the "Percent system availability" measure. SWBT will not schedule normal maintenance during business hours (8:00 a.m. to 5:30 p.m. Monday through Friday). When interfaces experience partial unavailability, an availability factor is applied to the calculation of downtime. This factor is stated as a percentage and represents the impact to the CLEC. Determination of the availability factor is governed by SWBT's Availability Team on a case by case basis. SWBT's availability team shall provide to CLECs the information supporting the use of any availability factor multiplier used in reporting this measurement. SWBT shall calculate the availability time rounded to the nearest minute. | |
| **Levels of Disaggregation:** | |
| • EASE reported for Geographic Regions<br>• EDI reported by protocol | |
| **Calculation:** | **Report Structure:** |
| [(Hours functionality is available during the scheduled available hours) ÷ Scheduled system available hours)] * 100 | Reported on an aggregate CLEC basis by interface, e.g. EASE, DATAGATE, VERIGATE, LEX, EDI and TOOLBAR. The RAF will be reported on an individual CLECs basis. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – High | |
| **Benchmark:** | |
| 99.5%. The critical Z allowance does not apply on this measurement. | |

**5. Measurement:**

Percent Firm Order Confirmations (FOCs) Returned

**Definition:**

Percent of FOCs returned within a specified time frame from receipt of a complete and accurate service request to return of confirmation to CLEC.

**Exclusions:**

- Rejected (manual and electronic) orders.
- SWBT only Disconnect orders.
- Orders involving major projects mutually agreed upon by CLECs and SWBT.
- Upon implementation of Performance Measurement 94, LNP and LNP With Loop will be excluded from this measure.

**Business Rules:**

FOC business rules are established to reflect the Local Service Center (LSC) normal hours of operation, which include Monday through Friday, 8:00 a.m.-5:30p.m, excluding holidays and weekends. If the start time is outside of normal business hours, then the start date/time is set to 8:00 a.m. on the next business day. Example: If the request is received Monday through Friday between 8:00 a.m. to 5:30 p.m.; the valid start time will be Monday through Friday between 8:00 a.m. to 5:30 p.m. If the actual request is received Monday through Thursday after 5:00 p.m. and before 8:00 a.m. the next day; the valid start time will be the next business day at 8:00 a.m. If the actual request is received Friday after 5:30 p.m. and before 8:00 a.m. Monday; the valid start time will be at 8:00 a.m. Monday. If the request is received on a holiday (anytime); the valid start time will be the next business day at 8:00 a.m. The returned confirmation to the CLEC will establish the actual end date/time. Provisions are established within the DSS reporting systems to accommodate situations when the LSC works holidays, weekends, and when requests are received outside normal working hours. For UNE Loop and Port combinations, orders requiring N, C, and D orders; the FOC is sent back at the time the last order that establishes service is distributed In the event of a post-FOC reject, the originally recorded duration to return the first FOC will not be included in the Measurement No. 5 reported date.

**LEX/EDI**

For LEX and EDI originated LSRs, the start date and time is the receive date and time that is automatically populated by the interface (EDI or LEX) with the system date and time.. The end date and time is recorded by both LEX and EDI and reflect the actual date and time the FOC is **available** to the CLEC. This data is extracted daily from LEX and EDI and passed to the DSS (Decision Support System), where the end date and time are populated and are used to calculate the FOC measurements. For LSRs where FOC times are negotiated with the CLEC, the ITRAK entry on the SORD service order is used in the calculation. The request type from the LSR and the Class of Service tables are used to report the LSRs in the various levels of disaggregation. The Class of Service tables are based on the Universal Service Order practice.

**VERBAL or MANUAL REQUESTS**

Manual service order requests are those initiated by the CLEC either by telephone, fax, or other manual methods (i.e. courier). The receive date and times are recorded and input on the SM-FID on each service order in SORD for each FOC opportunity. The end times are the actual dates and times the paper faxes are sent back to the CLEC. Fax end times are recorded and input into the DSS systems via an internal Web application. Each FOC opportunity is dynamically established on the Web application via our interface to SORD. The LSC must provide an end date and time for each entry, which depicts the date and time the FOC was actually faxed back to the CLEC. If a CLEC elects to accept an on line FOC and does not require a paper fax the FOC information is provided over the phone. In these instances, the order distribution time is used in the FOC calculation on the related SORD service order to the appropriate SM-FID entry. These scenarios are identified by data populated on the ITRAK-FID of the service order. The ITRAK-FID is also used when FOC times are negotiated with the CLEC. The LSC will populate the ITRAK-FID with certain pre-established data entries that are used in the FOC calculation.

**Levels of Disaggregation:**

**Manually submitted:**

- Simple Res. And Bus. < 24 Hours
- Complex Business (1-200 Lines) < 24 Hours
- Complex Business (>200 Lines) < 48 Hours
- UNE Loop (1-49 Loops) < 24 Hours
- UNE Loop ( > 50 Loops) < 48 Hours
- Switch Ports < 24 Hours

**Electronically submitted via LEX or EDI:**

- Simple Res. And Bus. < 5 Hours
- Complex Business (1-200 Lines) < 24 Hours
- Complex Business (>200 Lines) < 48 Hours
- UNE Loop (1-49 Loops) < 5 Hours
- UNE Loop ( > 50 Loops) < 48 Hours
- Switch Ports < 5 Hours

| **Calculation:** | **Report Structure:** |
|---|---|
| (# FOCs returned within "x" hours ÷ total FOCs sent) * 100 | Reported for CLEC and all CLECs. This includes mechanized from EDI and LEX and manual (FAX or phone orders). |

**Measurement Type:**

Tier 1 – Low
Tier 2 – Medium

**Benchmark:**

All Res and Bus 95% / Complex Bus 94% / UNE Loop (1-49) 95% / UNE Loop (>50) 94% / Switch Ports 95%, the Average for the remainder of each measure disaggregated shall not exceed 20% of the established benchmark.

| **6. Measurement:** | |
|---|---|
| Average Time To Return FOC | |
| **Definition:** | |
| The average time to return FOC from receipt of complete and accurate service request to return of confirmation to CLEC. | |
| **Exclusions:** | |
| • Rejected Orders.<br>• SWBT only Disconnect orders.<br>• Orders involving major projects.<br>• Upon implementation of Performance Measurement 94, LNP and LNP Without Loop will be excluded from this measure. | |
| **Business Rules:** | |
| See Measurement No. 5 | |
| **Levels of Disaggregation:** | |
| • All Res. And Bus. < 24 Hours<br>• Complex Business (1-200 Lines) < 24 Hours<br>• Complex Business (>200 Lines) < 48 Hours<br>• UNE Loop (1-49 Loops) < 24 Hours<br>• UNE Loop ( > 50 Loops) < 48 Hours<br>• Switch Ports < 24 Hours | |
| **Calculation:** | **Report Structure:** |
| Σ[(Date and Time of FOC) - (Date and Time of Order Received by SWBT)]/(# of FOCs) | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| No Benchmark | |

| **7. Measurement** | |
|---|---|
| Percent Mechanized Completions Available Within one hour of Completion in SORD | |
| **Definition:** | |
| Percent mechanized completions Available within one hour for EDI and LEX. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| The elapsed time for an LSR is calculated based on the time of the last service order, which establishes service, being completed in SORD to the actual time LEX or EDI received the SOC notification and it is available to the client. For example, if a multi-line, LSR has 10 lines, the stop time would be when the last of the 10 orders is completed in SORD. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (# mechanized completions available to CLEC within 1 hour of completion on SORD ÷ total mechanized completions) * 100 | Reported for CLEC and all CLECs for the electronic interfaces (EDI and LEX). |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| 97% | |

| 7.1 Measurement | |
|---|---|
| Percent Mechanized Completions Available Within one Day of Work Completion | |
| **Definition:** | |
| Percent Mechanized Completions Available Within one Day | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| Days are calculated by subtracting the date the SOC was Available to the CLEC minus the order completion date. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (# mechanized completions returned to the CLEC within 1 day of work completion ÷ total mechanized completions) * 100 | Reported for CLEC and all CLECs for the electronic interfaces (EDI and LEX). |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| 97% | |

| **8. Measurement** | |
|---|---|
| Average Time to Return Mechanized Completions | |
| **Definition:** | |
| Average time required to return a mechanized completion. | |
| **Exclusions:** | |
| See Measurement No. 7 | |
| **Business Rules:** | |
| See Measurement No. 7 | |
| **Levels of Disaggregation:** | |
| See Measurement No. 7 | |
| **Calculation:** | **Report Structure:** |
| Σ[(Date and Time of Notice Of Completion Issued to the CLEC) - (Date and Time of Work Completion)] ÷ Total Mechanized Completions) | Reported on CLEC and all CLECs for the electronic interfaces (EDI and LEX). |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| No Benchmark | |

| **9. Measurement** | |
|---|---|
| Percent Rejects | |
| **Definition:** | |
| The number of rejects compared to the issued unique LSRs and SUPPs for the electronic interfaces (EDI and LEX). | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| A reject is anything that is received via LEX or EDI that does not pass LASR edit checks or other edits prior to the order being distributed and is returned electronically to the CLEC. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (# of rejects ÷ total unique LSRs and SUPPs ) * 100 | Reported on CLEC and all CLECs for the electronic interfaces (EDI and LEX). |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Measurement is diagnostic. No benchmark required. | |

| **10. Measurement** | |
|---|---|
| Percent Mechanized Rejects Returned Within one hour of receipt of reject in LASR | |
| **Definition:** | |
| Percent mechanized rejects returned within one hour of the receipt of the reject in LASR. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| The start time used is the date and time the reject is available to LASR; and the end time is the date and time the reject notice is provided to EDI or LEX and is available to the CLEC. A mechanized reject is any reject returned electronically (without manual intervention) to the CLEC via LASR. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (# mechanized rejects returned within 1 hour ÷ total rejects) * 100 | Reported for CLEC and all CLECs for the electronic interfaces (EDI and LEX). |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| 97% within 1 hour of the receipt of a reject in LASR | |

| **10.1 Measurement:** | |
|---|---|
| Percent Manual Rejects Received Electronically and Returned Within Five Hours | |
| **Definition:** | |
| Percentage of manual rejects received electronically and returned within five hours of the receipt of LSR from CLEC. | |
| **Exclusions:** | |
| • Manual rejects received through manual process i.e. via mail, fax or courier | |
| **Business Rules:** | |
| The start time is the time the LSR is received electronically via EDI or LEX and logged in LASR. The end time is the date and time the reject notice is available to the CLEC. A manual reject is a reject of an electronic LSR. The rejected order is any reject that errors out of SORD and is returned to the CLEC via LASR GUI. | |
| **Levels of Disaggregation:** | |
| • By State | |
| **Calculation:** | **Report Structure:** |
| (# electronic manual rejects returned within 5 hours of receipt of LSR ÷ total electronic manual rejects) * 100 | Reported for CLEC and all CLECs |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| 97% within 5 Hours. | |

| **11. Measurement** | |
|---|---|
| Mean Time to Return Mechanized Rejects | |
| **Definition:** | |
| Average time required to return a mechanized reject. | |
| **Exclusions:** | |
| See Measurement No. 10 | |
| **Business Rules:** | |
| The start time is the time the LSR is received electronically via EDI or LEX. The end time is the date and time the reject notice is available to the CLEC. A mechanized reject is any reject returned electronically (without manual intervention) to the CLEC. | |
| **Levels of Disaggregation:** | |
| See Measurement No. 10 | |
| **Calculation:** | **Report Structure:** |
| Σ[(Date and Time of Order Rejection) - (Date and Time of Order Acknowledgment)] ÷ (# of unique LSR's and Supps Rejected) | Reported on CLEC and all CLECs for the electronic interfaces (EDI and LEX). |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| See Measurement No. 10 | |

| **11.1 Measurement:** | |
|---|---|
| Mean Time to Return Manual Rejects that are Received Electronically via LEX or EDI | |
| **Definition:** | |
| Average time to return manual rejects received electronically via LEX or EDI; receipt to return. | |
| **Exclusions:** | |
| • See Measurement 10.1 | |
| **Business Rules:** | |
| See Measurement 10.1 | |
| **Levels of Disaggregation:** | |
| • By State | |
| **Calculation:** | **Report Structure:** |
| {Σ(receipt to CLEC of electronic manual rejects – receipt of electronic manual reject) ÷ total electronic manual rejects} | Reported for CLEC and all CLECs |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Five Hours | |

| **12. Measurement** | |
|---|---|
| Mechanized Provisioning Accuracy | |
| **Definition:** | |
| Percent of mechanized orders completed as ordered. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| This measurement compares the features ordered on a mechanized order, to that which is provisioned on the switch. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (# of orders completed as ordered ÷ total orders) * 100 | Reported by individual CLEC, CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – Low | |
| **Benchmark:** | |
| Parity | |

| **13. Measurement** | |
|---|---|
| Order Process Percent Flow Through | |
| **Definition:** | |
| Percent of orders or LSRs from entry to distribution that progress through SWBT ordering systems. | |
| **Exclusions:** | |
| LEX/EDI excludes orders both electronically generated and rejected if error is caused by CLEC. | |
| **Business Rules:** | |
| The number of orders that flow through SWBT's ordering systems and are distributed in SORD without manual intervention, divided by the total number of MOG Eligible orders and orders that would flow through EASE within the reporting period. Orders that fall out after LASR, that are worked by SWBT and not rejected back to CLEC due to CLEC caused errors, will be included as failed pass-through occurrences. | |
| **Levels of Disaggregation:** | |
| • For CLEC typed orders by UNE loops, Resale, UNE Combos, and other. | |
| **Calculation:** | **Report Structure:** |
| (# of orders that flow through ÷ total MOG-eligible orders and orders that flow through EASE) * 100 | Reported by individual CLEC, CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – High | |
| **Benchmark:** | |
| Parity | |

## Billing

| **14. Measurement** | |
|---|---|
| Billing Accuracy | |
| **Definition:** | |
| SWBT performs three bill audits to ensure the accuracy of the bills rendered to its customers: CRIS, CABS and toll/usage. | |
| **Exclusions:** | |
| Non-recurring charges are not part of the CRIS audit process, as SWBT has developed a test order process to ensure the accuracy of CRIS non-recurring charges. | |
| **Business Rules:** | |
| The purpose of the CRIS Bill Audit is to review and recalculate each service billed for each of the seven bill processing centers in the five states. Wholesale accounts are included in each processing center for every billing period. In the toll/usage bill audit, a sample of customer accounts is selected using an appropriate mix of USOCs and Classes of Service. The purpose of this audit is to ensure that monthly bills sent to the CLECs, whether it is for resale or unbundled services, and retail customers are rated accurately according to tariffs and CLEC contracts. For all accounts that are audited, the number of bills that have been released prior to correction (bills are audited for complete information, accurate calculations and are properly formatted) are counted as an error against the total bills audited. | |
| **Levels of Disaggregation:** | |
| CLEC and non-CLEC | |
| **Calculation:** | **Report Structure:** |
| (# of bills not corrected prior to bill release ÷ total bills audited) * 100 | Reported for aggregate of all CLECs and SWBT for the CRIS, CABS and Usage bill audits. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity | |

| **15. Measurement** | |
|---|---|
| Percent of Accurate and Complete Formatted Mechanized Bills | |
| **Definition:** | |
| The percent of monthly bills sent to the CLECs via the mechanized EDI process that are accurate and complete. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| EDI Billing accuracy is based upon three factors: totaling, formatting, and syntax. In other words, does the bill total up correctly, does the EDI Billing data conform to the format outlined in the SWB Electronic Commerce Guide for EDI Billing, and is the EDI Billing data syntactically correct? For completeness, EDI checks that the sum of all itemized calls equals the total for the itemized calls bill section, and the sum of all OC&C charges should equal the total for the OC&C section. Similar audits are performed for total current charges and the amount due. | |
| **Levels of Disaggregation:** | |
| • None | |
| **Calculation:** | **Report Structure:** |
| (Count of accurate and complete formatted mechanized bills via EDI ÷ total # of mechanized bills via EDI.) * 100 | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – High | |
| **Benchmark:** | |
| 99% | |

| **16. Measurement:** | |
|---|---|
| Percent of Usage Records Transmitted Correctly | |
| **Definition:** | |
| The percent of usage records transmitted correctly on the Daily Usage extract feed. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| Controls and edits within the billing system uncover certain types of errors that are likely to appear on the usage records. When these errors are uncovered, a new release of the program is written to ensure that the error does not occur again. Thus, an error that is reported in one month should not occur the next month because the billing program error would have been fixed by the next month. The usage record data and the cycle date (when the bill was sent out) are used in the calculation of this measurement. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Count of usage records transmitted correctly ÷ total usage records transmitted) * 100 | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| 95% within 6th workday | |

| **17. Measurement** |
|---|
| Billing Completeness |
| **Definition:** |
| Percent of service orders completed within the billing cycle that post in the CRIS or CABS billing systems prior to the customer's bill period. |
| **Exclusions:** |
| Access Service Orders billed through CABS. |
| **Business Rules:** |
| The Billing Completeness Measure includes all orders and is created from the Posted Service Order Database (PSOD). PSOD includes copies of all posted service orders for both the CRIS and CABS. PSOD includes the Bill Period, Completion Date, and Post Date for each Service Order as well as an On-Time/Late indicator created based on these dates. This On-Time/Late indicator is calculated as follows:<br>1. Determine the Bill Date, Completion Date, and Post Date for any order that has an OCN number regardless of order type.<br>2. Calculate the Bill Date minus one month by subtracting one month from the Bill Date.<br>3. Determine the Bill Render Date by using the Bill Date to look up the Bill Render Date on the Bill Period Calendar.<br>4. Compare the Completion Date, Bill Date, Bill Date Minus one month, Bill Render Date, and Post Date of the service order to determine if order is on-time or late:<br>• If the Completion Date of the service order is prior to the Bill Date minus one month, then the order is late.<br>• Compare the Post Date to the Bill Render Date. If the Post Date is earlier than or equal to the Bill Render Date and the Completion Date of the service order is equal to or greater than the Bill Date minus one month, then the order is on-time.<br>• In all other cases, the order is late.<br>• The Billing Completeness Measure for each month is based on all orders that post within that given month. The denominator of the measure is all orders within a month. The numerator is the total number of on-time orders for that same month. The Billing Completeness Measure calculation is completed for each CLEC, for all CLECs, and for all retail service orders. The CLEC orders for both CRIS and CABS are defined as all service orders that include the AECN or OCN FID. The retail orders are all CRIS orders that do not include an AECN. |
| **Levels of Disaggregation:** |
| CLEC and non-CLEC |

| Calculation: | Report Structure: |
|---|---|
| (Count of on-time service orders included in current applicable bill period ÷ total service orders in current applicable billing period) *100 | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – Medium | |
| **Benchmark:** | |
| Parity with SWBT Retail. | |

| **18. Measurement** | |
|---|---|
| Billing Timeliness (Wholesale Bill) | |
| **Definition:** | |
| Billing Timeliness measures the length of time from the billing date to the time it is sent or transmitted (made available) to the CLECs. | |
| **Exclusions:** | |
| Excludes Weekends and Holidays. | |
| **Business Rules:** | |
| The transmission date is used to gather the data for the reporting period. The measure counts the number of workdays between the bill day and transmission date for each bill. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Count of bills transmitted on time ÷ total number of bills released) * 100 | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – High | |
| **Benchmark:** | |
| 95% within 6th workday | |

| **19. Measurement** | |
|---|---|
| Daily Usage Feed Timeliness | |
| **Definition:** | |
| Usage information is sent to the CLECs on a daily basis. This usage data must be sent to the CLEC within 6 work days in order to be considered timely. | |
| **Exclusions:** | |
| Excludes Weekends and Holidays. | |
| **Business Rules:** | |
| The measure uses the actual EMI usage records that are sent to the CLECs. Data date is the recording date of the usage and is part of the EMI usage record. Cycle date is the day the Daily Usage file is sent to the CLEC. Cycle date is found on the pack header record of the Daily Usage file. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Number of usage feeds transmitted on time ÷ total number of usage feeds) * 100 | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| 95% within 6th workday | |

| **20. Measurement** | |
|---|---|
| Unbillable Usage | |
| **Definition:** | |
| The percent usage data that is unbillable. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| For CRIS billing, the total dollars for A.M.A/ECS written off is divided by the total CRIS A.M.A/ECS billing. For CABS, the total CABS uncollectible dollars is divided by total CABS billing. The end of the month cycle date is used as the start/stop time for the reporting period. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Total unbillable usage ÷ total billed usage) * 100 | Reported for the aggregate of SWBT and CLECs. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Aggregate measurement. No benchmark required. | |

## Miscellaneous Administrative

| **21. Measurement** | |
|---|---|
| Local Service Center (LSC) Average Speed Of Answer | |
| **Definition:** | |
| The average time a customer is in queue. | |
| **Exclusions:** | |
| Weekends and Holidays | |
| **Business Rules:** | |
| The clock starts when the customer enters the queue and the clock stops when a SWBT representative answers the call. The speed of answer is determined by measuring and accumulating the elapsed time from the entry of a CLEC customer call into the SWBT call management system queue until the CLEC customer call is transferred to SWBT personnel assigned to handling CLEC calls for assistance. Data is accumulated from 12:00 a.m. on the first calendar day to 11:59 p.m. on the last calendar day of the month for the reporting period. Hours of operation are 8:00 a.m. to 5:30 p.m. Monday through Friday. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| Total queue time ÷ total calls | Reported for all calls to the LSC by operational separation and SWBT. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity with SWBT RSC / BSC | |

| **22. Measurement** | |
|---|---|
| Local Service Center (LSC) Grade Of Service (GOS) | |
| **Definition:** | |
| Percent of calls answered by the Local Service Center (LSC) within 20 seconds. | |
| **Exclusions:** | |
| Excludes Weekends and Holidays. | |
| **Business Rules:** | |
| See Measurement No. 21 | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| Total number of calls answered by the LSC within a specified period of time ÷ Total number of calls answered by the LSC | Reported for all calls to the LSC by operational separation and SWBT. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – High | |
| **Benchmark:** | |
| Parity with SWBT RSC / BSC | |

| **23. Measurement** | |
|---|---|
| Percent Busy in the Local Service Center (LSC) | |
| **Definition:** | |
| Percent of calls which are unable to reach the Local Service Center (LSC) due to a busy condition in the ACD. | |
| **Exclusions:** | |
| See Measurement No. 22 | |
| **Business Rules:** | |
| See Measurement No. 21 | |
| **Levels of Disaggregation:** | |
| See Measurement No. 21 | |
| **Calculation:** | **Report Structure:** |
| (Count of blocked calls ÷ total calls offered) * 100 | Reported for all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – Low | |
| **Benchmark:** | |
| Parity with SWBT RSC / BSC | |

| **24. Measurement** | |
|---|---|
| Local Operations Center (LOC) Average Speed Of Answer | |
| **Definition:** | |
| The average time a customer is in queue. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| The clock starts when the customer enters the queue and the clock stops when the SWBT representative answers the call. The speed of answer is determined by measuring and accumulating the elapsed time from the entry of a CLEC customer call into the SWBT call management system queue until the CLEC customer call is transferred to SWBT personnel assigned to handling CLEC calls for assistance. Data is accumulated from 12:00 a.m. on the first calendar day to 11:59 p.m. on the last calendar day of the month for the reporting period. The Measure includes calls to the LOC related to provisioning activities, e.g., coordinated conversions, as well as maintenance activities. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| Total queue time ÷ total calls | Reported for all calls to the LOC for all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity with SWBT CSB | |

| **25. Measurement** | |
|---|---|
| Local Operations Center (LOC) Grade Of Service (GOS) | |
| **Definition:** | |
| Percent of calls answered by the Local Operations Center (LOC) within a specified period of time. | |
| **Exclusions:** | |
| See Measurement No. 24 | |
| **Business Rules:** | |
| See Measurement No. 24 – Calls answered within 20 seconds. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| Total number of calls answered by the LOC within a specified period of time ÷ total number of calls answered by the LOC | Reported for all calls to the LOC by operational separation and SWBT Retail (Repair Bureau). |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – High | |
| **Benchmark:** | |
| Parity with SWBT CSB | |

| **26. Measurement** | |
|---|---|
| Percent Busy in the Local Operations Center (LOC) | |
| **Definition:** | |
| Percent of calls which are unable to reach the Local Operation Center (LOC) due to a busy condition in the ACD. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| See Measurement No. 24 | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Count of blocked calls ÷ total calls offered) * 100 | Reported for all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – Low | |
| **Benchmark:** | |
| Parity with SWBT CSB | |

## RESALE POTS AND UNE LOOP AND PORT COMBINATIONS COMBINED BY SWBT

### Provisioning

| **27. Measurement** |
|---|
| Mean Installation Interval |
| **Definition:** |
| Average business days from application date to completion date. |
| **Exclusions:** |
| • Excludes customer-caused misses.<br>• Field Work orders – excludes customer requested due dates greater than 5 business days.<br>• No Field Work orders – excluded if order applied for before 3:00 p.m.; and the due date requested is not same day; and if order applied for after 3:00 p.m.; and the due date requested is beyond the next business day.<br>• Excludes all orders except N, T, and C orders.<br>• Excludes Weekends and Holidays. |
| **Business Rules:** |
| The clock starts on the Application Date, which is the day that SWBT receives a correct Service Order. The clock stops on the Completion Date, which is the day that SWBT personnel complete the service order activity. Orders are included in the month they are completed. There are 2 types of orders in the measurement. Same Day Due orders (defined as distribution time EQUAL or BEFORE 3:00 p.m. and Application Date = Distribution Date = Due Date. Next Day Due orders (defined as distribution time AFTER 3:00 p.m. and Application Date = Distribution Date and Due Date is one business day after Application Date. If the order is Same Day Due, then (Completion – Application Date), if the order is Next Day Due, then [(Completion – Next Business Day) + 1]. UNE Combos, are reported at order level. |
| **Levels of Disaggregation:** |
| POTS<br>• Field Work (FW)<br>• No Field Work (NFW)<br>• Business class of service<br>• Residence class of service<br>UNE Combo<br>• Field Work (FW)<br>• No Field Work (NFW) |

| Calculation: | Report Structure: |
|---|---|
| [Σ(completion date – application date)]/(Total number of orders completed) | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| Resale POTS parity between Field Work compared to SWBT Field Work (N, T, C order types) and No Field Work compared to SWBT No Retail Field Work (N, T, C order types).<br>UNE Combo Parity between Field Work compared to SWBT Field Work (N, T, C order types) and No Field Work compared to SWBT No Retail Field Work. (N, T, C order types). | |

| **28. Measurement** |
|---|
| Percent Installations Completed Within "X" Business Days (POTS) |
| **Definition:** |
| Measure of orders completed within five business days for Field Work (FW) orders and three business days for No Field Work (NFW) orders, of application date. |
| **Exclusions:** |
| • Excludes customer caused misses.<br>• Field Work orders – excludes customer requested due dates greater than five business days.<br>• No Field Work orders – excluded if order applied for before 3:00 p.m.; and the due date requested is not same day; and if order applied for after 3:00 p.m.; and the due date requested is beyond the next business day.<br>• Excludes all orders except N, T, and C orders.<br>• Excludes Weekends and Holidays. |
| **Business Rules:** |
| The clock starts on the Application Date, which is the day that SWBT receives a correct Service Order. The clock stops on the Completion Date which is the day that SWBT personnel complete the service order activity. Orders are included in the month they are completed. There are 2 types of orders in the measurement. Same Day Due orders (defined as distribution time EQUAL or BEFORE 3:00 p.m. and Application Date = Distribution Date = Due Date. Next Day Due orders (defined as distribution time AFTER 3:00 p.m. and Application Date = Distribution Date and Due Date is one business day after Application Date. If the order is Same Day Due, then (Completion – Application Date), if the order is Next Day Due, then [(Completion – Next Business Day) + 1]. UNE Combos, are reported at order level. |
| **Levels of Disaggregation:** |
| POTS<br>• Field Work (FW)<br>• No Field Work (NFW)<br>• Business class of service<br>• Residence class of service<br>UNE Combo<br>• Field Work (FW)<br>• No Field Work (NFW) |

| Calculation: | Report Structure: |
|---|---|
| FW: (Count of orders installed within 5 business days ÷ total number of orders) * 100<br>NFW: (Count of orders installed within 3 business days ÷ total number of orders) * 100 | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Resale POTS parity between Field Work compared to SWBT Field Work (N, T, C order types) and No Field Work compared to SWBT Retail No Field Work (N, T, C order types). UNE Combo Parity between Field Work compared to SWBT Field Work (N, T, C order types) and No Field Work compared to SWBT Retail No Field Work. (N, T, C order types). | |

| **29. Measurement** | |
|---|---|
| Percent SWBT Caused Missed Due Dates | |
| **Definition:** | |
| Percent of N, T, and C orders where installation was not completed by the due date as a result of a SWBT caused missed due date. | |
| **Exclusions:** | |
| Excludes orders that are not N, T, or C. | |
| **Business Rules:** | |
| The due date is the negotiated date by the customer and the SWBT representative for service activation. For CLEC orders, the due date is the due date reflected on the FOC. The Completion Date is the day that SWBT personnel complete the UNE Combos, are reported at order level. | |
| **Levels of Disaggregation:** | |
| POTS<br>• Field Work (FW)<br>• No Field Work (NFW)<br>• Business class of service<br>• Residence class of service<br>UNE Combo<br>• Field Work (FW)<br>• No Field Work (NFW) | |
| **Calculation:** | **Report Structure:** |
| (Count of N, T, C orders not completed by the due date as a result of a SWBT caused missed due date ÷ total number of orders) * 100 | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| Resale POTS parity between Field Work compared to SWBT Field Work (N, T, and C order types) and No Field Work compared to SWBT Retail No Field Work (N, T, and C order types). UNE Combo Parity between Field Work compared to SWBT Field Work (N, T, and C order types) and No Field Work compared to SWBT Retail No Field Work. (N, T, and C order types). | |

| **30. Measurement** | |
|---|---|
| Percent Company Missed Due Dates Due To Lack Of Facilities | |
| **Definition:** | |
| Percent N, T, and C orders with missed committed due dates due to lack of facilities. | |
| **Exclusions:** | |
| Excludes orders that are not N, T, or C. | |
| **Business Rules:** | |
| The due date is the negotiated date by the customer and the SWBT representative for service activation. CLEC orders, the due date is the due date reflected on the FOC. The Completion Date is the day that SWBT personnel complete the service order activity.<br><br>UNE Combos are reported at order level. The lack of facilities is selected based on the missed reason code. | |
| **Levels of Disaggregation:** | |
| POTS<br>• Business class of service<br>• Residence class of service<br>POTS / UNE Combo<br>• > 30 calendar days<br>• > 90 calendar days | |
| **Calculation:** | **Report Structure:** |
| (Count of orders with missed due dates due to lack of facilities ÷ total orders completed) * 100 (Calculated monthly based on posted orders) | Reported for CLEC, all CLECs and SWBT Retail for POTS. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| Resale POTS parity compared to SWBT (N, T, and C order types). UNE Combo Parity compared to SWBT (N, T, C order types). | |

| **31. Measurement** | |
|---|---|
| Average Delay Days For Missed Due Dates Due To Lack Of Facilities | |
| **Definition:** | |
| Average calendar days from due date to completion date on company missed orders due to lack of facilities. | |
| **Exclusions:** | |
| • Excludes orders that are not N, T, or C.<br>• Excludes No Field Work (NFW). | |
| **Business Rules:** | |
| The due date is the negotiated date by the customer and the SWBT representative for service activation. CLEC orders, the due date is the due date reflected on the FOC. The Completion Date is the day that SWBT personnel complete the service order activity.<br><br>UNE Combos, are reported at order level. The lack of facilities is based on the missed reason code. | |
| **Levels of Disaggregation:** | |
| POTS<br>• Business class of service<br>• Residence class of service<br>UNE Combo - None | |
| **Calculation:** | **Report Structure:** |
| Σ(Completion date – due date) ÷ (total # of completed orders with a SWBT caused missed due date due to lack of facilities ) | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Resale POTS parity between compared to SWBT (N, T, and C order types). UNE Combo Parity between compared to SWBT (N, T, and C order types). | |

| **32. Measurement** | |
|---|---|
| Average Delay Days For SWBT Caused Missed Due Dates. | |
| **Definition:** | |
| Average calendar days from due date to completion date on company missed orders. | |
| **Exclusions:** | |
| • Excludes orders that are not N, T, or C.<br>• Excludes company delayed orders as a result of lack of facilities. | |
| **Business Rules:** | |
| The Due Date is the negotiated date by the customer and the SWBT representative for service activation. CLEC orders, the due date is the due date reflected on the FOC. The Completion Date is the day that SWBT personnel complete the service order activity.<br>Combos are reported at the order level. | |
| **Levels of Disaggregation:** | |
| POTS<br>• Business class of service<br>• Residence class of service<br>UNE Combo – None | |
| **Calculation:** | **Report Structure:** |
| Σ(Completion date – due date) ÷ (total # of completed orders with a SWBT caused missed due date) | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – Medium<br>Tier 2 – None | |
| **Benchmark:** | |
| Resale POTS parity between Field Work compared to SWBT Field Work (N, T, and C order types) and No Field Work compared to SWBT Retail No Field Work (N, T, and C order types). UNE Combo Parity between Field Work compared to SWBT Field Work (N, T, and C order types) and No Field Work compared to SWBT Retail No Field Work (N, T, and C order types). | |

| **33. Measurement** | |
|---|---|
| Percent SWBT Caused Missed Due Dates > 30 days | |
| **Definition:** | |
| Percent of orders where installation was completed greater than 30 days following the due date. | |
| **Exclusions:** | |
| Excludes orders that are not N, T, or C. | |
| **Business Rules:** | |
| The Due Date is the negotiated date by the customer and the SWBT representative for service activation. CLEC orders, the due date is the due date reflected on the FOC. The Completion Date is the day that SWBT personnel complete the service order activity.<br>UNE Combos, are reported at order level. | |
| **Levels of Disaggregation:** | |
| POTS<br>• Field Work (FW)<br>• No Field Work (NFW)<br>• Business class of service<br>• Residence class of service<br>UNE Combo<br>• Field Work (FW)<br>• No Field Work (NFW) | |
| **Calculation:** | **Report Structure:** |
| (Count of orders completed greater than 30 calendar days following the due date ÷ total # of orders completed) * 100 | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| Resale POTS parity between Field Work compared to SWBT Field Work (N, T, and C order types) and No Field Work compared to SWBT Retail No Field Work (N, T, and C order types). UNE Combo Parity between Field Work compared to SWBT Business and Residence Field Work (N, T, and C order types) and No Field Work compared to SWBT Retail No Field Work (N, T, and C order types). | |

| **34. Measurement** | |
|---|---|
| Count of Orders Canceled After the Due Date Which Were Caused by SWBT | |
| **Definition:** | |
| A count of the total number of orders that were canceled after the order became due. Only orders canceled with SWBT missed codes are included. | |
| **Exclusions:** | |
| Customer delayed orders. | |
| **Business Rules:** | |
| Orders that are cancelled by the customer after the negotiated due date and prior to completion. | |
| **Levels of Disaggregation:** | |
| POTS<br>• Business class of service<br>• Residence class of service<br>UNE Combinations | |
| **Calculation:** | **Report Structure:** |
| The count of orders cancelled where Cancel Date is > Due Date | Reported for individual CLECs and the aggregate of all CLECs and SWBT. Count is divided into 1-30 delay days / 31-90 delay days / > 90 delay days. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Diagnostic. No benchmark required. | |

| **35. Measurement** | |
|---|---|
| Percent Trouble Report Within 10 Days (I-10) of Installation | |
| **Definition:** | |
| Percent of N, T, C orders that receive an electronic or manual trouble report on or within 10 calendar days of service order completion. | |
| **Exclusions:** | |
| • Excludes subsequent reports. A subsequent report is a repair report that is received while an existing repair report is open on the same number.<br>• Excludes disposition code "13" reports (excludable reports), with the exception of code 1316, unless the trouble report is taken prior to completion of the service order.<br>• Excludes reports caused by customer provided equipment (CPE) or wiring.<br>• Excludes trouble report received on the due date before service order completion. | |
| **Business Rules:** | |
| Includes reports received the day after SWBT personnel complete the service order through 10 calendar days after completion | |
| **Levels of Disaggregation:** | |
| N, T and C Orders<br>POTS<br>• Field Work (FW)<br>• No Field Work (NFW)<br>• Business class of service<br>• Residence class of service<br>UNE Combo<br>• Field Work (FW)<br>• No Field Work (NFW) | |
| **Calculation:** | **Report Structure:** |
| (Count of orders that receive a network customer trouble report within 10 calendar days of service order completion ÷ total # of orders) * 100 | Reported for POTS Resale by CLEC, total CLECs and SWBT. |

| **Measurement Type:** |
| --- |
| Tier 1 – High<br>Tier 2 – High |
| **Benchmark:** |
| Resale POTS parity between Field Work compared to SWBT Field Work (N, T, and C order types) and No Field Work compared to SWBT Retail No Field Work (N, T, and C order types). UNE Combo Parity between Field Work compared to SWBT Field Work (N, T, and C order types) and No Field Work compared to SWBT Retail No Field Work (N, T, and C order types). |

| **36. Measurement** | |
|---|---|
| Percent No Access (Service Orders With No Access) | |
| **Definition:** | |
| Percent of Field Work (FW) orders with a status of "No Access." | |
| **Exclusions:** | |
| • Excludes customer caused misses. (SL – customer requests later date, SO – other customer reasons, SR - customer not ready).<br>• Excludes all orders that are not N, T, or C.<br>• No Field Work. | |
| **Business Rules:** | |
| SWBT personnel set the "No Access" flag when access cannot be obtained to the customer's premises. | |
| **Levels of Disaggregation:** | |
| POTS<br>• Business class of service<br>• Residence class of service<br>UNE Combo - None | |
| **Calculation:** | **Report Structure:** |
| Count of orders that are No Access ÷ Total Field Work orders | Reported for CLEC, total CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Resale POTS parity between Field Work compared to SWBT Field Work (N, T, and C order types). UNE Combo Parity between Field Work compared to SWBT Field Work (N, T, and C order types). . | |

**Maintenance**

| **37. Measurement** | |
|---|---|
| Trouble Report Rate | |
| **Definition:** | |
| The number of electronic or manual customer trouble reports per 100 lines. | |
| **Exclusions:** | |
| • Excludes reports caused by customer provided equipment (CPE) or wiring.<br>• Excludes all disposition "13" reports (excludable reports), with the exception of code 1316, unless the report is taken prior to the completion of the service order | |
| **Business Rules:** | |
| CLEC and SWBT repair reports are entered into and tracked via WFA. They are downloaded nightly into LMOS. Reports are counted in the month they post to LMOS. | |
| **Levels of Disaggregation:** | |
| POTS<br>• Business class of service<br>• Residence class of service<br>UNE Combo - None | |
| **Calculation:** | **Report Structure:** |
| [Total number of customer trouble reports ÷ (total lines ÷100)] | Reported for POTS Resale trouble reports by CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| POTS – Parity with SWBT Retail.<br>UNE Combo – Parity with SWBT Business and Residence combined. | |

| **38. Measurement** | |
|---|---|
| Percent Missed Repair Commitments | |
| **Definition:** | |
| Percent of trouble reports not cleared by the commitment time. | |
| **Exclusions:** | |
| • Excludes all disposition code "13" reports (excludable reports), with the exception of code 1316, unless the report is taken prior to the completion of the service order. | |
| **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 SWBT personnel clear the repair activity and complete the trouble report. If this is after the commitment time, the report is flagged as a "Missed Commitment." | |
| **Levels of Disaggregation:** | |
| POTS<br>• Business class of service<br>• Residence class of service<br>• Dispatch<br>• No Dispatch<br>UNE Combo<br>• Dispatch<br>• No Dispatch | |
| **Calculation:** | **Report Structure:** |
| (Count of trouble reports not cleared by the commitment time ÷ total trouble reports) * 100 | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| POTS – Parity with SWBT Retail.<br>UNE Combo – Parity with SWBT Business and Residence combined. | |

**39. Measurement**

Receipt To Clear Duration

**Definition:**

Average duration of customer trouble reports from the receipt of the customer trouble report to the time the trouble report is cleared.

**Exclusions:**

- Excludes subsequent reports. A subsequent report is one that is received while an existing repair report is open.
- Excludes disposition code "13" reports (excludable reports), with the exception of code 1316, unless the report is taken prior to the completion of the service order.

**Business Rules:**

The clock starts on the date and time SWBT receives a trouble report. The clock stops on the date and time that SWBT personnel clear the repair activity and complete the trouble report in WFA.

**Levels of Disaggregation:**

POTS

- Business class of service
- Residence class of service
- Dispatch
- No Dispatch
- Affecting Service
- Out of Service

UNE Combo

- Dispatch
- No Dispatch
- Affecting Service
- Out of Service

| Calculation: | Report Structure: |
|---|---|
| Σ[(Date and time SWBT clears ticket with the CLEC ) - (Date and time ticket received)] ÷ Total customer trouble reports | Reported for POTS Resale trouble reports by CLEC, all CLECs and SWBT. |

**Measurement Type:**

Tier 1 – High
Tier 2 – High

**Benchmark:**

POTS – Parity with SWBT Retail.
UNE Combo – Parity with SWBT Business and Residence combined.

| **40. Measurement** | |
|---|---|
| Percent Out Of Service (OOS) < 24 Hours | |
| **Definition:** | |
| Percent of OOS trouble reports cleared in less than 24 hours. | |
| **Exclusions:** | |
| • Excludes subsequent reports. A subsequent report is one that is received while an existing repair report is open.<br>• Excludes disposition code "13" reports (excludable reports), with the exception of code 1316, unless the report is taken prior to the completion of the service order.<br>• Excludes reports marked as "No Access" to customer premises.<br>• Excludes Affecting Service reports. | |
| **Business Rules:** | |
| Customer trouble reports are cleared within 24 hours when:<br>• The customer report is received Monday through Friday cleared within 24 hours.<br>• The customer report is received Saturday and cleared within 48 hours.<br>• The customer report is received Sunday and cleared before midnight Monday.<br>• Holidays are excluded. | |
| **Levels of Disaggregation:** | |
| POTS<br>• Business class of service<br>• Residence class of service<br>UNE Combo - None | |
| **Calculation:** | **Report Structure:** |
| (Count of OOS trouble reports < 24 hours ÷ total number of OOS trouble reports) * 100 | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – Medium<br>Tier 2 – None | |
| **Benchmark:** | |
| POTS – Parity with SWBT Retail.<br>UNE Combo – Parity with SWBT Business and Residence combined. | |

| **41. Measurement** | |
|---|---|
| Percent Repeat Reports | |
| **Definition:** | |
| Percent of customer trouble reports received within 10 calendar days of a previous customer report. | |
| **Exclusions:** | |
| • Excludes subsequent reports. A subsequent report is one that is received while an existing repair report is open.<br>• Excludes disposition code "13" reports (excludable reports), with the exception of code 1316, unless the report is taken prior to the completion of the service order.<br>• Excludes reports caused by customer provided equipment (CPE) or wiring. | |
| **Business Rules:** | |
| Includes customer trouble reports received within 10 calendar days of an original customer report. When the second report is received in 10 days, the original report is marked as an Original of a Repeat, and the second report is marked as a Repeat. If a third report is received within 10 days, the second report is marked as an Original of a Repeat as well as being a Repeat, and the third report is marked as a Repeat. In this case there would be two repeat reports. | |
| **Levels of Disaggregation:** | |
| POTS<br>• Business class of service<br>• Residence class of service<br>UNE Combo - None | |
| **Calculation:** | **Report Structure:** |
| Count of customer trouble reports, not caused by CPE or wiring and excluding subsequent reports, received within 10 calendar days of a previous customer report ÷ total customer trouble reports not caused by CPE or wiring and excluding subsequent reports) * 100 | Reported by CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| POTS – Parity with SWBT Retail.<br>UNE Combo – Parity with SWBT Business and Residence combined. | |

| **42. Measurement** | |
|---|---|
| Percent No Access (Percent of Trouble Reports with No Access) | |
| **Definition:** | |
| Percentage of dispatched customer trouble reports with a status of "No Access." | |
| **Exclusions:** | |
| • Excludes subsequent reports. A subsequent report is one that is received while an existing repair report is open.<br>• Excludes disposition code "13" reports (excludable reports), with the exception of code 1316, unless the report is taken prior to the completion of the service order.<br>• Excludes reports that are not dispatched. | |
| **Business Rules:** | |
| SWBT personnel set the "No Access" flag when access cannot be obtained at the customer's premises. | |
| **Levels of Disaggregation:** | |
| POTS<br>• Business class of service<br>• Residence class of service<br>UNE Combo - None | |
| **Calculation:** | **Report Structure:** |
| Count of trouble reports with a status of "No Access" to customer's premises ÷ Total dispatched customer trouble reports | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| POTS – Parity with SWBT Retail.<br>UNE Combo – Parity with SWBT Business and Residence combined. | |

## RESALE SPECIALS AND UNE LOOP AND PORT COMBINATIONS COMBINED BY SWBT (EXCLUDES "ACCESS" ORDERS)

### Provisioning

| **43. Measurement** | |
|---|---|
| Average Installation Interval | |
| **Definition:** | |
| Average business days from application date to completion date for N, T, and C orders by item or circuit. | |
| **Exclusions:** | |
| • UNE and Interconnection Trunks.<br>• Excludes orders that are not N, T, or C.<br>• Excludes circuits that have a customer requested Due Date greater than 20 business days.<br>• Excludes Weekends and Holidays. | |
| **Business Rules:** | |
| The Application Date is the day that the customer initiated the service request. The Completion Date is the day that SWBT personnel complete the service order activity by circuit. The base of items is out of WFA (Work Force Administration) and it is reported at an item or circuit level. | |
| **Levels of Disaggregation:** | |
| • Resold Specials - DDS, DS1, DS3, Voice Grade Private Line (VGPL), ISDN, and any other services available for resale.<br>• UNE Loop and Port - ISDN and other combinations. | |
| **Calculation:** | **Report Structure:** |
| [Σ(completion date - application date)] ÷ (Total number of circuits completed) | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| Parity with SWBT Retail. | |

| **44. Measurement** | |
|---|---|
| Percent Installations Completed Within 20 Calendar Days. | |
| **Definition:** | |
| Percent installations completed within 20 calendar days. | |
| **Exclusions:** | |
| See Measurement No. 43 | |
| **Business Rules:** | |
| See Measurement No. 43 | |
| **Levels of Disaggregation:** | |
| See Measurement No. 43 | |
| **Calculation:** | **Report Structure:** |
| (Count of circuits installed within 20 calendar days ÷ total circuits) * 100 | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity with SWBT Retail. | |

| **45. Measurement** | |
|---|---|
| Percent SWBT Caused Missed Due Dates | |
| **Definition:** | |
| Percentage of N, T, and C orders by circuit where installations were not completed by the due date. | |
| **Exclusions:** | |
| • UNE and Interconnection Trunks.<br>• Excludes orders that are not N, T, or C. | |
| **Business Rules:** | |
| The Due Date is the negotiated date that is returned on the FOC by SWBT for service activation. The Completion Date is the day that SWBT personnel complete the service order activity. The source is WFA (Work Force Administration) and is at an item or circuit level. Specials are selected based on a specific service code off of the circuit ID. | |
| **Levels of Disaggregation:** | |
| See Measurement No. 43 | |
| **Calculation:** | **Report Structure:** |
| (Count of circuits with missed due dates excluding customer caused misses ÷ total number of circuits) * 100 | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| Parity with SWBT Retail. | |

| **46. Measurement** | |
|---|---|
| Percent Installation Reports (Trouble Reports) Within 30 Days (I-30) of Installation | |
| **Definition:** | |
| Percent of N, T, and C orders by circuit that receive a network customer trouble report within 30 calendar days of service order completion. | |
| **Exclusions:** | |
| • UNE and Interconnection Trunks.<br>• Excludes orders that are not N, T, or C.<br>• Excludes trouble report received on the due date before service order completion. | |
| **Business Rules:** | |
| A trouble report is counted if it is flagged on WFA (Work Force Administration) as a trouble report that had a service order completion within 30 days. It cannot be a repeat report and must be a measured report. The order flagged against must be an addition in order for the trouble report to be counted. Specials are selected based on a specific service code off of the circuit ID. | |
| **Levels of Disaggregation:** | |
| See Measurement No. 43 | |
| **Calculation:** | **Report Structure:** |
| [Count of circuits that receive a network customer trouble report within 30 calendar days of service order completion ÷ total circuits (excludes trouble reports received on the due date)]* 100 | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| Parity with SWBT Retail. | |

| **47. Measurement** | |
|---|---|
| Percent Missed Due Dates Due To Lack Of Facilities | |
| **Definition:** | |
| Percentage of N, T, and C orders by circuit with missed committed due dates due to lack of facilities. | |
| **Exclusions:** | |
| • UNE and Interconnection Trunks.<br>• Excludes orders that are not N, T, or C. | |
| **Business Rules:** | |
| The Due Date starts the clock. The Completion Date is the day that SWBT personnel complete the service order activity, which stops the clock. The source is WFA (Work Force Administration) and is at an item or circuit level. Specials are selected based on a specific service code off of the circuit ID and by selected center names that indicate resale. The lack of facilities is selected based on the missed reason code. | |
| **Levels of Disaggregation:** | |
| • See Measurement No. 43<br>• Reported for > 30 calendar days & > 90 calendar days. | |
| **Calculation:** | **Report Structure:** |
| (Count of circuits with missed committed due dates due to lack of facilities ÷ total circuits) * 100 | Reported for Specials Resale by CLEC, all CLECs and SWBT Retail. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity with SWBT Retail. | |

| **48. Measurement** | |
|---|---|
| Delay Days for Missed Due Dates Due to Lack Of Facilities | |
| **Definition:** | |
| Average calendar days from due date to completion date on company missed circuit orders due to lack of facilities. | |
| **Exclusions:** | |
| • UNE and Interconnection Trunks.<br>• Excludes orders that are not N, T, or C. | |
| **Business Rules:** | |
| The calculation is the difference in calendar days between the completion date and the due date. The source is WFA (Work Force Administration) and is at an item or circuit level. Specials are selected based on a specific service code off of the circuit ID and by selected center names that indicate resale. The lack of facilities is based on the missed reason code. | |
| **Levels of Disaggregation:** | |
| See Measurement No. 43 | |
| **Calculation:** | **Report Structure:** |
| Σ(Completion date - Committed circuit due date) ÷ (# of completed circuits with SWBT caused missed due dates due to lack of facilities) | Reported for CLEC, all CLECs and SWBT Retail Specials. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity with SWBT Retail. | |

| **49. Measurement** | |
|---|---|
| Delay Days For SWBT Caused Missed Due Dates | |
| **Definition:** | |
| Average calendar days from due date to completion date on company missed circuit orders. | |
| **Exclusions:** | |
| • UNE and Interconnection Trunks.<br>• Excludes orders that are not N, T, or C. | |
| **Business Rules:** | |
| The calculation is the difference in calendar days between the completion date and the due date. The source is WFA (Work Force Administration) and is at an item or circuit level. Specials are selected based on a specific service code off of the circuit ID. | |
| **Levels of Disaggregation:** | |
| See Measurement No. 43 | |
| **Calculation:** | **Report Structure:** |
| Σ(Completion date – committed circuit due date) ÷ (# of posted – circuits with a SWBT caused missed due date) | Reported for CLEC, all CLECs and SWBT Retail Specials. |
| **Measurement Type:** | |
| Tier 1 – Medium<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity with SWBT Retail. | |

| **50. Measurement** | |
|---|---|
| Percent SWBT Caused Missed Due Dates > 30 days | |
| **Definition:** | |
| Percentage of circuits where installation was completed greater than 30 days following the due date, excluding customer caused misses. | |
| **Exclusions:** | |
| • UNE and Interconnection Trunks.<br>• Excludes orders that are not N, T, or C. | |
| **Business Rules:** | |
| See Measurement No. 49 | |
| **Levels of Disaggregation:** | |
| See Measurement No. 43 | |
| **Calculation:** | **Report Structure:** |
| Count of circuits completed greater than 30 days following the due date, excluding customer caused misses ÷ total number of circuits) * 100 | Reported for CLEC, all CLECs and SWBT for Retail Specials. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity with SWBT Retail. | |

| **51. Measurement** | |
|---|---|
| Count of Orders Canceled After the Due Date That Were Caused by SWBT – SPECIALS – Provisioning | |
| **Definition:** | |
| A count of the total number of orders that were canceled by the CLEC after the order became due. Only orders cancelled with SWBT missed codes are included. | |
| **Exclusions:** | |
| • UNE, and Interconnection Trunk<br>• Excludes orders that are not N, T, or C | |
| **Business Rules:** | |
| Orders that are cancelled by the customer after the negotiated due date and prior to completion. | |
| **Levels of Disaggregation:** | |
| • See Measurement No. 43.<br>• The count will be divided into 1-30, 31-90 and > 90. | |
| **Calculation:** | **Report Structure:** |
| The count of orders cancelled where Cancel Date > Due Date | Reported for individual CLECs, the aggregate of all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Diagnostic. No benchmark required. | |

**Maintenance**

Specials are all treated as Out of Service repair reports. There is no classification or disaggregation of Affecting Service.

| **52. Measurement** | |
|---|---|
| Mean Time To Restore | |
| **Definition:** | |
| Average duration of network customer trouble reports from the receipt of the customer trouble report to the time the trouble report is cleared. | |
| **Exclusions:** | |
| • UNE and Interconnection Trunk.<br>• No Access Time.<br>• Delayed Maintenance Time. | |
| **Business Rules:** | |
| The start time is when the customer report is received and the stop time is when the report is closed in WFA. Specials are selected based on a specific service code off of the circuit ID. | |
| **Levels of Disaggregation:** | |
| See Measurement No. 43<br>• Dispatch In<br>• Dispatch Out | |
| **Calculation:** | **Report Structure:** |
| Σ[(Date and time trouble report is cleared with the customer) - (date and time trouble report is received)] ÷ total network customer trouble reports | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| Parity with SWBT Retail. | |

| **53. Measurement** | |
|---|---|
| Percent Repeat Reports | |
| **Definition:** | |
| Percentage of network customer trouble reports received within 30 calendar days of a previous customer report. | |
| **Exclusions:** | |
| UNE and Interconnection Trunk | |
| **Business Rules:** | |
| Includes customer trouble reports received within 30 calendar days of an original customer report. When the second report is received in 30 days, the original report is marked as an Original of a Repeat, and the second report is marked as a Repeat. If a third report is received within 30 days, the second report is marked as an Original of a Repeat as well as being a Repeat, and the third report is marked as a Repeat. In this case there would be two repeat reports. | |
| **Levels of Disaggregation:** | |
| See Measurement No. 43 | |
| **Calculation:** | **Report Structure:** |
| Count of network customer trouble reports received within 30 calendar days of a previous customer report ÷ total network customer trouble reports) * 100 | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| Parity with SWBT Retail. | |

| **54. Measurement** | |
|---|---|
| Failure Frequency | |
| **Definition:** | |
| The number of network customer trouble reports within a calendar month per 100 circuits. | |
| **Exclusions:** | |
| UNE and Interconnection Trunks | |
| **Business Rules:** | |
| CLEC and SWBT repair reports are entered into and tracked via WFA. Reports are counted in the month they post. | |
| **Levels of Disaggregation:** | |
| See Measurement No. 43 | |
| **Calculation:** | **Report Structure:** |
| [Count of network trouble reports ÷ (Total Resold circuits ÷100)] | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity with SWBT Retail. | |

## UNBUNDLED NETWORK ELEMENTS (UNES)

### Provisioning

| 55. Measurement | |
|---|---|
| Average Installation Interval | |
| **Definition:** | |
| Average business days from application date to completion date for N, T, and C orders excluding customer caused misses and customer requested due date greater than "X" business days. The "X" business days is determined based on quantity of UNE loops ordered and the associated standard interval. | |
| **Exclusions:** | |
| • Specials and Interconnection Trunks.<br>• Excludes UNE Combos captured in the POTS or Specials measurements.<br>• Exclude orders that are not N, T, or C.<br>• Excludes customer requested due dates greater than "X" business days as set out in Measurement No. 56.<br>• Excludes customer caused misses.<br>• Excludes Weekends and Holidays. | |
| **Business Rules:** | |
| The Application Date is the day that the customer initiated the service request. The Completion Date is the day that SWBT personnel complete the service order activity. The base of items is out of WFA (Work Force Administration) and it is reported at an order level to account for different measurement standards based on the number of circuits per order. | |
| **Levels of Disaggregation:** | |
| UNEs contained in the UNE price schedule, and/or agreed to by parties. | |
| **Calculation:** | **Report Structure:** |
| [Σ(completion date - application date)] ÷ (Total number of orders completed) | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| See Measurement No. 56 | |

| **55.1 Measurement** | |
|---|---|
| Average Installation Interval - DSL | |
| **Definition:** | |
| Average calendar days from application date to completion date for N, T, and C orders excluding customer caused misses and customer requested due date greater than the offered interval. | |
| **Exclusions:** | |
| • Exclude orders that are not N, T, or C.<br>• Excludes customer requested due dates greater than the offered interval.<br>• Excludes customer caused misses.<br>• Excludes Weekends and Holidays. | |
| **Business Rules:** | |
| The Application Date is the day that the customer authorizes SWBT to provision the DSL based on the loop qualification. If the loop qualification determines that no conditioning is required, SWBT will initiate the service order when the loop qualification is returned from SWBT engineering and this date will be the application date. If conditioning is required, SWBT will reject the LSR back to the CLEC and wait for a supplement from the CLEC notifying SWBT of the appropriate action to take. If the CLEC supplements the LSR to order the DSL, SWBT will issue the order and the application date will be the date that SWBT receives the supplement. The Completion Date is the day that SWBT personnel complete the service order activity. The base of items is out of WFA (Work Force Administration) and it is reported at a circuit level. | |
| **Levels of Disaggregation:** | |
| Loops requiring conditioning and loops requiring no conditioning. | |
| **Calculation:** | **Report Structure:** |
| [Σ(completion date - application date)] ÷ (Total number of orders completed) | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – Yes<br>Tier 2 – Yes | |
| **Benchmark:** | |
| Parity with SWBT | |

| **55.2 Measurement** |
|---|
| Average Installation Interval for Loop With LNP |
| **Definition:** |
| Average business days from FOC return date to completion date for N, T, and C orders excluding customer caused misses and customer requested due date greater than "X" business days. The "X" business days is determined based on quantity of UNE loops ordered and the associated standard interval. |
| **Exclusions:** |
| • Specials and Interconnection Trunks.<br>• Excludes UNE Combos captured in the POTS or Specials measurements.<br>• Excludes orders that are not N, T, or C.<br>• Excludes customer requested due dates greater than "X" business days as set out in Measurement No. 56.1.<br>• Excludes customer caused misses.<br>• Excludes Weekends and Holidays. |
| **Business Rules:** |
| The FOC return date is the day that SWBT returns the FOC to the CLEC. The Completion Date is the day that SWBT personnel complete the service order activity. If the CLEC submits the LSR prior to 3:00 p.m. the CLEC may request a 3 day interval. If the LSR is submitted after 3:00 p.m. the CLEC can request a 4 day interval. The base of items is out of WFA (Work Force Administration) and it is reported at an order level to account for different measurement standards based on the number of circuits per order.<br><br>Industry guidelines for due dates for LNP are as follows:<br>• For Offices in which NXXs are previously opened – 3 Business Days.<br>• New NXX – 5 Business days on LNP capable NXX.<br>The above-noted due dates are from the date of the FOC receipt.<br><br>For partial LNP conversions that require restructuring of customer account:<br>• 1-30 TNs: Add one additional day to the FOC interval. The LNP due date intervals will continue to be three business days and five business days from the receipt of the FOC depending on whether the NXX has been previously opened or is new.<br>• >30 TNs, including entire NXX: The due dates are negotiated. |
| **Levels of Disaggregation:** |
| UNEs contained in the UNE price schedule, and/or agreed to by parties. See Benchmark below. |

| Calculation: | Report Structure: |
|---|---|
| [Σ(completion date - application date)] ÷ (Total number of orders completed) | Reported f[illegible] CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| See Measurement No. 56.1 | |

| **56. Measurement** | |
|---|---|
| Percent Installations Completed Within "X" Days | |
| **Definition:** | |
| Percent installations completed within "X" business days excluding customer caused misses and customer requested due date greater than "X" business days. | |
| **Exclusions:** | |
| • Specials and Interconnection Trunks.<br>• Excludes UNE Combos captured in the POTS or Specials measurements.<br>• Exclude orders that are not N, T, or C.<br>• Excludes customer requested due dates greater than "X" business days as set out below.<br>• Excludes customer caused misses. | |
| **Business Rules:** | |
| See Measurement No. 55 | |
| **Levels of Disaggregation:** | |
| UNEs contained in the UNE price schedule, and/or agreed to by parties. | |
| **Calculation:** | **Report Structure:** |
| Count of N, T, C orders installed within business "x" business days ÷ total N, T, C orders) * 100 | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |

**Benchmark:**

95% within "X" days

- 2 Wire Analog and Digital and INP (1-10) – 3 Days
- 2 Wire Analog and Digital and INP (11-20) – 7 Days
- 2 Wire Analog and Digital and INP (20+) – 10 Days
- DS1 loop(includes PRI) (1-10) – 3 Days
- DS1 loop(includes PRI) (11-20) – 7 Days
- DS1 loop(includes PRI) (20+) – 10 Days
- XDSL loop (1-10) – 3 Days
- XDSL loop (11-20) – 7 Days
- XDSL loop (20+) – 10 Days
- Switch Ports – Analog Port – 2 Days
- Switch Ports – BRI Port (1-50) – 3 Days
- Switch Ports – BRI Port (50+) – 5 Days
- Switch Ports – PRI Port (1-20) – 5 Days
- Switch Ports – PRI Port (20+) – 10 Days
- DS1 Trunk Port (1 to 10) – 3 Days
- DS1 Trunk Port (11 to 20) – 5 Days
- DS1 Trunk Port (20+) – ICB
- Dedicated Transport (DS0, DS1, and DS3) (1 to 10) – 3 Days
- Dedicated Transport (DS0, DS1, and DS3) (11 to 20) – 5 Days
- Dedicated Transport (DS0, DS1, and DS3) (20+) and all other types – ICB

| **56. 1 Measurement** | |
|---|---|
| Percent Installations Completed Within Industry Guidelines for LNP With Loop | |
| **Definition:** | |
| Percent installations completed within "X" business days excluding customer caused misses and customer requested due date greater than "X" business days. | |
| **Exclusions:** | |
| • Specials and Interconnection Trunks.<br>• Excludes UNE Combos captured in the POTS or Specials measurements.<br>• Exclude orders that are not N, T, or C.<br>• Excludes customer requested due dates greater than "X" business days as set out below.<br>• Excludes customer caused misses.<br>• CLEC or Customer caused or requested delays.<br>• NPAC caused delays unless caused by SWBT. | |
| **Business Rules:** | |
| See Measurement No. 55.2 | |
| **Levels of Disaggregation:** | |
| UNEs contained in the UNE price schedule, and/or agreed to by parties. | |
| **Calculation:** | **Report Structure:** |
| Count of N, T, C orders installed within business "x" business days ÷ total N, T, C orders) * 100 | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| 95% within "X" days<br>• 2 Wire Analog and Digital and INP (1-10) – 3 Days from receipt of FOC<br>• DS1 loop(includes PRI) – 3 Days from receipt of FOC | |

| **57. Measurement** | |
|---|---|
| Average Response Time for Loop Make-Up Information | |
| **Definition:** | |
| The average time required to provide loop qualification for ADSL. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| The time starts when a request is received by the CLEC and ends when the information on the loop qualification has been made available to the CLEC. | |
| **Levels of Disaggregation:** | |
| ADSL or other DSL as determined by the Public Utility Commission of Texas. | |
| **Calculation:** | **Report Structure:** |
| Σ(Date and Time the Loop Qualification is made available to CLEC – Date and Time the CLEC request is received)/Total number of loop qualifications | CCLEC, All CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – Medium | |
| **Benchmark:** | |
| Parity | |

| **58. Measurement** | |
|---|---|
| Percent SWBT Caused Missed Due Dates | |
| **Definition:** | |
| Percentage of UNEs (8db loops are measured at an order level) where installations are not completed by the negotiated due date. | |
| **Exclusions:** | |
| • Specials and Interconnection Trunks.<br>• Excludes UNE Combos captured in the POTS or Specials measurements.<br>• Exclude orders that are not N, T, or C.<br>• Excludes customer caused misses. | |
| **Business Rules:** | |
| The Due Date starts the clock. The Completion Date is the day that SWBT personnel complete the service order activity, which stops the clock. If the completion date is after the Due Date, the order is flagged as a miss. This measurement is reported at a circuit level for all UNEs with the exception of 8db loops, which are reported at an order level to facilitate comparison with POTS retail. | |
| **Levels of Disaggregation:** | |
| UNEs contained in the UNE price schedule, and/or agreed to by parties (Field Work and No Field Work) | |
| **Calculation:** | **Report Structure:** |
| Count of UNEs (8dB loops are measured at an order level)with missed due dates excluding customer caused misses ÷ total number of UNEs (total orders for 8db loops) *100 | Reported for CLEC and all CLECs. |

| **Measurement Type:** | |
|---|---|
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| Parity: | Retail Comparison |
| 1. 8.0 dB Loop with Test Access and 8.0 dB Loop without Test Access (FW) | POTS (Res/Bus FW) |
| 1a. 8.0 dB Loop with Test Access and 8.0 dB Loop without Test Access (NFW) | POTS (Res/Bus NFW) |
| 2. 5.0 dB Loop with Test Access and 5.0 dB Loop without Test Access | VGPL |
| 3. BRI Loop with Test Access | ISDN |
| 4. ISDN BRI Port | ISDN |
| 5. DS1 Loop with Test Access | DS1 |
| 6. DS1 Dedicated Transport | DS1 |
| 7. Subtending Channel (23B) | DDS |
| 8. Subtending Channel (1D) | DDS |
| 9. Analog Trunk Port | VGPL |
| 10. Subtending Digital Direct Combination Trunks | VGPL |
| 11. DS3 Dedicated Transport | DS3 |
| 12. Dark Fiber | DS3 |
| 13. DSL Loops | DS1 |

| **59. Measurement** | |
|---|---|
| Percent Installation Reports (Trouble Reports) Within 30 Days (I-30) of Installation | |
| **Definition:** | |
| Percentage of UNEs (8db loops are measured at an order level) that receive a network customer trouble report within 30 calendar days of service order completion. | |
| **Exclusions:** | |
| • Specials and Interconnection Trunks.<br>• Excludes Non-measured reports (CPE, Interexchange, and Information reports).<br>• Excludes UNE Combos captured in the POTS or Specials measurements.<br>• Excludes trouble report received on the due date before service order completion.<br>• Excludes orders that are not N, T, or C. | |
| **Business Rules:** | |
| A trouble report is counted if it is received within 30 days of a service order completion. The service order which generated the report must be an add in order for the trouble report to be counted. UNEs are selected based on a specific service code off of the circuit ID. This measurement is reported at a circuit level for all UNEs with the exception of 8db loops, which are reported at an order level to facilitate comparison with POTS retail. | |
| **Levels of Disaggregation:** | |
| UNEs contained in the UNE price schedule, and/or agreed to by parties. | |
| **Calculation:** | **Report Structure:** |
| (Count of UNEs (8db loops are measured at an order level) that receive a network customer trouble report within 30 calendar days of service order completion ÷ total UNEs (total orders for 8db loops) ) * 100 | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| See Measurement 58 | |

| **60. Measurement** | |
|---|---|
| Percent Missed Due Dates Due To Lack Of Facilities | |
| **Definition:** | |
| Percentage of UNEs (8db loops are measured at an order level) with missed committed due dates due to lack of facilities. | |
| **Exclusions:** | |
| • Specials and Interconnection Trunks.<br>• Excludes UNE Combos captured in the POTS or Specials measurements.<br>• Excludes orders that are not N, T, or C. | |
| **Business Rules:** | |
| Any completion date that is greater than the due date with a SWBT lack of facilities missed reason code. This measurement is reported at a circuit level for all UNEs with the exception of 8db loops, which are reported at an order level to facilitate comparison with POTS retail. | |
| **Levels of Disaggregation:** | |
| UNEs contained in the UNE price schedule, and/or agreed to by parties. | |
| **Calculation:** | **Report Structure:** |
| Count of UNEs (8db loops are measured at an order level) with missed committed due dates due to lack of facilities ÷ total UNEs (total orders for 8db loops) * 100 | Reported by CLEC, all CLECs<br>Reported for > 30 calendar days & > 90 calendar days. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| See Measurement No. 58 | |

| **61. Measurement** | |
|---|---|
| Average Delay Days for Missed Due Dates Due To Lack Of Facilities | |
| **Definition:** | |
| Average calendar days from due date to completion date on company missed UNEs (8db loops are measured at an order level) orders due to lack of facilities. | |
| **Exclusions:** | |
| • Specials and Interconnection Trunks.<br>• Excludes UNE Combos captured in the POTS or Specials measurements.<br>• Excludes orders that are not N, T, or C. | |
| **Business Rules:** | |
| The calculation is the difference in calendar days between the completion date and the due date. The source is WFA (Work Force Administration) and is at an item or circuit level. UNEs are selected based on a specific service code off of the circuit ID. The lack of facilities is selected based on the missed reason code. This measurement is reported at a circuit level for all UNEs with the exception of 8db loops, which are reported at an order level to facilitate comparison with POTS retail. | |
| **Levels of Disaggregation:** | |
| • UNEs contained in the UNE price schedule, and/or agreed to by parties. | |
| **Calculation:** | **Report Structure:** |
| Σ(Completion date - committed UNE (8db loops are measured at the order level) due date) ÷ (# of completed UNEs (total completed orders for 8db loops) with SWBT caused missed due dates due to lack of facilities) | Reported for CLEC and all CLECs for UNEs contained in the UNE price schedule. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| See Measurement No. 58 | |

| **62. Measurement** | |
|---|---|
| Average Delay Days For SWBT Caused Missed Due Dates | |
| **Definition:** | |
| Average calendar days from due date to completion date on company missed UNEs (8db loops are measured at an order level). | |
| **Exclusions:** | |
| • Specials and Interconnection Trunks.<br>• Excludes UNE Combos captured in the POTS or Specials measurements.<br>• Excludes orders that are not N, T, or C. | |
| **Business Rules:** | |
| The calculation is the difference in calendar days between the completion date and the due date. The source is WFA (Work Force Administration) and is at an item or circuit level. UNEs are selected based on a specific service code off of the circuit ID. This measurement is reported at a circuit level for all UNEs with the exception of 8db loops, which are reported at an order level to facilitate comparison with POTS retail. | |
| **Levels of Disaggregation:** | |
| See Measurement 58 | |
| **Calculation:** | **Report Structure:** |
| Σ(Completion date – committed UNE (8db loops are measured at the order level) due date) ÷ (# of posted UNEs (total completed orders for 8db loops) with SWBT caused missed due dates) | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – Medium<br>Tier 2 – None | |
| **Benchmark:** | |
| See Measurement No. 58 | |

| **63. Measurement** | |
|---|---|
| Percent SWBT Caused Missed Due Dates > 30 days | |
| **Definition:** | |
| Percentage of UNEs (8db loops are measured at an order level)where installation was completed greater than 30 days following the due date, excluding customer caused misses. | |
| **Exclusions:** | |
| Specials and Interconnection Trunks | |
| **Business Rules:** | |
| See Measurement No. 58 | |
| **Levels of Disaggregation:** | |
| UNEs contained in the UNE price schedule, and/or agreed to by parties. | |
| **Calculation:** | **Report Structure:** |
| (Count of UNEs (8db loops are measured at an order level) completed greater than 30 days following the due date, excluding customer caused misses ÷ total number of total UNEs (total orders for 8db loops)) * 100 | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| See Measurement No. 58 | |

| **64. Measurement** | |
|---|---|
| Count of Orders Canceled After the Due Date Which Were Caused by SWBT – UNE – Provisioning | |
| **Definition:** | |
| A count of the total number of orders that were canceled after the order became due. Only orders canceled with SWBT missed codes are included. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| Orders that are cancelled by the customer after the negotiated due date and prior to completion. | |
| **Levels of Disaggregation:** | |
| UNEs contained in the UNE price schedule, and/or agreed to by parties. | |
| **Calculation:** | **Report Structure:** |
| The count of orders cancelled where Cancel Date is > Due Date | The count will be divided into 1-30, 31-90 and > 90. Reported for individual CLECs and the aggregate of all CLECs. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Diagnostic. No benchmark required. | |

## Maintenance

| **65. Measurement** | |
|---|---|
| Trouble Report Rate | |
| **Definition:** | |
| The number of network customer trouble reports within a calendar month per 100 UNEs. | |
| **Exclusions:** | |
| • Specials and Interconnection Trunks.<br>• Excludes Non-measured reports (CPE, Interexchange, and Information reports).<br>• Excludes UNE Combos captured in the POTS or Specials measurements. | |
| **Business Rules:** | |
| Repair reports are entered into and tracked via WFA. Reports are counted in the month they post. | |
| **Levels of Disaggregation:** | |
| UNEs contained in the UNE price schedule, and/or agreed to by parties. | |
| **Calculation:** | **Report Structure:** |
| [Count of network trouble reports ÷ (Total UNEs ÷ 100)] | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| See Measurement No. 58 | |

| **66. Measurement** | |
|---|---|
| Percent Missed Repair Commitments | |
| **Definition:** | |
| Percentage of trouble reports not cleared by the commitment time for SWBT reasons. | |
| **Exclusions:** | |
| • Specials and Interconnection Trunks.<br>• Excludes all UNE Combos other than 8db loops with test access. | |
| **Business Rules:** | |
| The commitment time is defined as 24 hours. If the cleared date and time minus the receive date and time > 24 hours, it counts as a trouble report that missed the repair commitment. UNEs are selected based on a specific service code off of the circuit ID. | |
| **Levels of Disaggregation:** | |
| "POTS type" loops (2-Wire Analog 8dB Loop) with test access. | |
| **Calculation:** | **Report Structure:** |
| (Count of trouble reports not cleared by the commitment time for company reasons ÷ total trouble reports) * 100 | Reported for each CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| Parity with SWBT POTS Business and Residence combined. | |

| **67. Measurement** | |
|---|---|
| Mean Time To Restore | |
| **Definition:** | |
| Average duration of network customer trouble reports from the receipt of the customer trouble report to the time the trouble report is cleared excluding no access and delayed maintenance. | |
| **Exclusions:** | |
| See Measurement No. 65 | |
| **Business Rules:** | |
| The start time is when the report is received. The stop time is the stop time is when the report is cleared in WFA. | |
| **Levels of Disaggregation:** | |
| UNEs contained in the UNE price schedule, and/or agreed to by parties. Also disaggregated by Dispatch/No Dispatch. | |
| **Calculation:** | **Report Structure:** |
| Σ[(Date and time trouble report is cleared with the customer) - (date and time trouble report is received)] ÷ total network customer trouble reports | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| See Measurement No. 58 | |

| **68. Measurement** | |
|---|---|
| Percent Out Of Service (OOS) < "X" Hours | |
| **Definition:** | |
| Percentage of OOS trouble reports cleared in less than 24 hours. | |
| **Exclusions:** | |
| See Measurement No. 65 | |
| **Business Rules:** | |
| The close date and time minus the receive date and time must be greater than 0 and less than 24 hours for it to count as a trouble report that was cleared in less than 24 hours. All WFA specials trouble tickets are considered to be OSS. | |
| **Levels of Disaggregation:** | |
| By "POTS like" loop (2-Wire Analog 8dB Loop) with test access. | |
| **Calculation:** | **Report Structure:** |
| (Count of UNE OOS trouble reports < 24 hours ÷ total number of UNE OOS trouble reports) * 100 | Reported for CLEC, CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – Medium<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity with SWBT POTS Business and Residence combined. | |

| **69. Measurement** | |
|---|---|
| Percent Repeat Reports | |
| **Definition:** | |
| Percentage of network customer trouble reports received within 30 calendar days of a previous customer report. | |
| **Exclusions:** | |
| See Measurement No. 65 | |
| **Business Rules:** | |
| Includes customer trouble reports received within 30 calendar days of an original customer report. When the second report is received in 30 days, the original report is marked as an Original of a Repeat, and the second report is marked as a Repeat. If a third report is received within 10 days, the second report is marked as an Original of a Repeat as well as being a Repeat, and the third report is marked as a Repeat. In this case there would be two repeat reports. If either the original or the second report within 30 days is a measured report, then the second report counts as a Repeat report. | |
| **Levels of Disaggregation:** | |
| UNEs contained in the UNE price schedule, and/or agreed to by parties. | |
| **Calculation:** | **Report Structure:** |
| Count of network customer trouble reports received within 30 calendar days of a previous customer report ÷ total network customer trouble reports) * 100 | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| See Measurement No. 58 | |

## INTERCONNECTION TRUNKS

**70. Measurement:**

Percentage of Trunk Blockage

**Definition:**

Percentage of calls blocked on outgoing traffic from SWBT end office to CLEC end office and from SWBT tandem to CLEC end office.

**Exclusions:**

No penalties or liquidated damages apply:

- If CLECs have trunks busied-out for maintenance at their end, or if they have other network problems which are under their control.
- SWBT is ready for turn-up on Due Date and CLEC is not ready or not available for turn-up of trunks.
- If CLEC does not take action upon receipt of Trunk Group Service Request (TGSR) or ASR within 3 days when a Call Blocking situation is identified by SWBT or in the timeframe specified in the ICA.
- If CLEC fails to provide a forecast.
- If CLEC's actual trunk usage, as shown by SWBT from traffic usage studies, is more than 25% above CLEC's most recent forecast, which must have been provided within the last six-months unless a different timeframe is specified in an interconnection agreement.

The exclusions do not apply if SWBT fails to timely provide CLEC with traffic utilization data reasonably required for CLEC to develop its forecast or if SWBT refuses to accept CLEC trunk orders (ASRs or TGSRs) that are within the CLEC's reasonable forecast regardless of what the current usage data is.

**Business Rules:**

Blocked calls and total calls are gathered during the official study week each month. This week is chosen from a pre-determined schedule.

Levels of Disaggregation:

- The SWBT end office to CLEC end office and SWBT tandem to CLEC end office trunk blockage will be reported separately.
- By Market Region.

| Calculation: | Report Structure: |
|---|---|
| (Count of blocked calls ÷ total calls offered) * 100 | Reported for CLEC, all CLECs and SWBT. |

Measurement Type:

Tier-1 High
Tier-2 High

Benchmark:

Dedicated Trunk Groups not to exceed blocking standard of B.01.

**70. 1 Measurement:**

Count of Blocked calls Excluded from Measurement No. 70

**Definition:**

Count of Blocked calls excluded from the numerator of measurement No. 70

**Exclusions:**

None

**Business Rules:**

Blocked calls and total calls are gathered during the official study week each month. This week is chosen from a pre-determined schedule.

**Levels of Disaggregation:**

- The SWBT end office to CLEC end office and SWBT tandem to CLEC end office trunk blockage will be reported separately.
- By Market Region.
- Count of Blocked calls excluded because of the following reasons reported on a disaggregated basis and the total count of excluded calls;
- CLECs had trunks busied-out for maintenance at their end, or if they had other network problems which are under their control.
- SWBT was ready for turn-up on Due Date and CLEC was not ready or not available for turn-up of trunks.
- CLEC did not take action upon receipt of Trunk Group Service Request (TGSR) or ASR within 3 days when a Call Blocking situation was identified by SWBT or in the timeframe specified in the ICA.
- CLEC failed to provide a forecast.
- CLEC's actual trunk usage, as shown by SWBT from traffic usage studies, was more than 25% above CLEC's most recent forecast, which must have been provided within the last six-months unless a different timeframe is specified in an interconnection agreement.

| Calculation: | Report Structure: |
|---|---|
| Count of Blocked Calls | Reported for CLEC, all CLECs |

Measurement Type:

Tier-1 None
Tier-2 None

Benchmark:

Diagnostic Measurement

| **71. Measurement:** | |
|---|---|
| Common Transport Trunk Blockage | |
| **Definition:** | |
| Percentage of local common transport trunk groups exceeding 2%, 1% blockage. | |
| **Exclusions:** | |
| No data is collected on weekends | |
| **Business Rules:** | |
| Blocked calls and total calls are gathered during the official study week each month. This week is chosen from a pre-determined schedule. The busy hour of the study week is used for comparison. | |
| **Levels of Disaggregation:** | |
| • Common trunk groups where CLECs share ILEC trunks, and Common trunk groups for CLECs not shared by ILEC.<br>• By Market Region. | |
| **Calculation:** | **Report Structure:** |
| (Number of common transport trunk groups exceeding 2%, 1% blocking ÷ total common transport trunk groups) * 100. | Reported on local common transport trunk groups. |
| **Measurement Type:** | |
| Tier-1 None<br>Tier-2 High | |
| **Benchmark:** | |
| PUC Subst. R. 23.61(e)(5)(A) or parity, whichever allows less blocking in a given month. SWBT shall compare common trunk groups exceeding 1% blockage, reported for switch based CLECs, be compared to SWBT's dedicated trunk groups designed for B.01 standard for parity compliance. | |

| **72. Measurement** | |
|---|---|
| Distribution Of Common Transport Trunk Groups > 2%/1%. | |
| **Definition:** | |
| A distribution of trunk groups exceeding 2% reflecting the various levels of blocking. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| See Measurement No. 71 | |
| **Levels of Disaggregation:** | |
| By Market Region. | |
| **Calculation:** | **Report Structure:** |
| The number of trunk groups exceeding 2%/1% will be shown in histogram form based on the levels of blocking | Reported on local common transport trunk groups. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Aggregate measurement. No benchmark required. | |

| **73. Measurement** | |
|---|---|
| Percentage Missed Due Dates – Interconnection Trunks | |
| **Definition:** | |
| Percentage of trunk order due dates missed on interconnection trunks. | |
| **Exclusions:** | |
| Customer Caused Misses | |
| **Business Rules:** | |
| The Due Date starts the clock. The Completion Date is the day that SWBT personnel complete the service order activity and it is accepted by the CLEC, which stops the clock. The source is WFA (Work Force Administration) and is at an item or circuit level. Interconnection trunks are selected based on a specific service code off of the circuit ID. | |
| **Levels of Disaggregation:** | |
| By Market Region. | |
| **Calculation:** | **Report Structure:** |
| (Count trunk circuits missed ÷ total trunk circuits) * 100 | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – Medium<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity with SWBT interconnection trunks. | |

| **74. Measurement** | |
|---|---|
| Average Delay Days For Missed Due Dates – Interconnection Trunks | |
| **Definition:** | |
| Average calendar days from due date to completion date on company missed interconnection trunk orders. | |
| **Exclusions:** | |
| Customer Caused Misses | |
| **Business Rules:** | |
| The calculation is the difference in calendar days between the completion date (the date the CLEC accepts the circuit) and the due date. The source is WFA (Work Force Administration) and is at an item or circuit level. Interconnection Trunks are selected based on a specific service code off of the circuit ID. | |
| **Levels of Disaggregation:** | |
| By Market Region. | |
| **Calculation:** | **Report Structure:** |
| $\Sigma$ (Completion date – committed circuit due date) ÷ (# of completed trunk circuits with missed Due Dates) | Reported for CLEC, all CLECs and SWBT for interconnection trunks. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity | |

| **75. Measurement:** | |
|---|---|
| Percentage SWBT Caused Missed Due Dates > 30 Days – Interconnection Trunks | |
| **Definition:** | |
| Percentage of Interconnection Trunk Circuits where installation was completed greater than 30 days following the due date. | |
| **Exclusions:** | |
| Excludes Customer Caused Misses. | |
| **Business Rules:** | |
| See Measurement No. 74 | |
| **Levels of Disaggregation:** | |
| By Market Region. | |
| **Calculation:** | **Report Structure:** |
| (Count of SWBT caused interconnection trunk circuits completed greater than 30 days following the due date, ÷ total number of interconnection trunk circuits) * 100. | Reported for CLEC, all CLECs and SWBT for interconnection trunks. |
| **Measurement Type:** | |
| Tier-1 Low<br>Tier-2 None | |
| **Benchmark:** | |
| No more than 2% interconnection trunk orders completed > 30 days. | |

| **76. Measurement** | |
|---|---|
| Average Trunk Restoration Interval – Interconnection Trunks | |
| **Definition:** | |
| Average time to repair interconnection trunks. This measure is based on calendar days. | |
| **Exclusions:** | |
| • Excludes non-measured tickets (CPE, Interexchange, or Information).<br>• No access delayed maintenance. | |
| **Business Rules:** | |
| The source is WFA (Work Force Administration) and is at an item or circuit level. Interconnection Trunks are selected based on the circuit being identified as a message type circuit. | |
| **Levels of Disaggregation:** | |
| By Market Region. | |
| **Calculation:** | **Report Structure:** |
| Total trunk outage duration ÷ total trunk trouble reports | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity | |

| **77. Measurement** | |
|---|---|
| Average Trunk Restoration Interval for Service Affecting Trunk Groups | |
| **Definition:** | |
| The average time to restore service affecting trunk groups. | |
| **Exclusions:** | |
| Customer Caused Outages | |
| **Business Rules:** | |
| Service affecting is defined as 20% of a trunk group out-of-service that causes trunk group blockage. The clock starts on receipt of a trouble ticket from the CLEC that identifies a service affecting condition. The clock stops after completion of work by SWBT. | |
| **Levels of Disaggregation:** | |
| • Tandem trunk groups.<br>• Non-Tandem trunk groups.<br>• By Market Region. | |
| **Calculation:** | **Report Structure:** |
| Total trunk group outage time / total trunk group trouble reports | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| Tandem trunk groups – 1 hour / Non-Tandem – 2 hours. | |

| **78. Measurement:** | |
|---|---|
| Average Interconnection Trunk Installation Interval | |
| **Definition:** | |
| The average time from receipt of a complete and accurate ASR until the completion of the trunk order. | |
| **Exclusions:** | |
| • Excludes customer requested due dates greater than 20 business days as set out below. | |
| **Business Rules:** | |
| The clock starts on the receipt of a complete and accurate ASR and the clock stops on the date the work is completed and accepted by the CLEC. The measurement is taken for all ASRs that complete in the reporting period. | |
| **Levels of Disaggregation:** | |
| Interconnection Trunks, SS7 links, OS/DA and 911 trunks. | |
| **Calculation:** | **Report Structure:** |
| $\Sigma$(completion date of the trunk order - receipt of complete and accurate ASR) ÷ total trunk orders | Reported by CLEC and all CLECs. (SWBT does not currently have comparable data to report. SWBT will continue to work on methods to collect comparable data). |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| 20 Business days. | |

## DIRECTORY ASSISTANCE (DA) AND OPERATOR SERVICES (OS)

| **79. Measurement** | |
|---|---|
| Directory Assistance Grade Of Service | |
| **Definition:** | |
| Percentage of directory assistance calls answered < 1.5, < 2.5, > 7.5, > 10.0, > 15.0, > 20.0, and > 25.0 seconds. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| The clock starts when the customer enters the queue and the clock stops when a SWBT representative answers the call or the customer abandons the call. The length of each call is determined by measuring and accumulating the elapsed time from the entry of a CLEC customer call into the SWBT call management system queue until the CLEC customer call is transferred to SWBT personnel assigned to handling CLEC calls for assistance during hours of operation. Calls are categorized into the above bands to determine the percentage of calls that were answered within "x" seconds. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| Calls answered within "x" seconds ÷ total calls answered | Reported for the aggregate of SWBT and CLECs. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Aggregate measurement. No benchmark required. | |

| **80. Measurement** | |
|---|---|
| Directory Assistance Average Speed Of Answer | |
| **Definition:** | |
| The average time a customer is in queue. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| The clock starts when the customer enters the queue and the clock stops when a SWBT representative answers the call or the customer abandons the call. The length of each call is determined by measuring and accumulating the elapsed time from the entry of a CLEC customer call into the SWBT call management system queue until the CLEC customer call is transferred to SWBT personnel assigned to handling CLEC calls for assistance during hours of operation. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| Total queue time ÷ total calls answered | Reported for the aggregate of SWBT and CLECs. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – Low | |
| **Benchmark:** | |
| PUC Subst. Rule 23.61.e (3)(A)(iii) | |

| **81. Measurement** | |
|---|---|
| Operator Services Grade Of Service | |
| **Definition:** | |
| Percentage of operator services calls answered < 1.5, < 2.5, > 7.5, > 10.0, > 15.0, > 20.0, and > 25.0 seconds. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| The clock starts when the customer enters the queue and the clock stops when a SWBT representative answers the call or the customer abandons the call. The length of each call is determined by measuring and accumulating the elapsed time from the entry of a CLEC customer call into the SWBT call management system queue until the CLEC customer call is transferred to SWBT personnel assigned to handling CLEC calls for assistance during hours of operation. Calls are categorized into the above bands to determine the percentage of calls that were answered within "x" seconds. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| Calls answered within "x" seconds ÷ total calls answered | Reported for the aggregate of SWBT and CLECs. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Aggregate measurement. No benchmark required. | |

| **82. Measurement** | |
|---|---|
| Operator Services Speed Of Answer | |
| **Definition:** | |
| The average time a customer is in queue. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| The clock starts when the customer enters the queue and the clock stops when a SWBT representative answers the call or the customer abandons the call. The length of each call is determined by measuring and accumulating the elapsed time from the entry of a CLEC customer call into the SWBT call management system queue until the CLEC customer call is transferred to SWBT personnel assigned to handling CLEC calls for assistance during hours of operation. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| Total queue time ÷ total calls answered. | Reported for the aggregate of SWBT and CLECs. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – Low | |
| **Benchmark:** | |
| PUC Subst. Rule 23.61.e (3)(A)(1) | |

| **83. Measurement** | |
|---|---|
| Percentage of Calls Abandoned | |
| **Definition:** | |
| The percentage of calls where the customer hangs up while the call is in queue. | |
| **Exclusions:** | |
| SWBT generated test calls. | |
| **Business Rules:** | |
| The clock runs on a 24 hour cycle starting at 6:00 a.m. and ending at 6:00 a.m. This measurement determines the amount of calls that were abandoned against the number of operator positions available during the reporting period in quarter hour intervals. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Number of calls abandoned ÷ number of operator positions available) * 100 | Reported for CLEC and SWBT in the aggregate. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Aggregate measurement. No benchmark required. | |

| **84. Measurement** | |
|---|---|
| Percentage of Calls Deflected | |
| **Definition:** | |
| The percentage of calls that are received and are unable to be placed in queue | |
| **Exclusions:** | |
| SWBT generated test calls. | |
| **Business Rules:** | |
| The clock runs on a 24 hour cycle starting at 6:00a.m. and ending at 6:00a.m. This measurement determines the amount of calls that are received and deflected to a recording rather than being placed in queue against the number of operator positions available during the reporting period in quarter hour intervals. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Number of calls deflected ÷ number of operator positions available) * 100 | Reported for CLEC and SWBT in the aggregate. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Aggregate measurement. No benchmark required. | |

| **85. Measurement** | |
|---|---|
| Average Work Time | |
| **Definition:** | |
| The average number of seconds an operator spends handling a customer's request for assistance in obtaining a telephone number, placing a call at the customer's request or in a position busy state. | |
| **Exclusions:** | |
| SWBT generated test calls. | |
| **Business Rules:** | |
| The clock starts when a customer connects to an operator position and stops when the operator position releases the customer after serving his/her request. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| $\Sigma$ (Time operator position releases customer – time customer connects to an operator position) ÷ calls | Reported for CLEC and SWBT in the aggregate. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Aggregate measurement. No benchmark required. | |

| **86. Measurement** | |
|---|---|
| Non-Call Busy Work Volumes | |
| **Definition:** | |
| The amount of time in CCS (Centum Call Second) that an operator has placed their position in make busy or in a position busy state. | |
| **Exclusions:** | |
| • SWBT generated test calls.<br>• When an operator is talking to a customer and places the position in a busy state to gather information is excluded from this measurement. | |
| **Business Rules:** | |
| The clock starts when the operator's last customer hangs up (position is placed in busy state) and the clock stops when a call is answered (position is removed from busy state). | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| Σ(Time operator placed position in busy state - time operator removed position from busy state) | Reported for CLEC and SWBT in the aggregate. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| Aggregate measurement. No benchmark required. | |

## INTERIM NUMBER PORTABILITY (INP)

| **87. Measurement** | |
|---|---|
| Percentage Installation Completed Within "X" ( 3, 7, 10) Days | |
| **Definition:** | |
| Percentage of installations completed within "x" (3, 7, 10) business days. | |
| **Exclusions:** | |
| • Excludes customer caused misses.<br>• Excludes customer requested due dates greater than "x" (3, 7, 10) business days.<br>• Excludes Weekends and Holidays. | |
| **Business Rules:** | |
| The Application Date is the day that the customer initiated the service request. The Completion Date is the day that SWBT personnel complete the service order activity. The orders are flagged as INP by USOC codes on the order. | |
| **Levels of Disaggregation:** | |
| • 1-10 numbers<br>• 11-20 numbers<br>• > 20 | |
| **Calculation:** | **Report Structure:** |
| Total INP orders installed within "x" (3, 7, 10) business days ÷ total INP orders within "x" (3, 7, 10) business days. | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| 90% within "X" business days<br>• 1-10 numbers (3 days)<br>• 11-20 numbers (7 days)<br>• > 20 (10 days) | |

| **88. Measurement** | |
|---|---|
| Average INP Installation Interval | |
| **Definition:** | |
| Average business days from application date to completion date for INP orders. | |
| **Exclusions:** | |
| Excludes customer requested due dates greater than the SWBT standard interval. | |
| **Business Rules:** | |
| See Measurement No. 87 | |
| **Levels of Disaggregation:** | |
| See Measurement No. 87 | |
| **Calculation:** | **Report Structure:** |
| (Total business days from application to completion date for INP orders ÷ total INP orders) * 100 | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| For calculation of Tier 1 damages, see Measurement No. 87. The benchmark will be established during the 6 month review. | |

| **89. Measurement** | |
|---|---|
| Percentage INP Only I-Reports Within 30 Days | |
| **Definition:** | |
| Percentage of INP N, T, C orders that receive a network customer trouble report. | |
| **Exclusions:** | |
| • Excludes customer provided equipment (CPE) or wiring within 30 calendar days of service order completion.<br>• Excludes subsequent reports and all disposition "13" reports (excludable reports), with the exception of 1316, unless the trouble report is taken prior to completion of the service order. | |
| **Business Rules:** | |
| A trouble report is counted if it is mechanically flagged in LMOS as a trouble report that had a service completion within 30 days. The tickets are flagged as INP by matching the telephone number and order number against an order that is marked as INP based on the USOC codes on the order. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Count of INP N, T, C orders that receive a network customer trouble report within 30 calendar days of service order completion ÷ total INP N, T, C orders (excludes trouble reports received on the due date)) * 100 | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – Medium<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity with SWBT POTS NFW I reports within 30 days. | |

| **90. Measurement** | |
|---|---|
| Percentage Missed Due Dates (INP Only) | |
| **Definition:** | |
| Percentage of INP N, T, and C orders where installations are not completed by the negotiated due date. | |
| **Exclusions:** | |
| Excludes customer caused misses. | |
| **Business Rules:** | |
| The Due Date starts the clock The Completion Date is the day that SWBT personnel complete the service order activity, which stops the clock. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Count of INP N, T, C orders with missed due dates excluding customer caused misses ÷ total number of INP N, T, C orders ) *100 | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – Medium<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity with SWBT POTS – NFW percent missed due dates. | |

## LOCAL NUMBER PORTABILITY (LNP)

**91. Measurement:**

Percentage of LNP Only Due Dates within Industry Guidelines

**Definition:**

Percentage of LNP Due date interval that meets the industry standard established by the North American Numbering Council (NANC).

**Exclusions:**

- CLEC or Customer caused or requested delays.
- NPAC caused delays unless caused by SWBT.

**Business Rules:**

Industry guidelines for due dates for LNP are as follows:

- For Offices in which NXXs are previously opened – 3 Business Days.
- New NXX – 5 Business days on LNP capable NXX.

The above-noted due dates are from the date of the FOC receipt.

For partial LNP conversions that require restructuring of customer account:

- 1-30 TNs: Add one additional day to the FOC interval. The LNP due date intervals will continue to be three business days and five business days from the receipt of the FOC depending on whether the NXX has been previously opened or is new.
- >30 TNs, including entire NXX: The due dates are negotiated.

**Levels of Disaggregation:**

NXXs previously opened and NXX new ( 1-30 TNs and greater than 30 TNs)

| **Calculation:** | **Report Structure:** |
|---|---|
| (Count of LNP TNs implemented within Industry guidelines ÷ total number of LNP TNs ) *100 | Reported for CLEC and all CLECs. |

**Measurement Type:**

Tier 1 – None
Tier 2 – None

**Benchmark:**

96.5%. The benchmark will be revised either up or down if industry guidelines are established that are different than the objective stated here.

**92. Measurement:**

Percentage of Time the Old Service Provider Releases the Subscription Prior to the Expiration of the Second 9 Hour (T2) Timer

**Definition:**

Percentage of time the old service provider releases subscription(s) to NPAC within the first (T1) or the second (T2) 9-hour timers.

**Exclusions:**

- Customer caused or requested delays.
- NPAC caused delays unless caused by SWBT.
- Cases where SWBT did the release but the New Service Provider did not respond prior to the expiration of the T2 timer. This sequence of events causes the NPAC to send a cancel of SWBT's release request. In these cases, SWBT may have to re-work to release the TN so it can be ported to meet the due date.

**Business Rules:**

Number of LNP TNs for which subscription to NPAC was released prior to the expiration of the second 9-hour (T2) timer.

**Levels of Disaggregation:**

None

| **Calculation:** | **Report Structure:** |
|---|---|
| (Number of LNP TNs for which subscription to NPAC was released prior to the expiration of the second 9-hour (T2) timer ÷ total number of LNP TNs for which the subscription was released) *100 | Reported for CLEC and all CLECs. |

**Measurement Type:**

Tier 1 – None
Tier 2 – None

**Benchmark:**

96.5%. The benchmark will be revised either up or down if industry guidelines are established that are different than the objective stated here.

| **93. Measurement:** | |
|---|---|
| Percentage of Customer Account Restructured Prior to LNP Due Date | |
| **Definition:** | |
| Percentage of accounts restructured within the LNP order due date established in Measurement No. 91, and/or negotiated due date for orders that contain more than 30 TNs. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| See Measurement No. 91 | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Number of LNP orders for which customer accounts were restructured prior to LNP due date) ÷ (total number of LNP orders that require customer accounts to be restructured) *100 | Reported for CLEC and all CLECs. |
| **Measurement Type** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| 96.5% | |

**94. Measurement:**

Percentage FOCs Received Within "X" Hours

**Definition:**

Percentage of FOCs returned within a specified time frame from receipt of complete and accurate LNP or LNP with Loop service request to return of confirmation to CLEC.

**Exclusions:**

- Rejected orders.
- SWBT only Disconnect orders.
- Orders involving major projects.

**Business Rules:**

See Business Rule for FOCs

**Levels of Disaggregation:**

**Manually submitted:**

- Simple Residence and Business LNP Only (1-19 Lines)< 24 Clock Hours
- LNP with Loop (1-19 Loops) < 24 Clock Hours
- Simple Residence and Business LNP Only (20+ Loops) < 48 Clock Hours
- LNP with Loop (20+ Loops) < 48 Clock Hours
- LNP Complex Business (1-19 Lines) < 24 Clock Hours
- LNP Complex Business (20-50 Lines) < 48 Clock Hours
- LNP Complex Business (50+ Lines) < Negotiated with Notification of Timeframe within 24 Clock Hours

**Electronically submitted via LEX or EDI:**

- Simple Residence and Business LNP Only (1-19 Lines) < 5 Business Hours
- LNP with Loop (1-19 Loops) < 5 Business Hours
- Simple Residence and Business LNP Only (20+ Loops) < 48 Clock Hours
- LNP with Loop (20+ Loops) < 48 Clock Hours
- LNP Complex Business (1-19 Lines) < 24 Clock Hours
- LNP Complex Business (20-50 Lines) < 48 Clock Hours
- LNP Complex Business (50+ Lines) < Negotiated with Notification of Timeframe within 24 Clock Hours

| Calculation: | Report Structure: |
|---|---|
| (# FOCs returned within "x" hours ÷ total FOCs sent) * 100 | Reported for CLEC and all CLECs<br>This includes mechanized from EDI and LEX and manual (FAX or phone orders). |

**Measurement Type:**

Tier 1 – Low
Tier 2 – Medium

**Benchmark:**

95%

| **95. Measurement:** | |
|---|---|
| Average Response Time for Non-Mechanized Rejects Returned With Complete and Accurate Codes. | |
| **Definition:** | |
| Average Response time for returning rejected non-mechanized LNP orders with complete and accurate identification of CLEC caused errors in the order. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| For each non-mechanized order track, the Start time is the Receipt date/time of non-mechanized order; and the End time is the transmittal time of rejection notification of the order due to CLEC-caused errors. The difference between the two is the duration in hours. Obtain cumulative total for all non-mechanized LNP/LNP with Loop orders for the month. SWBT will track the performance for this measurement until its EDI interfaces are tested and approved as satisfactory by the Commission. Subsequent to the above finding, a CLEC that continues to use manual process should track the performance delivered by SWBT and report to SWBT any sub-standard performance. The CLEC has the burden to prove any dispute regarding sub-standard performance. | |
| **Levels of Disaggregation:** | |
| LNP only and LNP with Loop | |
| **Calculation:** | **Report Structure:** |
| Σ(Date & Time of LNP Order – Date and Time LNP Order Acknowledgement) ÷ Total Number of non-mechanized LNP Orders Rejected | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| 5 Business Hours. | |

| **96. Measurement:** | |
|---|---|
| Percentage Pre-mature Disconnects for LNP Orders | |
| **Definition:** | |
| Percentage of LNP cutovers where SWBT prematurely removes the translations, including the 10 digit trigger, prior to the scheduled conversion time. | |
| **Exclusions:** | |
| Coordinated Conversions | |
| **Business Rules:** | |
| The count of incidents, on a TN basis, where the translations are removed prior to the scheduled conversion. Count the number of cutovers that are prematurely disconnected (10 minutes before scheduled conversion time). | |
| **Levels of Disaggregation:** | |
| LNP only and LNP with Loop. | |
| **Calculation:** | **Report Structure:** |
| Count of premature disconnects ÷ total LNP conversions * 100 | Reported by CLEC and all CLECs disaggregated by LNP and LNP with UNE loop. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| 2% or Less premature disconnects starting 10 minutes before scheduled due time. | |

| **97. Measurement:** | |
|---|---|
| Percentage of Time SWBT Applies the 10-digit Trigger Prior to the LNP Order Due Date | |
| **Definition:** | |
| Percentage of time SWBT applies 10-digit trigger, where technically feasible, for LNP or LNP with loop TNs on the day prior to the due date. | |
| **Exclusions:** | |
| Excludes Remote Call Forwarding in DMS 100s, DID in all offices and ISDN Data TNs." | |
| **Business Rules:** | |
| Obtain number of LNP or LNP with loop TNs where the 10-digit trigger was applied on the day prior to due date, and the total number of LNP or LNP with Loop TNs where the 10-digit trigger was applied, where technically feasible. | |
| **Levels of Disaggregation:** | |
| LNP only, and LNP with Loop. | |
| **Calculation:** | **Report Structure:** |
| (Count of LNP TNs for which 10-digit trigger was applied 24 hours prior to due date ÷ total LNP TNs for which 10-digit triggers were applied) * 100. | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| 96.5% | |

| **98. Measurement:** | |
|---|---|
| Percentage LNP I-Reports in 10 Days | |
| **Definition:** | |
| Percentage of LNP and LNP with Loop Orders that receive a LNP related network customer trouble report within 10 calendar days of service order completion. | |
| **Exclusions:** | |
| • Excluding subsequent reports and all disposition code "13" reports (excludable reports) with the exception of 1316 unless the trouble report is taken prior to completion of the service order.<br>• Trouble reports caused by CPE or inside wiring. | |
| **Business Rules:** | |
| The Start time is the date/time of completion; and the End time is the date/time of receipt of trouble report. Count the number of LNP and LNP with loop Orders which receive an LNP related trouble report within 10 calendar days of completion. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Count of LNP and LNP with loop Orders that receive a network customer trouble report within 10 calendar days of service order completion ÷ total LNP and LNP with loop Orders) * 100. | Reported for CLEC and all CLECs, and SWBT. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| Parity with SWBT Retail POTS – No Field Work. | |

| **99. Measurement:** | |
|---|---|
| Average Delay Days for SWBT Missed Due Dates | |
| **Definition:** | |
| Average calendar days from due date to completion date on company missed orders. | |
| **Exclusions:** | |
| On time or early completions | |
| **Business Rules:** | |
| The clock starts on the due date and the clock ends on the completion date based on posted LNP orders. | |
| **Levels of Disaggregation:** | |
| LNP Only | |
| **Calculation:** | **Report Structure:** |
| Σ(LNP Port Out Completion Date– LNP Order due date) ÷ # total port out orders where there was a SWBT caused missed due date* 100 | Reported for CLEC and all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – Medium<br>Tier 2 – Medium | |
| **Benchmark:** | |
| Parity with SWBT Retail POTS – No Field Work. | |

| **100. Measurement:** | |
|---|---|
| Average Time of Out of Service for LNP Conversions | |
| **Definition:** | |
| Average time to facilitate the activation request in SWBT's network. | |
| **Exclusions:** | |
| • CLEC-caused errors.<br>• NPAC-caused errors unless caused by SWBT.<br>• Large ports greater than 500 ports. | |
| **Business Rules:** | |
| The Start time is the Receipt of NPAC broadcast activation message in SWBT's LSMS; and the End time is when the Provisioning event is done in SWBT's LSMS. Calculate the total difference between the start time and end time in minutes for LNP activations during the reporting period. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| Σ(LNP start time – LNP stop time)<br>÷ # total LNP activated messages | Reported for CLEC and all CLECs |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| 60 Minutes unless a different industry guideline is established that will override the benchmark referenced here. | |

| **101. Measurement:** | |
|---|---|
| Percent Out of Service < 60 minutes | |
| **Definition:** | |
| The Number of LNP related conversions where the time required to facilitate the activation of the port in SWBT's network is less than 60, expressed as a percentage of total number of activations that took place. | |
| **Exclusions:** | |
| • CLEC-caused errors.<br>• NPAC-caused errors unless caused by SWBT.<br>• Large ports greater than 500 ports. | |
| **Business Rules:** | |
| The Start time is the Time that an "activate NPAC" broadcast is received in SWBT's LSMS. The End time is the Time the provisioning event is complete in SWBT's LSMS. Count the number of conversions that took place in less than 60 minutes. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Number of activation events provisioned in less than 60minutes) ÷ (total LNP provisioning events) * 100. | Reported for CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – Medium<br>Tier 2 – Medium | |
| **Benchmark:** | |
| 96.5% | |

**911**

| **102. Measurement** | |
|---|---|
| Average Time To Clear Errors | |
| **Definition:** | |
| The average time it takes to clear an error after it is detected during the processing of the 911 database file. This is only on resale or UNE loop and port combination orders that SWBT installs. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| The clock starts upon the receipt of the error file and the clock stops when the error is corrected. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| Σ(Date and time error detected – date and time error cleared) ÷ total number of errors | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity | |

| **103. Measurement** | |
|---|---|
| Percent Accuracy for 911 Database Updates | |
| **Definition:** | |
| The percentage of 911 records that were updated by SWBT in error. | |
| **Exclusions:** | |
| CLEC caused errors. | |
| **Business Rules:** | |
| The data required to calculate this measurement will be provided by the CLEC based on the compare file. The CLEC will provide the number of records transmitted and the errors found. SWBT will verify the records determined to be in error to validate that the records were input by SWBT incorrectly. An update is completed without error if the database completely and accurately reflects the activity specified on the order submitted by the CLEC. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Number of SWBT caused update errors ÷ Total number of updates) * 100 | CLEC, All CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity | |

| **104. Measurement** | |
|---|---|
| Average Time Required to Update 911 Database (Facility Based Providers) | |
| **Definition:** | |
| The average time it takes to update the 911 database file. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| The clock starts on the date/time when the data processing starts and the clock stops on the date/time when the data processing is complete. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| Σ(Date and time data processing begins - date and time data processing ends) ÷ total number of files | Reported for individual CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity | |

## POLES, CONDUIT AND RIGHTS OF WAY

| **105. Measurement** | |
|---|---|
| Percentage of requests processed within 35 Days | |
| **Definition:** | |
| The percentage of requests for access to poles, conduits, and right-of-ways processed within 35 days. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| The clock starts upon the receipt date of the application for access to poles, conduits and right-of-ways and the clock stops upon response date of the application granting or denying access to poles, conduits and right-of-ways. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (count of number of requests processed within 35 days ÷ total number of requests) * 100 | Reported for individual CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| 90% within 35 days. | |

| **106. Measurement** | |
|---|---|
| Average Days Required to Process a Request | |
| **Definition:** | |
| The average time it takes to process a request for access to poles, conduits, and right-of-ways. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| See Measurement No. 105 | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| Σ(Date request returned to CLEC – date request received from CLEC) ÷ total number of requests | Reported for individual CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| See Measurement No. 105. Benchmark will be established during the 6 month review. | |

## COLLOCATION

| **107. Measurement** |
|---|
| Percentage Missed Collocation Due Dates |
| **Definition:** |
| The percentage of SWBT caused missed due dates for collocation projects. |
| **Exclusions:** |
| None |
| **Business Rules:** |
| The clock starts when SWBT receives, in compliance with the approved tariff, payment and return of proposed layout for space as specified in the application form from the CLEC and the clock stops when the collocation arrangement is complete and ready for CLEC occupancy. Due Date Extensions will be extended when mutually agreed to by SWBT and the CLEC, or when a CLEC fails to complete work items for which they are responsible in the allotted time frame. The extended due date will be calculated by adding to the original due date the number of calendar days that the CLEC was late in performing said work items. Work items include but are not limited to:<br>• CLEC return to SWBT corrected and complete floor plan drawings.<br>• CLEC placement of required component(s).<br><br>If the business rules and tariff are inconsistent, the terms of the tariff will apply. |
| **Levels of Disaggregation:** |
| Physical<br>• Caged<br>• Shared Caged<br>• Caged Common<br>• Cageless<br>• Adjacent On-site<br>• Adjacent Off-site<br>• Augments to Physical Collocation Virtual<br>• Virtual<br>• Augments to Virtual. |

| Calculation: | Report Structure: |
|---|---|
| (count of number of SWBT caused missed due dates for physical collocation facilities ÷ total number of physical collocation projects) * 100 | Reported for individual CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| 95% within the due date. Damages and Assessments will be calculated based on the number of days late. | |

| **108. Measurement** | |
|---|---|
| Average Delay Days for SWBT Missed Due Dates | |
| **Definition:** | |
| The average delay days caused by SWBT to complete collocation facilities. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| See Measurement No. 107 | |
| **Levels of Disaggregation:** | |
| Physical,<br>• Caged<br>• Shared Caged<br>• Caged Common<br>• Cageless<br>• Adjacent On-site<br>• Adjacent Off-site<br>• Augments to Physical Collocation Virtual<br>• Augments to Virtual. | |
| **Calculation:** | **Report Structure:** |
| Σ(Date collocation work completed - collocation due date ) ÷ total number of SWBT caused missed collocation projects | Reported for individual CLEC and all CLECs by active and non-active as defined in the tariff |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| 10% of the tariffed intervals. | |

| **109. Measurement** | |
|---|---|
| Percent of Requests Processed Within the Tariffed Timelines | |
| **Definition:** | |
| The percent of requests for collocation facilities processed within the Tariffed timelines. | |
| **Exclusions:** | |
| Excludes Weekends & Holidays. | |
| **Business Rules:** | |
| The clock starts when SWBT (ICSC) receives the application. The clock stops when SWBT responds back to the application request with a quote. | |
| **Levels of Disaggregation:** | |
| Physical,<br>• Caged<br>• Shared Caged<br>• Caged Common<br>• Cageless<br>• Adjacent On-site<br>• Adjacent Off-site<br>• Augments to Physical Collocation Virtual<br>• Augments to Virtual. | |
| **Calculation:** | **Report Structure:** |
| (count of number of requests processed within the tariff timeline ÷ total number of requests) * 100 | Reported for individual CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| 90% within the tariff timeline | |

## DIRECTORY ASSISTANCE DATABASE

| **110. Measurement** | |
|---|---|
| Percentage of Updates Completed into the DA Database within 72 Hours for Facility Based CLECs | |
| **Definition:** | |
| The percentage of DA database updates completed within 72 hours of receipt of the update from the CLEC for directory change only and within 72 hours of the completion date on the provisioning service order where a provisioning order is required. | |
| **Exclusions:** | |
| Excludes Weekends and Holidays. | |
| **Business Rules:** | |
| The date and time stamp on fax updates starts the clock and the date and time when the listing is updated stops the clock. For directory changes that also have a provisioning order, the clock starts when the provisioning order completes and ends when the listing is updated. The update clerks work hours are 6:30 a.m. to 3:00 p.m. Monday through Friday. On requests received after 3:00 p.m. the clock will start at 6:30 a.m. the following day. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Count of updates completed within 72 hours ÷ total updates) * 100 | Reported by CLEC and all CLECs for facility based providers. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| 95% updated within 72 hours. | |

| **111. Measurement** | |
|---|---|
| Average Update Interval for DA Database for Facility Based CLECs | |
| **Definition:** | |
| The average update interval for DA database changes for facility based CLECs. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| See Measurement No. 110 | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| $\Sigma$ (8:00 a.m. of the day following the input into the LSS database – Time update received from CLEC) ÷ total updates | Reported by CLEC and all CLECs for facility based providers. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| 48 Hours. This benchmark will be re-evaluated in 6 months. | |

| **112. Measurement** | |
|---|---|
| Percentage DA Database Accuracy For Manual Updates | |
| **Definition:** | |
| The percentage of DA records that were updated by SWBT in error. The data required to calculate this measurement will be provided by the CLEC. The CLEC will provide the number of records transmitted and the errors found. SWBT will verify the records determined to be in error to validate that the records were input by SWBT incorrectly. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| See Measurement No. 110 | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Number of SWBT caused update errors ÷ Total number of updates) *100 | Reported by CLEC and all CLECs for facility based providers. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| 97% | |

| **113. Measurement** | |
|---|---|
| Percentage of Electronic Updates that Flow Through the DSR process Without Manual Intervention | |
| **Definition:** | |
| Percentage of DSRs from entry to distribution that progress through SWBT ordering systems to ALPS/LIRA. | |
| **Exclusions:** | |
| Rejected DSRs due to CLEC error. | |
| **Business Rules:** | |
| The number of DSRs, that flow through SWBT's ordering systems and are passed to ALPS/LIRA without manual intervention, divided by the total number of DSRs issued within the reporting period. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Number of DSRs that flow through to ALPS/LIRA ÷ Total DSRs ) * 100 | CLEC and All CLECs. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| 97% | |

## COORDINATED CONVERSIONS

| **114. Measurement** | |
|---|---|
| Percentage of Premature Disconnects (Coordinated Cutovers) | |
| **Definition:** | |
| Percentage of coordinated cutovers where SWBT prematurely disconnects the customer prior to the scheduled conversion. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| A premature disconnect occurs any time SWBT disconnects the CLEC customer prior to the CLEC authorization. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Count of prematurely disconnected customers ÷ total coordinated conversion customers) * 100 | Reported by CLEC and all CLECs disaggregated by INP and INP with loop, LNP and LNP with loop. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| 2% or less premature disconnects starting 10 minutes before scheduled time. | |

| **115. Measurement** | |
|---|---|
| Percentage of SWBT caused delayed Coordinated Cutovers | |
| **Definition:** | |
| Percentage of SWBT caused late coordinated cutovers in excess of "x" (30, 60 and 120) minutes. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| A coordinated cutover is delayed if SWBT is not ready within "x" (30, 60, and 120) minutes after the frame due time. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Count of SWBT caused late coordinated cutovers in excess of "x" (30, 60 and 120) minutes ÷ total coordinated cutovers) * 100 | Reported by CLEC and all CLECs disaggregated by INP and INP with loop, LNP and LNP with loop. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| 8% or less of SWB coordinated conversions beyond 30 minutes, 2% beyond 1 hour from scheduled time or 1% beyond 2 hours. | |

| **116. Measurement** | |
|---|---|
| Percentage of Missed Mechanized INP Conversions | |
| **Definition:** | |
| Percentage of mechanized INP conversions not loaded in the switch within 10 minutes prior to or 30 minutes after the scheduled due time. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| The clock starts on the Due Date and Frame Due Time and the clock stops on the Switch Date and Time. | |
| **Levels of Disaggregation:** | |
| None | |
| **Calculation:** | **Report Structure:** |
| (Count of mechanized INP conversions not loaded in the switch within 10 minutes prior to or 30 minutes after scheduled due time (Frame Due Time)) ÷ total mechanized INP conversions) * 100 | Reported by CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – Medium<br>Tier 2 – None | |
| **Benchmark:** | |
| See Measurements No. 114 and No. 115 | |

**NXX**

| **117. Measurement** | |
|---|---|
| Percent NXXs loaded and tested prior to the LERG effective date | |
| **Definition:** | |
| The percent of NXXs loaded and tested prior to the LERG effective date. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| Data for the initial NXX(s) in a local calling area will be based on the LERG effective date or completion of the initial interconnection trunk group(s), whichever is longer. Data for additional NXXs in the local calling area will be based on the LERG effective date. | |
| **Levels of Disaggregation:** | |
| By Market Region | |
| **Calculation:** | **Report Structure:** |
| (Count of NXXs loaded and tested by LERG date ÷ total NXXs loaded and tested) * 100 | Reported by CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| Parity | |

| **118. Measurement** | |
|---|---|
| Average Delay Days for NXX Loading and Testing | |
| **Definition:** | |
| Average calendar days from due date to completion date on company missed NXX orders. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| See Measurement No. 117 | |
| **Levels of Disaggregation:** | |
| By Market Region | |
| **Calculation:** | **Report Structure:** |
| Σ(Completion Date - LERG date) ÷ (number of SWBT caused late orders) | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – Low<br>Tier 2 – None | |
| **Benchmark:** | |
| Parity | |

| **119. Measurement** | |
|---|---|
| Mean Time to Repair | |
| **Definition:** | |
| Average duration of NXX trouble reports from the receipt of the customer trouble report to the time that the trouble report is cleared. | |
| **Exclusions:** | |
| None | |
| **Business Rules:** | |
| The start time is when the report is received. The stop time is when the report is cleared. | |
| **Levels of Disaggregation:** | |
| By Market Region. | |
| **Calculation:** | **Report Structure:** |
| Σ(Date and time trouble report is cleared with the customer – Date and time trouble report is received) ÷ (number of NXX trouble reports) | Reported for CLEC, all CLECs and SWBT. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| Parity | |

## BONA FIDE/SPECIAL REQUEST PROCESS (BFRs)

| **120. Measurement** | |
|---|---|
| Percentage of Requests Processed Within 30 Business Days | |
| **Definition:** | |
| Percentage of Bona fide/Special requests processed within 30 business days. | |
| **Exclusions:** | |
| Excludes weekends and holidays. | |
| **Business Rules:** | |
| The clock starts when SWBT receives a complete and accurate application. The clock stops when SWBT completes application processing for Network Elements that are not operational at the time of the request. | |
| **Levels of Disaggregation:** | |
| • None | |
| **Calculation:** | **Report Structure:** |
| (Count of number of requests processed within 30 days ÷ total number of requests) * 100 | Reported by CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – None<br>Tier 2 – None | |
| **Benchmark:** | |
| 90% within 30 business days. | |

| **121. Measurement** | |
|---|---|
| Percentage of Quotes Provided for Authorized BFRs/Special Requests Within X (10,30,90) Days | |
| **Definition:** | |
| Percentage of quotes provided in response to bona fide/Special requests for within X (10,30,90) days. | |
| **Exclusions:** | |
| Requests that are subject to pending arbitration. | |
| **Business Rules:** | |
| The clock starts when SWBT receives a complete and accurate application. The clock stops when SWBT responds back to the application request with a quote. | |
| **Levels of Disaggregation:** | |
| • New Network Elements that are operational at the time of the request.<br>• New Network Elements that are ordered by the FCC.<br>• New Network Elements that are not operational at the time of the Request. | |
| **Calculation:** | **Report Structure:** |
| (Count of number of requests processed within X (10, 30, 90) days ÷ total number (10, 30, 90 Days) of requests) * 100 | Reported by CLEC and all CLECs. |
| **Measurement Type:** | |
| Tier 1 – High<br>Tier 2 – High | |
| **Benchmark:** | |
| 90% within 10, 30, 90 business days.<br>• Network Elements that are operational at the time of the request – 10 days<br>• Network Elements that are Ordered by the FCC– 30 days<br>• New Network Elements 90 days | |

# PERFORMANCE MEASUREMENTS

## Appendix One

| **Subsequent Due Date Indicator** | |
|---|---|
| Added to the service order whenever the due date is changed. Order can carry multiple codes. Company delay code overrides subscriber delay code. | |
| **Subscriber(customer) Reasons:** | |
| SA | No Access |
| SL | Subscriber requests later date |
| SO | Subscriber – Other |
| SP | Subscriber requests earlier date |
| SR | Subscriber not ready |
| **Company (SWBT) Reasons:** | |
| CA | Assignment office |
| CB | Residence/Business office |
| CE | Back order / unavailability of equipment or supplies from vendors |
| CF | Lack of Facilities (outside plant or buried service wires) |
| CL | Work Load |
| CO | Other company reasons |
| CS | Lack of Central Office facilities |
| CU | Uncontrollable circumstances |

## PERFORMANCE MEASUREMENTS

### Appendix Two

| Disposition Codes |
| --- |
| The following is a list of Excluded (13) disposition codes. |
| |
| 1301 Request for directories<br>1302 Reports received as a result of dual service<br>1303 Request for information revertive dialing codes – muliparty line (no longer applicable)<br>1304 CVAS Disconnect or hang up<br>1305 Request for information provided by another department – Business office, claims, etc.<br>1306 Request for SWBT to locate buried facilities<br>1307 Request to lower or raise wire<br>1308 Report on phone number which is properly disconnected, unassigned or suspended with disconnect recording on line.<br>1309 Report on feature customer is not being billed for<br>1310 Request to verify busy condition of line<br>1311 Report of non-SWBT plant or facilities<br>1313 Reports due to incorrect network administration records<br>1314 Request that SWBT ground be connected to electric company ground<br>1316 Report on service order activity prior to midnight of completion date<br>1317 Report on incorrect number; Regenerate report on correct number<br>1320 Request from Business Office<br>1321 Customer unable to reach business office<br>1322 Request from vendor for testing<br>1323 Changes in network structure (i.e. 10 digit dialing)<br>1324 Miscellaneous (Commendations, callback request for information only)<br>1335 Customer request service guarantee (tech gave credit)<br>1336 Customer request service guarantee (tech did not give credit)<br>1380 CNA Report Cancel by customer |

## PERFORMANCE MEASUREMENTS

### Appendix Three

Percentage of Missed Collocation Due Dates Damages and Assessments Methodology

The following methodology will apply in calculating Tier 1 liquidated damages and Tier 2 assessments for the percentage of missed collocation due dates measurement.

**Tier 1:**

1. The benchmark will be 95% of Collocations completed within the due date. For example, if a CLEC has 30 collocations complete in the study month, SWBT can miss two due dates and still be in compliance. In this case no damages would apply. If, three due dates out of 30, SWBT would be out of compliance. In this case, damages would be payable on the number of collocations required to be back within the 95% benchmark.
2. Damages are calculated based on the number of days that SWBT misses the due date using the per occurrence values in the MOU, multiplied by the number of days from completion to due date.
3. In order to determine which collocations to use in the damage calculation, the missed collocation due dates will be ranked based on the number of days missed from highest to lowest. SWBT will pay damages on the highest number of days missed until the number of collocations missed is within the benchmark. For example, in the example above, if the three misses had missed days of 20, 10 and three, SWBT would pay damages on 20 missed days.
4. The collocation measurement will be used in the determination of the "K" number of allowances. In addition, it may also be excluded as defined in the MOU in the order of progression also contained there. The number of underlying data points used for the purposes of determining the order of exclusion will be the total days late for collocation projects.
5. All collocation completions in a month will be considered for the calculation of liquidated damages.
6. The critical Z-value will not be subtracted from the benchmark to determine compliance.

**Tier 2:**

1. Assessments will be applicable, as described in the MOU, when the measurement has been out of compliance for three consecutive months for the aggregate of all CLEC collocations.
2. Compliance will be defined as described in the Tier 1 damages above.
3. If assessments are applicable, the rolling three month average for days missed will be used to calculate the total assessments payable to the Texas State Treasury.

# APPENDIX

## MEASUREMENTS SUBJECT TO PER OCCURRENCE DAMAGES OR ASSESSMENT WITH A CAP

## MEASUREMENTS SUBJECT TO PER MEASURE DAMAGES OR ASSESSMENT

### Measurements That Are Subject To Per Occurrence Damages Or Assessment With A Cap

1 Average Responses time for OSS Preorder Interfaces (1) (Tier-1 - Low, Tier-2 - Med.)
2 Percent Response received within "X" Seconds (2) (Tier-1 - Low, Tier-2 - Med.)
3 % Firm Order Confirmations (FOCs) Received Within "X" Hours (5) (Tier-1 - Low, Tier-2 – Med.)
4 Order Process Percent Flow Through (13) (Tier-1 - Low, Tier-2 - High)
5 Percent Mechanized Completions Returned Within 1 Hour (7) (Tier-1 - Low, Tier-2 - Low)
6 Mechanized Provisioning Accuracy (12) (Tier-1 - Low, Tier-2 - Low)
7 Percent of Accurate And Complete Formatted Mechanized Bills (15) (Tier-1 - Low, Tier-2 – High)
8 Percent Of Billing Records Transmitted Correctly (16) (Tier-1 - Low, Tier-2 - Low)
9 Billing Completeness (17) (Tier-1 – Low, Tier-2 - Med.)
10 Billing Timeliness (Wholesale Bill) (18) (Tier-1 - Low, Tier-2 - Low)
11 Percent Trunk Blockage (70) (Tier-1 – High, Tier-2 - High)

### Measurements That Are Subject To Per Measure Damages Or Assessment

1 % NXXs loaded and tested prior to the LERG effective date (117) (Tier-1 - High, Tier-2 - High)
2 % Quotes Provided for Authorized BFRs within 30 business days (121) (Tier-1 - High, Tier-2 - High)
3 LSC Grade Of Service (GOS) (22) ) (Tier-2 – High)
4 Percent Busy in the Local Service Center (23) (Tier-2 - Low)
5 LOC Grade Of Service (GOS) (25) (Tier-2 – High)
6 Percent Busy in the LOC (26) (Assessment Only) (Tier-2 - Low)
7 Common Transport Trunk Blockage (71) (Tier-2 - High)
8 OSS Interface Availability (4) (Tier-2 – High)

# APPENDIX

## PERFORMANCE MEASURES SUBJECT TO TIER-1 AND TIER-2 DAMAGES IDENTIFIED AS HIGH, MEDIUM AND LOW

| Performance Measures | Measurement Groups Subject to Tier-1 Damages | | | Measurement Groups Subject to Tier-2 Assessments | | |
|---|---|---|---|---|---|---|
| | Low | Med | High | Low | Med | High |
| ***I. RESALE POTS, RESALE SPECIALS AND UNES*** | | | | | | |
| **A. Pre-Ordering/Ordering** | | | | | | |
| 1. Average Response Time For OSS Pre-Order Interfaces. | ✓ | - | - | - | X | - |
| 2. Percent Response recived within "X" Seconds | ✓ | - | - | - | X | - |
| 3. EASE Average Response Time | - | - | - | - | - | - |
| 4. OSS Interface Availability | - | - | - | | | X |
| 5. % Firm Order Confirmations (FOCs) Received Within "X" Hours | ✓ | - | - | | X | - |
| 6. Average Time To Return FOC | - | - | - | | | - |
| 7. Percent Mechanized Completions Returned Within 1 Hour | ✓ | - | - | | | - |
| 8. Average Time to Return Mechanized Completions | ✓ | - | - | | | - |
| 9. Percent Rejects | - | - | - | | | - |
| 10. Percent Mechanized Rejects Returned Within 1 Hour of EDI/LASR | ✓ | - | - | | | - |
| 11. Mean Time to Return Mechanized Rejects | - | - | - | | | - |
| 12. Mechanized Provisioning Accuracy | ✓ | - | - | X | | - |
| 13. Order Process Percent Flow Through | ✓ | - | - | | | X |
| **B. Billing** | | | | | | |
| 14. Billing Accuracy | - | - | - | - | - | - |
| 15. Percent of Accurate And Complete Formatted Mechanized Bills | ✓ | - | - | - | - | X |
| 16. Percent Of Billing Records Transmitted Correctly | ✓ | - | - | - | - | - |
| 17. Billing Completeness | ✓ | - | - | - | X | - |
| 18. Billing Timeliness (Wholesale Bill) | ✓ | - | - | - | - | X |
| 19. Daily Usage Feed Timeliness | - | - | - | - | - | - |
| 20. Unbillable Usage | - | - | - | - | - | - |
| **C. Miscellaneous Administrative** | | | | | | |
| 21. LSC Average Speed Of Answer | - | - | - | - | - | - |
| 22. LSC Grade Of Service (GOS) | - | - | - | - | - | X |

# APPENDIX

## PERFORMANCE MEASURES SUBJECT TO TIER-1 AND TIER-2 DAMAGES IDENTIFIED AS HIGH, MEDIUM AND LOW

| Performance Measures | Measurement Groups Subject to Tier-1 Damages | | | Measurement Groups Subject to Tier-2 Assessments | | |
|---|---|---|---|---|---|---|
| | Low | Med | High | Low | Med | High |
| 23. Percent Busy in the Local Service Center | - | - | - | X | - | - |
| 24. LOC Average Speed Of Answer | - | - | - | - | - | - |
| 25. LOC Grade Of Service (GOS) | - | - | - | - | - | X |
| 26. Percent Busy in the LOC | - | - | - | X | - | - |
| ***II. RESALE POTS AND UNE LOOP AND PORT COMBINATIONS COMBINED BY SWBT*** | | | | | | |
| **A. Provisioning** | | | | | | |
| 27. Mean Installation Interval | - | - | ✓ | - | - | X |
| 28. Percent Installations Completed Within "X" Business Days (POTS) | - | - | - | - | - | - |
| 29. Percent SWBT Caused Missed Due Dates | - | - | ✓ | - | - | X |
| 30. Percent Company Missed Due Dates Due To Lack Of Facilities | ✓ | - | - | - | - | - |
| 31. Average Delay Days For Missed Due Dates Due To Lack Of Facilities | - | - | - | - | - | - |
| 32. Average Delay Days For SWBT Missed Due Dates | - | ✓ | - | - | - | - |
| 33. Percent SWBT Caused Missed Due Dates greater than 30 days | ✓ | - | - | - | - | - |
| 34. Count of orders canceled after the due date which were caused by SWBT | - | - | - | - | - | - |
| 35. Percent Trouble Reports Within 10 Days (I-10) Of Installation | - | - | ✓ | - | - | X |
| 36. Percent No Access (Trouble Reports With no Access) | - | - | - | - | - | - |
| **B. Maintenance** | | | | | | |
| 37. Trouble Report Rate | - | - | ✓ | - | - | X |
| 38. Percent Missed Repair Commitments | - | - | ✓ | - | - | X |
| 39. Receipt To Clear Duration | - | - | ✓ | - | - | X |
| 40. Percent Out Of Service (OOS) < 24 Hours | - | ✓ | - | - | - | - |
| 41. Percent Repeat Reports | - | - | ✓ | - | - | X |
| 42. Percent No Access (% of Trouble reports with No Access) | - | - | - | - | - | - |

# APPENDIX

## PERFORMANCE MEASURES SUBJECT TO TIER-1 AND TIER-2 DAMAGES IDENTIFIED AS HIGH, MEDIUM AND LOW

| Performance Measures | Measurement Groups Subject to Tier-1 Damages | | | Measurement Groups Subject to Tier-2 Assessments | | |
|---|---|---|---|---|---|---|
| | Low | Med | High | Low | Med | High |
| ***III. RESALE SPECIALS AND UNE LOOP AND PORT COMBINATIONS COMBINED BY SWBT*** | | | | | | |
| **A. Provisioning** | | | | | | |
| 43. Average Installation Interval | - | - | ✓ | - | - | X |
| 44. Percent Installations Completed Within "X" Business Days | - | - | - | - | - | - |
| 45. Percent SWBT Caused Missed Due Dates | - | - | ✓ | - | - | X |
| 46. Percent Installation Reports (Trouble Reports) Within 30 Days (I-30) Of Installation | - | - | ✓ | - | - | X |
| 47. Percent Missed Due Dates Due To Lack Of Facilities | ✓ | - | - | - | - | - |
| 48. Delay Days For Missed Due Dates Due To Lack Of Facilities | - | - | - | - | - | - |
| 49. Delay Days For SWBT Missed Due Dates | - | ✓ | - | - | - | - |
| 50. Percent SWBT Caused Missed Due Dates greater than 30 days | ✓ | - | - | - | - | - |
| 51. Count of orders canceled after the due date which were caused by SWBT | - | - | - | - | - | - |
| **B. Maintenance** | | | | | | |
| 52. Mean Time To Restore | - | - | ✓ | - | - | X |
| 53. Percent Repeat Reports | - | - | ✓ | - | - | X |
| 54. Failure Frequency | ✓ | - | - | - | - | - |
| ***IV. UNBUNDLED NETWORK ELEMENTS (UNES)*** | | | | | | |
| **A. Provisioning** | | | | | | |
| 55. Average Installation Interval | - | - | - | - | - | - |
| 56. Percent Installations Completed Within "X" Business Days | - | - | ✓ | - | - | X |
| 57. Average Respones time for Loop Make-up Information | ✓ | - | - | - | X | - |
| 58. Percent SWBT Caused Missed Due Dates | - | - | ✓ | - | - | X |
| 59. Percent Installation Reports (Trouble Reports) Within 30 Days (I-30) Of Installation | - | - | ✓ | - | - | X |
| 60. Percent Missed Due Dates Due To Lack Of Facilities | ✓ | - | - | - | - | - |

# APPENDIX

## PERFORMANCE MEASURES SUBJECT TO TIER-1 AND TIER-2 DAMAGES IDENTIFIED AS HIGH, MEDIUM AND LOW

| Performance Measures | Measurement Groups Subject to Tier-1 Damages | | | Measurement Groups Subject to Tier-2 Assessments | | |
|---|---|---|---|---|---|---|
| | Low | Med | High | Low | Med | High |
| 61. Average Delay Days For Missed Due Dates Due To Lack Of Facilities | - | - | - | - | - | - |
| 62. Average Delay Days For SWBT Missed Due Dates | - | ✓ | - | - | - | - |
| 63. Percent SWBT Caused Missed Due Dates greater than 30 days | ✓ | - | - | - | - | - |
| 64. Count of orders canceled after the due date which were caused by SWBT | - | - | - | - | - | - |
| **B. Maintenance** | | | | | | |
| 65. Trouble Report Rate | - | - | ✓ | - | - | X |
| 66. Percent Missed Repair Commitments | - | - | ✓ | - | - | X |
| 67. Mean Time To Restore | - | - | ✓ | - | - | X |
| 68. Percent Out Of Service (OOS) < "X" Hours | - | ✓ | - | - | - | - |
| 69. Percent Repeat Reports | - | - | ✓ | - | - | X |
| ***V. INTERCONNECTION TRUNKS*** | | | | | | |
| 70. Percent Trunk Blockage | - | - | ✓ | - | - | X |
| 71. Common Transport Trunk Blockage | - | - | - | - | - | X |
| 72. Distribution Of Common Transport Trunk Groups Exceeding 2% | - | - | - | - | - | - |
| 73. Percent Missed Due Dates | - | ✓ | - | - | - | - |
| 74. AverageDelay Days For Missed Due Dates | ✓ | - | - | - | - | - |
| 75. Percent SWBT Caused Missed Due Dates greater than 30 days | ✓ | - | - | - | - | - |
| 76. Average Trunk Restoration Interval | ✓ | - | - | - | - | - |
| 77. Average Trunk Restoration Interval for Service Affecting Trunk Groups | - | - | ✓ | - | - | X |
| 78. Average Interconnection Trunk Installation Interval | - | - | ✓ | - | - | X |
| ***VI. DIRECTORY ASSISTANCE (DA) AND OPERATOR SERVICES (OS)*** | | | | | | |
| 79. Directory Assistance Grade Of Service | - | - | - | - | - | - |
| 80. Directory Assistance Average Speed Of Answer | - | - | - | X | - | - |
| 81. Operator Services Grade Of Service | - | - | - | - | - | - |

APPENDIX

PERFORMANCE MEASURES SUBJECT TO TIER-1 AND TIER-2 DAMAGES
IDENTIFIED AS HIGH, MEDIUM AND LOW

| Performance Measures | Measurement Groups Subject to Tier-1 Damages | | | Measurement Groups Subject to Tier-2 Assessments | | |
|---|---|---|---|---|---|---|
| | Low | Med | High | Low | Med | High |
| 82. Operator Services Average Speed Of Answer | - | - | - | X | - | - |
| 83. Percent Calls Abandoned | - | - | - | - | - | - |
| 84. Percent Calls Deflected | - | - | - | - | - | - |
| 85. Average Work Time | - | - | - | - | - | - |
| 86. Non-Call Busy Work Volumes | - | - | - | - | - | - |
| ***VII. INTERIM NUMBER PORTABILITY (INP)*** | | | | | | |
| 87. % Installation Completed Within "x" (3, 7, 10) Business Days | | - | - | - | - | - |
| 88. Average INP Installation Interval | ✓ | - | - | - | - | - |
| 89. Percent INP I-Reports Within 30 Days | - | ✓ | - | - | - | - |
| 90. Percent Missed Due Dates | - | ✓ | - | - | - | - |
| ***Vi LOCAL NUMBER PORTABILITY (LNP)*** | | | | | | |
| 91. Percent LNP Due Dates within Industry Guide Lines | - | - | - | - | - | - |
| 92. Percent of time the old service Provider Releases Subscription prior to the expiration of the second 9 hour timer | - | - | - | - | - | - |
| 93. Percent of customer account restructured prior to LNP Due Dates | ✓ | - | - | - | - | - |
| 94. Percent FOCs received within "X": hours | ✓ | - | - | - | X | - |
| 95. Average Response time for Non-mechanized Rejects returned with complete and accurate codes | ✓ | - | - | - | - | - |
| 96. Percent premature Disconnects for LNP Orders | ✓ | - | - | - | - | - |
| 97. Percent of Time SWBT applies the 10-digit trigger prior to the LNP Order Due date. | - | - | ✓ | - | - | X |
| 98. Percent LNP I-Reports in 10 days | - | - | ✓ | - | - | X |
| 99. Average Delay Days for SWBT Missed Due Dates. | - | ✓ | - | - | X | - |
| 100. Average Time of out of service for LNP conversions | - | - | ✓ | - | - | X |
| 101. Percent Out of Service < 60 Minutes | - | ✓ | - | - | X | - |

# APPENDIX

## PERFORMANCE MEASURES SUBJECT TO TIER-1 AND TIER-2 DAMAGES IDENTIFIED AS HIGH, MEDIUM AND LOW

| Performance Measures | Measurement Groups Subject to Tier-1 Damages | | | Measurement Groups Subject to Tier-2 Assessments | | |
|---|---|---|---|---|---|---|
| | Low | Med | High | Low | Med | High |
| ***VIII. 911*** | | | | | | |
| 102. Average Time To Clear Errors | ✓ | - | - | - | - | - |
| 103. % accuracy for 911 database updates | ✓ | - | - | - | - | - |
| 104. Average Time Required to Update 911 Database (Facility Based Providers) | ✓ | - | - | - | - | - |
| ***IX. POLES, CONDUIT AND RIGHTS OF WAY*** | | | | | | |
| 105. % of requests processed within 35 days | ✓ | - | - | - | - | - |
| 106. Average Days Required to Process a Request | - | - | - | - | - | - |
| ***X. COLLOCATION*** | | | | | | |
| 107. % Missed Collocation Due Dates | - | - | ✓ | - | - | X |
| 108. Average Delay Days For SWBT Missed Due Dates | ✓ | - | - | - | - | - |
| 109. % of requests processed within ***the tariffed timelines*** | ✓ | - | - | - | - | - |
| ***XI. DIRECTORY ASSISTANCE DATABASE*** | | | | | | |
| 110. % of updates completed into the DA Database within 72 Hours for facility based CLECs | ✓ | - | - | - | - | - |
| 111. Average Update Interval for DA database for facility based CLECs | ✓ | - | - | - | - | - |
| 112. % DA Database Accuracy For Manual Updates | ✓ | - | - | - | - | - |
| 113. % of electronic updates that flow through the DSR process without manual intervention | ✓ | - | - | - | - | - |

# APPENDIX

## PERFORMANCE MEASURES SUBJECT TO TIER-1 AND TIER-2 DAMAGES IDENTIFIED AS HIGH, MEDIUM AND LOW

| Performance Measures | Measurement Groups Subject to Tier-1 Damages | | | Measurement Groups Subject to Tier-2 Assessments | | |
|---|---|---|---|---|---|---|
| | Low | Med | High | Low | Med | High |
| ***XII. COORDINATED CONVERSIONS*** | | | | | | |
| 114. % Pre-mature disconnects (Coordinated Cutovers) | - | - | ✓ | - | - | X |
| 115. % SWBT caused delayed Coordinated Cutovers | ✓ | - | - | - | - | - |
| 116. % Missed mechanized INP conversions | - | ✓ | - | - | - | - |
| ***XIII. NXX*** | | | | | | |
| 117. % NXXs loaded and tested prior to the LERG effective date | - | - | ✓ | - | - | X |
| 118. Average Delay Days for NXX loading and testing | ✓ | - | - | - | - | - |
| 119. Mean Time to Repair | - | - | ✓ | - | - | X |
| ***XIV. BONA FIDE REQUEST PROCESS (BFRs)*** | | | | | | |
| 120. % of requests processed within 45 business days | - | - | - | - | - | - |
| 121. % Quotes Provided for Authorized BFRs within 30 business days | - | - | ✓ | - | - | X |
| **Total** | **40** | **11** | **30** | **5** | **8** | **37** |

## ATTACHMENT 17: Performance Remedy Plan

This Attachment 17: Performance Remedy Plan sets forth the terms and conditions under which SWBT will report performance to CLEC and compare that performance to SWBT's own performance or benchmark criteria, whichever is applicable. This Attachment further provides for enforcement through liquidated damages and assessments.

**1.0** SWBT agrees to provide CLEC a monthly report of performance for the performance measures listed in Appendix 1. SWBT will collect, analyze, and report performance data for these measures in accordance with SWBT's Performance Measurement Business Rules, as approved by the Texas Commission. Both the performance measures and the business rules are subject to modification in accordance with section 6.4 below regarding six month reviews. SWBT and CLEC further agree to use this two-tiered enforcement structure for performance measurements provided for in this Attachment. The Commission approved performance measurements shown in Appendix 1 hereto identify the measurements that belong to Tier-1 or Tier-2 categories, which are further, identified as the High, Low and Medium groups as those terms are used below.

1.1 SWBT will not levy a separate charge for provision of the data to CLEC called for under this Attachment. Upon CLEC's request, data files of CLEC's raw data, or any subset thereof, will be transmitted to CLEC. If CLEC's request is transmitted to SWBT on or before the last day of the month for which data is sought, SWBT shall provide the data to CLEC on or before 20$^{th}$ day of the month pursuant to mutually acceptable format, protocol, and transmission media. If CLEC's request is transmitted to SWBT after the last day of the month for which data is sought, SWBT shall provide the data to CLEC within 20 days of receipt pursuant to mutually acceptable format, protocol, and transmission media. Notwithstanding other provisions of this Agreement, the Parties agree that such records will be deemed Proprietary Information.

**2.0** SWBT and CLEC agree to use a statistical test, namely the modified "Z-test," for evaluating the difference between two means (SWBT and CLEC) or percentages, or the difference in the two proportions for purposes of this Attachment. SWBT agrees to use the modified Z-tests as outlined below as the statistical tests for the determination of parity when the result for SWBT and the CLEC are compared. The modified Z-tests are applicable if the number of data points are greater than 30 for a given measurement. In cases where benchmarks are established, the determination of compliance is through the comparison of the measured performance delivered to the CLEC and the applicable benchmark. For testing compliance for measures for which the number of data points are 29 or less, although the use of permutation tests as outlined below is appropriate comparison of performance delivered to CLECs with SWBT performance as described in Alternative-1 under the "Qualifications to use Z-Test" heading below is preferred.

**3.0** SWBT and CLEC concur that, for purposes of this Attachment, performance for the CLEC on a particular measure will be considered in compliance with the parity

requirement when the measured results in a single month (whether in the form of means, percents, or proportions) for the same measurement, at equivalent disaggregation, for both SWBT and CLEC are used to calculate a Z-test statistic and the resulting value is no greater than the critical Z-value as reflected in the Critical Z-statistic table shown below.

**Z-Test:**

SWBT agrees with the following formulae for determining parity using Z-Test:

For Measurement results that are expressed as Averages or Means: $z = (DIFF) / \delta_{DIFF}$

Where;
$DIFF = M_{ILEC} - M_{CLEC}$
$M_{ILEC}$ = ILEC Average
$M_{CLEC}$ = CLEC Average
$\delta_{DIFF} = SQRT [\delta^2_{ILEC} (1/ n_{CLEC} + 1/ n_{ILEC})]$
$\delta^2_{ILEC}$ = Calculated variance for ILEC.
$n_{ILEC}$ = number of observations or samples used in ILEC measurement
$n_{CLEC}$ = number of observations or samples used in CLEC measurement

For Measurement results that are expressed as Percentages or Proportions:

**Step 1:**

$$\rho = \frac{(n_{ILEC}P_{ILEC} + n_{CLEC}P_{CLEC})}{n_{ILEC} + n_{CLEC}}$$

**Step 2:**

$\sigma_{PILEC-PCLEC} = sqrt[[\rho(1-\rho)]/n_{ILEC} + [\rho(1-\rho)]/n_{CLEC}]$

**Step 3:**

$Z = (P_{ILEC} - P_{CLEC})/\sigma_{PILEC-PCLEC}$

Where: n = Number of Observations
P = Percentage or Proportion

For Measurement results that are expressed as Rates or Ratio:

$z = (DIFF) / \delta_{DIFF}$

Where;
$DIFF = R_{ILEC} - R_{CLEC}$
$R_{ILEC} = num_{ILEC}/denom_{ILEC}$
$R_{CLEC} = num_{CLEC}/denom_{CLEC}$
$\delta_{DIFF} = SQRT [R_{ILEC} (1/denom_{CLEC} + 1/ denom_{ILEC})]$

## 4.0 Qualifications to use Z-Test:

The proposed Z- tests are applicable to reported measurements that contain 30 or more data points.

In calculating the difference between the performances the formula proposed above applies when a larger CLEC value indicates a higher quality of performance. In cases where a smaller CLEC value indicates a higher quality of performance the order of subtraction should be reversed ( i.e., $M_{CLEC} - M_{ILEC}$, $P_{CLEC} - P_{ILEC}$, $R_{CLEC} - R_{ILEC}$).
For measurements where the applicable performance criterion is a benchmark rather than parity performance compliance will be determined by setting the denominator of the Z-test formula as one in calculating the Z-statistic.

For measurements where the performance delivered to CLEC is compared to SWBT performance and for which the number of data points are 29 or less, SWBT agrees to application of the following alternatives for compliance.

### 4.1 Alternative 1:

For measurements that are expressed as averages, performance delivered to a CLEC for each observation shall not exceed the ILEC averages plus the applicable critical Z-value. If the CLEC's performance is outside the ILEC average plus the critical Z-value and it is the second consecutive month, SWBT can utilize the Z-test as applicable for data sets of 30 or greater data points or the permutation test to provide evidence of parity. If SWBT uses the Z-test for data sets under 30, the CLEC can independently perform the permutation test to validate SWBT's results. SWBT will supply all data required to perform the permutation test, including the complete ILEC and CLEC data sets for the measure, to CLEC upon request. The results of the permutation test will control over the results of the Z-test analysis as applicable for data sets 30 or greater.

For measurements that are expressed as percentages, the percentage for CLEC shall not exceed ILEC percentage plus the applicable critical Z-value. If the CLEC's performance is outside the ILEC percentage plus the critical Z-value and it is the second consecutive month, SWBT can utilize the Z-test as applicable for data sets of 30or greater data points or the permutation test to provide evidence of parity. If SWBT uses the Z-test for data sets under 30, the CLEC can independently perform the permutation test to validate SWBT's results. SWBT will supply all data required to perform the permutation test, including the complete ILEC and CLEC data sets for the measure, to CLEC upon request. The results of the permutation test will control over the results of the Z-test analysis as applicable for data sets 30 or greater.

4.2 Alternative 2:

Permutation analysis will be applied to calculate the z-statistic using the following logic:

Choose a sufficiently large number T.

Pool and mix the CLEC and ILEC data sets

Randomly subdivide the pooled data sets into two pools, one the same size as the original CLEC data set ($n_{CLEC}$ ) and one reflecting the remaining data points, (which is equal to the size of the original ILEC data set or $n_{ILEC}$).

Compute and store the Z-test score ($Z_S$) for this sample.

Repeat steps 3 and 4 for the remaining T-1 sample pairs to be analyzed. (If the number of possibilities is less than 1 million, include a programmatic check to prevent drawing the same pair of samples more than once).

Order the $Z_S$ results computed and stored in step 4 from lowest to highest.

Compute the Z-test score for the original two data sets and find its rank in the ordering determined in step 6.

Repeat the steps 2-7 ten times and combine the results to determine P = (Summation of ranks in each of the 10 runs divided by 10T)

Using a cumulative standard normal distribution table, find the value $Z_A$ such that the probability (or cumulative area under the standard normal curve) is equal to P calculated in step 8.

Compare $Z_A$ with the desired critical value as determined from the critical Z table. If $Z_A >$ the designated critical Z-value in the table, then the performance is non-compliant.

4.3 SWBT and CLEC will provide software and technical support as needed by Commission Staff for purposes of utilizing the permutation analysis. Any CLEC who opts into this Attachment 17 agrees to share in providing such support to Commission Staff.

## 5.0 Overview of Enforcement Structure

5.1 SWBT agrees with the following methodology for developing the liquidated damages and penalty assessment structure for tier-1 liquidated damages and tier-2 assessments:

5.2 SWBT will pay Liquidated Damages to the CLEC according to the terms set forth in this Attachment.

5.3 Liquidated damages apply to Tier-1 measurements identified as High, Medium, or Low on Appendix -1.

5.4 Assessments are applicable to Tier-2 measures identified as High, Medium, or Low on Appendix -1 and are payable to the Texas State Treasury.

5.5 SWBT will not be liable for the payment of either Tier 1 damages or Tier 2 assessments until the Commission approves an Interconnection Agreement between a CLEC and SWBT containing the terms of Attachment 17 of this Agreement. Tier 2 assessments will be paid only on the aggregate performance for CLECs that have adopted this Attachment (Performance Remedy Plan) and are operating in Texas.

## 6.0 Procedural Safeguards and Exclusions

6.1 SWBT agrees that the application of the assessments and damages provided for herein is not intended to foreclose other noncontractual legal and regulatory claims and remedies that may be available to a CLEC. By incorporating these liquidated damages terms into an interconnection agreement, SWBT and CLEC agree that proof of damages from any "noncompliant" performance measure would be difficult to ascertain and, therefore, liquidated damages are a reasonable approximation of any contractual damage resulting from a non-compliant performance measure. SWBT and CLEC further agree that liquidated damages payable under this provision are not intended to be a penalty.

6.2 SWBT's agreement to implement these enforcement terms, and specifically its agreement to pay any "liquidated damages" or "assessments" hereunder, will not be considered as an admission against interest or an admission of liability in any legal, regulatory, or other proceeding relating to the same performance. SWBT and CLEC agree that CLEC may not use: (1) the existence of this enforcement plan; or (2) SWBT's payment of Tier-1 "liquidated damages" or Tier-2 "assessments" as evidence that SWBT has discriminated in the provision of any facilities or services under Sections 251 or 252, or has violated any state or federal law or regulation. SWBT's conduct underlying its performance measures, and the performance data provided under the performance measures, however, are not made inadmissible by these terms. Any CLEC accepting this performance remedy plan agrees that SWBT's performance with respect to this remedy plan may not be used as an admission of liability or culpability for a violation of any state or federal law or regulation. Further, any liquidated damages payment by SWBT under these provisions is not hereby made inadmissible in any proceeding relating to the same conduct where SWBT seeks to offset the payment against any other damages a CLEC might recover; whether or not the nature of damages sought by the CLEC is such that an offset is appropriate will be determined in the related proceeding. The terms of this paragraph do not apply to any proceeding before the Commission or the FCC to determine whether SWBT has met or continues to meet the requirements of section 271 of the Act.

6.3 SWBT shall not be liable for both Tier-2 "assessments" and any other assessments or sanctions under PURA or the Commission's service quality rules relating to the same performance.

6.4 Every six months, CLEC may participate with SWBT, other CLECs, and Commission representatives to review the performance measures to determine whether measurements should be added, deleted, or modified; whether the applicable benchmark standards should be modified or replaced by parity standards; and whether to move a classification of a measure to High, Medium, Low, Diagnostic, Tier-1 or Tier-2. The criterion for reclassification of a measure shall be whether the actual volume of data points was lesser or greater than anticipated. Criteria for review of performance measures, other than for possible reclassification, shall be whether there exists an omission or failure to capture intended performance, and whether there is duplication of another measurement. Performance measures for 911 may be examined at any six month review to determine whether they should be reclassified. The first six-month period will begin when an interconnection agreement including this remedy plan is adopted by a CLEC and approved by the Commission. Any changes to existing performance measures and this remedy plan shall be by mutual agreement of the parties and, if necessary, with respect to new measures and their appropriate classification, by arbitration. The current measurements and benchmarks will be in effect until modified hereunder or expiration of the interconnection agreement.

6.5 SWBT and CLEC acknowledge that no later than two years after SWBT or its affiliate receives Section 271 relief, the Commission's intention is to reduce the number of performance measures subject to damages and assessments by 50% to the extent there is a smaller number of measures that truly do capture all of the issues that are competition-affecting and customer-affecting

6.6 CLEC and SWBT will consult with one another and attempt in good faith to resolve any issues regarding the accuracy or integrity of data collected, generated, and reported pursuant to this Attachment. In the event that CLEC requests such consultation and the issues raised by CLEC have not been resolved within 45 days after CLEC's request for consultation, then SWBT will allow CLEC to have an independent audit conducted, at CLEC's expense, of SWBT's performance measurement data collection, computing, and reporting processes. In the event the subsequent audit reinforces the problem identified during the 45 days of consultation period or if any new problem is identified, SWBT shall reimburse a CLEC any expense incurred by the CLEC for such audit. CLEC may not request more than one audit per twelve calendar months under this section. This section does not modify CLEC's audit rights under other provisions of this Agreement. SWBT agrees to inform all CLECs of any problem identified during the audit initiated by any CLEC.

## 7.0 Exclusions Limited

7.1 SWBT shall not be obligated to pay liquidated damages or assessments for noncompliance with a performance measurement if, but only to the extent that, such noncompliance was the result of any of the following: a Force Majeure event; an act or omission by a CLEC that is contrary to any of its obligations under its interconnection agreement with SWBT or under the Act or Texas law; or non-SWBT problems associated with third-party systems or equipment, which could not have been avoided by SWBT in the exercise of reasonable diligence. Provided, however, the third party exclusion will not be raised more than three times within a calendar year. SWBT will not be excused from payment of liquidated damages or assessments on any other grounds, except by application of the procedural threshold provided for below. Any dispute regarding whether a SWBT performance failure is excused under this paragraph will be resolved with the Commission through a dispute resolution proceeding under Subchapter Q of its Procedural Rules or, if the parties agree, through commercial arbitration with the American Arbitration Association. SWBT will have the burden in any such proceeding to demonstrate that its noncompliance with the performance measurement was excused on one of the grounds set forth in this paragraph. If a Force Majeure event or other excusing event recognized in the first sentence of this section 7.1 only suspends SWBT's ability to timely perform an activity subject to performance measurement, the applicable time frame in which SWBT's compliance with the parity or benchmark criterion is measured will be extended on an hour-for-hour or day-for-day basis, as applicable, equal to the duration of the excusing event.

7.2 In addition to the provisions set forth herein, SWBT shall not be obligated to pay liquidated damages or assessments for noncompliance with a performance measure if the Commission finds such noncompliance was the result of an act or omission by a CLEC that is in bad faith, for example, unreasonably holding orders and/or applications and "dumping" such orders or applications in unreasonably large batches, at or near the close of a business day, on a Friday evening or prior to a holiday, or unreasonably failing to timely provide forecasts to SWBT for services or facilities when such forecasts are required to reasonably provide such services or facilities; or non-SWBT Y2K problems.

7.3 CLEC acknowledges that an overall cap of $120 million per year for Tier-1 liquidated damages and Tier-2 Assessments will apply to payments by SWBT under all SWBT interconnection agreements that include Attachment 17 in the form set forth herein. CLEC further acknowledges that a monthly cap of $10 million for Tier-1 liquidated damages will apply to payments by SWBT under all SWBT interconnection agreements that include Attachment 17 in the form set forth herein. To the extent in any given month the $10 million cap is not reached, the subsequent month's cap will be increased by an amount equal to the unpaid portion of the previous month's cap. At the end of the year, if total Tier-1 liquidated damages and Tier-2 Assessments equal or exceed $120 million but SWBT has paid less than $120 million because of the $10 million per month cap, SWBT shall be required to pay the total $120 million. In such event, Tier-1 liquidated damages

shall be paid first on a pro rata basis to CLECs, and any remainder within the overall cap of $120 million, shall be paid as a Tier-2 Assessment. In the event the total calculated amount of damages and assessments for the year is less than $120 million, SWBT shall be obligated to pay ONLY the actual calculated amount of damages and assessments. The cap will be based upon a calendar year beginning the first day of the month following Commission approval of the Texas 271 Agreement.

7.3.1 Whenever SWBT Tier-1 payments to an individual CLEC in a month exceed $ 3 million, or for all CLECs Tier-1 payments (in a month) exceed $ 10 million, then SWBT may commence a show cause proceeding as provided for below. Upon timely commencement of the show cause proceeding, SWBT must pay the balance of damages owed in excess of the threshold amount into escrow, to be held by a third party pending the outcome of the show cause proceeding. To invoke these escrow provisions, SWBT must file with the Commission, not later than the due date of the affected damages payments, an application to show cause why it should not be required to pay any amount in excess of the procedural threshold. SWBT's application will be processed in an expedited manner under Subchapter Q of the Commission's Procedural Rules. SWBT will have the burden of proof to demonstrate why, under the circumstances, it would be unjust to require it to pay liquidated damages in excess of the applicable threshold amount. If SWBT reports non-compliant performance to a CLEC for three consecutive months on 20% or more of the measures reported to the CLEC, but SWBT has incurred no more than $ 1 million in liquidated damages obligations to the CLEC for that period under the enforcement terms set out here, then the CLEC may commence an expedited dispute resolution under this paragraph pursuant to Subchapter Q of the Commission's Procedural Rules. In any such proceeding the CLEC will have the burden of proof to demonstrate why, under the circumstances, justice requires SWBT to pay damages in excess of the amount calculated under these enforcement terms.

7.3.2 SWBT should post on its Internet website the aggregate payments of any liquidated damages or assessments.

7.4 With respect to any interconnection agreement, SWBT and any CLEC may request two expedited dispute resolution proceedings pursuant to the two preceding paragraphs before the Commission or, if the parties agree, through commercial arbitration with the American Arbitration Association (AAA); during the term of the contract without having to pay attorneys fees to the winning company. For the third proceeding and thereafter, the requesting party must pay attorneys fees, as determined by the Commission or AAA, if that party loses.

7.5 In the event the aggregate amount of Tier-1 damages and Tier-2 assessments reach the $120 million cap within a year and SWBT continues to deliver non-compliant performance during the same year to any CLEC or all CLECs, the Commission may recommend to the FCC that SWBT should cease offering in-region interLATA services to new customers.

## 8.0 Tier-1 Damages:

Tier-1 liquidated damages apply to measures designated in Attachment–1 as High, Medium, or Low when SWBT delivers "non-compliant" performance as defined above.

8.1 Under the damages for Tier-1 measures, the number of measures that may be classified as "non-compliant" before a liquidated damage is applicable is limited to the K values shown below. The applicable K value is determined based upon the total number of measures with a sample size of 10 or greater that are required to be reported to a CLEC where a sufficient number of observations exist in the month to permit parity conclusions regarding a compliant or non-compliant condition. For any performance measurement, each disaggregated category for which there are a minimum of 10 data points constitutes one "measure" for purposes of calculating K value. The designated K value and the critical Z-value seek to balance random variation, Type-1 and Type-2 errors. Type-1 error is the mistake of charging an ILEC with a violation when it may not be acting in a discriminatory manner (that is, providing non-compliant performance). Type-2 error is the mistake of not identifying a violation when the ILEC is providing discriminatory or non-compliant performance.

8.2 Liquidated damages in the amount specified in the table below apply to all "non-compliant" measures in excess of the applicable "K" number of exempt measures. Liquidated damages apply on a per occurrence basis, using the amount per occurrence taken from the table below, based on the designation of the measure as High, Medium, or Low in Appendix-1 and the number of consecutive months for which SWBT has reported noncompliance for the measure. For those measures listed on Appendix-2 as "Measurements that are subject to per occurrence damages or assessments with a cap," the amount of liquidated damages in a single month shall not exceed the amount listed in the table below for the "Per measurement" category. For those measures listed on Appendix -2 as "Measurements that are subject to per measure damages or assessment," liquidated damages will apply on a per measure basis, at the amounts set forth in the table below. The methodology for determining the order of exclusion, and the number of occurrences is addressed in "Methods of calculating the liquidated damages and penalty amounts," below.

## LIQUIDATED DAMAGES TABLE FOR TIER-1 MEASURES

| Per occurrence | | | | | | |
|---|---|---|---|---|---|---|
| Measurement Group | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 and each following month |
| High | $150 | $250 | $500 | $600 | $700 | $800 |
| Medium | $75 | $150 | $300 | $400 | $500 | $600 |
| Low | $25 | $50 | $100 | $200 | $300 | $400 |

| Per Measure/Cap* | | | | | | |
|---|---|---|---|---|---|---|
| Measurement Group | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 and each following month |
| High | $25,000 | $50,000 | $75,000 | $100,000 | $125,000 | $150,000 |
| Medium | $10,000 | $20,000 | $30,000 | $40,000 | $50,000 | $60,000 |
| Low | $5,000 | $10,000 | $15,000 | $20,000 | $25,000 | $30,000 |

## ASSESSMENT TABLE FOR TIER-2 MEASURES

Per occurrence

| Measurement Group | |
|---|---|
| High | $500 |
| Medium | $300 |
| Low | $200 |

Per Measure/Cap*

| Measurement Group | |
|---|---|
| High | $75,000 |
| Medium | $30,000 |
| Low | $20,000 |

* **For per occurrence with cap measures, the occurrence value is taken from the per occurrence table, subject to the per measure with cap amount.**

**9.0 Tier-2 Assessments to the State:**

9.1 Assessments payable to the Texas State Treasury apply to the Tier-2 measures designated on Appendix -1 as High, Medium, or Low when SWBT performance is out of parity or does not meet the benchmarks for the aggregate of all CLEC data. Specifically, if the Z-

test value is greater than the Critical Z, the performance for the reporting category is out of parity or below standard.

9.2 For those Measurements where a per occurrence assessment applies, an assessment as specified in the Assessment Table; for each occurrence is payable to the Texas State Treasury for each measure that exceeds the Critical Z-value, shown in the table below, for three consecutive months. For those Measurements listed in Appendix -2 as measurements subject to per occurrence with a cap, an assessment as shown in the Assessment Table above for each occurrence with the applicable cap is payable to the Texas State Treasury for each measure that exceeds the Critical Z-value, shown in the table below, for three consecutive months. For those Tier-2 Measurements listed in Appendix -2 as subject to a per measurement assessment an assessment amount as shown in the Assessment Table above is payable to the Texas State Treasury for each measure that exceeds the Critical Z-value, shown in the table below, for three consecutive months.

9.3 The following table will be used for determining the Critical Z-value for each measure , as well as the K values referred to below based on the total number of measures that are applicable to a CLEC in a particular month. The table can be extended to include CLECs with fewer performance measures. The Critical Z-value for Tier 2 will be calculated in the same manner as for Tier 1.[1]

Critical Z - Statistic Table

| Number of Performance Measures | K Values | Critical Z-value |
|---|---|---|
| 1 | 0 | 1.65 |
| 2 | 0 | 1.96 |
| 3 | 0 | 2.12 |
| 4 | 0 | 2.23 |
| 5 | 0 | 2.32 |
| 6 | 0 | 2.39 |
| 7 | 0 | 2.44 |
| 8 | 1 | 1.69 |
| 9 | 1 | 1.74 |
| 10-19 | 1 | 1.79 |
| 20-29 | 2 | 1.73 |
| 30-39 | 3 | 1.68 |
| 40-49 | 3 | 1.81 |
| 50-59 | 4 | 1.75 |
| 60-69 | 5 | 1.7 |

[1] This sentence is added to clarify the manner in which Critical-Z value is calculated.

| | | |
|---|---|---|
| 70 –79 | 6 | 1.68 |
| 80 – 89 | 6 | 1.74 |
| 90 – 99 | 7 | 1.71 |
| 100 – 109 | 8 | 1.68 |
| 110 –119 | 9 | 1.7 |
| 120 – 139 | 10 | 1.72 |
| 140 – 159 | 12 | 1.68 |
| 160 – 179 | 13 | 1.69 |
| 180 – 199 | 14 | 1.7 |
| 200 – 249 | 17 | 1.7 |
| 250 – 299 | 20 | 1.7 |
| 300 – 399 | 26 | 1.7 |
| 400 – 499 | 32 | 1.7 |
| 500 – 599 | 38 | 1.72 |
| 600 – 699 | 44 | 1.72 |
| 700 – 799 | 49 | 1.73 |
| 800 – 899 | 55 | 1.75 |
| 900 – 999 | 60 | 1.77 |
| 1000 and above | Calculated for Type-1 Error Probability of 5% | Calculated for Type-1 Error Probability of 5% |

**10.0 General Assessments:**

10.1 If SWBT fails to submit performance reports by the 20th day of the month, the following assessments apply unless excused for good cause by the Commission:

If no reports are filed, $5,000 per day past due;
If incomplete reports are filed, $1,000 per day for each missing performance results.

10.2 If SWBT alters previously reported data to a CLEC, and after discussions with SWBT the CLEC disputes such alterations, then the CLEC may ask the Commission to review the submissions and the Commission may take appropriate action. This does not apply to the limitation stated under the section titled "Exclusions Limited."

10.3 When SWBT performance creates an obligation to pay liquidated damages to a CLEC or an assessment to the State under the terms set forth herein, SWBT shall make payment in the required amount on or before the 30th day following the due date of the performance measurement report for the month in which the obligation arose (e.g., if SWBT performance through March is such that SWBT owes liquidated damages to CLECs for March performance, or assessments to the State for January – March performance, then those payments will be due May 15, 30 days after the April 15 due date for reporting March data). For each day after the due date that SWBT fails to pay the required amount,

SWBT will pay interest to the CLEC at the maximum rate permitted by law for a past due liquidated damages obligation and will pay an additional $3,000 per day to the Texas State Treasury for a past due assessment.

10.4 SWBT may not withhold payment of liquidated damages to a CLEC, for any amount up to $3,000,000 a month, unless SWBT had commenced an expedited dispute resolution proceeding on or before the payment due date, asserting one of the three permitted grounds for excusing a damages payment below the procedural threshold (Force Majeure, CLEC fault, and non-SWBT problems associated with third-party systems or equipment). In order to invoke the procedural threshold provisions allowing for escrow of damages obligations in excess of $ 3,000,000 to a single CLEC (or $ 10,000,000 to all CLECs), SWBT must pay the threshold amount to the CLEC(s), pay the balance into escrow, and commence the show cause proceeding on or before the payment due date.

10.5 CLEC will have access to monthly reports on performance measures and business rules through an Internet website that includes individual CLEC data, aggregate CLEC data, and SWBT's data.

10.6 The cap provided in Section 7.3 does not apply to assessments under Section 10 of this Attachment.

## 11.0 Methods of Calculating the Liquidated Damage and Assessment Amounts

The following methods apply in calculating per occurrence liquidated damage and assessments:

11.1 Tier-1 Liquidated Damages

11.1.1 *Application of K Value Exclusions*

Determine the number and type of measures with a sample size greater than 10 that are "non-compliant" for the individual CLEC for the month, applying the parity test and bench mark provisions provided for above. Sort all measures having non-compliant classification with a sample size greater than 10 in ascending order based on the number of data points or transactions used to develop the performance measurement result (e.g., service orders, collocation requests, installations, trouble reports). Exclude the first "K" measures designated Low on Appendix -1, starting with the measurement results having the fewest number of underlying data points greater than 10. If all Low measurement results with a non-compliant designation are excluded before "K" is exceeded, then the exclusion process proceeds with the Medium measurement results and thereafter the High measurement results. If all Low, Medium and High measurements are excluded, then those measurements with sample sizes less than 10 may be excluded until "K" measures are reached. In each category measurement results with non-compliant designation having the fewest

underlying data point are then excluded until either all non-compliant measurement results are excluded or "K" measures are excluded, whichever occurs first. For the remaining non-compliant measures that are above the K number of measures, the liquidated damages per occurrence are calculated as described further below. (Application of the K value may be illustrated by an example, if the K value is 6, and there are 7 Low measures and 1 Medium and 1 High which exceed the Critical Z-value, the 6 Low measures with the lowest number of service orders used to develop the performance measure are not used to calculate the liquidated damages, while the remaining 1 Low measure, 1 Medium measure, and 1 High measure which exceed the critical Z-value are used.) In applying the K value, the following qualifications apply to the general rule for excluding measures by progression from measures with lower transaction volumes to higher. A measure for which liquidated damages are calculated on a per measure basis will not be excluded in applying the K value unless the amount of liquidated damages payable for that measure is less than the amount of liquidated damages payable for each remaining measure. A measure for which liquidated damages are calculated on a per occurrence basis subject to a cap will be excluded in applying the K value whenever the cap is reached and the liquidated damages payable for the remaining non-compliant measures are greater than the amount of the cap.

11.1.2 Calculating Tier-1 Liquidated Damages

11.1.2.1 Measures for Which the Reporting Dimensions are Averages or Means.

Step 1: Calculate the average or the mean for the measure for the CLEC that would yield the Critical Z-value. Use the same denominator as the one used in calculating the Z-statistic for the measure. (For benchmark measures, calculate the value that would yield the critical Z-value by adding or subtracting the critical Z-value to the benchmark as appropriate, subject to 4.0 and the Business Rules.).

Step 2: Calculate the percentage difference the between the actual average and the calculated average.

Step 3: Multiply the total number of data points by the percentage calculated in the previous step and the per occurrence dollar amount taken from the Liquidated Damages Table to determine the applicable liquidated damages for the given month for that measure.

11.1.2.2 Measures for Which the Reporting Dimensions are Percentages.

Step 1: Calculate the percentage for the measure for the CLEC that would yield the Critical Z-value. Use the same denominator as the one used in calculating the Z-statistic for the measure. (For benchmark measures,

calculate the value that would yield the critical Z-value by adding or subtracting the critical Z-value to the benchmark as appropriate, subject to 4.0 and the Business Rules.).

Step 2: Calculate the difference between the actual percentage for the CLEC and the calculated percentage.

Step 3: Multiply the total number of data points by the difference in percentage calculated in the previous step and the per occurrence dollar amount taken from the Liquidated Damages Table to determine the applicable liquidated damages for the given month for that measure.

11.1.2.3 Measures for Which the Reporting Dimensions are Ratios or Proportions.

Step 1: Calculate the ratio for the measure for the CLEC that would yield the Critical Z-value. Use the same denominator as the one used in calculating the Z-statistic for the measure.

Step 2: Calculate the percentage difference between the actual ratio for the CLEC and the calculated ratio.

Step 3: Multiply the total number of data points by the percentage calculated in the previous step and the per occurrence dollar amount taken from the Liquidated Damages Table to determine the applicable liquidated damages for the given month for that measure.

12.2 Tier Two Liquidated Damages

12.2.1 Determine the Tier-2 measurement results, such as High, Medium, or Low that are non-compliant for three consecutive months for all CLECs, or individual CLEC if the measure is not reported for all CLECs.

If the non-compliant classification continues for three consecutive months, an additional assessment will apply in the third month and in each succeeding month as calculated below, until SWBT reports performance that meets the applicable criterion. That is, Tier-2 assessments will apply on a "rolling three month" basis, one assessment for the average number of occurrences for months 1-3, one assessment for the average number of occurrences for months 2-4, one assessment for the average number of occurrences for months 3-5, and so forth, until satisfactory performance is established.

12.2.2 Measures for Which the Reporting Dimensions are Averages or Means.

Step 1: Calculate the average or the mean for the measure for the CLEC that would yield the Critical Z-value for the third consecutive month. Use the same denominator as the one used in calculating the Z-statistic for the measure. (For benchmark measures, calculate the value that would yield the Critical Z-value by adding or subtracting the Critical Z-value to the benchmark as appropriate, subject to 4.0 and the Business Rules.).

Step 2: Calculate the percentage difference between the actual average and the calculated average for the third consecutive month.

Step 3: Multiply the total number of data points by the percentage calculated in the previous step. Calculate the average for three months and multiply the result by $500, $300, and $200 for Measures that are designated as High, Medium, and Low respectively; to determine the applicable assessment payable to the Texas State Treasury for that measure.

12.2.3 Measures for Which the Reporting Dimensions are Percentages.

Step 1: Calculate the percentage for the measure for the CLEC that would yield the Critical Z-value for the third consecutive month. Use the same denominator as the one used in calculating the Z-statistic for the measure. (For benchmark measures, calculate the value that would yield the critical Z-value by adding or subtracting the Critical Z-value to the benchmark as appropriate, subject to 4.0 and the Business Rules.).

Step 2: Calculate the difference between the actual percentage for the CLEC and the calculated percentage for each of the three non-compliant months.

Step 3: Multiply the total number of data points for each month by the difference in percentage calculated in the previous step. Calculate the average for three months and multiply the result by $500, $300, and $200 for measures that are designated as High, Medium, and Low respectively; to determine the applicable assessment for that measure.

12.2.4 Measures for Which the Reporting Dimensions are Ratios or Proportions.

Step 1: Calculate the ratio for the measure for the CLEC that would yield the Critical Z-value for the third consecutive month. Use the same denominator as the one used in calculating the Z-statistic for the measure. (For benchmark measures, calculate the value that would yield the Critical Z-value by adding or subtracting the Critical Z-value to the benchmark as appropriate, subject to 4.0 and the Business Rules.).

Step 2: Calculate the percentage difference between the actual ratio for the CLEC and the calculated ratio for each month of the non-compliant three-month period.

Step 3: Multiply the total number of service orders by the percentage calculated in the previous step for each month. Calculate the average for three months and multiply the result by $500, $300, and $200 for measures that are designated as High, Medium, and Low respectively; to determine the applicable assessment for that measure.

**13.0 This Section Intentionally Left Blank**

**14.0** Attached hereto, and incorporated herein by reference, are the following Appendices:

Appendix 1: Measurements Subject to Per Occurrence Damages or Assessment with a Cap and Measurements Subject to Per Measure Damages or Assessment

Appendix 2: Performance Measures Subject to Tier-1 and Tier-2 Damages Identified as High, Medium and Low

Appendix 3: Performance Measurement Business Rules (Version 1.6)