

**GA 3rd AMENDED EXCEPTION 195**  
BellSouth Georgia OSS Testing



Date: July 29, 2003

**EXCEPTION REPORT**

An exception has been identified as a result of testing activities associated with the Remedy Change Management Review (PMR7.3).

**Exception:**

**BellSouth's Interim Solution (IS) Change Management process does not have policies and procedures to notify external parties of changes to IS measures.**

**Background:**

Self-Effectuating Enforcement Mechanism (SEEM) reports are created to illustrate BellSouth's Operational Support System enforcement mechanism. Each month, as mandated by the Georgia Public Service Commission, BellSouth publishes SEEM reports of remedy values for the Georgia Public Service Commission and for Competitive Local Exchange Carriers (CLECs) engaged in business activity with BellSouth in the State of Georgia.

**Issue:**

BellSouth calculates remedies for certain SEEM measures outside of the Parity Analysis and Remedy Information System (PARIS). These measures are named Interim Solution (IS) measures. BellSouth does not have policies or procedures in place for providing notification of changes in the calculation of IS measures to affected external parties (i.e. CLECs and State PSC/PUCs).

**BellSouth Response:**

The notification process pertaining to Interim Solution measures is covered in the document BellSouth's Policy On Reposting Of Performance Data and Recalculation of SEEM Payments (attached). All policies pertaining to PARIS calculations will be applied to Interim Solution calculations as well.

**Amendment:**

BearingPoint's initial issue for Exception 195 was:

**“BellSouth's Interim Solution (IS) Change Management process does not have policies and procedures to notify external parties of changes to IS measures.”**

BearingPoint reviewed “BellSouth's Policy on Reposting of Performance Data” referenced by BellSouth in response to Exception 195. In this document, BellSouth states that data will be reposted under certain

circumstances. However, the document does not state the policies and procedures regarding notification to external parties when changes in the calculation of the IS measures occur. BearingPoint requests additional information from BellSouth in response to the initial issue for Exception 195.

In addition, “BellSouth’s Policy on Reposting of Performance Data” does not address all necessary aspects of the IS notification process for changes to SEEM processes. Specifically, BearingPoint found the following issues:

1. The document provided by Bellsouth was not addressed to the GAPSC. Since the SEEM plan is Georgia specific and is regulated by the GAPSC, the GAPSC would need to approve any such reposting methodology. GAPSC approval of this plan has not been granted.
2. BellSouth does not state that reposting of data will be the result of recalculating metrics data. BearingPoint assumes recalculation is necessary and implied in the reposting process.
3. BellSouth states that reposting will only apply to certain “Key” metrics. The list of “Key” Metrics included in BellSouth’s reposting policy does not include all Georgia SEEM measures. In general the document appears to reference BellSouth’s permanent FCC metrics.
4. BellSouth’s main focus in this document is on the reposting of performance measurement data. BellSouth does not take into account the fact that SEEM results may need to be recalculated while performance measurement data would not. Additionally, since different products and methods are used to calculate certain SQM and SEEM results, a distinct reposting policy for SEEM results should be stated.
5. BellSouth states in bullet 2 that only data that shifts from "In Parity" to "Out of Parity" as a result of recalculation will be reposted. This policy fails to account for the possibility that recalculation could result in a shift from "Out of Parity" to "In Parity". Such a situation would result in a failure by BellSouth to repost and/or make adjustments in BellSouth’s favor based on recalculated results.
6. The BellSouth reposting policy includes only those measures where data shifts from "In Parity" to "Out of Parity”. This excludes numerous SEEM measures which are based on absolute benchmarks (e.g, 95%) and not on parity. All Interim Solutions measures are based on absolute benchmarks. Also, differences in the calculated Total Affected Volume for measures with either parity or absolute benchmarks may cause different remedy amounts.
7. BellSouth states in bullet points 3 and 4 that at minimum a 2% deviation in performance or a 0.5 change in the Z Score for a sub-metric is required before BellSouth will repost data. This policy may result in BellSouth not reposting or providing notification of some SEEM calculation changes and associated adjustments.

8. BellSouth states in bullet points 3 and 4 that if there are less than 100 transactions in a sub-metric BellSouth will not repost data. This policy may result in BellSouth not reposting or providing notification of some SEEM calculation changes and associated adjustments.
9. BellSouth states in bullet point 5 that recalculation will occur for a maximum of 3 months in arrears. This policy will result in BellSouth not making proper adjustments and interest payments for problems with SEEM measures where an adjustment is required to the measure prior to 3 months in arrears.

BearingPoint requests that BellSouth address and provide clarification on these issues.

**BellSouth Response to Amendment:**

On February 21, 2003, BellSouth filed the SEEM Administrative plan with the Georgia Public Service Commission. This document provides information regarding sub metrics eligible for payment calculations, statistical methodology, calculation methodology, and administrative information. The document accompanies this response for BearingPoint's review.

**2<sup>nd</sup> Amendment:**

BearingPoint reviewed the SEEM Administrative Plan, Version 1.0 filed by BellSouth with the Georgia Public Service Commission on February 21, 2003. After reviewing this document, BearingPoint believes several of the issues regarding the BellSouth reposting policy have not been satisfactorily resolved. Specifically, the unresolved issues are:

1. Determination of when results will be recalculated based on SEEM or MSS results. BellSouth's reposting policy includes the following statement: "Performance sub-metric calculations for SEEM Measures as reflected in the MSS that result in a shift in the performance in the aggregate for an 'in parity' condition to an 'out of parity' condition will be available for reposting." Based on this statement, BearingPoint understands that BellSouth will only recalculate SEEM results when there is a change in the determination of parity at the MSS level. Since different products and methods are used to calculate MSS and SEEM results, a distinct reposting policy for SEEM results is required. The lack of such policy may result in a BellSouth's failure to recalculate and make proper adjustments to remedy payments. This is listed as issue 4 above.
2. The BellSouth reposting policy lacks clearly defined criteria stating whether BellSouth will analyze CLEC specific results to determine if recalculation and reposting is necessary. The lack of clearly defined criteria in the BellSouth reposting policy may result in BellSouth determining that data or payment issues are insignificant at the aggregate level, but not considering the impact of the data or payment issues on the CLEC specific results. As a result, BellSouth may fail to

recalculate and make proper adjustments to CLEC remedy payments. This is listed as issue 4 above.

3. The BellSouth reposting policy does not clearly define when BellSouth will recalculate and repost Tier 1 results. The reposting policy states several criteria for recalculating and reposting data including a shift from “in parity” to “out of parity,” a 2% deviation in performance, a 0.5 change in Z score, and a 100 transaction minimum. However, the BellSouth reposting policy is unclear as to whether these criteria apply equally to Tier 1 remedies as they do to Tier 2 remedies. The lack of clarity for Tier 1 recalculation and reposting may result in BellSouth failing to recalculate and make proper adjustments for Tier 1 remedy payments.
4. BellSouth’s policy of not reposting data when recalculation of a measure results in less than a 2% deviation in performance. This policy may result in BellSouth failing to recalculate and make proper adjustments to remedy payments. This is listed as issue 7 above.
5. BellSouth’s policy of not reposting data when recalculation of a measure results in less than 0.5 change in the Z Score. This policy may result in BellSouth failing to recalculate and make proper adjustments to remedy payments. This is listed as issue 7 above.
6. BellSouth’s policy of not reposting or recalculating data when less than 100 transactions exist in a sub-metric. This policy may result in BellSouth failing to recalculate and make proper adjustments to remedy payments. This is listed as issue 8 above.
7. BellSouth’s policy of not reposting or recalculating data for more than three months in arrears. This policy may result in BellSouth not recalculating or making proper adjustments to remedy payments when more than three months of data are affected. This is listed as issue 9 above.

**3<sup>rd</sup> Amendment:**

BearingPoint reviewed the SEEM Administrative Plan, Version 1.2 filed by BellSouth with the Georgia Public Service Commission on July 22, 2003. After reviewing this document, BearingPoint found that the concerns regarding recalculation of results when less than 100 transactions exist in a sub-metric has been addressed (This is listed as issue 6 in Georgia 2<sup>nd</sup> Amended Exception 195 above).

However, the BearingPoint review also noted that issues 1-5 and 7 in Georgia 2<sup>nd</sup> Amended Exception 195 have not been satisfactorily resolved by the issuance of the SEEM Administrative Plan, Version 1.2.

**Impact:**

IS Change Management external notification policies and procedures are necessary to ensure details of changes to the IS reports and SEEM Payments are provided to affected parties. The absence of such policies and procedures may result in the failure of affected parties’ ability to verify receipt of correct SEEM Payments for the IS measures.