

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Commerce Commission On Its Own Motion)	
)	
Investigation Concerning Illinois Bell Telephone)	Docket No. 01-0662
Company's compliance with Section 271 of the)	
Telecommunications Act of 1996)	

AFFIDAVIT OF JAMES D. EHR

ON BEHALF OF

SBC ILLINOIS

DATED: January 17, 2003

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I, James D. Ehr, being of lawful age and duly sworn upon my oath, do hereby depose and state as follows:

1. My name is James D. Ehr. My business address is 2000 W. Ameritech Center Drive, Location 4G60, Hoffman Estates, IL 60196. I am employed by SBC Management Services, Inc. in the position of Director of Performance Measures for Ameritech Corporation ¹ ("SBC Midwest"). In that position, I support SBC Illinois, which is a registered trade name for The Illinois Bell Telephone Company, as well as the four other SBC Midwest operating companies. I am currently responsible for the development, implementation and ongoing administration of the wholesale performance measurements system used by SBC in the Midwest region. This system allows SBC Illinois, competing local exchange carriers ("CLECs"), state regulators such as the Illinois Commerce Commission ("ICC" or "Commission"), and the Federal Communications Commission ("FCC") to monitor and evaluate SBC Illinois' performance in providing products, facilities and services to itself and to Illinois CLECs in a nondiscriminatory manner consistent with its obligations under the Telecommunications Act of 1996 (the "1996 Act"). In addition, I am responsible for providing periodic reports on wholesale performance, and investigating issues raised with respect to SBC Illinois' performance (and the related performance reports) before state and federal regulatory agencies.

¹ Ameritech Corporation is a wholly owned subsidiary of SBC Communications Inc. Ameritech Corporation owns the former Bell operating companies in the states of Michigan, Illinois, Wisconsin, Indiana, and Ohio. I refer to these five operating companies collectively as "SBC Midwest".

PROFESSIONAL EXPERIENCE AND EDUCATIONAL BACKGROUND

2. Since June 2001, I have been responsible for the processes and systems used by SBC Midwest to measure and report on the performance of its operations support systems (“OSS”) and the functions of pre-ordering, ordering, provisioning, maintenance/repair and billing. I have participated as SBC Midwest’s representative in several collaborative workshops on performance measures with state commissions and competing carriers throughout the SBC Midwest region.
3. Prior to assuming my present position, I worked as a Solutions Consultant in the Network Software Solutions (“NSS”) organization within SBC Services Inc. from October 1999 through May 2001. In that position, I was responsible for management of network results reporting programs and projects. This included direct management responsibility for the RRS and AskMe applications. RRS is the primary application for network 271 performance measurements (installation & maintenance) in the Ameritech five-state region, while AskMe is the primary application for those same measurements in the Southwestern Bell Telephone, L. P. (“SWBT”) region. In addition, I was the NSS organization’s lead for planning and strategy processes.
4. Prior to October 1999, I was a member of the Network Systems organization within SBC Midwest’s Information Services (“IS”) organization. In that role I was the IS lead for strategy and planning for all SBC Midwest IS' network OSS. Additionally, I managed multiple IS projects and programs, including the design of network decision support and reporting applications. Overall, I have 14 years experience in information services within the telecommunications industry with SBC Midwest and other companies, and 18 years

overall experience in the analysis, design, development, implementation and management of information systems projects and applications.

5. I earned a Bachelor of Science - Management Information Systems degree from Oakland University, Rochester, Michigan, in 1984 and a Masters of Business Administration degree from the University of Central Florida, Orlando, Florida, in 1994.

PURPOSE AND SCOPE OF AFFIDAVIT

6. My affidavit has five purposes. First, SBC Illinois is submitting three consecutive months of commercial performance results that reflect the level of service SBC Illinois provides to Illinois CLECs using the performance measures required by the Illinois Commission's process. As more thoroughly described below, these performance measurements were established through the Commission's order in Docket 98-0555 and the subsequent region-wide collaborative process. The performance data provided are for the study period of September, October and November 2002. As I show below, these performance results demonstrate that SBC Illinois provides Illinois CLECs nondiscriminatory access to the pertinent items of the 14-point competitive checklist specified in Section 271(c)(2)(B) of the 1996 Act.
7. Second, as noted in SBC Illinois's "Notice of Intent to File Results of Independent Audit by Ernst & Young" filed in this proceeding on November 21, 2002, I discuss the results of an independent audit of SBC Illinois' reported performance results performed by the certified public accounting firm of Ernst & Young, LLP ("E&Y"). As described below, E&Y was engaged to perform an independent examination of SBC Illinois' compliance with the performance measurement "business rules" approved by the Commission. The

scope of E&Y's independent examination was to validate the accuracy and completeness of SBC Illinois' performance measurement reporting and to review the effectiveness of SBC Illinois' controls to comply with those business rules. E&Y audited performance results for the months of March, April and May 2002 that were prepared in accordance with version 1.8 of the business rules.² The September-November 2002 results discussed here were also prepared in accordance with version 1.8, using the same systems and processes that E&Y audited. A detailed discussion of the E&Y findings and the current status of corrective actions is provided in Attachments O, P and Q to this affidavit.

8. Third, I discuss the interim report of an independent review of SBC Illinois' reported performance results performed by BearingPoint, Inc. ("BearingPoint") (formerly known as KPMG Consulting). BearingPoint is conducting a review of SBC Illinois' performance metrics pursuant to provisions of the Merger Order, Docket 98-0555. BearingPoint filed an interim report on December 23, 2002.
9. Fourth, I describe the additional assurances of reliability the Illinois Commission and Illinois CLECs have regarding the performance measurement results reported by SBC Illinois and analyzed here.
10. And fifth, I describe a Compromise Performance Remedy Plan ("Compromise Plan") SBC Illinois is proposing in the Section 271 proceeding. SBC Illinois implemented a performance remedy plan in May 2000 as Condition 30 of the ICC's approval of the

² E&Y based its analysis on the ICC Tariff, ILL CC. No. 20 - Part 2 - Section 11, referred to as Version 1.8_09_2001 of the Business Rules submitted to the Commission on February 25, 2002 for approval with an effective date of April 12, 2002. The analysis of three months of actual performance data in this Affidavit is also based on this same Version 1.8 of the Business Rules. Where differences exist between the tariff and the Version 1.8 Performance Measurements User Guide (available on the SBC CLEC OnLine website at

merger between SBC and Ameritech. The Commission ordered SBC Illinois to modify that plan in Docket No. 01-0120 ("0120 Plan"). The Compromise Plan is based on the 0120 plan, but with several modifications designed as a "compromise" to balance (a) the concerns identified in Docket No. 01-0120, (b) the interest in avoiding undue penalties for good performance while still providing meaningful incentives to avoid poor performance, and (c) other issues noted in collaborative proceedings with CLECs throughout the SBC Midwest region.

<https://clec.sbc.com/clec>) relied on for the analysis, they are generally typographical in nature and have no impact on the reported results attached to this affidavit or the analysis of those results.

BACKGROUND AND ILLINOIS COMMISSION ORDERS REGARDING PERFORMANCE MEASUREMENT

11. *Performance measures* summarize the results of certain wholesale and retail operations (such as the time to install service) for a reporting period (typically, each month). SBC Illinois reports 150 measures. They apply to each of the three modes of competitive entry set forth in the 1996 Act – interconnection with competitor-owned facilities, unbundled network elements, and resale – along with several other checklist items, such as access to 911 services. The measures are generally broken down, or disaggregated, into separate measurement categories for each applicable product or service (*e.g.*, resale, unbundled loops), customer type (*e.g.*, residential, business), and certain other characteristics (*e.g.*, whether or not the order requires the “dispatch” of field personnel) to provide a more meaningful comparison. The 150 performance measures are divided into nearly 3,000 wholesale reporting categories.

12. *Performance standards* are used to evaluate the results of performance. Many wholesale functions correspond to an analogous function in SBC Illinois’ retail operations. In those cases, the retail outcome is the standard level for wholesale performance in that reporting period; in other words, the standard is “parity” between wholesale and retail. Where there is no meaningful retail analog, a pre-set “benchmark” has been established. Finally, in some cases performance data is simply reported for informational purposes, without a formal assessment against a standard. These measures are called “diagnostic” measures.

13. The performance measurements and standards that I describe below are the result of many years of work and extensive negotiations between SBC Illinois and the CLEC community, under the supervision of the Illinois Commission and its Staff.
14. On September 23, 1999, the ICC approved the merger of SBC and Ameritech in Docket No. 98-0555 ("*Merger Order*"). As a condition of its approval, the ICC adopted a set of conditions which, among other things, required Illinois Bell to implement the performance measures (Condition 30) and their associated standards and remedies, as long as economically and technically feasible, that SWBT had agreed to implement in Texas. At the time of the *Merger Order*, SBC had agreed to implement 122 such performance measures. SBC Illinois further agreed that additional measurements or standards agreed to in Texas would also be reviewed in a collaborative process for implementation in Illinois. The ICC found that "The implementation of all 122 measurements and benchmarks represents a substantial improvement over the status quo in Illinois, and will have pro-competitive benefits for CLECs and end-users in Illinois that would not exist absent the merger." *Merger Order*, at page 230.
15. Pursuant to the Merger Order, representatives of the ICC's Staff, interested CLECs and SBC Illinois formed an Illinois-specific industry collaborative to review and oversee the implementation of the Texas performance measures as well as the associated standards, benchmarks, and remedies. The full collaborative met on January 6, and 18-19, February 14-15, March 28-29, May 4-5, June 6-7, July 1-12, August 16-17, September 19-20, and October 17-18, 2000. Conference calls to discuss progress on specific issues were held on May 30, June 16, June 29, August 9, and September 15, 2000. Over the course of these collaborative proceedings, the parties agreed to a number of modifications

requested by competing LECs. Further, SBC Illinois agreed to report several additional measurements, over and above those developed in Texas. These were measure numbers 13.1, 34.1, 51.1, 55.1, 64.1, 114.1, 115.1, 115.2, MI-1 through MI-5, and MI-9 through MI-16.

16. The *Merger Order* required that SBC Midwest file a petition with the Commission requesting a waiver for those performance measures deemed technically infeasible. Of the 128 performance measures implemented in Texas (122 at the time of the merger order, plus six added by the time SBC Midwest sought a waiver), six were determined to be infeasible for implementation in the SBC Midwest region during collaborative workshops in Illinois and Ohio. These are measure numbers 3, 87 through 90, and 116. Five of the six measures related to interim number portability, a service that does not exist in the SBC Midwest region due to SBC Midwest's region-wide implementation of long-term number portability. The sixth deals with SWBT's "EASE" system, which has not been deployed in the SBC Midwest region. As a result, SBC Midwest did not propose that those six measurements be implemented in Illinois, and on March 24, 2000, petitioned the ICC in Docket No 00-0238 for a waiver of Condition 30 of the SBC/Ameritech Merger Proceeding relative to those measurements that were technically infeasible. The participating CLECs did not oppose this petition and the waiver was granted in an order dated December 5, 2001.
17. The ICC made clear in the Merger Order that it preferred the use of parity standards, rather than benchmark standards, wherever feasible. The Commission stated "[t]he burden of proof shall remain on the Joint Applicants to demonstrate that no retail analogs exist and that benchmarks should be substituted." *Merger Order* at page 221. In its

March 24, 2000 petition, SBC Midwest summarized the substantial agreement among collaborative participants regarding the use of parity and benchmark standards. A retail analog was developed for 19 of the 62 Texas measures that were previously based on benchmarks. The parties also agreed that 40 of the 62 Texas benchmark measures would remain as benchmarks. The parties reached agreement on the use of benchmarks for the three remaining performance measures during collaborative meetings in September 2000. All three related to the measurement of response times for Firm Order Confirmations (FOCs).

18. The parties continued in their collaborative efforts to address new performance measures and agreed to further modifications to existing performance measures, and the reporting for new products or services as applicable. On July 12, 2000, SBC Illinois filed a tariff (ILL C.C. 20, Part 2, Section 10) reflecting the agreements to date.
19. On August 11, 2000 SBC Illinois filed an attestation letter documenting that it had met the Condition 30 requirement to implement all of the remaining 122 performance measurements required by the Merger Order.
20. In the collaborative proceedings, the parties also agreed to incorporate many performance measurement modifications that dealt with reporting and performance standards for advanced services. These changes were consistent with those adopted in similar performance measurement reviews held in the spring and summer of 2000 before the Texas PUC, whose resulting measurements (*i.e.*, SWBT Version 1.7) were adopted by the state commissions in Texas, Kansas, Missouri and Oklahoma and then relied upon by the FCC in its order authorizing Section 271 services for Kansas and Oklahoma. Several

new performance measures were added in this phase of the collaborative. They are measure numbers 1.2, 5.1, 6.1, 55.2, 94.1, 104.1 , WI 1, WI 2 and WI 3. The parties also agreed to add measures 21.1, 24.1, 55.3, 70.1, 70.2, CLEC WI1, CLEC WI 4, CLEC WI 5, CLEC WI 6, CLEC WI 7, CLEC WI 8, CLEC WI 9, and CLEC WI 11, and to modify measures 60 and 61. The parties agreed to eliminate three measures (numbers. 84-86) related to operator services and directory assistance, on the grounds that the other measures for those services were deemed sufficient. SBC Illinois and the collaborative participants filed a Joint Petition in Docket 01-0120 on February 5, 2001, documenting that there were no remaining disputes pertaining to performance measurements.

21. On July 31, 2001, after substantial discussion and with agreement from CLECs and the ICC staff, SBC Illinois filed an updated tariff modifying measures 1, 2, 4, 55.2, 114.1, 115.1, and 115.2. Performance Measures 1, 2, and 4 were amended to include additional disaggregation levels to reflect SBC Illinois' March 2001 Ordering and Pre-Ordering OSS release, making the performance measures consistent with the comparable performance measures developed for Texas, Version 1.7. Performance Measures 55.2, 114.1, 115.1, and 115.2 were amended to include disaggregations for the Frame Due Time (“FDT”) process, which was deployed June 18, 2001. These modifications were proposed in order to accommodate the testing of these functions under the Illinois OSS Third Party Test.
22. The first regional “six-month review” of performance measurements began on June 5, 2001. Face-to-face meetings were held as follows: June 5 and 6 in Madison, Wisconsin; June 19 and 20 in Chicago, Illinois; July 10 and 11 in Indianapolis, Indiana; July 17 and 18 in Chicago, Illinois; and July 31 and August 1 and 2 in Columbus, Ohio. Additional meetings were conducted via conference call. At these meetings, the parties reached

consensus on certain modifications to the performance measurements. These modifications included additions and deletions of measures, changes to business rule logic and calculations, and changes to reporting categories. These changes generally made the SBC Midwest performance measurements consistent with the Texas Version 1.7 measures, while also adopting several modifications agreed to in the Texas Version 2.0 measurement set.

23. The collaborative participants documented these modifications in a February 25, 2002 tariff filing in SBC Illinois' Ill. C.C. Tariff 20, Part 2, Section 11, with an effective date of April 12, 2002 ("Version 1.8 "). In many cases these updates were consistent with changes also proposed and agreed to in the SWBT collaborative, while also incorporating additional Ameritech-region specific measurement changes.

24. The performance measurement results described in this affidavit for September, October and November 2002 reflects performance reported pursuant to Version 1.8 of SBC Illinois performance measurements, the associated "business rules" for calculating those measurements, and the standards against which wholesale performance is assessed. The Performance Measurement Business Rules are found in SBC Illinois' tariff at Ill. C. C. No. 20, Part 2, Section 11.E. This tariff can be found at the following web address: http://www.sbc.com/public_affairs/regulatory_documents/tariffs/1,5932,281,00.html?pid=9. A copy of the version 1.8 Performance Measurement User Guide containing those same performance measurements can be obtained from the CLEC On Line web site at: <https://clec.sbc.com/clec/>. There are no material differences between the two references.

25. The 150 measurements in either document are disaggregated into nearly 3,000 submeasures, and they cover all five Operations Support Systems functions: Pre-ordering, Ordering, Provisioning, Maintenance/Repair, and Billing.
26. Consistent with the FCC's *Texas 271 Order* granting SWBT Section 271 authorization in Texas, SBC Illinois' performance measurements address "each of the three modes of competitive entry envisioned by the 1996 Act: -- competitor owned facilities, unbundled network elements and resale" ³ --along with several other checklist items. Separate measurements and/or measurement categories within those OSS measures address Access to Network Elements (checklist items 2, 4, 5, and 6) and Resale (checklist item 14). SBC Illinois' performance measures also address Interconnection Trunks and Collocation (checklist item 1), Poles, Conduits and Rights-of-Way (checklist item 3), Coordinated Conversions (checklist item 4), Directory Assistance, Operator Services, Directory Assistance Database and 911 Database services (checklist item 7), NXX Loading and Testing (checklist item 9), and Local Number Portability ("LNP" - checklist item 11). Additional measures address Miscellaneous Administrative Services and Bona Fide Requests (BFRs).⁴

STATUS OF ILLINOIS COMMISSION ISSUES FROM PROPOSED PHASE I-A ORDER

27. The Proposed Order on Phase I-A⁵ directed SBC Illinois to address a number of specific issues. In this section I respond to those issues that relate to performance measurements.

³ *Texas 271 Order* ¶ 94.

⁴ The second six-month review of performance measures began on March 5, 2002. A tariff filing will be made before the end of January 2003 reflecting the agreed-upon changes.

⁵ *Administrative Law Judge's Proposed Phase 1A Interim Order on Investigation*, Docket No. 01-0662, dated December 6, 2002.

28. Paragraph 688 of the Proposed Order states “Similarly left open is Staff’s claim that SBC should demonstrate that it has well defined, concrete and binding terms that define the quality at which it provides UNE combinations. The issue is not compliance with quality standards, but rather the establishment of specific measures and standards related to quality, such as maintenance and repair.” While I will leave the definition of “concrete and binding” to lawyers, I can state that SBC Illinois has well defined performance standards for provisioning and maintenance of UNE combinations within its tariffed performance measurements, and that these standards reflect agreement among the performance measurement collaborative participants. SBC Illinois measures the service provided to the CLECs against those standards on a monthly basis, and makes remedy payments to the CLECs participating in the remedy plan for applicable measures should SBC Illinois not meet or exceed the defined standard. I discuss the various performance measures and standards – and SBC Illinois’ current performance with respect to those standards – under Checklist Item 4 below.
29. Paragraph 689 of the Proposed Order states “SBC must update the Commission on the current "six month review" of performance measurements. The Commission ‘will need this information in order to make an informed final decision on this issue". The six-month review collaborative was completed in December 2002. A draft final red-lined performance measurement user guide containing all agreed-upon changes was circulated to the collaborative participants in early January. All comments and concerns applicable to Illinois measures have been addressed. The current tariff is being updated and will be circulated to collaborative participants the week of January 20, 2003. SBC Illinois expects no issues to arise from that final review, as the same red-lined changes were

jointly filed by the collaborative participants for approval by the Michigan and Ohio regulatory commissions on Thursday, January 16, 2003. SBC Illinois expects to file the updated tariff pages for review and approval by the Commission before the end of January, pending confirmation of the final tariff pages by the collaborative participants.

30. An additional item in the Proposed Order related to proposed changes to the existing performance measurement for line loss notification timeliness, PM MI 13.1 (Percent Loss Notification Within One Hour of Service Order Completion). Changes have been made to PM 13.1, through collaborative agreement in the recently completed performance measurement six-month review, to address the Commission Staff's concerns. Additionally, a second measure of line loss notification timeliness, assessing the average delay for any line loss notices that were not sent within the new standard (within one business day of work completion) was agreed to by the collaborative (PM MI 13.1). The new version of PM MI 13 and the new PM MI 13.1 will be included in the update to the current tariff, with the filing expected to be made before the end of January 2003.

DESCRIPTION OF PERFORMANCE MEASUREMENT ANALYSIS

31. The analysis presented herein follows the two-part test employed by the FCC in prior orders under section 271. For measures involving analogous wholesale and retail services, "parity" comparisons are made. Parity is determined by comparing SBC Illinois' performance in providing a particular service to CLECs against its performance with respect to its own retail operations (or its affiliate, as applicable) using accepted statistical techniques. Where no reasonable retail or affiliate analog exists (e.g., SBC Illinois does not provide unbundled access to network elements to itself), SBC Illinois'

performance in providing such services to CLECs is compared to a predetermined “benchmark” level of service established by agreement in the collaborative processes described above.

32. Statistical analysis provides a scientific method for analyzing the many thousands of monthly performance results for parity and benchmark comparisons in Illinois to assess whether they show a disparity between wholesale and retail performance, as opposed to the random variation that is inherent in business processes.
33. In the FCC's words, “the use of statistical analysis to take into account random variation in the [performance] metrics is desirable” and “[s]tatistical tests can be used as a tool in determining whether a difference in the measured values of two metrics means that the metrics probably measure two different processes, or instead that the two measurements are likely to have been produced by the same process.”⁶
34. Statistical analysis is used to determine whether observed differences indicate that a disparity has occurred. The first step is to look at each individual performance test, measure the difference between wholesale performance and the applicable standard through the use of a measure called a “z-statistic.” That difference is then compared to a “critical value.” The critical value is the value of “z” that would be large enough to yield 95 percent confidence that there is truly some underlying disparity in the reported results. For parity tests with 30 or more transactions, the test statistic is determined from a Z-test. On the other hand, parity tests with less than 30 transactions are computed by a different type of statistical test, commonly called a permutation test, which has been designed

⁶ *New York 271 Order*, App. B, ¶¶ 2-3.

specifically for small sample sizes. This approach to assessing individual performance tests is the same as used in the current remedy plan ordered by the Commission in Docket No. 01-0120.

35. While statistical analysis and performance benchmarks provide useful tools to analyze performance data, they are not infallible or absolute, and the FCC has emphasized that a shortfall in any particular measurement does not, in and of itself, dictate a finding of non-compliance. Thus, the FCC has said that its determination of compliance with the requirements of section 271 “necessarily is a contextual decision based on the totality of the circumstances and information before us.”⁷
36. Consequently, where statistically significant differences exist in a given measurement, the FCC will “examine the evidence further to make a determination whether the statutory nondiscrimination requirements are met.”⁸ The examination includes explanations provided (by both the applicant and other commenters) about whether measured performance differences present an accurate depiction of the quality of the applicant’s performance.⁹ The FCC also may (i) examine performance data on a more disaggregated level, (ii) take note of how long a variation in performance has existed and what the trend has been in recent months, (iii) look for steady improvements in performance over time and, where appropriate, (iv) conclude that while statistically

⁷ *New York 271 Order*, ¶ 60; *Texas 271 Order*, ¶ 58; *Kansas & Oklahoma 271 Order*, ¶ 31; *Arkansas & Missouri 271 Order*, App. D, ¶ 6.

⁸ *New York 271 Order*, ¶ 59; *Kansas & Oklahoma 271 Order*, ¶ 31; *Arkansas & Missouri 271 Order*, Appendix D at ¶ 8.

⁹ *New York 271 Order*, ¶ 59; *Kansas & Oklahoma 271 Order*, ¶ 31; *Arkansas & Missouri 271 Order*, Appendix D at ¶ 8.

significant differences in measured performance exist, “such differences have little or no competitive significance in the marketplace.”¹⁰

37. As I demonstrate below, SBC Illinois has satisfied the vast majority of its performance standards. In those cases where a given performance standard has not been met, I provide further discussion of the totality of the facts and demonstrate that the differences are not competitively significant.

¹⁰ *New York 271 Order*, ¶ 59.

SBC ILLINOIS' PERFORMANCE MEASUREMENT DATA DEMONSTRATE COMPLIANCE WITH THE PERTINENT SECTION 271 COMPETITIVE CHECKLIST

38. My affidavit focuses on the most recent three months for which data are available (September, October and November of 2002) ("the study period"), as shown on the Hit or Miss Report ("HOMR") included as Attachment A. Attachments D through M show these same SBC Illinois performance results within the pertinent checklist items.¹¹ These performance measurement results demonstrate that SBC Illinois' overall performance in Illinois complies with the requirements of Section 271.¹²
39. These HOMR attachments use the same format that has been used in Section 271 applications by SBC Illinois' affiliates in Texas, Kansas, Oklahoma, Arkansas, Missouri and California. The first two columns from the left provide the description and number of the performance measurement category reported. The next columns provide additional reference information regarding treatment of the measure for purposes of performance "remedies": whether they are classified as Tier 1 or 2, and whether their priority is High, Medium, or Low (H, M, or L). A dash in those columns indicates that the measure is not subject to remedies.
40. The group of columns under the heading for "September 2002" summarize performance for that month: the measured wholesale performance, the applicable retail analog or benchmark, the statistical "z" value, and the result of the statistical analysis. Under the

¹¹ This affidavit analyzes performance results on a statewide basis which is consistent with the analytical framework relied on previously by the FCC. *See, e.g., Arkansas & Missouri 271 Order*, ¶ 108 ("a performance metric based upon statewide provisioning may provide a more accurate picture of BOC compliance").

¹² Aggregate performance data for all CLECs combined over the twelve-month period from December 2001 through November 2002 are provided in Attachment B at the request of the Commission Staff. This data is organized in the form desired by the Department Of Justice ("DOJ") for their review of section 271.

"result" column, "yes" denotes that SBC Illinois passed the applicable statistical test; "no" denotes a statistical shortfall. The analysis is then repeated for October 2002 and November 2002. The final column shows the overall result for the three month as a whole. A "HIT" means that SBC Illinois passed the applicable test in at least two of the three months reported, while a "MISS" means that SBC Illinois did not pass the test in at least two months. I focus my analysis on measures that show a "miss" – in other words, shortfalls that appear to continue over more than one month, as opposed to isolated, one-time occurrences.

41. SBC Illinois' performance measurement results provide empirical evidence of compliance with applicable items in the 14-point checklist. The data demonstrate that SBC Illinois continues to provide CLECs interconnection and access to network elements on a nondiscriminatory basis and a meaningful opportunity to compete in the local exchange market. SBC Illinois' performance met or surpassed parity or benchmark standards for 87.7%, or 398 of 454 performance measurements for which a "HIT" or "MISS" assessment could be made, in at least two of the three months during the study period (September – November 2002). For measures subject to performance remedies, SBC Illinois met the applicable standard for 92.5% (233 of 252) of Tier 2 measures and 93.4% (328 of 351) of Tier 1 and/or Tier 2 measures in at least two of the three study period months.¹³
42. Even apart from the high overall statistical performance noted above, SBC Illinois has maintained high performance levels within the checklist item categories. SBC Illinois

issued timely status notices (such as order confirmations and order completion notices), both on an overall basis and with respect to high-volume products and services like the UNE-Platform. SBC Illinois also met or exceeded the applicable performance standard for 92.7% of the checklist item (iv) submeasurements – which include activities related to unbundled loops and the Unbundled Network Element Platform -- in at least two of the three months during the study period. Moreover, SBC Illinois met or exceeded the standard for most of the measurements capturing the two functions most visible to the consumer – 96.3% for provisioning activities, and 86.5% for maintenance activities.

43. The following discussion focuses on performance results for specific measurements within the pertinent checklist items. In keeping with the FCC’s analytical framework, my analysis of data reported for these measurements proceeds on the basis that where there is no statistically significant difference between SBC Illinois’ wholesale and retail performance, the Commission “need not look any further.”¹⁴ Where there is a statistically significant difference, I typically provide additional information demonstrating that CLECs have been provided a meaningful opportunity to compete relative to the function or process involved.¹⁵

CHECKLIST ITEM (I) – INTERCONNECTION/COLLOCATION

44. Ten measurements address the timeliness and quality of SBC Illinois’ interconnection trunk installation and repair performance, while four performance measurements address SBC Illinois’ collocation performance. SBC Illinois met the performance standards in at

¹³ Where the success ratio is reported on an overall basis either for all measurements or for only those measurements corresponding to a given checklist item, the assessment encompasses only those measurements presenting at least ten data observations for the month.

¹⁴ *Kansas & Oklahoma 271 Order*, ¶ 31.

least two of the previous three months for all ten checklist item (i) measures for which sufficient data were reported. Collectively, these results show that SBC Illinois complies with checklist item (i) – interconnection. The results are summarized in Attachment D

Interconnection Trunks

45. The operating quality of existing interconnection trunks (as measured in terms of the percentage of calls blocked) is outstanding. First, the results for PM 70-02 (Percent Trunk Blockage – Ameritech Tandem to CLEC End Office) reveal that the percentage of calls blocked did not exceed 0.02% – just two-hundredths of the 1% benchmark – in any of the three months during the study period.¹⁶ In both October and November, CLECs’ trunks encountered call blockage of only 0.01% – one-hundredth of the PM 70-02 benchmark. Over the study period, only 0.01% of the more than 315 million total calls captured by the sampling process were blocked.¹⁷
46. In addition, SBC Illinois met the 1% benchmark in each month of the study period for PM 70.2-01 (Percent Trunk Blockage (Trunk Groups) – Ameritech Tandem to CLEC End Office). Only two of the 1,300 CLEC trunk groups (0.15%) in service over the three-month period concluding in November encountered call blockage exceeding 1% for three consecutive months.¹⁸ Moreover, just four trunk groups in September (0.33% of

¹⁵ *Id.*

¹⁶ No interconnection trunks have been provisioned between CLECs’ end offices and SBC Illinois’ end offices. As a result, no data have been generated for PM 70-01 (Percent Trunk Blockage – Ameritech Tandem to CLEC End Office).

¹⁷ The business rules for PM 70 specify that “[b]locked calls and total calls are gathered during 20 business days.”

¹⁸ The number of final tandem trunk groups in service reported for PM 70.2-01 in each month represents the sum of such trunk groups over the three-month period ending with the reporting month. For example, the 1,300 trunk groups in service reported for PM 70.2-01 in November 2002 represent the sum of the trunk groups in service in September, October, and November.

1,211 trunk groups) and 2 in October (0.16% of 1,286) were affected by call blockage exceeding 1% for three consecutive months.

47. SBC Illinois also met the 2% benchmark standard in each month of the study period for PM 71-01 (Common Transport Trunk Group Blockage).¹⁹ For the study period in the aggregate, only 0.54% of the common transport trunk groups shared by CLECs and SBC Illinois were affected by more than 2% call blockage, and the highest rate for any one month was only 0.80%.
48. SBC Illinois installs interconnection trunks for CLECs within the customer desired due date. The performance results reported for PM 73-04 (Percentage Missed Due Dates – Interconnection Trunks – Non-Projects) demonstrate that SBC Illinois met the 95% benchmark for completing the installation of trunks within CLECs’ requested due dates in each of the three months concluding in November.²⁰ In fact, SBC Illinois did not miss a single due date for the 2,187 non-project orders reported in PM 73-04 through the three months ending in November. SBC Illinois’ performance also met the 95% benchmark standard in September and October for project orders (PM 73-05: Percentage Missed Due Dates – Interconnection Trunks – Projects), and in November SBC Illinois completed 92.85% of the interconnection trunk project orders within the desired due dates.²¹ Over the September – November study period as a whole, SBC Illinois

¹⁹ The performance standard for PM 71-01 is “2% of trunk groups not to exceed 2% blockage, or parity, whichever allows less blocking in a given month.”

²⁰ The business rule definition of PM 73 requires that results be calculated on the basis of the percentage of customer-requested due dates met. Thus, the monthly result reported for PM 73 is the percentage of trunks installed within the requested due date.

²¹ SBC Illinois fell just 2.15% short of the PM 73-05 benchmark in November, as 92.85% of the 9,745 interconnection trunk project orders were completed within CLECs’ requested due dates.

completed 96.80% of 25,608 interconnection trunk project orders within CLECs' desired due dates.

49. SBC Illinois also generally meets the standards for the remaining provisioning measurements. For example, SBC Illinois achieved parity in each of the three months during the study period for PM 78-04 (Average Interconnection Trunk Installation Interval). The average installation interval for CLECs' interconnection trunks was shorter than, or comparable to, that for SBC Illinois' interoffice trunks. Over the study period, SBC Illinois' average interconnection trunk installation interval for CLEC trunks was 24.15 days, about one-half the 48.09 days for SBC Illinois' interoffice trunks. In addition, performance results for PM 74-04 (Average Delay Days for Missed Due Dates – Interconnection Trunks) show that the average delays resulting from missed due dates for CLECs' orders were significantly less than for SBC Illinois' interoffice trunks in two of the three months during the study period. Similarly, the data reported for PM 75-04 (Percentage Ameritech Caused Missed Due Dates > 30 Days - Interconnection Trunks) demonstrate that SBC Illinois met the standard for parity in each of the three months during the study period. In each of the study period months, the percentage of interconnection trunk missed due dates that delayed installation by more than 30 days was lower for CLECs than for SBC Illinois' interoffice trunks. For the study period as a whole, only 3.40% of the missed due dates for CLECs' interconnection trunk orders delayed installation by more than 30 days, a rate less than the 5.61% for SBC Illinois' interoffice trunks.
50. Finally, the quality of the interconnection trunks SBC Illinois provisioned for CLECs is at least comparable to SBC Illinois' interoffice trunks. SBC Illinois met the parity

performance standard in each month of the study period for PM 76-04 (Average Trunk Restoration Interval – Interconnection Trunks). The average repair intervals for CLECs' interconnection trunks were comparable to those for SBC Illinois' interoffice facilities. Illinois CLECs' average trunk restoration intervals were less than an hour in both October and November. Over this three month period, the average repair interval for CLECs' interconnection trunks was only slightly more than an hour (1.21 hours), comparable to the 0.36 of an hour for SBC Illinois' interoffice trunks.

Collocation

51. SBC Illinois' timeliness in responding to CLEC's collocation requests is evidenced by the performance results for the submeasurements associated with PM 109 (Percent of Collocation Requests Processed Within Established Timelines). The data reported for PM 109-03 (Percent of Collocation Requests Processed Within Established Timelines – Additions) indicate that SBC Illinois met the standard for parity in each month of the study period. Of the 101 requests received during the study period, SBC Illinois' processing met the established timeline for all but one CLEC request for collocation additions. In other words, SBC Illinois processed 99.01% of CLECs' requests for collocation additions during the study period within the specified timeframe, compared to 95.00% for SBC Illinois' affiliate. The available data for other submeasures of PM 109 also indicate that CLECs' collocation requests were processed within the established timelines during the three months ending with November. The data reported for PM 109-01 (Percent of Collocation Requests Processed Within Established Timelines – Physical) and PM 109-04 (Percent of Collocation Requests Processed Within Established

Timelines – Cageless) show that SBC Illinois processed all CLEC requests for physical and cageless collocation within the established timelines.

52. Furthermore, SBC Illinois completed CLECs’ collocation projects on or before the established due date in each month of the study period. For example, SBC Illinois surpassed the 95% benchmark in each of the three months for PM 107-08 (Percent Missed Collocation Due Dates – Augments to Physical Collocation). *No* due dates were missed for augments to physical collocation projects. The data for PM 107-01 (Percent Missed Collocation Due Dates – Caged), PM 107-04 (Percent Missed Collocation Due Dates – Cageless), and PM 107-09 (Percent Missed Collocation Due Dates – Augments to Virtual Collocation) show that SBC Illinois completed all CLEC collocation projects within the due dates.²² As a consequence, no “delay days” resulted from missed due dates and there was no data to report for any of the submeasures associated with PM 108 (Average Delay Days for Ameritech Missed Due Dates – Collocation).
53. In sum, SBC Illinois’ overall performance results for the interconnection trunking and collocation measurements demonstrate that it consistently provides CLECs both nondiscriminatory interconnection services and a meaningful opportunity to compete relative to checklist item (i).

CHECKLIST ITEM (II) – ACCESS TO NETWORK ELEMENTS/OSS

²² None of the due dates were missed for Illinois CLECs’ 3 (PM 107-01) caged collocation projects (one in September and two in October), 4 (PM 107-04) cageless collocation projects (one in September and three in November), and 2 (PM 107-09) augments to virtual collocation projects (both in September).

54. I describe access to the various unbundled network elements under checklist items 4 (loops), 5 (transport), and 6 (switching), and I discuss UNE combinations under checklist item 4. In this section, I describe access to operations support systems (“OSS”).
55. “Operations support systems” are the systems, databases, and personnel that an incumbent LEC uses to serve its customers.²³ In prior orders under section 271, the FCC has identified five OSS functions: pre-ordering, ordering, provisioning, repair and maintenance, and billing. The previously filed testimony in this case of Mr. Cottrell describe the “interfaces” that SBC Illinois offers to requesting carriers so they can access its OSS; the previously filed affidavit of Ms. Kagan addresses billing functions; and the previously filed testimony of Messrs. Brown and Foster describe manual resources used to help process CLEC requests.
56. I address performance measurements that relate to pre-ordering, ordering, and billing functions in this section. I address the specific performance data for provisioning and maintenance for each checklist item under the various checklist items. These performance results show that CLECs are provided nondiscriminatory access to SBC Illinois’ OSS. SBC Illinois achieved parity or the associated benchmark for 85.9% of the pertinent measures in at least two of the last three months (Attachment E).

Pre-Ordering

57. Pre-ordering refers to the activities in which a carrier gathers information about a customer or the facilities available to serve that customer, prior to placing a service order for that customer. I discuss pre-ordering measurements that relate specifically to xDSL-

capable loops (namely, those measurements that relate to “loop qualification”) under Checklist Item 4 below. I address the remaining pre-order measurements here.

58. PM 2 (Percent Responses Received within “X” seconds-OSS Interfaces) measures the percentage of pre-order responses received within specified time intervals, typically expressed in seconds. There are separate reporting categories for the available electronic interfaces (such as EDI/CORBA and Web Verigate). These are further divided by type of pre-order inquiry (such as a request to validate a customer’s address or a request for a customer service record). Each of these sub-categories has specific benchmark intervals.
59. SBC Illinois consistently responds in a timely fashion to pre-order inquiries of all types, across all interfaces. For example, over the study period, SBC Illinois provided responses within the specified intervals for 98.6% of the 892,916 total requests for pre-ordering information (aggregated across the types of inquiries and electronic OSS interfaces specified by the submeasures of PM 2).²⁴ Consistent with this strong overall performance, SBC Illinois responded within the required intervals to 97.2% of the 292,188 requests for pre-ordering information submitted by CLECs using the Web Verigate interface. Of the 530,527 total inquiries regarding pre-ordering information from CLECs using the EDI LSOG 4 / CORBA interfaces, 99.3% received responses

²³ *Texas 271 Order*, ¶ 93.

²⁴ The overall response rate to Illinois CLECs’ total requests for pre-ordering was derived by combining all data reported for any of the disaggregated submeasures of PM 2 in any of the three months during the study period. The categories of pre-ordering information specified in the disaggregated submeasures of PM 2 include 1) inquiries regarding customer address verification; 2) telephone number status; 3) requests for customer service records; 4) directory listings for CLECs’ new customers; 5) scheduling service appointments (i.e., establishing due dates); 6) determining whether dispatch will be necessary to complete certain service orders; 7) inquiries regarding the proper assignment of primary interexchange carriers (PIC) to CLEC customers’ lines and accounts; 8) requests for DSL loop qualification information; and 9) the availability of service, features, network channel interface and carrier alarm services. The electronic interfaces implemented and maintained to provide CLECs with access to SBC Illinois’ OSS that are separately identified in the disaggregated submeasures of PM 2 include Web Verigate, EDI LSOG 4 / CORBA, and EDI / Internet LSOG 1.

within the specified time intervals. Finally, Illinois CLECs using the EDI / Internet LSOG 1 interfaces obtained responses within the specified time intervals for 99.1% of the 70,201 inquiries submitted during the study period.

60. SBC Illinois also met or surpassed the benchmarks in at least two of the three study period months for 95.8% (46) of the 48 submeasures of PM 2 (Percent Responses Received Within “X” Seconds – OSS Interfaces) for which sufficient data were reported.²⁵ The only exceptions were with respect to PM 2-15.2 (Percent Responses Received Within 13.0 Seconds – Request for Customer Service Record – EDI LSOG 4/CORBA), PM 2-16.1 (Percent Responses Received Within 8.0 Seconds – Directory Listing Inquiry – EDI LSOG 4/CORBA), and PM 2-18.1 (Percent Responses Received Within 1.0 Second – Request for Service Appointment Scheduling (Due Date) – EDI LSOG 4/CORBA).
61. While SBC Illinois surpassed the 95% benchmark for customer service records via the EDI LSOG 4/ CORBA interface (PM 2-15.2) in October (97.80%), the performance results fell short in September (91.54%) and November (92.13%). The CSR query type has low transaction volumes and, although the average response times were reasonable, enough transactions were over the 13-second benchmark to skew the percentage. CSR pre-order response time is dependent on the size of CSR returned. Large CSR’s contribute to the skewed results. A new benchmark of 95% within 10 seconds has been agreed to in the recently-completed PM collaborative, along with a change to report as a

²⁵ The 48 submeasures are the number of metrics within PM 2 (Percent Responses Received Within “X” Seconds - OSS Interfaces) for which at least ten observations were reported during at least two months during the study period. More detailed discussion of SBC Illinois’ performance in returning loop qualification requests is discussed within the DSL-related checklist item (iv) section of my affidavit.

separate submeasure the response time for CSRs containing over 30 working telephone numbers. These changes will result in improved performance on PM 2-15.2. In any case, the differences in these months were small, and over the study period as a whole SBC Illinois responded within 13 seconds to 94.63% of CLECs' 484 requests (received via the EDI LSOG 4 or CORBA interfaces) for customer service records.

62. SBC Illinois also missed the 90% within 8 seconds benchmark for PM 2-16.1 for Performance Measurement 2 (% Percent Responses Received within 8.0 Seconds—Directory Listing Inquiry – EDI LSOG 4/CORBA) in September and October 2002 for Illinois. Reported results were 83.72% and 84.34% respectively. November results were 96.72%. The Directory Listing (DL) query type has low transaction volumes and although the average response times were reasonable, enough transactions were over the 8-second benchmark to skew the percentage. Similarly, SBC Illinois' performance surpassed the 90% benchmark for PM 2-18.1 (Percent Responses Received Within 1.0 Second – Request for Service Appointment Scheduling (Due Date) – EDI LSOG 4/CORBA) in September (97.55%), but fell short in October (86.44%) and November (83.87%). Over the study period, however, SBC Illinois responded within 1 second to 89.12% (just 0.88% less than the 90% benchmark) of the 42,724 requests for service appointment scheduling submitted by CLECs using the EDI LSOG 4 or CORBA interfaces. Moreover, SBC Illinois responded to over 95% of such inquiries within 2 seconds in each month of the study period (PM 2-18.2 (Percent Responses Received Within 2.0 Seconds – Request for Service Appointment Scheduling (Due Date) – EDI LSOG 4/CORBA)). These differences are not material.

Ordering

63. I address the performance of SBC Illinois' ordering process by assessing the timeliness of order status notices provided to CLECs (Firm Order Confirmations or "FOCs," Rejection Notices, Completion Notices, and Line Loss Notices). I also discuss the results for Flow-through, Provisioning Accuracy, and OSS Interface Availability.

Firm Order Confirmations

64. Once a properly formatted CLEC order passes the initial edit checks, SBC Illinois provides the requesting carrier with a notice confirming receipt of a firm order. This notice is called a "firm order confirmation" or FOC. The speed of FOC issuance is measured against agreed benchmarks, which are tailored to reflect the method by which the order was submitted and input (manually or electronically), along with the product, size, and complexity of the order.
65. SBC Illinois met or surpassed the benchmark in at least two of the three months during the study period for 96.2% (25) of the 26 sub-measures of PM 5 (Percent Firm Order Confirmations (FOCs) Returned Within "X" Hours) for which sufficient data were reported.²⁶ Over the study period, SBC Illinois returned 96.81% of the 503,632 FOCs associated with all order types within the specified interval. The data for specific categories are similarly impressive. SBC Illinois timely returned 98.57% of FOCs associated with orders involving residence, simple business, and complex business

²⁶ The 26 submeasures are the number of metrics within PM 5 (Percent Firm Order Confirmations (FOCs) Returned Within "X" Hours) for which at least ten observations were reported during at least two months during the study period.

orders,²⁷ 98.86% for all categories of UNE loop orders as a whole,²⁸ 96.19% for all UNE-P orders,²⁹ 99.08% for all LNP-related orders (both stand alone and LNP with loop),³⁰ and 99.50% for DSL loop orders (99.90% for DSL loops with line sharing and 99.12% for stand alone DSL loops).³¹

66. SBC Illinois missed the benchmark standard for just one submeasurement in two of the three months during the study period: PM 5-26 (Percent Firm Order Confirmations (FOCs) Returned Within 48 Hours – Electronically Submitted Orders – Residence and Simple Business – LNP Only – 20+ Lines). Even there, performance was solid. In both September and October, over 93% of FOCs were returned to Illinois CLECs within 48 hours of receiving residence and simple business stand alone LNP orders involving 20 or more lines. Given the small volumes in this category (only 62 and 43 such orders were received in September and October, respectively) these performance results fell short of the 95% benchmark by only a single FOC.³² In other words, if two more FOCs had been issued within the 48-hour benchmark interval, SBC Illinois would have met this measure.

²⁷ This return rate was calculated by combining the results of PMs 5-01, 5-02, 5-03, 5-05, 5-31, and 5-33.

²⁸ The UNE loop return rate was calculated by combining the results of PM 5-05, PM 5-06, PM 5-07, and PM 5-34.

²⁹ The overall FOC return rate for UNE-P orders represents the combination of the results for PM 5-14, PM 5-15, PM 5-16, PM 5-39, PM 5-40, and PM 5-41.

³⁰ The LNP-related return rate was computed by combining the results for PM 5-22, PM 5-23, PM 5-24, PM 5-25, PM 5-26, PM 5-27, PM 5-28, PM 5-29, PM 5-30, PM 5-46, PM 5-47, PM 5-50, PM 5-51, and PM 5-52.

³¹ The DSL loop return rate was calculated by combining the results of PM 5-18, PM 5-20, PM 5-42, and PM 5-44.

³² Meeting the 95% benchmark would have required SBC Illinois to return within 48 hours 59 FOCs for the 62 orders in September and 41 FOCs for the 43 orders received in October. SBC Illinois timely returned 58 and 40 FOCs in September and October, respectively, falling only a single FOC short of the benchmark in both months. Finally, no definitive conclusion can be derived from Illinois CLECs' timely receipt of 100% of the FOCs for the 8 orders reported for PM 5-26 in October.

A shortfall on 2 FOCs is clearly insignificant, especially when one considers SBC Illinois' timely performance on categories with more significant volumes.³³

Rejection Notices

67. CLEC orders that are improperly formatted, or that do not contain necessary data, are returned to the requesting carrier with a rejection notice (“reject”) so the requesting carrier can correct and re-submit its order.
68. SBC Illinois has returned rejects to CLECs in a timely fashion. The performance results for PM 10-01 (Percent Mechanized Rejects Returned Within One Hour of Receipt of Reject in MOR) exceeded the 97% benchmark during two of the three months in the study period.³⁴ Over the three months as a whole, SBC Illinois returned 98.25% of mechanized rejects within one hour of receipt in MOR. In addition, the data reported for PM 11-01 (Mean Time to Return Mechanized Rejects), indicate that SBC Illinois returned mechanized rejects in an average of just 0.17 of an hour during each month of the study period.

³³ SBC Illinois also was unable to attain the 95% benchmark for PM CLEC WI 6-02 (FMOD Process: Percent Form A Received Within the Interval Ordered by the Commission - DSL Loops without Line Sharing) in October and November. SBC Illinois issued Form A within the interval ordered by the Commission for 93.48% and 92.77% of the FMOD orders for stand alone DSL loops in October and November, respectively. SBC Illinois would have achieved the 95% benchmark if Form A had been returned within the specified interval for 3 additional FMOD orders involving stand alone DSL loops in October and 2 additional FMOD orders in November. These slight deviations from the 95% benchmark performance standard for PM CLEC WI 6-02 likely did not deprive Illinois CLECs of a meaningful opportunity to compete. In addition, SBC Illinois did not achieve the 95% benchmark for PM CLEC WI 7-01.5 (FMOD Process: Percent Forms B, C, D, and E Received Within 72 Hours of Form A – Form B – BRI Loops with Test Access) in September and October. However, SBC Illinois issued Form B within 72 hours of Form A for 17 of the 19 (89.47%) of the FMOD orders involving BRI loops with test access in September and for 25 of the 27 (92.59%) BRI loop FMOD orders in October. SBC Illinois' performance results would have exceeded the 95% benchmark for PM CLEC WI 7-01.5 in October if Form B had been issued within 72 hours of Form A for only a single additional BRI loop FMOD order. In effect, SBC Illinois fell short of meeting the 95% benchmark for PM CLEC WI 7-01.5 in two of the study period's three months by requiring longer than 72 hours after Form A was issued to issue Form B for a

69. The mean time to return manual rejection notices exceeded the five hour benchmark during two of the three study period months for PM 11.1-01 (Mean Time to Return Manual Rejects that are Received via an Electronic Interface), but the difference was not material. In September and November, SBC Illinois' performance results exceeded the benchmark by just 0.48 and 0.04 of an hour, respectively. Despite these minor shortfalls, over the September – November study period, SBC Illinois' average time to return the 42,832 manual rejects that were received via an electronic interface was 4.81 hours (within the five-hour benchmark). Finally, SBC Illinois surpassed the five-hour benchmark for PM 11.2-01 (Mean Time to Return Manual Rejects that are Received through the Manual Process) in each of the three months during the study period. Over the study period, the average time to return manual rejects received via a manual process was 2.89 hours.
70. Note that in the recently completed six-month collaborative review of performance measures, agreement was reached between SBC Midwest and the CLECs, applicable to all SBC Midwest states, on revised reporting benchmarks for reject timeliness. As discussed in the collaborative, the industry expects either a FOC or a reject to be issued, in response to an LSR submitted, within the timeframe specified for FOC response. The performance standards established for PMs 10.1-01 (% Rejects Returned Within One Hour Of Receipt of Order), 10.2-01 (% Manual Rejects Received Electronically and Returned Within 5 hours) and 10.3-01 (% Mechanized Rejects Received Electronically and Returned Within 5 hours) in the version 1.8 business rules in effect for the study

single BRI loop FMOD order. Such a slight performance “shortfall” likely did not deprive Illinois CLECs’ of a meaningful opportunity to compete.

³⁴ In September, SBC Illinois’ performance results for PM 10-01 fell only 0.24% short of the 97% benchmark.

period call for stricter benchmarks than required by the corresponding FOC benchmark. For example, the FOC benchmark for a manually submitted UNE-P Complex Business order is less than 24 hours. The corresponding reject standard for this type of order, as defined in PM 10.3-01, is five hours.

71. This disparity between the FOC and reject performance standard benchmarks was recognized by the CLECs participating in the collaborative and SBC Mid west. In the agreed-upon changes from the recently completed six-month review, the applicable standard for reject timeliness were altered to reflect the FOC performance standards as follows: from 1 hour to 2 hours for electronically received and processed orders (PM 10.1-01); from 5 hours to 8 hours for electronically received but manually processed orders (PM 10.2-01; and from 5 hours to 24 hours for manually received and processed orders PM 10.3-01). Under these benchmarks, performance reported for PMs 10.1-01, 10.2-01 and 10.3-01 is expected to consistently exceed the standard 95% or more of the time.

Jeopardy Notices

72. A “jeopardy” notice informs the CLEC that SBC Illinois has discovered an issue that might affect its ability to provision the order on time. The due date might still be met; a jeopardy notice simply lets the CLEC know it might not be met.
73. The frequency with which jeopardy notices have been sent on CLEC orders is quite low. UNE-P orders, which form the bulk of the wholesale purchases by Illinois CLEC’s, have experienced a jeopardy notice rate of just 0.75% during the September – November period, as evidenced by the results for PM 10.4-10 (Percentage of Orders Given Jeopardy

Notices – UNE-P). CLECs’ orders for unbundled local loops had a slightly higher jeopardy report rate of 1.47%³⁵ through November 2002, while CLECs’ resold line orders had a jeopardy rate of 1.97%.³⁶ The overall jeopardy notice rate has been just 0.94% during the study period. Data sufficient to determine whether the applicable performance standard had been met (i.e., at least ten data points) was reported in at least two of the study period’s three months (September, October, and November) for 6 of the 10 disaggregated submeasures of PM MI 2 (Percent of Orders Given Jeopardy Notices Within 24 Hours of the Due Date). SBC Illinois’ performance data met the standard for parity in at least two of the three months during the study period for three of the PM MI 2 submeasures: PM MI 2-02 (Percent of Orders Given Jeopardy Notices Within 24 Hours of the Due Date – Residence Class of Service – No Field Work), PM MI 2-04 (Percent of Orders Given Jeopardy Notices Within 24 Hours of the Due Date – Business Class of Service – No Field Work), and PM MI 2-07 (Percent of Orders Given Jeopardy Notices Within 24 Hours of the Due Date – Unbundled Loops with LNP). However, SBC Illinois’ performance data did not meet the statistical criteria for parity in at least two of the study period’s three months: PM MI 2-01 (Percent of Orders Given Jeopardy Notices Within 24 Hours of the Due Date – Residence Class of Service – Field Work), PM MI 2-08 (Percent of Orders Given Jeopardy Notices Within 24 Hours of the Due Date – Unbundled Loops without LNP), and PM MI 2-10 (Percent of Orders Given Jeopardy Notices Within 24 Hours of the Due Date – UNE-P).

³⁵ This rate was calculated by combining the results for PM 10.4-07 and PM 10.4-08.

³⁶ The jeopardy report rate for resold lines was calculated by adding PM 10.4-01, PM 10.4-02, PM 10.4-03 and PM 10.4-04.

74. Moreover, even these very low jeopardy report rates overstate any impact to the consumer. The transmission of a jeopardy notice by SBC Illinois does not imply that a CLEC order will actually be missed. Jeopardy notices are frequently issued on orders that are actually completed by the due date. I address the rate of actual missed due dates under the various checklist items below.³⁷

Completion Notices

75. Upon completion of a CLEC order, an electronic completion notice is sent to the requesting carrier via the applicable interface. SBC Illinois met the 99% benchmark during two of the three months for PM 7.1-02 (Percent Mechanized Completions Returned within One Day Of Work Completion – UNE). In addition, SBC Illinois met the aggressive 99% benchmarks in both October and November for PM 7-01 (Percent Mechanized Completions Returned Within 1 Hour of Completion in Ordering Systems – Resale), PM 7-02 (Percent Mechanized Completions Returned Within 1 Hour of Completion in Ordering Systems – UNE), and PM 7-03 (Percent Mechanized Completions Returned Within 1 Hour of Completion in Ordering Systems – Combinations). SBC Illinois’ performance results during the three months of the study period combined indicate that completion notices were timely returned for 98.92%, 99.25%, and 97.3% of resale, UNE, and combinations orders, respectively.

³⁷ As such, the ICC-approved PM 10.4 and MI 2 parity performance standards have been “diagnostic” (i.e., informational) and no remedies or assessments are paid on the measurement. Also noteworthy is that the FCC has correctly suggested that analysis of jeopardies-related data is more informed when the missed due date rate is considered. *Kansas & Oklahoma*, ¶ 149. SBC Illinois’ excellent performance for installation timeliness considerably diminishes the relevance of PM 10.4. And in the recently completed PM collaborative, agreement was reached to replace the parity comparison with a 5% benchmark on both PM MI 2 and PM 10.4.

76. Consistent with SBC Illinois' strong performance regarding the timely return of completion notices, the average intervals reported for PM 8 (Average Time to Return Mechanized Completions – Hours) indicate that CLECs received these notices, on average, in less than one hour in each of the study period's three months. The data over the study period for PM 8-01 (Average Time to Return Mechanized Completions (Hours) – Resale), PM 8-02 (Average Time to Return Mechanized Completions (Hours) – UNE), and PM 8-03 (Average Time to Return Mechanized Completions (Hours) – Combinations) indicate that Illinois CLECs received completion notices for resale, UNE, and combinations orders, on average, within about one-third of an hour (i.e., 20 minutes). Specifically, over the September – November interval, the average times to return mechanized completion notices for resale, UNE, and combinations were 0.38, 0.34, and 0.35 of an hour, respectively.
77. SBC Illinois also met the stringent 99% benchmark in two of the three study period months for PM 7.1-02 (Percent Mechanized Completions Returned Within One Day Of Work Completion – UNE). SBC Illinois issued completion notices for 99.24% and 99.08% of UNE orders within one day of work completion in September and November, respectively. Although SBC Illinois did not meet the 99% benchmark for PM 7.1-01 (Percent Mechanized Completions Returned Within One Day Of Work Completion – Resale) and PM 7.1-03 (Percent Mechanized Completions Returned Within One Day Of Work Completion – Combinations), the shortfall was small, as over 97% of completion notices were returned to CLECs within one day of work completion in each of the three

months during the study period.³⁸ Finally, SBC Illinois did not achieve the 99% benchmark during the study period for PM 7.1-04 (Percent Mechanized Completions Returned Within One Day Of Work Completion – LNP Only).³⁹

78. The performance shortfalls for these measures regarding the timely return of service order completion notices were generally within 1% of the 99% benchmark. For example, SBC Illinois' performance in returning service order completion notices within the specified interval over the study period was 0.69% below the 99% benchmark for PM 7.1-01. Similarly, the 99% benchmark was missed by just 0.75% for PM 7.1-03. Overall, the results for all submeasures of PM 7 and PM 7.1 combined indicate that Illinois CLECs received 97.24% of total (i.e., resale, UNE, combinations, and LNP only) service order completion notices within the specified interval during the study period.

Flow-Through

79. "Flow through" describes CLEC orders that pass through SBC Illinois' ordering interface, and into SBC Illinois' "back office" or "legacy" provisioning systems, *without* a need for manual intervention. Certain orders, typically complex ones, are not "flow-

³⁸ With the implementation of changes to PM 7.1 agreed to in the six month PM collaborative, performance results reported for completion notices sent to Illinois CLECs will align with the other SBC Midwest states and have a 97% benchmark. Using the 97% benchmark, all disaggregations other than LNP Only (PM 7.1-04) meet the benchmark for September through November 2002 two out of three months for Illinois.

³⁹ LNP Only completions represented only 3.37% of the total mechanized completions reported for all submeasures of PM 7.1 combined over the study period. Actual performance delivered to CLECs on LNP Only completion notifications measured by PM 7.1-04 is understated in these results due to SBC Illinois' inability to yet implement the exclusion for CLEC-caused delays allowed in the PM 7.1 business rules. Current SBC Illinois practice calls for validating that the CLEC has ported the telephone number prior to the completion of the LNP order. It is common for the CLEC to port the telephone number after the due date, causing the delay of the order completion and notification. These delays are currently not excluded from PM 7.1-04 as defined in the business rules. Upon implementation of this exclusion, reported results are expected to exceed 90% of LNP Only completion notices sent within one day of work completion.

through eligible”); that is, they are not designed to flow all the way into and through the legacy systems from the electronic interface.

80. SBC Illinois’ flow-through performance – standing at 95.56% for the study period as a whole – is excellent. In other words, SBC Illinois’ service representatives were involved in processing only about 5 out of every 100 flow-through eligible orders (more specifically, only 18,530 of the 417,501 flow-through eligible CLEC orders required the intervention of service representatives from September through November). This flow-through rate is superior to that provided by other BOCs whose section 271 applications have been approved.⁴⁰

81. SBC Illinois’ performance results met the 95% benchmark for PM 13-01 (Percent Order Process Flow Through – UNE Loops) in two of the three study period months. Over the study period, CLECs experienced a 95.71% flow through rate for UNE loop orders. In addition, SBC Illinois met the standard for parity in each of the three months during the study period for PM 13-04 (Order Process Percent Flow Through – LNP). Over the study period, CLECs’ LNP Orders achieved a 98.86% flow through rate, compared to 96.92% for SBC Illinois’ retail operations. Despite this performance, SBC Illinois has been unable to meet the parity standard for the remaining four submeasures associated with PM 13 (Order Process Percent Flow Through).⁴¹ However, given SBC Illinois’ very high overall flow through percentage, these differences were not material.

⁴⁰ E.g., *Arkansas & Missouri 271 Order*, n. 98 (“SWBT’s rates are constantly near or above 90% flow-through.”); *Kansas & Oklahoma 271 Order*, ¶¶ 145-146, & n. 403 (“We do not find that the flow-through rate in Oklahoma (between 70 and 80 percent in recent months), in itself, warrants a finding of checklist non-compliance.”).

⁴¹ PM 13-02 (Order Process Percent Flow Through – Resale), PM 13-03 (Order Process Percent Flow Through – UNE-P), PM 13-05 (Order Process Percent Flow Through – LSNP), and PM 13-06 (Order Process Percent Flow Through – Line Share).

82. In any event, the FCC has made clear that flow-through data “are not so much an end in themselves, but rather are a tool used to indicate a wide range of possible deficiencies in a BOC’s OSS.” *New York 271 Order* (¶ 162). Thus, a BOC’s “overall ability to return timely order confirmation and rejection notices, accurately process manually handled orders, and scale its systems is more relevant and probative for analyzing [its] ability to provide access to its ordering functions than a simple flow-through analysis.” *Id.* As I described above, SBC Illinois returns order status notices on a timely basis, and under the various checklist items I demonstrate that SBC Illinois timely and accurately processes carrier orders. While SBC Illinois has not met all the benchmark performance levels for flow-through, the rates for flow-through have been superior to those found adequate in past applications under section 271, and more importantly the end results – timely order status notices, and timely and reliable provisioning work – show that the overall process is functioning well.

Provisioning Accuracy

83. I address the reliability of provisioning by two groups of measures. Below, I discuss the rate of “trouble reports” on new installations, which indicates the quality and accuracy of provisioning work. Here, I address a measure of “provisioning accuracy,” which compares the features ordered on the LSR submitted through a mechanized interface and provisioned, to the copy of the order that updates the billing system. The performance results show that SBC Illinois provides CLECs provisioning accuracy that is at least comparable to those received by SBC Illinois’ retail operations. SBC Illinois has achieved the standard for parity in each month of the study period for PM 12-01 (Mechanized Provisioning Accuracy). The accuracy rate on CLEC orders was 97.36%,

compared to 94.51% for SBC Illinois' retail operations. This high rate of performance, coupled with low rates of installation trouble reports discussed in later sections of this affidavit, show that SBC Illinois processes CLECs' orders in a reliable manner.

Line Loss Notification

84. Upon completion of an order that results in the switching of a circuit or line from a CLEC to either another CLEC or to SBC Illinois (the end customer decided to convert their service to a carrier other than the CLEC), SBC Illinois issues a line loss notification to the CLEC who previously "owned" the circuit or line.

85. SBC Illinois' performance on line loss notification timeliness is assessed in PM MI 13 (Percent Loss Notifications Within One Hour of Service Order Completion).

Performance for PM MI 13 met the 95% benchmark in at least two of the three months in the study period for the UNE Loop, LNP and UNE-P disaggregations (PMs MI 13-02, MI 13-03 and MI 13-04 respectively), but failed to meet the benchmark for the Resale disaggregation (PM MI 10-01). Timeliness of UNE Loop line loss notification averaged 94% within one hour of service order completion during the study period, while LNP line loss notices were returned within one hour on average 96% of the time for that same study period. UNE-P line loss notices, representing over 81% of all line loss notices sent, were delivered within one hour of service order completion nearly 99% of the time, on average, during the study period. Line loss notices sent on resale lines, while missing the

95% benchmark in two of the three months, averaged 93% over the three month study period.⁴².

Billing

86. SBC Illinois provides customer usage data to CLECs for use in billing their end users and it issues bills to CLECs for the wholesale products and services they obtain. SBC Illinois provides strong billing performance. The results for PM 14-01 (Billing Accuracy – Resale Monthly Recurring / Non Recurring) show that there were *no* errors in the audited bills during the study period. Furthermore, the results for PM 14-03 (Billing Accuracy – Other UNEs) met the parity standard in each month of the study period. While SBC Illinois did not achieve parity for PM 14-02 (Billing Accuracy - Resale Usage / Unbundled Local Switching) in each of the three months of the study period, these “shortfalls” were minimal, as only one error was recorded in September and October and five in November.
87. SBC Illinois also has formatted and transmitted these billing records to CLECs in an excellent manner. The performance results for both PM 15-01 (Percent of Accurate and Complete Formatted Mechanized Bills Via EDI or BDT - EDI) and 15-02 (Percent of Accurate and Complete Formatted Mechanized Bills Via EDI or BDT - BDT) have been perfect during each of the three study period months. Likewise, SBC Illinois has achieved perfection during each month since September 2002 for PM 16-01 (Percent Usage Records Transmitted Correctly).

⁴² EDI translator issues and an EDI mapping error contributed to the lower performance in September and November 2002 on line loss notification as assessed by PM MI 13-01. Due to the EDI system issues, Line Loss notifications had to be re-sent to the CLECs. These re-sent notifications were tracked as ‘misses’ in the

88. Additionally, SBC Illinois has provided CLECs parity service for both PM 18 (Billing Timeliness) and PM 19-01 (Daily Usage Feed Timeliness) during each month of the study period. The results for both PM 18-01 (Billing Timeliness - CABS) and 18-02 (Billing Timeliness - AEBS) have been perfect during each month of the study period. Similarly, daily usage feed timeliness has averaged 99.69% over the September - November 2002 interval. SBC Illinois has timely provided CLECs the information they use to bill their customers.
89. Even though SBC Illinois' performance results did not meet the parity standard during the study period for PM 17-01 (Billing Completeness), the differences were immaterial. Performance was in excess of 90% in each month: 96.60% in September, 94.00% in October and 91.55% in November.
90. Moreover, the shortfalls for this measurement results from a conservative implementation of the business rule, which has been revised in the agreed-to business rules resulting from the recently completed six-month review collaborative. SBC Illinois currently counts a "miss" if a new order is not included on the first bill that is produced for the CLEC after the order is "available for billing." This occurs even when the account's bill cycle runs the next day. However, SBC Illinois understands the performance measure to allow up to 19 bill cycles, or approximately one month, for the update in the billing system to be made. The expectation would be for the order to be included on the first bill to the CLEC after that date.

performance measurement. The appropriate system enhancements and controls have been implemented to address these issues.

91. SBC Illinois' billing accuracy performance, properly viewed, provides Illinois CLECs a meaningful opportunity to compete.

Interface Availability/Center Responsiveness

92. PM 4 (OSS Interface Availability) measures the percentage of time that each of the electronic OSS interfaces offered by SBC Illinois are actually available to receive and process transactions, as a percentage of scheduled available time. There are separate submeasures for the various interfaces, as well as for some of the key systems used in the various OSS functions.
93. SBC Illinois' interface availability has been outstanding. The benchmarks for all eighteen submeasures of PM 4 (OSS Interface Availability) were met in at least two of the three study period months. In fact, the overall interface availability has averaged 99.86% during the September through November 2002 interval.
94. The quality of the LSC responsiveness has been similarly superior. SBC Illinois has achieved parity for each of the three submeasures associated with PM 22 (Local Service Center (LSC) Grade Of Service (GOS)) during every one of the three study period months. Over the study period, 95.68% of CLECs' calls to LSC were answered within 20 seconds, compared to 46.41% for SBC Illinois' retail operations. Moreover, when Illinois CLECs have been on hold with the LSC, the waiting period has averaged about two minutes (132.41 seconds) as evidenced by the three month performance results for all three submeasures of PM 21.1 (Average Time Placed on Hold at LSC) during the study period. SBC Illinois' Interface Availability and Call Center Responsiveness provides Illinois CLECs a meaningful opportunity to compete.

CHECKLIST ITEM (III) – ACCESS TO POLES, DUCTS, CONDUITS, AND RIGHTS-OF-WAY

95. SBC Illinois' performance data for three measurements demonstrate SBC Illinois' compliance with checklist item (iii) – nondiscriminatory access to poles, ducts, conduits, and rights-of-way. No performance shortfalls are indicated by the results reported for these measurements (Attachment F).
96. For example, the results for PM 105-01 (Percentage of Requests Processed Within 35 Days) show that none of the CLECs' fifteen requests for access to poles, conduits, and rights-of-way required more than 35 days to process during the study period. These requests, as shown by the results of PM 106-01 (Average Days Required to Process a Request), were processed on average in 13.53 days. These results reflect a calculation using business days only, and the 35 day target does not specify business days. However, even if the maximum number of weekend days within the average interval (6 days) is added to the result, the 35 day target is still met with several days to spare.
97. In addition, during the study period SBC Illinois processed all of the field surveys associated with structure requests within the standard interval, according to the results for PM MI 5-02 (Structure Requests Completed Outside of Interval - Field Survey). Likewise, all make-ready requests by Illinois CLECs from September through November 2002 were completed during the standard interval, as indicated by the data reported for PM MI 5-03 (Structure Requests Completed Outside of Interval – Make Ready).

CHECKLIST ITEM (IV) – UNBUNDLED LOCAL LOOPS

98. SBC Illinois provides nondiscriminatory access to unbundled local loops and to UNE combinations, as demonstrated by the results for the performance measurements

corresponding to checklist item (iv) identified in Attachment G. These submeasurements provide reported data for multiple disaggregations, including DSL loops (both xDSL-capable – or “stand alone” – and line shared loops), 2 wire digital (“BRI”) loops, high capacity (i.e., DS1 and DS3) loops, 2 wire analog loops, unbundled network element – platform (UNE-P) arrangements, and coordinated conversions. The results for these submeasurements provide comparative provisioning and maintenance data demonstrating SBC Illinois’ provision of nondiscriminatory access to unbundled local loops.

99. One can briefly summarize the various performance measurements in this area as follows: First, SBC Illinois’ performance measures that address the timeliness of provisioning activities include the rate of missed due dates (the overall rate, and the rate due to lack of facilities), the average delay (i.e. by how many days the due date was missed), and the average interval for installation (the time between receipt of an order and completion of work). Similarly, SBC Illinois’ performance measures address the timeliness of maintenance activities principally by looking at the rate of missed appointments and the average time to restore service. Finally, the reliability of provisioning and maintenance is addressed by measures of “trouble reports”: including those within a short time of installation (“installation trouble reports”) or of a previous repair (“repeat trouble reports”), and as a whole.
100. SBC Illinois delivers solid provisioning and maintenance performance to CLECs across all categories of unbundled local loops. Specifically, SBC Illinois met the applicable performance standard for 140 of the 151 (92.7%) unbundled local loop submeasurements in at least two of the three study period months. As I describe further below, SBC

Illinois' performance results demonstrate that CLECs are provided a meaningful opportunity to compete.

Unbundled DSL Loops

101. The FCC has encouraged state commissions to adopt DSL loop performance measurements in five categories: (1) missed installation appointments, (2) average completion interval, (3) installation quality, (4) timeliness and quality of maintenance and repair, and (5) timeliness of access to pre-ordering and ordering information.⁴³ The Version 1.8 measurements for which SBC Illinois collects and reports DSL loop performance data meet the FCC's expectation. Furthermore, the overall performance results relative to these measurements demonstrate that SBC Illinois is providing CLECs nondiscriminatory access to DSL loops.

Missed Installation Appointments

102. As indicated by the performance results, SBC Illinois has provided CLECs a meaningful opportunity to compete relative to the timeliness of stand-alone DSL loop provisioning. SBC Illinois has likewise provided nondiscriminatory access to the timely provisioning of line shared DSL loops.

103. With respect to standalone loops, results for PM 58-04 (Percent Ameritech-Caused Missed Due Dates – DSL – No Line Sharing) show that SBC Illinois missed the due date for CLEC orders no more than 1.93% of the time for any month in the study period (far better than the 5% benchmark). Over the three-month study period, SBC Illinois missed

⁴³ *Texas 271 Order*, ¶ 282; *New York 271 Order*, ¶ 334.

the due dates on just 1.19% (29 of 2,442) of CLECs' standalone DSL loop installations. Moreover, performance results for PM 63-02 (Percent Ameritech-Caused Missed Due Dates Greater Than 30 Days – DSL – No Line Sharing) indicate that none of these missed due dates resulted in a delay of installation beyond 30 days.

104. In addition, performance results for PM 56-12.2 (Percent Installations Completed Within the Customer Requested Due Date (CRDD) – DSL – No Line Sharing – Without Conditioning) show that SBC Illinois surpassed the benchmark of “95% within 5 business days” in each month of the study period (September: 98.98%; October: 98.98%; November: 98.27%). Over the study period, SBC Illinois installed 98.78% of CLECs' orders for stand-alone DSL loops without conditioning within 5 days. Similarly, the performance results for PM 56-12.1 (Percent Installations Completed Within the Customer Requested Due Date (CRDD) – DSL – No Line Sharing – Conditioning Required) show that SBC Illinois surpassed the benchmark of “95% within 10 business days” in each month of the study period. SBC Illinois completed all 16 stand alone DSL loop with conditioning orders in September and all 15 orders in November within the 10 business day target interval. In October, SBC Illinois completed 30 of the 31 (96.77%) CLEC orders for stand alone DSL loops with conditioning within the 10-day target. Over the study period, only a single CLEC order for stand alone DSL loops with conditioning required more than 10 days to install. As a consequence, 98.39% of CLECs' stand-alone DSL loop with conditioning orders were installed within the 10 day target interval.
105. Performance results for PM 58-03 (Percent Ameritech-Caused Missed Due Dates – DSL – Line Sharing) likewise show the very high performance that SBC Illinois provides to CLECs. Over the three months concluding in November, SBC Illinois missed the due

dates on only 0.57% of CLEC line shared DSL loop orders, as compared to the 2.81% missed due dates percentage for SBC Illinois' affiliate. With respect to CLEC orders for line shared DSL loops, in each of the three months during the study period, SBC Illinois provided CLECs better-than-parity service: CLECs experienced 0.86%, 0.75%, and 0.16% missed due dates in September, October, and November, respectively. SBC Illinois' affiliate encountered 3.89%, 3.25%, and 0.60% missed due dates in the same three months. Throughout this three month interval, SBC Illinois missed the due dates for CLEC orders only twenty times – nine in both September and October and only two in November. Furthermore, SBC Illinois met the parity standard for PM 63-01 (Percent Ameritech-Caused Missed Due Dates Greater Than 30 Days – DSL – Line Sharing) in each of the three months during the study period, as none of these twenty missed due dates delayed installation by more than 30 days.

106. Even for those due dates that were missed, the resulting installation delays for stand alone DSL loop orders were sufficiently short so as to provide CLECs a meaningful opportunity to compete. SBC Illinois met the 6.5-day benchmark in two of the three months in the study period (October and November) for PM 62-02 (Average Delay Days for Ameritech-Caused Missed Due Dates – DSL Loops – No Line Sharing).⁴⁴ The average installation delay resulting from missed due dates for CLECs' stand alone DSL loop orders over the three month interval ending with November was 3.21 days, about one-half of the 6.5 day benchmark. Further, for DSL with line sharing missed due dates, the data indicate that installation delays for CLECs were comparable to those for SBC

⁴⁴ In September, only 7 CLEC missed due dates were reported for PM 62-02. Since the sample size is less than 10 data points, SBC Illinois' performance for September is considered indeterminate with regard to meeting the benchmark.

Illinois' affiliate. Since fewer than ten missed due dates were reported in each of the previous three months for PM 62-01 (Average Delay Days for Ameritech-Caused Missed Due Dates – DSL Loops – Line Sharing), SBC Illinois' performance data is considered indeterminate with regard to meeting the statistical standard for parity.⁴⁵ However, the available data indicate that, during the September – November interval, CLECs encountered an overall average installation delay associated with missed due dates for DSL with line sharing orders of 3.15 days, comparable to the average delay of 2.93 days for affiliate orders.

107. The data reported for PM 56-13 (Percent Installations Completed Within the Customer Requested Due Date (CRDD) – DSL – Line Sharing) demonstrate that SBC Illinois met the parity standard in each of the three months in the study period. Over the study period as a whole, SBC Illinois completed 99.63% of CLEC orders for DSL with line sharing within the requested due date, compared to 97.06% for SBC Illinois' affiliate.
108. The timeliness of SBC Illinois' stand alone and line shared DSL loop installations generally have been unaffected by a lack of facilities ("LOF"). For example, in each of the three months during the study period, SBC Illinois performed significantly better than the 5% benchmark for all submeasurements that capture the percentage of CLECs' standalone DSL loop due dates missed as a result of a lack of facilities. The data reported for PM 60-02.1 (Percent Missed Due Dates Due to Lack of Facilities – DSL – No Line Sharing) show that, over the three study period months, due dates were missed on only twenty (or 0.82%) CLEC standalone DSL loop orders due to LOF. Results for PM 60-

⁴⁵ Just six missed due dates for CLECs' DSL with line sharing orders were reported for PM 62-01 in both September and October, while only a single missed due date was reported in November.

02.2 (Percent Missed Due Dates Due to Lack of Facilities Greater Than 30 Days – DSL – No Line Sharing) demonstrate that none of these missed due dates resulted in an installation delay beyond 30 days. Consequently, the data for PM 60-02.3 (Percent Missed Due Dates Due to Lack of Facilities Greater Than 90 Days – DSL – No Line Sharing) indicate no delays beyond 90 days were encountered by CLECs.

109. With respect to line shared DSL loops, data for PM 60-01.1 (Percent Missed Due Dates Due to Lack of Facilities – DSL – Line Sharing) demonstrate that SBC Illinois met the parity standard in each month of the study period. LOF caused SBC Illinois to miss the due dates for CLEC orders for DSL with line sharing just three, two, and one times in September, October, and November, respectively. As a result, over the study period, SBC Illinois missed due dates due to LOF on just 0.17% of CLECs' line shared DSL orders, comparable to the 0.16% missed due dates for SBC Illinois' affiliate. The data for PM 60-01.2 (Percent Missed Due Dates Due to Lack of Facilities Greater Than 30 Days – DSL – Line Sharing) and PM 60-01.3 (Percent Missed Due Dates Due to Lack of Facilities Greater Than 90 Days – DSL – Line Sharing) demonstrate that SBC Illinois' performance results were in parity in each of the three months in the study period for both of these measurements. None of the six missed due dates caused by LOF extended installation beyond 30 days (PM 60-01.2). As a result, the data for PM 60-01.3 indicate no delays beyond 90 days were encountered by CLECs.

Average Installation Intervals

110. SBC Illinois' performance results demonstrate that it provides CLECs with installation intervals that, in the case of stand-alone loops, generally meet the applicable benchmark.

The results also reflect that, in the case of line shared loops, for the service the SBC Illinois provides CLECs typically is superior to that provided to SBC Illinois' affiliate.

111. With regard to stand alone DSL loops that do not require conditioning, data for PM 55.1-04 (Average Installation Interval – DSL – No Line Sharing – Without Conditioning) indicate that SBC Illinois met the 5 day benchmark in September and November, while missing the benchmark by only 0.03 of a day in October. Overall, SBC Illinois surpassed the 5 day benchmark with an average installation interval of 4.93 days.
112. Data reported for PM 55.1-03 (Average Installation Interval – DSL – No Line Sharing – Conditioning Required) indicate that SBC Illinois met the 10 day benchmark in each of the three study period months concluding in November 2002. Over the study period, the average installation interval for stand alone DSL loops requiring conditioning was 8.95 days for 65 orders, more than a day quicker than the 10 day benchmark.
113. The results for PM 55.1-02 (Average Installation Interval – DSL – Line Sharing – Without Conditioning) show that SBC Illinois met the parity standard in each of the three months during the study period. In each month, SBC Illinois installed DSL-Line Sharing-Without Conditioning orders for CLECs in just 2.88 days on average, while the interval for SBC Illinois' affiliate was a full day longer (3.88 days).
114. The data reported for PM 55.1-01 (Average Installation Interval – DSL – Line Sharing – Conditioning Required) indicate that, during the study period, the average installation interval was 9.98 days for CLEC line shared DSL loops requiring conditioning. However, CLECs ordered relatively few line shared DSL loops requiring conditioning over the study period. SBC Illinois provisioned 46, 0, and 2 line shared DSL loops with

conditioning in response to CLEC ordering activity in September, October, and November, respectively.⁴⁶

Installation Quality

115. The quality of stand-alone DSL loops that SBC Illinois installs for CLECs provides them a meaningful opportunity to compete. Furthermore, the quality of the line shared DSL loops that SBC Illinois installs for CLECs is comparable to that provided to SBC Illinois' affiliate.
116. SBC Illinois met the 6% benchmark for PM 59-04 (Percent Trouble Reports Within 30 Days of Installation – DSL – No Line Sharing) in each of the three months ending with November 2002. Over the study period, only 5.15% (less than the 6% benchmark) of CLECs' stand-alone DSL loop installations experienced a trouble report within 30 days of installation.
117. Although the rate of installation trouble reports in this area was low throughout the study period (the average rate was 4%, and the highest rate in any one month was 6%) , SBC Illinois' performance results did not achieve the statistical criteria for parity for PM 59-03 (Percent Trouble Reports Within 30 Days of Installation – DSL – Line Sharing). Over the study period, 4.00% of CLECs' DSL with line sharing loops generated a trouble report within 30 days of installation, compared to 1.46% for SBC Illinois' affiliate. The performance shortfall for PM 59-03 has been traced to the inability to identify minor facility failures (such as shorts or grounds) at time of provisioning without dispatch of a

⁴⁶ No data were reported for PM 55.1-01 for SBC Illinois' affiliate in any of the study period's three months.

technician. SBC Illinois' network organization is assessing alternatives to address this, and will be improving the process.

Maintenance and Repair

118. SBC Illinois provides CLECs stand alone DSL loops of high quality and with maintenance and repair service in a manner that provides them a meaningful opportunity to compete. Further, SBC Illinois provides CLECs line shared DSL loops of similarly high quality, and maintenance and repair services in substantially the same time and manner as it does for SBC Illinois' affiliate.
119. SBC Illinois' performance results for PM 65-04 (Trouble Report Rate – DSL – No Line Sharing) demonstrate that CLECs' trouble report rates for stand alone DSL loops have been substantially better than the benchmark of 3.0 troubles per 100 circuits in each of the three months in the study period.⁴⁷ Over the study period as a whole, CLECs' average monthly trouble report rate has been just 0.66 reports per 100 loops for loops without line sharing.
120. However, SBC Illinois has been unable to meet the parity standard for DSL Loops with line sharing reported in PM 65-03 (Trouble Report Rate – DSL – Line Sharing) in any of the months of the study period. However, the differences between the CLEC trouble report rate and those of SBC Illinois' affiliate were 0.05, 0.37, and 0.21 reports per 100 loops in September, October, and November, respectively. During the three month period concluding in November, CLECs experienced an overall average monthly total

trouble report rate of 0.53 per 100 loops, just 0.21 reports per 100 loops above the 0.32 per 100 loops average total trouble report rate for SBC Illinois' affiliate.⁴⁸

121. SBC Illinois' performance results met the 3.0 trouble reports per 100 loops (i.e., 3%) benchmark for PM 65.1-04 (Trouble Report Rate Net of Installation and Repeat Reports – DSL – No Line Sharing) in each of the study period's three months, with CLECs' net trouble report rate never exceeding 0.55 net reports per 100 loops in any of these months. Over the study period, CLECs' stand alone DSL loop net trouble report rate was 0.47 net reports per 100 loops, well below the 3 reports per 100 loops (i.e., 3%) benchmark. These performance results indicate that the quality of the standalone DSL loops provisioned for Illinois CLECs is sufficient to provide them with a meaningful opportunity to compete. While the net trouble report rate for CLECs' DSL loops with line sharing was low (the maximum rate in any one month was 0.23 percent), SBC Illinois did not meet the parity standard for PM 65.1-03 (Trouble Report Rate Net of Installation and Repeat Reports – DSL – Line Sharing). Again, however, the differences were minor. CLECs' net trouble report rates for DSL loops with line sharing exceeded those of SBC Illinois' affiliate by only 0.09 reports per 100 loops in both September and November, and just 0.17 reports per 100 loops in October.
122. The performance results for both PM 67-04 (Mean Time to Restore – Dispatch – DSL – No Line Sharing) and PM 67-19 (Mean Time to Restore – No Dispatch – DSL – No Line Sharing) demonstrate that SBC Illinois met the 9 hour benchmark in each month of the

⁴⁷ While listed in the Version 1.8 business rules as a 3% benchmark, the trouble report rate is correctly discussed as "x" troubles per 100 lines. The comparison discussed here and reported in the attachments is to a 3.0 troubles per 100 lines benchmark standard.

study period. For the three months as a whole, SBC Illinois' mean time to restore service for CLECs' DSL loops was 6.31 hours for trouble reports requiring dispatch of a technician, and 1.6 hours for trouble reports not requiring dispatch.

123. SBC Illinois' performance results met the standard for parity in November for both PM 67-03 (Mean Time to Restore – Dispatch – DSL – Line Sharing) and PM 67-18 (Mean Time to Restore – No Dispatch – DSL – Line Sharing). The results for PM 67-03 did not meet the statistical standard for parity in September and October. The average repair interval was 10.12 hours over the study period, while the analogous affiliate interval was 7.65 hours. Similarly, the performance results for PM 67-18 did not meet the statistical standard for parity in September and October. However, over the September – November study period, the average repair interval was 5.53 hours while the analogous affiliate interval was 3.13 hours.⁴⁹
124. The performance results for PM 69-04 (Percent Repeat Reports – DSL – No Line Sharing) demonstrate that SBC Illinois met the 12% benchmark in each month of the study period. The average monthly “repeat” report rate over the September - November interval was 7.06% for CLECs' standalone DSL loops, and was lower than for SBC Illinois' affiliate in each of the three months in the study period
125. SBC Illinois' performance results for line-shared loops also met the criteria for parity in each of the three months in the study period (see PM 69-03 (Percent Repeat Reports – DSL – Line Sharing)). There were only 15 repeat reports on such loops over the study

⁴⁸ SBC Illinois has determined central office wiring and the inability to test and sync the data service as contributing to the out-of-parity performance reported. There are efforts underway to retrain and look for testing allowances during provisioning and repair process.

period (4 in September, 9 in October, and only 2 in November). The 5.28% average monthly repeat report rate for CLECs' DSL loops with line sharing was comparable to the 4.32% rate for SBC Illinois' affiliate.

126. SBC Illinois' performance results also met the criteria for parity in November for PM 66-03 (Percent Missed Repair Commitments – DSL – Line Sharing). While the performance results for September and October did not meet the statistical criteria for parity, just 9 repair commitments were missed in September and 10 in October for trouble reports generated by CLECs' line shared DSL loops. The difference between wholesale and affiliate results was only 5 repair commitments in September and 8 repair commitments in October, the percentages of missed repair commitments would have been lower for CLECs than for SBC Illinois' affiliate.⁵⁰

Timeliness of Access to Pre-Ordering and Ordering Information

127. The average response times for SBC Illinois' provision of manual DSL loop qualification information have been superior to the average response times for inquiries by SBC Illinois' affiliate. SBC Illinois met the criteria for parity in each of the three months in the study period for PM 1.1-01 (Average Response Time for Manual Loop Make-Up Information – DSL), with CLECs' average response times being consistently lower than those for SBC Illinois' affiliate. Over the September through November interval, the

⁴⁹ SBC Illinois' Network organization is actively engaged in efforts to provide additional monitoring of lineshare trouble reports so that the durations are reduced; improvement in results is expected in the very near future.

⁵⁰ See footnote 53

average response time for CLECs' requests for manual loop make-up information has been 7.97 days as compared to an average of 11.12 days for SBC Illinois' affiliate.⁵¹

128. SBC Illinois also returns DSL loop qualification information via the OSS electronic interfaces Web Verigate, EDI LSOG 4, CORBA, EDI LSOG 1, and Internet LSOG 1.⁵² SBC Illinois' performance results for those four of the pertinent six submeasures for which sufficient data were reported met the applicable benchmark in each month during the study period.⁵³ Furthermore, over the study period (September – November 2002), SBC Illinois' performance results surpassed the benchmark standard for each of these four pre-ordering submeasures involving DSL loops.
129. In addition, in each month of the study period, Illinois CLECs using the Web Verigate interface received responses within 51.6 seconds to 95.05% of all requests for DSL loop qualification information, according to the data for PM 2-09.1 (Percent Responses Received Within 51.6 Seconds – DSL Loop Qualification – Web Verigate). SBC Illinois' results were much better than the 80% benchmark. The results for EDI/CORBA

⁵¹ Beginning November 2002, SBC Midwest adjusted the method used to calculate the number of hours in the average response time for manual loop make-up information (PM 1.1-01). To align the results with those reported to the FCC, the measure now calculates the interval using a 24-hour running clock after receipt of the request. The clock continues to exclude weekends and holidays. Previously the clock was stopped during all non-business hours. As this change affects results for SBC Illinois' affiliate in exactly the same fashion as for the CLEC results, there is no impact on the determination of parity performance.

⁵² Performance results are reported on a diagnostic basis for PM 2-09.1 (Percent Responses Received Within 51.6 Seconds – DSL Loop Qualification – Web Verigate), PM 2-09.2 (Percent Responses Received Within 59.2 Seconds – DSL Loop Qualification – Web Verigate), PM 2-21.1 (Percent Responses Received Within 51.6 Seconds – DSL Loop Qualification – EDI LSOG 4/CORBA), PM 2-21.2 (Percent Responses Received Within 59.2 Seconds – DSL Loop Qualification – EDI LSOG 4/CORBA), PM 2-31.1 (Percent Responses Received Within 51.6 Seconds – DSL Loop Qualification – EDI/Internet LSOG 1), and PM 2-31.2 (Percent Responses Received Within 59.2 Seconds – DSL Loop Qualification – EDI/Internet LSOG 1).

⁵³ Fewer than ten CLEC requests were received in each month of the study period for both PM 2-31.1 and PM 2-31.2 (Percent Responses Received Within 59.2 Seconds – DSL Loop Qualification – EDI/Internet LSOG 1). Performance results generally are considered indeterminate regarding the achievement of a benchmark or parity standard with such small sample sizes (less than ten data points). In September, just eight Illinois CLEC requests for DSL loop qualification information received via the EDI or Internet LSOG 1 interfaces. Only two such requests were received in October and a single request was received in November.

were also good, as the performance results for PM 2-21.1 (Percent Responses Received Within 51.6 Seconds – DSL Loop Qualification – EDI LSOG 4 / CORBA), show that SBC Illinois responded within 51.6 seconds to 96.71% (compared to the 90% benchmark) of all requests for DSL loop qualification information during the study period.

130. The performance results for PM 5-18 (Percent Firm Order Confirmations (FOCs) Returned Within 6 Hours – Electronically Submitted LSRs – UNE xDSL-Capable Loops – 1-19 Loops) demonstrate that SBC Illinois surpassed the 95% benchmark in each of the three months during the study period. Over the study period, 99.13% of FOCs associated with CLECs’ electronically submitted orders for 19 or fewer DSL loops were returned within 6 hours. SBC Illinois also met the 95% benchmark during the study period for PM 5-20 (Percent Firm Order Confirmations (FOCs) Returned Within 6 Hours – Electronically Submitted LSRs – DSL with Line Sharing – 1-49 Loops). SBC Illinois returned within six hours 99.90% of the FOCs associated with CLECs’ electronically submitted LSRs for 49 or fewer line shared DSL loops over the study period.
131. SBC Illinois’ performance results in providing timely loop qualification information and the return of FOCs provide ample evidence that SBC Illinois provides nondiscriminatory access to DSL loop pre-ordering and ordering information.

Unbundled Digital Loops

132. SBC Illinois generally provisions digital loops for CLECs as quickly as for its own retail loops, with a lower percentage of missed installation appointments. Further, the installation quality of the CLECs’ loops is at least comparable to the quality of SBC

Illinois' own retail loops, and the timeliness and quality of SBC Illinois' maintenance and repair services provided to CLECs are no less than that received by its own retail customers.

Unbundled BRI Loops

133. SBC Illinois has demonstrated strong performance relative to making due dates. SBC Illinois achieved parity for PM 58-06 (Percent Ameritech-Caused Missed Due Dates – BRI Loops with Test Access) in each month during the study period. The percentages of due dates missed on CLEC orders for BRI loops were substantially lower than those for SBC Illinois' retail operations during the study period. For the three months as a whole, the 4.03% rate of missed due dates for CLECs' BRI loops was less than one-half of the 9.34% rate for retail. SBC Illinois also achieved parity in each of the study period months for PM 63-04 (Percent Ameritech-Caused Missed Due Dates > 30 Days – BRI Loops with Test Access), as only three missed due dates (0.22% of total installations) caused installation delays of more than 30 days.

134. SBC Illinois also met the parity standard in each of months in the study period for PM 62-04 (Average Delay Days for Ameritech-Caused Missed Due Dates – BRI Loops with Test Access). The performance data for PM 62-04 reveal that average installation delays for CLECs' BRI loops (9.10, 7.82, and 3.18 days in September, October, and November, respectively) were clearly lower than the analogous retail figures of 11.33, 17.85, and 8.47 days.

135. Likewise, PM 56-02.1 (Percent Installations Completed Within the Customer Requested Due Date – 2 Wire Digital Loops – 1-10 Loops) shows that SBC Illinois easily met the

standard for parity in each of the three months during the study period. The percentages of Illinois CLECs' orders for ten or fewer BRI loops that were installed within the requested due dates were 91.29%, 97.04%, and 97.49% in September, October, and November, respectively. The (lower) percentages of SBC Illinois' retail ISDN-BRI loops installed with the requested due dates were 86.82%, 91.00%, and 93.78% in September, October, and November, respectively.

136. The results for smaller orders (1-10 loops) were also good. SBC Illinois met the standard for parity in each of the three months during the study period for PM 55-02.1 (Average Installation Interval – 2 Wire Digital Loops – 1-10 Loops). The average installation intervals encountered by CLECs ordering ten or fewer BRI (i.e., 2 wire digital) loops were comparable to, or shorter than, the corresponding average installation intervals provided to SBC Illinois' retail operations in each of the three months concluding with November 2002. Over the study period, the average installation interval for CLECs' orders involving ten or fewer BRI loops was 5.92 days, comparable to the average installation interval of 5.76 days for SBC Illinois' retail ISDN-BRI loops.
137. Due dates related to lack of facilities show the same parity. The performance results met the parity standard in each month of the three months during the study period for PM 60-04.1 (Percent Ameritech-Caused Missed Due Dates Due to Lack of Facilities – BRI Loops with Test Access), PM 60-04.2 (Percent Ameritech-Caused Missed Due Dates Due to Lack of Facilities > 30 Days – BRI Loops with Test Access), and PM 60-04.3 (Percent Ameritech-Caused Missed Due Dates Due to Lack of Facilities > 90 Days – BRI Loops with Test Access). Over the September – November study period, missed due

dates caused by a lack of facilities affected 3.14% of CLECs' BRI loop orders, comparable to the 3.07% for SBC Illinois' retail ISDN-BRI loops (PM 60-04.1).

138. For those BRI loop due dates that are missed because of a lack of facilities, the average installation delays have been shorter for CLECs than for SBC Illinois' retail customers. SBC Illinois' performance results met the criteria for parity in two of the three months during the study period for PM 61-06 (Average Delay Days for Missed Due Dates Due to Lack of Facilities – BRI Loop with Test Access).⁵⁴
139. SBC Illinois' performance results for PM 59-06 (Percent Trouble Reports Within 30 Days of Installation – BRI Loops with Test Access) show that the quality of loops provided by SBC Illinois has been nondiscriminatory. The rate of trouble reports within 30 days of loop installations for CLECs are comparable to, or lower than, those encountered by SBC Illinois' retail loops. SBC Illinois achieved parity in each month of the study period for PM 59-06, and the overall installation trouble report rates for the period as a whole were 7.86% for CLECs' BRI loops and 8.49% for SBC Illinois' retail loops.
140. SBC Illinois' performance results for PM 65-06 (Trouble Report Rate – BRI Loops with Test Access), PM 65.1-06 (Trouble Report Rate Net of Installation and Repeat Reports – BRI Loops with Test Access), and PM 69-06 (Percent Repeat Reports – BRI Loops with

⁵⁴ Just 8 missed due dates resulting from a lack of facilities affected CLECs' BRI loop orders in November. Performance results are considered indeterminate regarding the achievement of parity for measures with such small sample sizes (less than 10 data points). Nevertheless, the data reported in November for PM 61-06 are consistent with SBC Illinois' performance results in the prior two months (September and October). Completion of those 8 CLEC orders for BRI loops that were affected by missed due dates resulting from a lack of facilities was delayed, on average, 3.25 days in November. In contrast, SBC Illinois' own retail ISDN-BRI customers encountered an average delay of 8.70 days associated with missed due dates caused by a lack of facilities.

Test Access) also show the overall quality of the BRI loops that SBC Illinois provides to Illinois CLECs. SBC Illinois' performance results met the criteria for parity in two of the three months in the study period for PM 65.1-04. For the three months as a whole, the net trouble report rate for CLEC loops was 0.62 trouble reports per BRI loops, only slightly higher than the 0.48 trouble report rate for SBC Illinois retail loops. Moreover, SBC Illinois' performance results also met the criteria for parity in each month during the study period for repeat trouble reports, as demonstrated by the data reported for PM 69-06 (Percent Repeat Reports – BRI Loops with Test Access). CLECs' BRI loops consistently generated lower repeat report rates than SBC Illinois' retail loops. The repeat report rates for CLECs BRI loops and SBC Illinois' retail loops were 7.22% and 15.96% in September, 10.17% and 15.75% in October, and 13.39% and 15.53% in November.

141. As shown in the preceding paragraphs, SBC Illinois met the standard for parity in each month of the study period for both installation trouble reports (PM 59-06) and repeat trouble reports (PM 69-06), while also achieving parity performance in two of the three months during the study period for net trouble report rate (PM 65.1-06). SBC Illinois did not meet the statistical criteria for parity for overall trouble report rate (PM 65-06: Trouble Report Rate – BRI Loops with Test Access), but the differences in that category were not significant. During the three months of the study period, the differences between trouble report rates generated by CLECs' BRI loops and SBC Illinois' retail loops were about one-half of a trouble report per 100 lines. In September, CLECs experienced 0.98 trouble reports per 100 BRI loops, while retail customers encountered 0.67 trouble reports per 100 loops. In October, trouble report rates were 1.17 per 100

BRI loops for CLECs and 0.70 per 100 retail loops. Finally, the trouble report rates for CLECs and retail BRI loops in November were 1.10 and 0.52, respectively.

142. SBC Illinois consistently repairs CLECs' BRI loops more quickly than its own retail loops. The data for PM 67-06 (Mean Time to Restore (Hours) – Dispatch – BRI Loops with Test Access) and PM 67-21 (Mean Time to Restore (Hours) – No Dispatch – BRI Loops with Test Access) demonstrate that SBC Illinois' performance met the standard for parity in each month of the study period for both of these measures. For the study period as a whole, SBC Illinois' average repair intervals for CLEC loops was 10.60 hours when dispatch was required, shorter than the 14.35 interval for retail lines (PM 67-06). SBC Illinois' average interval for CLEC loops was 1.88 hours when dispatch was unnecessary (PM 67-21), significantly shorter than the retail analog of 5.78 hours: In other words, SBC Illinois repaired CLECs' BRI loops three times more quickly than SBC Illinois' own retail loops.

Unbundled DS1 Loops

143. SBC Illinois met the parity standard in two of the three months during the study period for PM 58-08 (Percent Ameritech-Caused Missed Due Dates – DS1 Loops with Test Access). SBC missed only 33 due dates out of the 1,117 DS1 loop orders it completed for Illinois CLECs over the study period. The resulting percentage of missed due dates (2.95%) was lower than the analogous retail percentage of 3.70%.
144. Similarly, SBC Illinois achieved parity in each month of the study period for PM 63-06 (Percent Ameritech-Caused Missed Due Dates > 30 Days – DS1 Loops with Test

Access). Only three missed due dates for CLECs' DS1 loop orders delayed installation by more than 30 days.

145. Furthermore, the delays resulting from those due dates that were missed are comparable between CLEC and retail installations. The results for PM 62-06 (Average Delay Days for Ameritech-Caused Missed Due Dates – DS1 Loops with Test Access) show that SBC Illinois met the criteria for parity in those two months during the study period for which sufficient data were reported.
146. SBC Illinois also met the criteria for parity in each of the three months during the study period for PM 56-03 (Percent Installations Completed Within the Customer Requested Due Date – DS1 Loops with Test Access).⁵⁵ Over the three month interval ending with November 2002, 96.15% of CLECs' DS1 loops were installed within the requested due date, compared to 94.64% of SBC Illinois' retail loops. Consistent with these overall performance results, the average installation intervals reported for CLECs' DS1 loop orders (PM 55-03) has been superior to those for SBC Illinois' retail loops in each of the three months during the study period.
147. The percentage installation trouble reports was lower on CLEC orders than retail DS1 orders in each month of the study period. The three-month average rate of 6.80% reported in PM 59-08 (Percent Trouble Reports Within 30 Days of Installation – DS1 Loops with Test Access) for CLEC installations during the study period was superior to the 8.39% rate for retail DS1 installations.

⁵⁵ The performance data reported for PM 56-03 (Percent Installations Completed Within the Customer Requested Due Date – DS1 Loops) also includes ISDN-PRI circuits provisioned for Illinois CLECs.

148. The performance results for PM 65-08 (Trouble Report Rate – DS1 Loops with Test Access), PM 65.1-08 (Trouble Report Rate Net of Installation and Repeat Reports – DS1 Loops with Test Access), and PM 69-08 (Percent Repeat Reports – DS1 Loops with Test Access) also show the overall quality of the DS1 loops that SBC Illinois provides to CLECs. SBC Illinois’ performance results have met the criteria for parity in each of the three months during the study period for both the net trouble report rate (PM 65.1-08) and the repeat trouble report rate (PM 69-08) measurements. The three-month average rate of net trouble reports on CLEC loops (PM 65.1-08) has been just 2.75 trouble reports per 100 DS1 loops since September 2002, lower than the 3.01 net trouble reports per 100 retail loops.
149. SBC Illinois did not meet the statistical criteria for parity for PM 65-08 (Trouble Report Rate – DS1 Loops with Test Access) during the September – November interval, but the differences between wholesale and retail were less than one trouble report per 100 lines. In September, CLECs experienced 4.50 trouble reports per 100 DS1 loops, while retail customers encountered 3.76 trouble reports per 100 loops. In October, the trouble report rates were 5.24 per 100 BRI loops for CLECs and 4.39 per 100 retail loops. Finally, Illinois CLECs and retail customers encountered trouble report rates of 3.63 and 3.43 reports per 100 loops, respectively, in November (a difference of just 0.20 trouble reports per 100 DS1 loops).⁵⁶
150. SBC Illinois generally resolves CLECs’ DS1 loop trouble reports more quickly than those generated by retail loops. The data for PM 67-08 (Mean Time to Restore (Hours) –

⁵⁶ The DS1 Loop trouble report rate is out of parity due to I-case & repeat troubles included in the results; when they are removed the performance level improves and SBC Illinois is in parity (PM 65.1-08).

Dispatch – DS1 Loops with Test Access) and PM 67-23 (Mean Time to Restore (Hours) – No Dispatch – DS1 Loops with Test Access) demonstrate that SBC Illinois has achieved parity during each month of the study period for both measurements. In fact, where dispatch was necessary SBC Illinois’ mean time to restore CLECs’ DS1 loops has been 1 – 2 hours less than the average repair interval provided to retail customers in each month during the study period.

Unbundled Voice Grade (8.0 dB) Loops

151. SBC Illinois missed fewer due dates on CLECs’ 2 wire analog (8.0 dB) loop orders than for retail POTS services, the retail analogue for comparison specified. Moreover, the installation delays caused by those due dates that were missed were shorter for Illinois CLECs than for retail customers. Installation quality (as measured by trouble reports within 30 days, overall trouble reports, net trouble report rates, and repeat trouble report rates) of the 8.0 dB loops provisioned for Illinois CLECs has been superior to that provided to retail customers. The timeliness and quality of the maintenance and repair services provided to Illinois CLECs also exceeds those equivalent services received by retail customers.

152. SBC Illinois misses very few of CLECs’ 2 wire analog 8.0 dB loop due dates.⁵⁷ The data for PM 58-05 (Percent Ameritech-Caused Missed Due Dates – 8.0 dB Loops without Test Access) demonstrate that SBC Illinois achieved parity in each month of the study period. For the three months as a whole just 0.79% of CLECs’ 8.0 dB loop orders were

⁵⁷ While PM 55 and PM 56 refer to a disaggregated submeasure for 2 wire analog loops, the remaining UNE PMs refer instead to 8.0 dB loops. These terms are to be considered interchangeable for purposes of this affidavit.

affected by missed due dates, far less than the 6.12% missed due dates for SBC Illinois' own retail lines.

153. Consistent with these performance results, SBC Illinois also has met the criteria for parity in each month of the study period for PM 56-01.1 (Percent Installations Completed Within the Customer Requested Due Date – 2 Wire Analog Loops – 1-10 Loops) and in two of the three months for PM 56-01.2 (Percent Installations Completed Within the Customer Requested Due Date – 2 Wire Analog Loops – 11-20 Loops).
154. For those due dates that were missed, the resulting delays were shorter for CLEC orders than for retail. The data for PM 63-03 (Percent Ameritech-Caused Missed Due Dates > 30 Days – 8.0 dB Loops without Test Access) demonstrate that SBC Illinois' performance met the criteria for parity in each month during the study period. There were no installation delays over 30 days in October or November, and only five missed due dates in September for CLECs' 8.0 dB loop orders caused installation delays of more than 30 days. The associated percentage rate in that month (0.06%) was lower for CLECs' 8.0 dB loop orders than the corresponding 0.18% of retail customers' orders.
155. Similarly, the average installation delay on missed due dates for CLEC orders (PM 62-03 - Average Delay Days for Ameritech-Caused Missed Due Dates – 8.0 dB Loops without Test Access) was shorter than for retail orders in two of the three months. The average delay for CLEC orders in October was 3.50 days, much shorter the average delay of 5.98 days encountered by retail customers. In November the average delay resulting from missed due dates for Illinois CLECs' 8.0 dB loop orders was 3.74 days, compared to the average delay of 5.75 days for retail customers.

156. SBC Illinois missed fewer due dates because of lack of facilities for CLEC orders than for comparable retail orders. The data for PM 60-03.1 (Percent Ameritech-Caused Missed Due Dates Due to Lack of Facilities – 8.0 dB Loops without Test Access), PM 60-03.2 (Percent Ameritech-Caused Missed Due Dates Due to Lack of Facilities > 30 Days – 8.0 dB Loops without Test Access), and PM 60-03.3 (Percent Ameritech-Caused Missed Due Dates Due to Lack of Facilities > 90 Days – 8.0 dB Loops without Test Access) demonstrate that SBC Illinois’ performance achieved parity in each month of the study period for each of these three measures. For the three months as a whole, only 0.97% of Illinois CLECs’ 8.0 dB loop orders were affected by missed due dates caused by a lack of facilities, compared to the 3.05% missed due dates for retail orders.
157. SBC Illinois met the standard for parity in two of the three months during the study period for both PM 55-01.1 (Average Installation Interval – 2 Wire Analog Loops – 1-10 Loops) and PM 55-01.2 (Average Installation Interval – 2 Wire Analog Loops – 11-20 Loops). Over the study period as a whole, the average installation interval on CLEC orders of 1-10 loops was 4.73 days, compared to the 4.97 days encountered by SBC Illinois’ own retail customers. The three-month average installation interval on CLEC orders for 11 – 20 loops (PM 55-01.2) was 11.53 days, comparable to the installation interval of 8.20 days in for retail orders.
158. SBC Illinois also provides CLECs prompt installation intervals for loops with LNP. While these data are reported on a diagnostic basis, SBC Illinois’ performance results for the various disaggregations of PM 55.2 (Average Installation Interval for Loop with

LNP) indicate that the applicable performance targets generally are met.⁵⁸ The reported data for PM 55.2-01.1 (Average Installation Interval for Loop with LNP – Coordinated Hot Cuts (CHC) – 1-10 Loops) show that SBC Illinois met the 6 day target in each of the three months concluding in November. Similarly, the average installation interval for loop orders of 11-20 loops (PM 55.2-01.2: Average Installation Interval for Loop with LNP – Coordinated Hot Cuts (CHC) – 11-20 Loops) was within the 8 day target in September, October, and November 2002. And for larger orders, SBC Illinois' performance data for PM 55.2-01.3 (Average Installation Interval for Loop with LNP – Coordinated Hot Cuts (CHC) – 21+ Loops) show that the average installation intervals for CHC conversions were 9.31, 9.46, and 7.65 days (all within the 11 day target interval) in September, October, and November, respectively.

159. SBC Illinois' average installation intervals for Frame Due Time conversions were also good. The performance data for PM 55.2-03.1 (Average Installation Interval for Loop with LNP – Frame Due Time (FDT) – 1-10 Loops) demonstrate that the average installation intervals met the 6 day target in each month of the study period. During the study period, the overall average installation interval for FDT involving 1 – 10 loops was 5.53 days, within the 6 day target.⁵⁹
160. Likewise, SBC Illinois met the 4 day target for PM 55.2-02.1 (Average Installation Interval for Loop with LNP – Non-CHC Conversions – 1-10 Loops) and the 11 day target

⁵⁸ No formal performance standard is defined in the business rule for PM 55.2. However, CLEC orders specifying a due date greater than one day beyond the standard offered interval for each disaggregated submeasure of PM 55.2 will be excluded from the measure. The standard offered interval plus one day could serve as a general gauge of SBC Illinois' performance results.

⁵⁹ The data reported for PM 55.2-03.2 (Average Installation Interval for Loop with LNP – Frame Due Time (FDT) – 11-20 Loops) and PM 55.2-03.3 (Average Installation Interval for Loop with LNP – Frame Due Time (FDT)

for PM 55.2-02.3 (Average Installation Interval for Loop with LNP – Non-CHC Conversions – 21+ Loops) in each month of the study period. The data for PM 55.2-02.2 (Average Installation Interval for Loop with LNP – Non-CHC Conversions – 11-20 Loops) show that the 8 day target was met in both September and November. In October, the average installation interval for non-CHC conversions involving 11 – 20 loops exceeded the 8 day target by only 0.19 of a day.

161. The quality (as measured by the incidence of trouble reports) of the 8.0 dB loops SBC Illinois provides to CLECs typically is superior to the quality of the loops SBC Illinois uses in its own retail operations. The data reported for PM 59-05 (Percent Trouble Reports Within 30 Days of Installation – 8.0 dB Loops without Test Access) demonstrate that SBC Illinois’ performance met the standard for parity in each of the three months during the study period. Over the September – November study period, only 4.63% of the 8.0 dB loops installed for CLECs generated trouble reports within 30 days, less than one-half of the 11.47% installation trouble report rate experienced by SBC Illinois’ own retail customers.
162. The data for PM 65-05 (Trouble Report Rate – 8.0 dB Loops without Test Access), PM 65.1-05 (Trouble Report Rate Net of Installation and Repeat Reports – 8.0 dB Loops without Test Access), and PM 69-05 (Percent Repeat Reports – 8.0 dB Loops without Test Access) also demonstrate that SBC Illinois achieved parity in each month of the study period for net trouble report and repeat trouble report rates, while also achieving parity in two of the three months in the study period for total trouble report rate (PM 65-

– 21+ Loops) indicate that Illinois CLECs requested no FDT conversions involving eleven or more loops in any of the three months during the study period.

05). The net trouble report rates (PM 65.1-05) were approximately one-half of one percent in each month. In addition, the repeat trouble report rates (PM 69-05) for CLECs' 8.0 dB loops was approximately 6.50 percent over the three-month period, significantly lower than the 11.52% rate for SBC Illinois' retail operations. The only shortfall in these categories was trivial: The overall trouble report rate for CLEC loops in September was 0.76 percent, slightly higher than the retail rate of 0.71 percent.

163. SBC Illinois also provides CLECs with timely maintenance and repair services for unbundled 8.0 dB loops. For example, the reported data for PM 67-05 (Mean Time to Restore (Hours) – Dispatch – 8.0 dB Loops without Test Access) and PM 67-20 (Mean Time to Restore (Hours) – No Dispatch – 8.0 dB Loops without Test Access) demonstrate that SBC Illinois met the criteria for parity in each month of the study period. Trouble reports affecting 8.0 dB loops, regardless of whether dispatch is necessary or not, consistently have been cleared more quickly for CLECs than for SBC Illinois' own retail loops. For example, the average repair intervals for CLECs' 8.0 dB loops affected by trouble reports requiring dispatch (PM 67-05) were less than 5.5 hours in each month during the study period, while the average repair intervals exceeded 15.5 hours for SBC Illinois' retail loops in each of the three months during the study period.
164. Similarly, the performance results for PM 67-20 show that trouble reports for which dispatch is unnecessary generated by CLECs' 8.0 dB loops were cleared nearly twice as quickly as the trouble reports affecting SBC Illinois' own retail loops in September. The mean time to restore (without dispatch) was 2.72 hours for CLECs' 8.0 dB loops and 5.27 hours for retail loops in September. In October, trouble reports that did not require dispatch were cleared, on average, within 1.87 hours for CLECs' 8.0 dB loops, compared

to the mean time to restore of 4.26 hours for SBC Illinois' own retail loops. Finally, the average repair interval was 1.66 hours for CLECs and 3.97 hours for retail customers in November. Thus, trouble reports affecting 8.0 dB loops for which dispatch is unnecessary are cleared twice as quickly for CLECs than for SBC Illinois' own retail customers.⁶⁰

165. SBC Illinois' performance also surpassed the standards for parity in each month of the study period for PM 66-04 (Percent Missed Repair Commitments – 2 Wire Analog 8.0 dB Loops without Test Access). The percentages of missed repair commitments were significantly lower for CLECs than for SBC Illinois' retail operations in September, October, and November. The three-month average rate of missed repair commitments on CLEC troubles was 2.41%, substantially better than the 7.31% missed repair commitments for SBC Illinois' retail customers. Similarly, SBC Illinois' performance surpassed the criteria for parity in each of the three months during the study period for PM 68-01 (Percent Out Of Service (OOS) < 24 Hours – 2 Wire Analog 8.0 dB Loops without Test Access).
166. In sum, SBC Illinois' strong performance results for the timeliness and quality of installation and maintenance services on all types of loops provided by SBC Illinois demonstrate checklist compliance.

⁶⁰ More precisely, CLECs' trouble reports (without dispatch) were cleared 1.9 times more quickly than those encountered by retail customers in September (5.27 hours / 2.72 hours = 1.937). CLECs' trouble reports were cleared 2.28 times more quickly than retail customers in October (4.26 hours / 1.87 hours = 2.278). Finally, CLECs' 8.0 dB loops were repaired 2.39 times more quickly than retail customers' in November (3.97 hours / 1.66 hours = 2.392).

UNE Loop and Port Combinations

167. CLECs have made extensive use of UNE-P arrangements, and SBC Illinois has performed well in the provisioning and maintenance of UNE loop and port combinations, or UNE-P, leased by Illinois CLECs. As summarized in the table below, the provisioning performance results demonstrate that CLECs using the UNE-P platform typically experience shorter installation intervals and fewer missed due dates than SBC Illinois' retail customers.

SBC ILLINOIS PERFORMANCE RESULTS UNE LOOP and PORT COMBINATIONS (UNE-P) September – November 2002			
MEAN INSTALLATION INTERVAL (PM 27) Average Interval (Days)			
Element	PM	CLEC	SBC Illinois Retail
UNE-P – Residence – Field Work	27-05	3.14	3.63
– No Field Work	27-06	0.51	1.09
UNE-P – Business – Field Work	27-07	2.73	3.64
– No Field Work	27-08	0.39	0.77
PERCENT SBC ILLINOIS-CAUSED MISSED DUE DATES (PM 29) Percentage of Orders Not Completed by Due Date			
Element	PM	CLEC	SBC Illinois Retail
UNE-P – Residence – Field Work	29-05	1.89 %	6.47 %
– No Field Work	29-06	0.05 %	0.48 %
UNE-P – Business – Field Work	29-07	6.39 %	5.14 %
– No Field Work	29-08	0.14 %	0.69 %

168. SBC Illinois consistently installed CLECs' UNE-P arrangements in all four disaggregated categories⁶¹ of PM 27 (Mean Installation Interval (Days) – UNE-P) more quickly on average than retail POTS orders. Similarly, the performance results for three of the four categories in PM 29 (Percent Ameritech-Caused Missed Due Dates – UNE-P) demonstrate that SBC Illinois missed a lower percentage of due dates on CLECs' UNE-P orders than on retail orders. Consequently, SBC Illinois' performance met the criteria for parity in each of the three months ending with November for three of the submeasures of

⁶¹ PM 27 results are disaggregated to distinguish between performance for business and residence classes of service, with further divisions for each based on whether or not field work is required.

PM 29 (PM 29-05, PM 29-06, and PM 27-08). The only category with a shortfall was PM 29-07 (Percent Ameritech-Caused Missed Due Dates – UNE-P Business – Field Work). SBC Illinois met the parity standard for this measure in September, but did not meet the statistical criteria for parity in October and November. Given the low volumes for this particular category, however, the shortfalls were immaterial: in raw numbers, the difference between wholesale and retail translates to just 6 missed due dates in October and 8 missed due dates in November.

169. SBC Illinois also met the standard for parity for installations within the customer-requested date in each of the three months for all four submeasures of PM 28 (Percent Installations Completed within the Customer Requested Due Date – UNE-P).
170. Similarly, the performance results over the September – November interval for PM 28-08 (Percent Installations Completed Within the Customer Requested Due Date – UNE-P Business – No Field Work) demonstrate that, of the 10,699 business UNE-P orders completed, 99.89% were within CLECs' requested due dates, compared to 99.54% for retail orders. Finally, SBC Illinois' performance results over the study period for PM 28-05 (Percent Installations Completed Within the Customer Requested Due Date – UNE-P Residence – Field Work) and PM 28-06 (Percent Installations Completed Within the Customer Requested Due Date – UNE-P Residence – No Field Work) demonstrate that 97.25% (compared to 90.37% for retail orders) of residence UNE-P orders for which field work was required and 99.96% (compared to 99.59% for retail orders) of such orders for which field work was unnecessary were completed by CLECs' requested due dates.

171. Additionally, the average installation delays resulting from those Illinois CLECs' due dates that were missed have been comparable to, or shorter than, the corresponding figures. SBC Illinois' performance results met the statistical criteria for parity in all three months for PM 32-05 (Average Delay Days for Ameritech-Caused Missed Due Dates – UNE-P Residence – Field Work) and for PM 32-06 (Average Delay Days for Ameritech-Caused Missed Due Dates – UNE-P Residence – No Field Work). Over the study period, the average installation delay resulting from missed due dates for CLECs' residence UNE-P orders that did not involve field work was 5.07 days, nearly 1 ½ days less than the average delay of 6.44 days associated with missed due dates for retail residence POTS orders.
172. Similarly, the performance results for business orders show that CLECs received treatment that was at least equal to (if not better than) retail. The results for September, October, and November combined for PM 32-07 (Average Delay Days for Ameritech-Caused Missed Due Dates – UNE-P – Business – Field Work) and PM 32-08 (Average Delay Days for Ameritech-Caused Missed Due Dates – UNE-P – Business – No Field Work), demonstrate that the average installation delays resulting from missed due dates were just over 4 days, in contrast to average delays of over 6.8 days on retail business POTS orders.
173. Furthermore, SBC Illinois met the parity performance standard in each of the three months since September for PM 33-05 (Percent Ameritech Illinois-Caused Missed Due Dates > 30 Days – UNE-P Residence – Field Work), PM 33-06 (Percent Ameritech Illinois-Caused Missed Due Dates > 30 Days – UNE-P Residence – No Field Work), PM 33-07 (Percent Ameritech Illinois-Caused Missed Due Dates > 30 Days – UNE-P

Business – Field Work), and PM 33-08 (Percent Ameritech Illinois-Caused Missed Due Dates > 30 Days – UNE-P Business – Field Work). Installation was delayed by more than 30 days for only 9 CLEC residence UNE-P orders requiring field work (PM 33-05) and for only one CLEC business UNE-P order that required field work (PM 33-07). Where field work was not required, missed due dates delayed installation by more than 30 days for only 4 CLEC residence UNE-P orders (PM 33-06), and there were no business UNE-P orders delayed by more than 30 days (PM 33-08).

174. In addition, SBC Illinois' performance results demonstrate that the rate of due dates missed because of lack of facilities on CLECs' UNE-P orders is no more, and typically less than, for retail POTS orders. See PM 30-03 (Percent Ameritech Missed Due Dates Due to Lack of Facilities – UNE-P Residence) and PM 30-04 (Percent Ameritech Missed Due Dates Due to Lack of Facilities – UNE-P Business). As a result, SBC Illinois met the parity performance standards in each of the three months in the study period for PM 30-03.1 (Percent Ameritech Missed Due Dates Due to Lack of Facilities > 30 Days – UNE-P Residence), PM 30-03.2 (Percent Ameritech Missed Due Dates Due to Lack of Facilities > 90 Days – UNE-P Residence), PM 30-04.1 (Percent Ameritech Missed Due Dates Due to Lack of Facilities > 30 Days – UNE-P Business), and PM 30-04.2 (Percent Ameritech Missed Due Dates Due to Lack of Facilities > 90 Days – UNE-P Business).
175. SBC Illinois' performance results also met the parity standard in each month of the study period during which sufficient data were reported for both PM 31-03 (Average Delay Days for Missed Due Dates Due to Lack of Facilities – UNE-P Residence) and PM 31-04 (Average Delay Days for Missed Due Dates Due to Lack of Facilities – UNE-P Business). The average installation delays resulting from missed due dates caused by a

lack of facilities over the September – November study period were 2.63 days for Illinois CLECs’ residence UNE-P orders and 4.84 days for retail residence POTS orders (PM 31-03). For business UNE-P orders, the average installation delay was 2.72 days, in contrast to the retail interval of 7.28 days.

176. With respect to the overall quality and accuracy of provisioning, SBC Illinois’ rate of installation trouble reports was better for CLECs than for retail in three of the four categories of UNE-P orders. SBC Illinois met the parity standards for PM 35-05 (Percent Trouble Reports Within 30 Days (I-30) of Installation – UNE-P Residence – Field Work), PM 35-06 (Percent Trouble Reports Within 30 Days (I-30) of Installation – UNE-P Residence – No Field Work), and PM 35-08 (Percent Trouble Reports Within 30 Days (I-30) of Installation – UNE-P Business – No Field Work) in each month of the study period.
177. For the fourth category, PM 35-07 (Percent Trouble Reports Within 30 Days (I-30) of Installation – UNE-P Business – Field Work), SBC Illinois’ performance results met the standard for parity in September but not in October or November. However, the volumes in this category were relatively small (UNE-P business loop orders completed during November represented only 4.5% of all UNE-P residential and business orders completed that required field work), and the differences in performance were small. For November, SBC Illinois fell short of achieving parity for PM 35-07 by just 10 CLEC installation trouble reports. Given the strong performance in the other UNE-P categories, which comprise most of the UNE-P orders completed, this shortfall was not significant.⁶²

⁶² The data reported for PM 35-07 indicate that of the 348 CLEC UNE-P business loop orders completed in November, 40 generated a trouble report within 30 days. If, however, 10 fewer CLEC UNE-P business loops

178. The quality of the UNE-P arrangements provided to Illinois CLECs also is demonstrated by the performance results for the two repeat trouble report measures, PM 41-03 (Percent Repeat Reports – UNE-P Residence) and PM 41-04 (Percent Repeat Reports – UNE-P Business). SBC Illinois met the standard for parity performance in each of the three months during the study period for both PM 41-03 and PM 41-04. The repeat trouble report rates affecting CLECs’ UNE-P residence and business lines in each month of the study period were lower than the repeat report rates experienced by retail customers. Over the September – November interval, the repeat report rates for CLECs’ UNE-P residence and business lines were 6.25% and 6.45%, respectively. In contrast, the overall repeat report rates for SBC Illinois’ retail residence and business loops were 11.64% (PM 41-03) and 10.72% (PM 41-04), respectively.
179. In addition, performance results for maintenance and repair (summarized in the table below) demonstrate that CLECs’ UNE-P residence and business lines typically require fewer repairs, which are completed in shorter intervals. As demonstrated by the results for PM 37-03 (Trouble Report Rate – UNE-P Residence) and PM 37.1-03 (Trouble Report Rate Net of Installation and Repeat Reports – UNE-P Residence), both the total and net trouble report rates affecting CLECs’ UNE-P residence lines have been lower in each of the three study period months than the trouble report rates for SBC Illinois’ retail POTS residence services. The results for PM 37.1-04 (Trouble Report Rate Net of Installation and Repeat Reports – UNE-P Business) demonstrate that the net trouble report rates for CLECs’ UNE-P business lines also have been lower in each month of the study period than the net trouble report rates for SBC Illinois’ retail POTS business

had generated installation trouble reports, then the I-30 report rate would have been 8.62%, comparable to the

customers. SBC Illinois' performance results did not meet the standard for parity for PM 37-04 (Trouble Report Rate – UNE-P Business), but the differences were slight. The trouble report rates for CLECs' UNE-P business lines were 0.75 per 100 loops in September, 0.86 reports per 100 loops in September, and 0.59 reports per 100 loops in November. The corresponding the trouble report rates for SBC Illinois' retail business POTS service were 0.71, 0.75, and 0.54 trouble reports per 100 retail business POTS loops in September, October, and November, respectively. Thus, the differences in rates were 0.04, 0.11, and 0.05 percent.

SBC ILLINOIS PERFORMANCE RESULTS						
UNE LOOP and PORT COMBINATIONS (UNE-P)						
TROUBLE REPORTS per 100 LOOPS						
September – November 2002						
	TROUBLE REPORT RATES (PM 37)			TROUBLE REPORT RATES NET of INSTALLATION and REPEAT REPORTS (PM 37.1)		
Element	PM	CLEC	SBC Illinois Retail	PM	CLEC	SBC Illinois Retail
UNE-P – Residence	37-03	1.23	2.10	37.1-03	0.94	2.07
UNE-P – Business	37-04	0.73	0.66	37.1-04	0.61	0.70

180. SBC Illinois typically resolved trouble reports on Illinois CLECs' UNE-P residence and business lines in all eight categories of PM 39 as or more quickly than the corresponding retail residence and business lines. SBC Illinois met the parity standard for all eight measurement categories: PM 39-09 (Receipt to Clear Duration (Hours) – Dispatch – Affecting Service – UNE-P Residence), PM 39-10 (Receipt to Clear Duration (Hours) – Dispatch – Out of Service – UNE-P Residence), PM 39-11 (Receipt to Clear Duration

retail business loop installation report rate of 8.68% in November.

(Hours) – No Dispatch – Affecting Service – UNE-P Residence), PM 39-12 (Receipt to Clear Duration (Hours) – No Dispatch – Out of Service – UNE-P Residence), PM 39-13 (Receipt to Clear Duration (Hours) – Dispatch – Affecting Service – UNE-P Business), PM 39-14 (Receipt to Clear Duration (Hours) – Dispatch – Out of Service – UNE-P Business), PM 39-15 (Receipt to Clear Duration (Hours) – No Dispatch – Affecting Service – UNE-P Business), and PM 39-16 (Receipt to Clear Duration (Hours) – No Dispatch – Out of Service – UNE-P Business).

181. SBC Illinois’ overall three-month performance results for these eight submeasures are summarized in the table below:

SBC ILLINOIS PERFORMANCE RESULTS			
UNE LOOP AND PORT COMBINATIONS (UNE-P)			
RECEIPT TO CLEAR DURATION (PM 39)			
(Average Repair Interval – Hours)			
September – November 2002			
Element	PM	CLEC	SBC Illinois Retail
UNE-P Residence – Dispatch – Affecting Service	39-09	17.84	35.95
– Out of Service	39-10	13.11	16.42
– No Dispatch – Affecting Service	39-11	2.70	4.54
– Out of Service	39-12	2.95	2.99
UNE-P Business – Dispatch – Affecting Service	39-13	12.87	25.15
– Out of Service	39-14	12.32	13.73
– No Dispatch – Affecting Service	39-15	1.66	5.70
– Out of Service	39-16	2.27	2.77

182. Performance measurements capturing data regarding missed repair commitments and the percentage of out of service trouble reports cleared within 24 hours provide additional evidence that Illinois CLECs generally are provided UNE-P maintenance services in a more timely manner than SBC Illinois' retail residence and business customers. SBC Illinois' rate of missed repair commitments for trouble reports requiring dispatch on residence and business UNE-P lines (PM 38-05 for residence and PM 38-07 for business) have been lower for Illinois CLECs than for retail residence and business POTS subscribers in each month of the study period. Similarly, the percentages of missed repair commitments for business UNE-P trouble reports that did not require dispatch (PM

38-08) also have been lower than the missed repair commitments for retail business POTS loops in each of the three months during the study period. Finally, SBC Illinois' performance results met the parity performance standard in two (September and October) of the three months during the study period for PM 38-06 (Percent Missed Repair Commitments – No Dispatch – UNE-P Residence).

183. SBC Illinois achieved parity in each of the three months during the study period for both PM 40-03 (Percent Out of Service (OOS) Trouble Reports < 24 Hours – UNE-P Residence) and PM 40-04 (Percent Out of Service (OOS) Trouble Reports < 24 Hours – UNE-P Business). The percentages of trouble reports severe enough to cause an out of service condition that were cleared within 24 hours were higher for CLECs' UNE-P residence and business lines than for SBC Illinois' retail POTS customers in each month of the study period, with but a single exception. The performance result for PM 40-04 in November 2002 indicates that SBC Illinois met the parity performance standard with 98.09% of the out of service trouble reports that affected CLECs' UNE-P business loops cleared within 24 hours, compared to 98.11% for retail business POTS subscribers. Over the September – November interval, 98.15% (13,617) of the 13,874 out of service trouble reports affecting Illinois CLECs' UNE-P residence lines were cleared within 24 hours, compared to 96.58% for retail residence POTS customers. Similarly, over the same three-month interval, 97.99% (1,659) of the 1,693 out of service trouble reports affecting Illinois CLECs' UNE-P business lines were cleared within 24 hours, compared to 97.72% for retail business POTS customers.

184. In sum, SBC Illinois' results across all categories of performance relative to UNE-P are quite strong.

CHECKLIST ITEM (V) – UNBUNDLED LOCAL TRANSPORT

185. Performance results make clear that SBC Illinois provides CLECs nondiscriminatory access to unbundled local transport. SBC Illinois achieved the applicable performance standards for all of the pertinent measurements (for which sufficient data were reported) in each month of the study period (Attachment H).

DS1 Dedicated Transport

186. Although CLECs did not order any additional DS1 dedicated transport circuits during the September through November 2002 study period, SBC Illinois met the applicable performance standards in each month of the study period for certain repair and maintenance measurements. For example, the performance results for PM 65-09 (Trouble Report Rate – DS1 Dedicated Transport) clearly demonstrate that SBC Illinois provided parity service during each of the study period. In fact, no trouble reports were generated for the CLECs' average of 493 DS1 dedicated transport circuits already in service for each month during the study period. Since CLECs' DS1 dedicated transport circuits were unaffected by trouble reports, SBC Illinois' performance results also met the standards for parity service in each month of the study period for PM 65.1-09 (Trouble Report Rate Net of Installation and Repeat Reports – DS1 Dedicated Transport).

DS3 Dedicated Transport

187. The timeliness of the installation services and the quality of the DS3 dedicated transport circuits provisioned for CLECs, as indicated by the available data, have been at least comparable to the corresponding services and facilities SBC Illinois provides itself and/or its retail operations. For example, the data reported for PM 55-10.1 (Average Installation

Interval (Days) – DS3 Dedicated Transport – 1-10 Circuits) indicate that, in September and October combined, CLEC orders for ten or fewer DS3 dedicated transport circuits were completed within 4.20 days, on average. The data reported for PM 56-10.1 (Percent Installations Completed Within Customer Requested Interval – DS3 Dedicated Transport – 1-10 Circuits) shows all of the orders for ten or fewer DS3 dedicated transport circuits were completed with the CLECs’ requested due dates during the same two months (i.e., September and October). Consistent with these results, the data for PM 58-14 (Percent Ameritech-Caused Missed Due Dates – DS3 Dedicated Transport) show no due dates were missed for the CLECs’ DS3 dedicated transport circuits in September and October. In addition, CLECs’ DS3 dedicated transport orders completed in September and October generated no trouble reports within 30 days of installation, as indicated by the results for PM 59-14 (Percent Trouble Reports Within 30 Days of Installation (I-30)– DS3 Dedicated Transport).⁶³

188. SBC Illinois’ performance results met the parity standard in each month of the study period for PM 65-14 (Trouble Report Rate – DS3 Dedicated Transport) and PM 65.1-14 (Trouble Report Rate Net of Installation and Repeat Reports – DS3 Dedicated Transport). Illinois CLECs’ DS3 dedicated transport circuits in service generated just a single trouble report in both October and November 2002. Since the data for PM 69-14 (Percent Repeat Reports – DS3 Dedicated Transport) show that neither of these two trouble reports was a repeat report, the monthly trouble report rates (PM 65-14) and net report rates (PM 65.1-14) will be identical. The resulting trouble report rates, and hence net trouble report rates, for Illinois CLECs’ DS3 dedicated transport facilities were 0 per 100 circuits in

⁶³ The data for these PMs show no CLEC ordering activity for DS3 dedicated transport facilities occurred in

September, 0.32 in both October and November. In contrast, SBC Illinois' own DS3 facilities generated trouble report rates (and net trouble report rates) of 1.18 reports per 100 DS3 circuits (1.04 net reports per 100 DS3 circuits) in September, 1.33 (1.13) in October, and 1.54 (1.25) in November. Thus, CLECs' overall (i.e., PM 65) and net trouble report rates were substantially lower than those for SBC Illinois' own DS3 facilities in each month of the study period.

CHECKLIST ITEM (VI) – UNBUNDLED LOCAL SWITCHING

189. The performance results on Attachment I show that the Illinois CLECs are not currently purchasing stand-alone unbundled local switch products from SBC Illinois. However, the process in place to provision unbundled local switching is the same as used for other wholesale products, including loops combined with switching and shared transport.

CHECKLIST ITEM (VII) – 911, E-911, DIRECTORY ASSISTANCE, AND OPERATOR SERVICES

190. SBC Illinois' performance measurement results demonstrate that CLECs are provided nondiscriminatory access to 911, E-911, and directory assistance databases. SBC Illinois' performance results (Attachment J) met the applicable performance standards in each of the three months during the study period for seven of those measurements (for which sufficient data were reported) associated with checklist item (vii). Although there were three relatively minor performance "shortfalls," in general, CLECs' customer information is incorporated and maintained in SBC Illinois' database systems as efficiently as its own retail customers' data.

191. SBC Illinois also has provided the CLECs with ample access to operator services. The applicable benchmarks have been met by SBC Illinois during each month of the study period for both PM 80-01 (Directory Assistance Average Speed of Answer) and PM 82-01 (Operator Services Speed of Answer). The average speed of answer for completed calls to directory assistance did not exceed 5.38 seconds in any of the three months during the study period, thereby surpassing the 7-second benchmark for PM 80-01. Similarly, the average speed of answer for completed calls to operator services did not exceed 3.21 seconds in any of the three months during the study period, thereby surpassing the 3.6-second benchmark for PM 82-01.
192. SBC Illinois also has provided 911 database-related services to CLECs that are generally comparable to those received by its own retail customers. Two of the three measures had sufficient volume to generate a comparison during the study period. Results for PM 102-01 (Average Time To Clear Errors (hours)) met the parity standard in each month of the study period, averaging 8.56 hours for Illinois CLECs compared to 16.56 hours for SBC Illinois' retail. While SBC Illinois' performance on PM 104-01 (Average Time Required to Update 911 Database (Minutes) – Facilities-Based Providers) met the parity standard for only one month in the study period, the shortfalls were not material (difference in average time compared to retail was approximately 14 minutes in September and 24 minutes in November) and, *do not* indicate any problem with 911 database accuracy or integrity.
193. As its title indicates, PM 104-01 assesses the timeliness of SBC Illinois' processing of 911 database update files provided by facilities-based providers. The industry standard for timeliness of 911 database updates is within 24 hours of receipt. This standard has

been established by the National Emergency Number Association (“NENA”). Clearly, SBC Illinois is processing update files in a very timely manner for both their own updates and CLEC updates when compared to the national standard. The reason for any difference between the results for SBC Illinois’ retail updates and the CLEC updates can be attributed to two factors outside the control of SBC Illinois: the size of the CLEC update files and the quality of the CLEC update file records. The larger the file, the longer it will take to process, and a higher average time will result. The more errors in the file, the longer it will take to process, and again the average processing time will increase. As SBC Illinois cannot manipulate or correct the CLEC update files, SBC Illinois has no ability to improve the processing time for individual CLEC update files. Furthermore, SBC Illinois’ implementation of this update process is “parity-by-design”, as it accepts and processes update files received at its gateway on a first-in, first-out basis, and does not discriminate between wholesale and its own retail update files.

194. SBC Illinois’s performance surpassed the 95% benchmark in each month of the study period for PM 110-01 (Percentage of Updates Completed into the DA Database Within 72 Hours for Facility Based CLECs – Manually Received Updates). SBC Illinois has updated the directory assistance database within 72 hours to include all (i.e., 100%) of the manually received CLEC customer record changes in October and November. In September, 99.89% of manually received CLEC customer record changes were updated into the directory assistance database within 72 hours. In addition, SBC Illinois’ performance also met the criteria for parity in two of the three study period months for 110-02 (Percentage of Updates Completed into the DA Database Within 72 Hours for Facility Based CLECs – Electronically Received Updates). The percentages of CLECs’

electronically submitted customer record changes that were updated in the directory assistance database within 72 hours met the parity standard in October and November with 99.82% and 99.74% of electronically received CLEC customers' record changes processed within 72 hours, respectively.

195. In addition, the results for PM 111-01.1 (Average Update Interval for DA Database for Facility Based CLECs – Manually Received) show that the average interval required to update the directory assistance database for CLECs' customer records received manually during each of the three study period months did not exceed 30.4 hours, significantly less than the 48 hour benchmark, and averaged 29.05 hours for the study period as a whole. SBC Illinois' performance results met the standard for parity in one (October) of the three months during the study period for PM 111-01.2 (Average Update Interval for DA Database for Facility Based CLECs – Electronically Received). The average intervals required to update the directory assistance database for CLECs' customer record changes received electronically were 17.59 hours in September and 16.93 hours in November. The average intervals for updating the directory assistance database for SBC Illinois' customer records were 16.76 and 16.52 hours in September and October, respectively. The differences between CLECs' and SBC Illinois' average intervals for updating customers' records in the directory assistance database were less than one hour in both September (0.83 of an hour) and November (0.41 of an hour).
196. The accuracy of the directory assistance database updates processed by SBC Illinois also has been solid. SBC Illinois' performance has surpassed the 97% benchmark in each month of the study period for both PM 112-1 (Percentage DA Database Accuracy for Manual Updates). At least 99.1% (compared to a performance benchmark of 97%) of the

customer records provided by Illinois CLECs for manual processing were correctly updated in the directory assistance database in each month of the study period. Over the study period, 99.81% of CLECs' customer record files received for manual processing were correctly updated in the directory assistance database.

197. SBC Illinois' performance results did not meet the criteria for parity in any of the three months ending with November 2002 for PM 113-01 (Percentage of Electronic Updates that Flow Through the Update Process Without Manual Intervention). However, the levels of service provided to CLECs were still high (no monthly average was below 97.98% updates processed without manual intervention) and the differences between the results for SBC Illinois' retail operations and CLECs were minor (largest difference was 1.53%) likely had no material affect on the competitive market or CLECs' ability and opportunity to compete.⁶⁴
198. The overall performance results for 911, directory assistance, and operator services related measurements demonstrate that Illinois CLECs are provided nondiscriminatory access to these services and databases and therefore have a meaningful opportunity to compete.

CHECKLIST ITEM (IX) – ACCESS TO TELEPHONE NUMBERS

199. SBC Illinois' performance measurement results demonstrate that nondiscriminatory access to telephone numbers is provided to CLECs (Attachment K). The results for PM 117-01 (Percent NXXs Loaded and Tested Prior to the LERG Effective Date) show that

⁶⁴ The cause of below-parity performance has been traced to a specific error code requiring manual intervention to resolve. A special error analysis team has been established to determine root cause and implement corrective and preventive measures. Areas of focus include system and M&P changes, along with enhanced staff training.

SBC Illinois has loaded into its switches, and tested, each of the CLECs' 68 NXXs before the LERG effective date during each month of the study period. Likewise, the performance results for PM 119-01 (Mean Time to Repair) show that the average repair intervals for the CLECs' 3 NXX trouble reports have been comparable to, or shorter than, the repair intervals SBC Illinois provides its own retail operations. In October, CLECs' single NXX trouble report was cleared within 0.03 days, while the average repair interval for the CLECs' two NXX trouble reports in November was 0.08 days. The average repair interval SBC Illinois provided its own retail operations was 0.05 days in both October and November.

CHECKLIST ITEM (XI) – NUMBER PORTABILITY

200. The performance results clearly demonstrate that SBC Illinois provides CLECs nondiscriminatory access to number portability services. As shown in Attachment L, SBC Illinois achieved the applicable performance standard in at least two of the study period's three months for 96.3% of those measurements associated with this checklist item. For example, the average time out-of-service for a CLEC LNP conversion has never reached the 60-minute threshold in any of the three months during the study period for PM 100-01 (Average Time Out Of Service for LNP Conversions). LNP conversions have averaged only 3.4 minutes out of service during the three month study period. SBC Illinois also has met the 96.5% benchmark for PM 101-01 (Percent Out Of Service < 60 Minutes – LNP) in each of the three study period months, averaging 99.5% during the September through November period.

201. SBC Illinois also met the 2% benchmark for PM 96-01 (Percentage Pre-mature Disconnects for LNP Orders – LNP Only) in each month of the study period. Over the study period, the premature disconnection rate associated with PM 96-01 has averaged only 0.29%, significantly lower than the 2% benchmark. Likewise, SBC Illinois met the 2% benchmark in each month of the study period for PM 96-02 (Percent Pre-Mature Disconnects for LNP Orders – LNP with Loop). During the period the average disconnect percent was only 0.91%, well below the 2% benchmark.
202. Additionally, SBC Illinois has met the appropriate benchmark or parity standard in at least two of the three study period months for PM 91-01 (Percent of LNP Only Due Dates Within Industry Guidelines – Complete), PM 91-02 (01 (Percent of LNP Only Due Dates Within Industry Guidelines – Partial – NXX (1-100 TNs)), PM 93-01 (Percent of Customers Accounts Restructured by the LNP Due Date), PM 95-01 (Average Response Time For Non-Mech. Rejects Returned with Complete and Accurate Codes – LNP Only), PM 97-01 (Percent of Time Ameritech Applies the 10-digit Trigger Prior to the LNP Order Due Date – LNP Only), PM 97-02 (Percent of Time Ameritech Applies the 10-digit Trigger Prior to the LNP Order Due Date – LNP with Loop), PM 98-01 (Percent of LNP Trouble Reports Within 30 Days of Instillation), and PM 99-01 (Average Delay Days for AIT Missed Due Dates – LNP Only). During this three-month period, SBC Illinois provisioned 99.55% of the TNs within the industry guidelines due dates for complete LNP conversions (PM 99-01), provisioned 99.27% of the TNs within the industry guidelines due dates for partial LNP conversions (PM 99-02), restructured all customer accounts by the LNP Due Date (PM 93-01) benchmark and applied the 10 digit trigger on 98.93 % of LNP only (PM 97-01) and 99.74% of LNP with Loop (PM 97-02)

prior to the LNP order due date. This performance exceeded the 96.5% benchmark for these measurements. In addition, SBC Illinois averaged only 1.90 hours to return a non-mechanized reject for LNP only (PM 95-01), had only 2 trouble reports in 30 days (PM 98-01) for 67,032 LNP Orders (0.003%) and an average delay on missed due date for LNP only orders of only 4.81 days. The performance for these measurements exceeds the five hour benchmark for returning a non-mechanized LNP only reject and the SBC Illinois equivalent retail performance of 4.24% for trouble reports within 30 days and the 7.22 average delay days for missed due dates on LNP only orders.

CHECKLIST ITEM (XIV) – RESALE

203. SBC Illinois' performance results demonstrate that CLECs are provided nondiscriminatory access to wholesale arrangements that facilitate the resale of SBC Illinois' services. SBC Illinois met or exceeded the performance standard for 92.1% of the pertinent submeasurements in at least two of the three study period months. (Attachment M).

204. In the case of provisioning timeliness, performance results show that Illinois CLECs using SBC Illinois residence and business local loops for resale typically encounter shorter installation intervals, as reflected in the following table:

SBC ILLINOIS PERFORMANCE RESULTS LOCAL EXCHANGE SERVICE – RESALE			
MEAN INSTALLATION INTERVAL (Days) September – November 2002			
Element	PM	CLEC	SBC Illinois Retail
Residence Loops – Field Work	27-01	1.95	3.63
– No Field Work	27-02	0.23	1.09
Business Loops – Field Work	27-03	1.52	3.64
– No Field Work	27-04	0.18	0.77

205. In addition, the following table shows that the Illinois CLECs usually experience fewer missed due dates than do SBC Illinois’ retail customers. SBC Illinois has achieved parity for all of the submeasures listed in the table below during each month of the study period.

SBC ILLINOIS PERFORMANCE RESULTS LOCAL EXCHANGE SERVICE – RESALE			
SBC ILLINOIS-CAUSED MISSED DUE DATES September – November 2002			
Element	PM	CLEC	SBC Illinois Retail
Residence Loops – Field Work	29-01	1.11%	6.47%
– No Field Work	29-02	0.19%	0.48%
Business Loops – Field Work	29-03	4.07%	5.14%
– No Field Work	29-04	0.31%	0.69%

206. Furthermore, SBC Illinois’ performance results for PM 30-01 (Percent Ameritech Missed Due Dates Due to Lack of Facilities – POTS Residence) demonstrate that the percentage of Illinois CLECs’ residence loop orders affected by missed due dates as a result of LOF was lower than the comparable percentage for SBC Illinois’ retail operations during each

month of the study period. In fact, only 0.61% of the residence loops ordered by Illinois CLECs were affected by missed due dates as a result of LOF, compared to 3.11% for SBC Illinois retail residence customers. In addition, for due dates missed due to LOF, CLECs experienced no misses that exceeded 30 days according to the data for PM 30-01.1 (Percent Ameritech Missed Due Dates Due to Lack Of facilities – POTS – Residence - > 30 Days).⁶⁵

207. Likewise, the percentage of Illinois CLECs' circuits installed within prescribed intervals generally is comparable to (if not better) than the time period experienced by SBC Illinois' retail customers. SBC Illinois provided parity service in each of the three months during the study period for five of the six POTS disaggregations in this measurement.⁶⁶ However, PM 28 – 09 (Percent Installations Completed Within the Customer Requested Due Date (CRDD) – CIA Centrex – Field Work) was out of parity in two of the three study period months. The out of parity condition is more of a function of sample size than a systemic process problem. If SBC Illinois had provisioned just two additional installations in October and four in November within the Customer requested Due Date parity would have been achieved within each month during the study period.
208. Performance results for maintenance and repair have also been outstanding for SBC Illinois. The combined trouble report rate per 100 lines net of installation and repeat

⁶⁵ PM 30-01.2 (Percent Ameritech Missed Due Dates Due to Lack Of facilities – POTS – Residence - > 90 Days) results also reflect no missed due dates greater than 90 days for the period September through November.

⁶⁶ Parity was achieved in each month of the study period for the following disaggregations of PM 28 which measures the percent of time the installations were completed within the requested due date (CRDD): PM 28-01 (Percent Installations Completed Within the Customer Requested Due Date – Residence – Field Work), PM 28-02 (Percent Installations Completed Within the Customer Requested Due Date – Residence – No Field Work), PM 28-03 (Percent Installations Completed Within the Customer Requested Due Date – Business – Field Work), PM 28-04 (Percent Installations Completed Within the Customer Requested Due Date – Business – No

reports over the study period for residence resold lines has been lower for the Illinois CLECs (1.39) than for SBC Illinois' retail customers (2.07) as indicated by the performance data reported with PM 37.1-01 (Trouble Report Rate Net of Installation and Repeat Reports – POTS – Residence). Likewise, the POTS Business trouble report rate indicated in PM 37.1-02 (Trouble Report Rate Net of Installation and Repeat Reports – POTS – Business) has been less for Illinois CLECs (0.49) than SBC Illinois' retail rate of 0.70 since September. In addition, the results for PM 38-01 (Percent Missed Repair Commitments – POTS Residence – Dispatch), PM 38-03 (Percent Missed Repair Commitments – POTS Business – Dispatch), and PM 38-04 (Percent Missed Repair Commitments – POTS Business – No Dispatch) report that parity was achieved in each month of the study period for all levels of disaggregation. However, PM 38-02 (Percent Missed Repair Commitments – POTS Residence – No Dispatch) was out of parity two of the three study period months. As with described above for PM 28-09, this is also a question of sample size and not problematic performance. If there had been two less missed appointments in September and one in November, SBC Illinois would have been in parity all three months.⁶⁷

209. Performance results for the resold services reported in PM 35-01 (Percent Trouble Reports Within 30 Days (I-30) of Installation – Residence – Field Work), PM 35-02 (Percent Trouble Reports Within 30 Days (I-30) of Installation – Residence – No Field Work), PM 35-03 (Percent Trouble Reports Within 30 Days (I-30) of Installation –

Field Work), and PM 28-10 (Percent Installations Completed Within the Customer Requested Due Date – CIA Centrex – No Field Work).

⁶⁷ Moreover, SBC Illinois' Network organization has established additional processes for proactive monitoring of appointments coming due along with ongoing performance monitoring and trend analysis to seek opportunities to improve internal processes. Performance for these two submeasures has been specifically addressed, and improvements are expected in December 2002 results.

Business – Field Work), and PM 35-01 (Percent Trouble Reports Within 30 Days (I-30) of Installation – Business – No Field Work) indicate that the percentage of installation trouble reports during the first thirty days of service was lower for Illinois CLECs than the rate experienced by SBC Illinois’ retail customers over the study period. The following table reflects the performance for the period study period of September through November:

SBC ILLINOIS PERFORMANCE RESULTS			
LOCAL EXCHANGE SERVICE – RESALE			
PERCENT TROUBLE REPORTS WITHIN 30 DAYS (I-30)			
September 2002 – November 2002			
Element	PM	CLEC	SBC Illinois Retail
Residence – POTS - FW	35-01	4.93%	10.06%
Residence – POTS - NFW	35-02	1.64%	4.58%
Business – POTS - FW	35-03	2.01%	7.97%
Business – POTS - NFW	35-04	1.35%	3.62%

210. The mean time to restore results (summarized in the table below) also demonstrate that CLECs’ residence and business lines used for resale typically have shorter repair intervals than do SBC Illinois’ retail services. For all the levels of disaggregation SBC has been in parity each month of the study period.

SBC ILLINOIS PERFORMANCE RESULTS			
LOCAL EXCHANGE SERVICE – RESALE			
MEAN TIME TO RESTORE (Hours)			
September 2002 – November 2002			
Element	PM	CLEC	SBC Illinois Retail
Residence – Service Affecting – Dispatch	39-01	22.49	35.94
– No Dispatch	39-03	2.39	4.54
– Out of Service – Dispatch	39-02	10.93	16.42
– No Dispatch	39-04	3.09	2.99
Business – Service Affecting – Dispatch	39-05	21.63	25.15
– No Dispatch	39-07	2.58	5.70
– Out of Service – Dispatch	39-06	11.64	13.73
– No Dispatch	39-08	2.55	2.77

211. Although there has generally not been enough volume to assess performance for resold specials over the three month study period, the performance data for PM 46-04 (Percent Trouble Reports Within 30 Days (I-30) of Installation - Voice Grade Private Line (VGPL)), PM 47-04 (Percent Ameritech Missed Due Dates Due To Lack Of Facilities - Voice Grade Private Line (VGPL)) and PM 50-04 (Percent Ameritech Caused Missed Due Dates > 30 days - Voice Grade Private Line (VGPL)) show that SBC Illinois has been in parity during each month of the study period. In addition, parity has been achieved in at least two of the three study period months for PM 54.1-01 (Trouble Report Rate Net of Installation and Repeat Reports – Resold Specials - DDS), PM 54.1-02 (Trouble Report Rate Net of Installation and Repeat Reports – Resold Specials – DS1), PM 54.1-05 (Trouble Report Rate Net of Installation and Repeat Reports – Resold

Specials – ISDN-BRI), and PM 54.1-06 (Trouble Report Rate Net of Installation and Repeat Reports – Resold Specials – ISDN-PRI).

212. Despite this strong performance, SBC Illinois failed to meet a handful of resale measures for at least two of the three months in the study period. SBC Illinois was unable to achieve parity for PM 54.1-04 (Trouble Report Rate Net of Installation and Repeat Reports – Resold Specials – VGPL), and the corollary PM 54-04 (Failure Frequency – Design – Resold Specials – VGPL). These misses are more cases of disparate sample sizes than performance problems. The net report rate for the period, reported in PM 54.1-04, was only 1.46 trouble reports per 100 circuits, with only 19 trouble reports in September, 25 in October and 23 in November. Nonetheless, SBC Illinois' Network organization continues to monitor performance and analyze processes to minimize the number of troubles realized by CLEC end-customers on VGPL circuits.
213. SBC Illinois' performance results for the numerous provisioning and maintenance measures applicable to checklist item (xiv) show that CLECs are provided nondiscriminatory access to SBC Illinois' services for resale.

SBC ILLINOIS' PERFORMANCE MEASUREMENTS RESULTS ARE RELIABLE

214. In assessing the reliability of a section 271 applicant's reported performance data, the FCC has considered a number of factors that provide reasonable assurance: (i) extensive third-party auditing, (ii) the open and collaborative nature of metric workshops, (iii) supervision by the applicable state commission, (iv) the availability of the raw performance data to CLECs, and the applicant's readiness to engage in "reconciliations" of its reports with the CLEC's own business records, and (v) the applicant's internal and external data controls.⁶⁸ Each of these assurances is present here.
215. As discussed above, the ICC-approved performance measurements are the result of years of extensive negotiations and collaborations among SBC Illinois, the CLEC community, the Illinois Commission, and its Staff. In this section of my affidavit I discuss additional assurances of reliability. First, I discuss in detail two extensive third party audits: one by Ernst & Young LLP ("E&Y"), an accounting firm, and one by BearingPoint (formerly KPMG Consulting LLP). Next, I discuss the three additional assurances of reliability: on-going supervision by the ICC, data reconciliation and access to raw data and SBC Illinois' data controls.

ERNST & YOUNG'S AUDITS PROVIDE FURTHER ASSURANCE THAT SBC ILLINOIS' RESULTS ARE RELIABLE

216. On November 21, 2002, SBC Illinois advised the Commission that it did not believe that BearingPoint would complete its on-going reviews for the PMR4 (Metrics Data Integrity) and PMR5 (Metrics Calculations and Reporting) portions of the Performance Metrics

⁶⁸ *Georgia & Louisiana 271 Order*, ¶ 19.

Review Test before SBC Illinois made this filing of commercial performance results.

SBC Illinois engaged E&Y to conduct a separate, independent audit (the “E&Y audit”) of SBC Illinois' compliance with the Commission-approved “business rules” for performance measurement, and of the accuracy and reliability of SBC Illinois' performance measurement reporting systems and processes to supplement the record on this issue. As the November 21, 2002 Notice indicated, the E&Y audit is not intended to replace or modify the intent or scope of BearingPoint's test: That test is ongoing, and I address its current status below.

217. SBC Illinois chose E&Y because of its extensive experience in auditing SBC's performance measurement systems and processes. For example, E&Y conducted a similar audit of Southwestern Bell Telephone Company's (“SWBT”) performance measurement systems and processes for the Missouri Public Service Commission during its review of SWBT's Missouri Section 271 application, which was subsequently approved by the FCC.⁶⁹ In addition, E&Y has been responsible for conducting the audit of SBC's compliance with the Carrier-to-Carrier Performance Plan contained in the SBC/Ameritech Merger Conditions, on behalf of the FCC, for the past three years in all thirteen SBC states: the five SWBT states, Pacific Bell (California), Nevada Bell, Southern New England Telephone (Connecticut), and the five SBC Midwest states.
218. E&Y conducted an independent audit of SBC Illinois' performance results for the evaluation period of March, April and May 2002, in accordance with the Attestation Standards established by the American Institute of Certified Public Accountants. The “business rules” in effect during the evaluation period (Version 1.8) are the same as those

in effect during the September-November study period for which I analyzed performance results above. A description of the scope and approach of E&Y's audit was attached to the November 21, 2002 Notice. A copy of the "Scope and Approach" document dated October 31, 2002 is also attached here as Attachment N.

219. This "Scope and Approach" document explains that E&Y would be performing two attestation examination engagements in accordance with the Attestation Standards established by the American Institute of Certified Public Accountants:

- Attestation Examination of the Accuracy and Completeness of [SBC Illinois'] Performance Measurements for the Months of March, April and May 2002
- Attestation Examination of the Effectiveness of Controls over [SBC Illinois'] Process to Calculate Performance Measurements for the Months of March, April and May 2002

220. E&Y's evaluation covered all 150 Performance Measurements, as contained in Version 1.8 of the Business Rules. The testing approach is as follows:

- Documentation of the Process and Controls to Capture, Calculate and Report Each Performance Measurement
- Site Visits and Testing of Processes to Capture PM Data
- Program Code Review – Review of the "code" in SBC Illinois' computer programs to determine business rules are appropriately applied
- Transaction Testing – Statistical sampling of transactions for each performance measurement category to verify that raw data from the source systems was appropriately processed (i.e. business rules coding was appropriately applied and data is accurate) and captured in the PM reporting files (i.e. appropriately included/excluded in the PM)
- Recalculations – Utilizing Detailed Processed Data Files (i.e. after application of business rules), E&Y recalculated the numerator, denominator and result for each

⁶⁹ *Arkansas & Missouri 271 Order*, ¶ 17.

level of disaggregation for each PM reported upon. Additionally, E&Y selected a sample of PMs to recalculate the z-scores.

- Analytical Review – Significant fluctuations in volume or reported results for each PM category were analyzed to determine the reasonableness of reported results

221. On January 17, 2003, E&Y provided its final reports to SBC Illinois. Copies of these two final audit reports are included with this affidavit. The structure of the E&Y audit reports is as follows:

- Attachment O – E&Y’s Report Of Independent Accountants on Compliance
- Attachment P – Report of Management on Compliance With the Illinois Performance Measurement Business Rules and Corrective Action Implemented (“Report of Management”)
- Attachment Q – Report Of Management Attachment A – Exceptions to Compliance
- Attachment R – Report Of Management Attachment B – Interpretations
- Attachment S – E&Y’s Report of Independent Accountants on Controls
- Attachment T – E&Y’s Supplemental Report
- Attachment U – Appendix A to E&Y’s Supplemental Report – Testing Universe of PMs
- Attachment V – Appendix B to Transaction Testing Results
- Attachment W – Appendix C to E&Y’s Supplemental Report – Listing of Site Evaluation Locations

ERNST & YOUNG’S AUDIT REPORT ON BUSINESS RULE COMPLIANCE

222. E&Y’s Report of Independent Accountants on Compliance issued January 17, 2003, was an examination concerning SBC Illinois' conformity with the Illinois Business Rules, Version 1.8, in reporting its performance measurements results for the months of March, April and May 2002. E&Y’s audit report concluded that “In our opinion, considering the Company’s interpretations of the Business Rules discussed in Attachment B of the Report of Management, and except for the material noncompliance described in Column 3 of Attachment A of the Report of Management, the Company complied, in all material

respects, with the Business Rules during the Evaluation Period. Additionally, in our opinion, management's assertions, regarding the status of the Company's corrective action, except with respect to those assertions in Column 4 of Section III in Attachment A of the Report of Management, are fairly stated, in all material respects."

223. I provide an analysis of the issues identified by E&Y below. Before proceeding, there are two global points that place those issues in their proper context. The first point is one of *timing*. E&Y audited the results that were reported in March-May 2002. As I discuss below, many of the issues identified by E&Y were corrected by SBC Illinois after May 2002, and the results for September – November 2002 that I analyzed above reflect those corrections.
224. Second, E&Y identified issues that affected individual performance measurement categories. The existence of an exception in a particular product or service category does not, in and of itself, affect the overall analysis of checklist compliance. One would expect some errors, given that SBC Illinois collects data on millions of discrete transactions each month, and then calculates and produces results for nearly 3,000 performance measurement submeasures per month. That is why performance results are subject to independent audits, and that is why CLECs have the right to request the underlying data and reconcile it with their own records. I show below that the few issues identified by E&Y that were not corrected to date are not material to the big picture.
225. In discussing the issues identified by E&Y, I will follow the organization of E&Y's report, which classified issues by when and how SBC Illinois took corrective action. The Report of Management Attachment A – Exceptions to Compliance listed and discussed

the exceptions that E&Y identified during its audit of SBC Illinois' implementation of the Version 1.8 Business Rules. Five types of issues were identified:

- I. Exceptions That Were Corrected and March, April and May 2002 Data Was Restated;
- II. Exceptions Corrected But March, April and May 2002 Results Were Not Restated
- III. Exceptions Corrected But Not Yet Reported;
- IV. Exceptions In Which No Corrective Action Is Planned By The Company
- V. Exceptions In The Process Of Being Corrected

226. E&Y Section I: Corrected, With Restatement of March-May Results. The 53 Issues identified in Section I have each been corrected and have been restated for the evaluation period of March, April and May 2002. As a result, the corrective actions are reflected in the results for September, October and November 2002 that are attached to my affidavit. Details regarding each Issue are included in Report of Management Attachment A – Exceptions to Compliance, which is Attachment Q to my affidavit.

227. E&Y Section II: Corrected After May 2002, But March-May 2002 Results Not Restated. The 51 Issues identified in Section II have also each been corrected by the Company. However, the Company did not restate reported results for March, April and May 2002: for example, because the issues related to diagnostic performance measures that are reported for informational purposes only, or because the data that would needed to perform the restatement were not created in March-May 2002 and thus restatement was not possible. But for present purposes, the bottom line is not whether March-May results have been restated, as the analysis here concerns data for September-November 2002. The corrective actions for the Issues identified in Section II are reflected in the results for

September, October and November 2002 that are attached to my affidavit. Details regarding each Issue in Section II are included in Report of Management Attachment A – Exceptions to Compliance, which is Attachment Q to my affidavit.

228. E&Y Section III: Corrected But Not Yet Reported. The 2 Issues identified in Section III have each been corrected effective with December 2002 results (which will be reported in January 2003). SBC Illinois was not able to restate results for prior months, including the months of September, October and November 2002 that are addressed in my affidavit.
229. E&Y Section IV: No Corrective Action Planned. SBC Illinois investigated the 7 Issues identified in Section IV and determined that they did not require any corrective action, either because they were one-time occurrences or because there was no error in the performance measure. Details for each are provided in Report of Management Attachment A – Exceptions to Compliance, which is Attachment Q to my affidavit.
230. E&Y Section V: Corrective Action Planned, But Not Yet Implemented. The 15 Issues identified in Section V represent items where the corrective action to address the Issue has been scheduled, but not yet implemented. As detailed in the Report of Management Attachment A – Exceptions to Compliance, no restatement of prior months' results is planned for 12 of the 15 Issues identified, because the Company does not expect the change to have a material negative impact on previously reported results. For the other 3 Issues, June through December 2002 results will be restated as soon as possible if a determination is made that the change does have a material negative impact on previously reported results. Details for each of these issues are provided in Report of Management Attachment A – Exceptions to Compliance, which is Attachment Q to my affidavit.

231. Interpretations Of Business Rules. In addition to the exceptions identified above, E&Y discussed and listed interpretations of the Business Rules made by SBC Illinois management during the daily implementation of these Business Rules. These interpretations appear in the Report Of Management Attachment B – Interpretations, which is Attachment R to my affidavit. E&Y did not classify these interpretations as exceptions, as the reasonableness of SBC Illinois’ interpretations is something for the Commission to decide. Some interpretation is inherent in the process of implementing a performance measurement that is as complex and comprehensive as that used by SBC Illinois. Further, the defined Business Rules are, by necessity, generic to allow changes in the actual business processes being measured while still achieving the same measurement goals. Interpretation is necessary to apply these rules to the business processes they measure and the implementer initially must make that interpretation.
232. The collaborative participants in the current six-month review process have agreed to performance measurement language changes to more clearly support many of the interpretations made by SBC Illinois and identified by E&Y. The final, agreed-to rules are to be filed for approval by the ICC in January 2003. These business rules include changes that support 32 of the 48 interpretations questioned by E&Y as currently implemented by SBC Illinois. SBC Illinois has determined that an additional 15 interpretations did not require any changes to current procedures or a clarification of the business rule, because the current procedure is consistent with the letter of the current business rules. For the remaining interpretation, SBC Illinois determined that it should change the reporting procedures that were in place at time of E&Y’s audit (March-May

2002). The corrective action determined appropriate was implemented with June results reported in July 2002.

ERNST & YOUNG'S REPORT ON EFFECTIVENESS OF CONTROLS

233. E&Y's Report of Independent Accountants on Controls assessed the effectiveness of SBC Illinois' controls over the processes used to calculate and report performance measurement results in accordance with the Business Rules. E&Y identified two processes used to generate performance results, manual collection and processing of data, and computer program coding and modifications that may lack certain controls. That report concludes that: "In our opinion, except for the effect of the control deficiencies described above, the Company maintained, in all material respects, effective controls over the process to calculate and report accurate and complete performance measurements in accordance with the Business Rules for the Evaluation Period based upon the criteria set forth in the Business Rules."
234. E&Y noted three issues related to controls: (1) initial implementation of the performance measures in the year 2000; (2) implementation of the LASR ("Local Access Service Request") application as part of the Plan of Record ("POR") release in April 2002; and (3) the execution of certain manual activities required in the monthly performance measure result generation process. SBC Illinois has worked diligently to address these issues and has improved its controls, as detailed below.
235. Initial Implementation Of Performance Measures. The first control issue identified by E&Y related to the initial implementation of the performance measures after the SBC/Ameritech merger conditions were approved. This schedule allowed for less than

nine months for the majority of performance measures to be implemented. Initial implementations have been reviewed and updated as part of the ongoing performance measure process. Since the initial implementation, SBC Illinois' controls have been greatly expanded and enhanced.

236. Implementation of LASR. As noted above, E&Y's audit covered the months of March-May 2002. In April 2002, SBC Illinois implemented the "LASR" system for up-front processing of wholesale service requests, pursuant to a condition of the FCC's approval of the SBC/Ameritech merger. At the same time, SBC Illinois also implemented upgrades to other wholesale service request and order processing applications. Tailoring the new systems to our performance reporting systems and processes required the involvement of new staff personnel who were not previously familiar with the SBC Illinois performance measurements, performance measure reporting process, and change management control process.
237. The POR release primarily affected ordering performance measures, and E&Y's issue related to controls for implementing changes in computer code to ensure the collection of complete and correct data resulting from the implementation of the LASR applications. However, since then, the new staff has been educated on the SBC Illinois performance measurements, performance measure reporting process and the change management control process. The new staff has implemented the required changes to the performance measures and has been effectively managing the implementation of these performance measures since April 2002.

238. Manual Data Collection Controls. The third E&Y control issue related to controls on the manual collection and processing of data, which resulted in the need for some of the restatements E&Y noted in its audit report. The nature of the processes being measured requires that certain activities will be performed manually. In those situations, data might be captured manually and entered into a spreadsheet. Data from that spreadsheet might then be manually entered into a reporting system. Additionally, for processes where volumes of transactions are very low, it is not necessarily economically feasible or efficient to implement automated solutions for the entire performance measurement process.
239. However, SBC Illinois has increased its focus on manual activities in the performance measurement processes. Where efficient and economically feasible, those processes have been automated. Where they have not been automated, additional manual controls have been designed and implemented (e.g., process check sheets, multiple data input reviews, etc.). At the same time, these measures must be kept in perspective. Manual summarization of performance data only occurs where the volume of transactions is not sufficient to warrant a mechanized process. The measurement categories involved here did not impact or involve the high-volume activities of pre-ordering, ordering, provisioning or maintenance measures. And as I noted above, the performance results were either restated or corrected going forward after the March-May audit period, and the performance data analyzed here for September-November reflect these changes.
240. SBC Illinois has also worked diligently to improve its controls, and to address the issues identified by E&Y. Many of the issues identified by E&Y were also identified by BearingPoint, and SBC Illinois addressed them in response to exceptions identified by

BearingPoint. For instance, SBC Illinois detailed in its July 25, 2002 "Response to [BearingPoint] Exception 20 (Version 2)" how it has improved its performance reporting controls. This response explains the detailed documentation, methods and procedures that are in place to ensure that performance reporting is accurate and reliable. Before BearingPoint began its performance metrics review, SBC Illinois did maintain extensive technical and data flow documentation at the measure specific level for all reported performance measures, but expanded this documentation even further in response to the BearingPoint suggestions.

241. In addition to this documentation effort, SBC Illinois has implemented and documented a wide range of controls in its data transfer and performance measurement production process. SBC Illinois has a robust set of controls in place, and is actively investigating opportunities to implement additional controls into the metrics reporting process. Examples of controls relating to the processing of data that have been enhanced are: (a) copying and storing input and output performance measure data files; (b) header and trailer records/Control files to ensure the correct number of records are transferred, and (c) processing performance measure data multiple times to ensure consistent results.
242. Controls have been placed throughout SBC Illinois' reporting process, including both manual and mechanized processes, for the following processes: (a) ICS/DSS performance measurement data collection; (b) MOR/Tel performance measurement data calculation; (c) manual calculation of performance measurement data; (d) SAS team calculation of performance measurement data; (e) PRS/PRS+ data transfer applications; and (f) RRS performance measurement data calculation.

BEARINGPOINT'S REVIEW

243. As is evident from the Report, BearingPoint's Performance Metric Review ("PMR") is not complete, although significant progress has been made, and there are detailed plans to bring the performance testing to a successful conclusion. That is why SBC Illinois engaged E&Y to supplement the record. As I show below, none of BearingPoint's findings thus far are sufficient to warrant a finding of *non-compliance*, or to preclude the Commission from evaluating compliance based on the totality of the information before it, including SBC's reported commercial performance results and the E&Y audit. I provide an overview of BearingPoint's PMR test below.

EXECUTIVE SUMMARY OF BEARINGPOINT'S PERFORMANCE MEASUREMENT STATUS

244. In addition to its OSS evaluation, BearingPoint is also reviewing SBC's collection, calculation, and reporting of commercial performance results. BearingPoint's Performance Metric Review ("PMR") includes 271 applicable test points. BearingPoint's Report notes that 63 PMR test points have been "Satisfied,"⁷⁰ 117 are considered "Not Satisfied," and 91 are "Indeterminate." I address the current PMR test results below, but the bottom line is that there is no need for the Commission to attempt to reach a conclusion on all of the detailed PMR test criteria now, nor is SBC Illinois asking the Commission to terminate the test. The test will still go on, and SBC Illinois will continue to work with BearingPoint to address findings as they are raised. The present inquiry concerns overall checklist compliance today.

245. The question now is whether BearingPoint's PMR findings thus far are sufficient to warrant a finding of *non-compliance*. Here again, a substantive analysis of

BearingPoint's results in the context of the evidence as a whole, clearly demonstrates that the answer is no.

246. Two of the five test domains are substantially complete. PMR 2 addresses the definitions of metrics and standards. BearingPoint has substantially completed its review, and has verified that SBC Illinois has implemented the performance measurement “business rules” approved by the Commission; that the business rules are published and accessible to CLECs; and that SBC Illinois’ monthly performance reports are published on time and are accessible to CLECs. SBC Illinois satisfied all three test criteria in this area.
247. PMR 3 addresses “change management”: the process of implementing periodic updates to performance measurement business rules. BearingPoint has substantially completed its PMR 3 review. Of the 30 test criteria in this area, BearingPoint’s report states that 26 have been satisfied. BearingPoint has determined that the metrics change management process – and the responsibilities of the parties involved – are documented, and that the process includes: (i) a well-defined procedure for managing change requests; (ii) a high-level assessment of each requested change; (iii) an analysis of the change at a business level by experts in the subject measured; (iv) formulation of a detailed technical design prior to the start of implementation work; and (v) an independent review by the performance measurement group to ensure that the technical design is consistent with the expert business assessment.

⁷⁰ Illinois Draft Report, Section 1B, High Level Test Results, page 8.

248. PMR 1 evaluates SBC's procedures for data collection and retention. Of the 126 test criteria in PMR 1, 12 are currently assessed "Satisfied", 60 are currently assessed "Not Satisfied," and 54 are considered "Indeterminate."
249. Of the 60 "Not Satisfied" criteria, 30 relate to documentation of reporting procedures (as opposed to the procedures themselves, or SBC Illinois' adherence to them). These areas are referenced in PMR1-1 and 1-2 of the BearingPoint report. SBC Illinois has enhanced the degree of documentation concerning its measurement procedures and has provided over 6,000 pages of supporting performance metrics documentation regarding those procedures to BearingPoint. On August 21, 2002, BearingPoint determined that SBC Illinois provided a "complete" set of documentation, and BearingPoint is now reviewing this extensive documentation. Upon completion of that review, SBC Illinois expects that these 30 test criteria will be found "Satisfactory." Another 18 "Not Satisfied" criteria relate to performance metric controls. Over the past year, SBC Illinois has implemented numerous improvements to its internal controls, including several improvements in measurement processes that will reduce restatements. SBC Illinois expects this group of 18 test criteria be found "Satisfactory" upon completion of retesting. The remaining 12 "Not Satisfied" related to data retention. On October 30, 2002, SBC Illinois reported that 100 percent of the reported performance metrics, source system unique elements, and system of records are now retained in the manner specified by BearingPoint. BearingPoint is currently reviewing and validating SBC Illinois' responses, and upon completion of that review, SBC Illinois expects BearingPoint will affirm SBC's proper retention of all source system elements.

250. The remaining 54 PMR 1 test criteria, which address data processing capacity and procedures for future reports, are currently “Indeterminate”: BearingPoint has not identified a problem, it simply has not completed its analysis. These criteria do not relate to the accuracy of current performance reports. Clearly, SBC Illinois has sufficient processing capacity today because performance reports are being produced. Likewise, SBC Illinois has defined and implemented backup procedures to ensure that the original data (as well as the backup data) are retained for audit purposes after they are reported. In short, SBC Illinois has validated, and expects BearingPoint to confirm, that there are no existing PMR1 data collection and retention issues that affect current results.
251. After considerable discussion, SBC and BearingPoint have developed a plan to complete the PMR 1 evaluation, along with specific tasks and target dates. The current projected completion date for the evaluation is within the second quarter of 2003.
252. PMR 4, which evaluates the accuracy and completeness of transferring data from the point of collection to the point of reporting, and then converting raw data to processed data, is not substantially complete. Over 65 percent of this test is still without comment by BearingPoint, and as a result 26 of the 40 applicable test criteria are “Indeterminate.” SBC Illinois and BearingPoint have developed a detailed project plan that identifies each of the activities required to complete the PMR 4 evaluation, along with specific tasks and target dates. The projected completion date for PMR 4 is the second quarter of 2003. Each of the 12 test criteria that have been classified as “Not Satisfied,” is expected to be successfully resolved, and none of them reflect a material performance reporting issue.

253. PMR 5 evaluates the processes used by SBC to calculate performance results, and assesses the consistency of SBC's metric calculations to the Commission's approved business rules for each performance measure reported by SBC. Similar to PMR 4, this test is still in progress. As a result, 11 of the 72 test criteria are "Indeterminate," while 20 of the test criteria are currently assessed as "Satisfied" and 41 of the test criteria are currently assessed "Not Satisfied," based on testing of July 2002 data. Each of these is expected to be successfully resolved in retesting. Most of the issues identified by BearingPoint have been addressed in current performance reports, and none of the remaining issues are material to the analysis – that is, the overall pass/fail results.
254. In sum, the issue now before the Commission is checklist compliance. The Commission has ample evidence to decide that issue, and it has more than sufficient assurance that the commercial performance results in the record are reliable for use in its decision.

DETAILED ANALYSIS OF BEARINGPOINT'S PERFORMANCE METRICS REVIEW TEST RESULTS BY TEST DOMAIN

255. The Performance Metrics Review (PMR) test domain comprises five distinct tests associated with the collection, calculation, and reporting of performance data. The Performance Metrics Review falls into two categories. First, the process reviews covered by PMR 2 and PMR 3 evaluate SBC's publication of business rules, reporting of performance results and the processes used to manage and communicate changes to performance measures or results. These tests are substantially complete. The second category includes process reviews and testing covered by PMR 1, PMR 4 and PMR 5, which evaluate the collection and storage of data related to performance measures, the conversion of raw data to a processed form, the transfer of data from the points of

collection to points of processing, and the actual calculation of the performance measurement results, including an assessment of SBC's implementation of the business rules. The current status of each PMR test is discussed below.

1. Metrics Definitions and Standards (PMR 2)

256. SBC's policies and practices for developing, documenting, and publishing performance measurement definitions, standards and performance reports satisfied each of the 3 test criteria. BearingPoint confirmed that SBC uses Commission approved "business rules" for performance measurement, and that these business rules are published through a distribution channel that is accessible by relevant parties. BearingPoint also determined that SBC's performance measurement reports are published on time and through a distribution channel accessible by relevant parties.

2. Performance Measurement Change Management (PMR 3)

257. Section II-A-1 of BearingPoint's report on the operational aspects of the test,⁷¹ describes the successful test of SBC Illinois' "change management process" for updates to operations support systems. SBC Illinois also has a separate, defined change management process for implementing changes to performance measurements or results, and for communicating such changes to the Commission and to CLECs. BearingPoint's test included two parts: PMR 3A and PMR 3B

258. PMR-3A. First, BearingPoint found that SBC Illinois' metrics change management process includes well-defined procedures for managing change requests, including detailed design and technical assessments of each requested change, and documentation

of programs and processes impacted by or created for the change, including program comments where appropriate. BearingPoint also concluded that all critical instructions and steps in the metrics change management process are documented, including roles and responsibilities. BearingPoint's Report states that SBC satisfied 12 of 16 PMR3A test criteria.

259. The remaining four test criteria are currently being retested. Test criteria PMR 3-6 (monitoring of source system changes that impact metrics reporting) and PMR 3-16 (known changes follow the documented change management process) are open because of BearingPoint's Exception 41. SBC Illinois has supplemented its change management processes to satisfy those issues, and BearingPoint is retesting those changes. Test criterion PMR 3-7 involves compliance with intervals for implementing changes to metrics business rules, and is addressed in Exception 157. SBC expects this to be successfully retested based upon its implementation of the changes approved in the current six month review process. Finally, test criterion PMR 3-12 relates to testing of proposed changes and is addressed in Exception 133. SBC Illinois has provided additional information to BearingPoint regarding this finding, which is now being retested.

260. PMR 3B. The second component of BearingPoint's review is addressed in PMR 3B, where BearingPoint evaluated SBC Illinois' methods and procedures relating to the recalculation of performance remedy payments associated with corrections or

⁷¹ Section II-A-1, pp. 211-219 describes the 7 "Satisfied" test points for the Process and Procedures Review, PPR1: Change Management Practices Verification and Validation Review

restatements of previously reported performance results. BearingPoint concluded that SBC satisfied all 14 test criteria.

261. Taking PMR-3A and 3B together, SBC has currently satisfied 26 of the 30 test criteria, or approximately 87 percent. None of the remaining “Not Satisfied” test criteria affect current results, and each is expected to be successfully retested.

3. Collection and Storage of Data (PMR 1)

262. This test evaluates SBC Illinois’ policies and practices for the collection and storage of data. BearingPoint’s evaluation was based on the following seven criteria: (1) whether data collection and storage policies and procedures are documented, (2) whether technical requirements, including collection points and storage sites, are documented, (3) whether capacity exists for collecting and storing data (4) whether data collection internal controls are adequate, (5) whether procedures are in place to ensure regularly scheduled backups of data, (6) whether data is retained in compliance with regulatory data retention requirements, and (7) whether internal controls are in place to ensure that access to metrics data is limited to authorized personnel. BearingPoint applied these seven criteria to each of the 18 families or “groups” of performance measurements, for a total of 126 test points. See Tables 1-1 through 1-7, at pp. 37 - 90 of the IL Performance Metrics Report.

a. Documentation of Processes and Technical Requirements

263. Thus far, BearingPoint has classified six of 36 criteria in PMR 1-1 and 1-2 as “Satisfied.” The other 30 test criteria are presently “Not Satisfied” based on BearingPoint’s assessment that the performance metrics documentation SBC Illinois originally provided

(through November 2001) did not accurately or completely illustrate the flow of data all the way from the source systems that process transactions to the performance measurement systems that report results. After BearingPoint issued Exception 20, SBC Illinois provided BearingPoint additional, updated documentation, including business and technical requirements and data retention information. By the end of June 2002, SBC Illinois had provided over 6,000 pages of updated performance measurement documentation, including Data Flow Documents, Data Element Maps, Business and Technical Requirements, Data Retention Policies and System of Record Documentation.

264. On August 21, 2002, BearingPoint determined that a “complete” set of documentation had been provided. After the issuance of its Draft Report – BearingPoint stated that it had finished reviewing the subset of this documentation relating to data retention and had determined that the documentation accurately reflects SBC Illinois’ Data Retention Policies. BearingPoint is reviewing the remaining documentation. To facilitate the review, BearingPoint and SBC have developed a process to address issues or questions on a weekly basis. Given the successful results so far, SBC Illinois expects that the remaining 30 test criteria will be found “Satisfactory” during the second quarter in 2003.

b. Internal Data Collection Controls and "Restatement" of Performance Results

265. BearingPoint reported that 18 test points in PMR1 criteria 4 were "Not Satisfied (In Retest)" due primarily to Exception 20. Exception 20 is based on BearingPoint’s assessment of controls for data collection and processing as of 2001. When it issued Exception 20, BearingPoint relied primarily on the number of corrections or “restatements” of results in 2001. Since then, however, SBC Illinois has implemented numerous control improvements, including several improvements in measurement

processes, to reduce the need for performance measure restatements in the future. As a result of these enhancements, the restatements of performance results in 2002 have not been material, and do not affect the Commission's overall conclusion as to checklist compliance or the accuracy of reported performance results.

266. In assessing this issue, proper context is necessary. SBC Illinois reports performance on approximately 150 measures, which are disaggregated into over 3,000 sub-measures, which are in turn reported individually for over 160 unique CLECs in Illinois. Thus, the performance reports for each month include thousands of different wholesale results. These results are reported on an extremely aggressive time frame, with reports for all CLECs for a given month due by the 20th day of the following month. It would be unreasonable to expect 100 percent perfection in every measurement category every month, and the FCC has never required such perfection. In fact, the FCC has approved 271 applications for several states, despite CLEC claims that the performance data were unreliable (based partly on the fact that some reported results had been restated).

Arkansas & Missouri 271 Order, ¶¶ 16-20; *Georgia & Louisiana 271 Order*, ¶¶ 16-20.

267. Accordingly, the relevant issue is not whether some errors have occurred and been corrected, because some errors are inevitable. Rather, the important inquiries are whether the restatements are material enough to affect the reliability and accuracy of reported performance results, and whether there is a process in place to correct prior reports and address any future errors on a going-forward basis.

268. In this regard, the number of restatements does not bear on their materiality. Instead, it results from SBC Illinois' conservative approach to restatement of performance results.

In simple terms, SBC Illinois was restating results even when there was no material change to the previously reported results. During BearingPoint's testing, SBC Illinois took an even more conservative approach, so as to facilitate BearingPoint's audit. Therefore, considering the *materiality* of restatements (that is, the restatements that actually caused a particular result to change from "pass" to "fail" or vice versa), rather than their number, and considering performance results from this year rather than 2001, SBC Illinois' restatement rate for January through November 2002 data is less than one percent of reported results. Thus, reported results are reasonably accurate and reliable. Moreover, the existence of restatements itself demonstrates that there are processes in place to detect errors and correct previously reported results. As described under PMR 3 discussed above, BearingPoint has verified that such procedures are in place.

c. Data Retention

269. BearingPoint determined that 6 of the 18 test points for criteria 6 were satisfied. BearingPoint's 12 "Not Satisfied" test points for criteria 6 is based largely on Exception 19. At the issuance of Exception 19, BearingPoint found that SBC Illinois did not appear to retain data in the manner specified by regulatory retention requirements. Since that time, SBC Illinois undertook a comprehensive, detailed review of the source systems that capture performance data, modified and updated retention policies regarding source data, and updated data retention documents for all 150 performance measurements and associated systems. On October 30, 2002, SBC Illinois supplemented its prior responses to Exception 19, representing that 100 percent of the reported performance metrics, source system unique elements, and system of records are retained in the manner specified by BearingPoint. BearingPoint is currently reviewing and validating SBC

Illinois' responses. Testing on these 12 remaining test points should be concluded during the second quarter of 2003.

d. Collection and Storage Processing Capacity and Retention "Back-Up" and Controls

270. BearingPoint has not completed its testing in this area. SBC and BearingPoint have collaborated to develop a detailed project plan that identifies each of the activities required to complete the PMR 1 evaluation. This detailed project plan identifies the activities, deliverables, and target dates for each party that are required to complete this evaluation. It establishes a projected completion date for PMR 1 during the second quarter of 2003.
271. While the existence of a detailed project plan, and SBC Illinois' commitment to continue PMR testing at the direction of the Commission are valuable tools going forward, none of these 54 "Indeterminate" test criteria relate to the accuracy of current performance reports. For example, criteria 3 relates to the existence of capacity to process and store data that are collected in the future. Clearly, the existing capacity is sufficient, as performance reports are being produced; this is strictly a forward-looking component of the test. Similarly, test criteria 5 relates to the adequacy of procedures to "back up" performance reporting information; while SBC Illinois has defined backup procedures in place, current performance data have already been produced, and the originals (as well as backups) exist for auditing. Finally, test criteria 7 relates to limitations on access to data collected and reported for future reports; again, while there are defined procedures in place here, the Commission has sufficient assurances that current data are reliable.

4. Metrics Data Integrity (PMR 4)

272. This test evaluates SBC Illinois' policies and practices for processing the data used in the production of the reported performance results. BearingPoint's test evaluates accuracy and completeness, both when data are transferred from the point of collection to the point of reporting, and when data are converted from raw to processed form. Data integrity is based on the following four criteria: (1) whether required source records are included, (2) whether inappropriate records are in processed data, (3) whether records in processed data are consistent with unprocessed data from source systems, and (4) whether data fields in processed data are consistent with unprocessed data from source systems. These four criteria are applied to each of the 18 performance measurement “families,” as applicable,⁷² for a total of 40 test points. See Tables 4-1 through 4-19, at pp. 119-174 of the Report. Additional information as to the scoring and status of the PMR4 test is available in Tables 4-20-4-23, at pp. 175-188, which provides information relating to the BearingPoint samples and scoring, by test criteria and measure family. Table 4-24 provides status of Open PMR 4 data requests by performance measure, as of December 13, 2002. Although there appears to be many open requests in the table, there are actually only 21 requests, and each of these open data requests listed have targeted due dates reflected on the project plan jointly developed by BearingPoint and SBC. Since the date of BearingPoint’s report, SBC Illinois has responded to 6 of the data requests listed as outstanding (PMR4 data requests ST007a, ST011, ST013a, ST016, ST018, and ST022), with partial responses on 3 other requests (PMR data requests ST012a, ST029,

⁷² The “Not Applicable” status reflects the nature of the PMR4 -Data Integrity test, which does not test those instances where SBC is calculating its performance results using data drawn directly from the “first capture point” or “root system” (which is data integrity by design) or where SBC uses summary data to calculate its

and ST031). These partial requests are targeted for fulfillment on January 24, 2003. An additional 3 requests (PMR4 data requests ST015, ST025a, and ST030) are also scheduled for January, netting out to only 9 of the original 21 requests targeted for delivery after February 1, 2003.

273. This data integrity test is still in progress, and as a result 26 of the 40 applicable test criteria are “Indeterminate” and 2 are “Satisfied”. Progress has been made in this area of the test, and SBC Illinois and BearingPoint have developed a detailed project plan that identifies each of the activities required to complete the PMR 4 evaluation, along with specific tasks (including the aforementioned data requests) and associated target dates. The projected completion date for PMR 4 is second quarter 2003. I focus next on the 12 test criteria that have been classified as “Not Satisfied,” each of which is expected to be successfully resolved, and show that none of them reflect a material performance reporting issue.

a. Source Records Included In Data

274. Coordinated Conversions (Exception 175). BearingPoint’s Exception 175 led it to classify one test point, PMR 4-4-N, as “Not Satisfied.” This exception deals with two performance measures, PM 114 (Percentage of Premature Disconnects - Coordinated Cutovers) and 115 (Percentage of Ameritech Caused Delayed Coordinated Cutovers). It relates to the “start time” used in the calculation of the Coordinated Conversions and Frame Due Time disaggregations. SBC Illinois’ work and force management system do not currently capture the actual start time for such conversions. Instead, for measurement

performance (ACD – call answer measures) or where there BearingPoint could execute the test (where no Test CLEC or Volunteer CLEC data is available).

purposes SBC Illinois initially used the scheduled start time for the conversion. Since that time, SBC Illinois modified its procedures to derive the start time by accumulating the time required to perform each task in the conversion (as documented by the technicians in the field) and subtracting it from the end time of the conversion. In response to this Exception, SBC Illinois further modified its operational processes to capture a more precise start time. These process modifications were made on a going forward basis from September 2002 – thus, the September-November data presented here reflect the corrective action. On November 10, 2002, BearingPoint issued follow-up questions, and SBC Illinois is developing its response.

275. DUF Records (Exception 176). This issue relates to two test points: PMR 4-1-E (Data fields in processed data used to calculate measures are consistent with unprocessed data from source systems) and PMR 4-4-E (Data fields in processed data used to calculate measures are consistent with unprocessed data from source systems) for the Billing measure group. It involves the capture of performance data for a single measure, PM 19 (Daily Usage File Timeliness). BearingPoint found that the results reported for this measure do not currently include data for a specific set of files (known as "Category 11" files) in its published performance data. The files are still produced and delivered to CLECs; the only issue is that they should be included in performance reports. The performance measure business rules require that data to be captured, and SBC Illinois has developed methods to include the data effective with December performance reporting. From a performance results perspective, however, the current exclusion of these Category 11 files is not expected to materially change reported results. BearingPoint tested overall

DUF processes and found them sufficient, and the Category 11 files are subject to the same processes. Further, no CLEC has contended that the Category 11 files are untimely.

276. Bona Fide Requests: Exception 179. BearingPoint issued Exception 179 on December 4, 2002, which stated that SBC Illinois did not completely transfer unprocessed records to processed records in calculating PM 120 (Percentage of Requests Processed Within 30 Business Days). As a result of this exception, BearingPoint classified test points 4-3-P and 4-4-P as “Not Satisfied”. The issue was not significant, and related to a one-time occurrence that was corrected. Specifically, in May 2002 SBC Illinois responded to 4 BFRs issued by a particular CLEC: one for Michigan, one for Wisconsin, one for Indiana, and one for Ohio. These 4 records were correctly included in the performance measure. At the same time, though, SBC inadvertently posted a BFR entry for the same CLEC to the Illinois data. The CLEC did not submit this additional BFR request for Illinois. The manager involved was new to the process and has since undergone further training. Going forward, SBC Illinois is evaluating a plan to move this reporting process to a new database. The implementation of this data base is currently targeted for the first quarter of 2003. At any rate, the error occurred in May 2002, and there were no reported results for this PM in the September-November 2002 analysis here.

b. Inclusion of Product Codes

277. BearingPoint’s Exception 134 led it to classify four test points as “Not Satisfied”, PMR 4-4-B, 4-4-C, 4-4-I, and 4-4-R. BearingPoint found that transactions for certain product types were erroneously not captured by performance data in the Ordering (Group B), Provisioning (Group C), Local Number Portability (Group I) and Other (Group R) measurement groups. SBC investigated this issue, and found that the applicable product

codes had not been “mapped” for inclusion in the performance reporting programs. SBC then modified its systems to capture these products, and has verified that it is mapping products appropriately in well over 99 percent of all cases. Performance data for months prior to these enhancements were restated on November 5, 2002 to include all appropriate orders and maintenance tickets, and the September-November 2002 data included in this filing reflect these corrections. BearingPoint issued two clarifying questions on January 6, 2003 and SBC Illinois’ response is pending.

c. Consistency of Processed Data and Source System Data

278. Calculation of PM MI 11 (Exception 174). This issue relates to two “Not Satisfied” test points in the “Other” (R) Measure group, test criteria PMR 4-3-R and PMR 4-4-R. It stems from a simple miscommunication. In response to a data request by BearingPoint, SBC Illinois inadvertently submitted an incomplete data file which did not contain all of the records requested. This issue did not affect the reporting for any performance measure; rather it only meant that BearingPoint did not have the data to use for verifying the results of one performance measure. SBC Illinois has since re-submitted the appropriate data, and BearingPoint is retesting.

279. PM 104.1 (Exception 181). BearingPoint issued Exception 181 on December 12, 2002. It states that SBC Illinois did not completely transfer unprocessed records to processed records for PM 104.1 (The Average Time it takes to Unlock a 911 Record). First, I should note that this issue is related solely to the reporting of performance measure results and not the actual operational process of unlocking 9-1-1 records. BearingPoint was unable to match all the output (the 9-1-1 database records which reflect that an unlock has occurred) to the input (completed service order records) in order to calculate

the interval between the two. This finding accounts for two “Not Satisfied” test points: 4-3-J and 4-4-J. BearingPoint reported that (1) there were 14 of 149 (9.4%) processed records that were supported by the 9-1-1 database, but BearingPoint did not locate the corresponding service order records, (2) there were 14 of 149 (9.4%) processed records that were supported by service order data, but BearingPoint did not find the corresponding “unlock” record in the 9-1-1 files, and, (3) BearingPoint did not find either a service order record or an unlock record for 3 of the 149 (2%) records in the PM. SBC Illinois responded that it is in the process of developing enhancements to increase the match rate.

5. Metrics Calculation and Reporting (PMR 5)

280. This test evaluates the processes used by SBC Illinois to calculate performance results. It also assesses the consistency of SBC Illinois’ metric calculations to the Commission’s approved business rules for each performance measure reported by SBC.
281. BearingPoint’s Metrics calculation evaluation is based on the following four criteria: (1) whether performance measure disaggregations are reported consistent with the business rules, (2) whether BearingPoint can independently replicate SBC’s reported performance results by using calculation programs that BearingPoint developed to recalculate SBC’s unfiltered, unprocessed data, a process referred to as “blind replication,” (3) whether SBC is calculating results consistent with the business rules, and (4) whether SBC is excluding data consistent with the business rules. These four criteria are applied to each of the 18 performance measurement groups for a total of 72 test criteria. See Tables 5-1 through 5-5 at pp. 189-229 of the Report. Additional information relating to the scoring of PMR5

test criteria for each measure family for both the July and January (previous evaluation) data months are depicted in Tables 5-6 through 5-14 on pp. 230-242.

282. The PMR5 test is still in progress, and as a result 20 of the 72 test points have been categorized as “Satisfied”, while 11 test points are “Indeterminate,” and 41 are assessed “Not Satisfied” in the December 20, 2002 Report. In assessing these results, it is critical to understand how they were reached. BearingPoint originally sought to test data from January-March 2002. On October 22, 2002, SBC Illinois recommended that testing for PMR5 move to the July and August data months in order to comply with the methodology adopted by the Commission Staff. Tables 5-7, 5-9, 5-11, and 5-13 on pp. 230-242 of the report provide a status of testing progress on the January 2002 data. The table below summarizes the four tables in the report and represents the status of each measure group, by PMR5 criterion, for the January data month.⁷³ As stated in the report, the scores are presented for informational purposes and do not affect the test results or scores presented in the report.

January Data Month					
Measure Group	Measure Group	Required Metrics Values Reported (Criterion 1)	Blind Replication (Criterion 2)	Calculating Consistently (Criterion 3)	Excluding Consistently (Criterion (5-4))
Pre-Ordering	A	≤92.32%	n/a	n/a	n/a
Ordering	B	≤95.02%	≤91.04%	n/a	n/a
Provisioning	C	≤99.97%	≤98.82%	≤94.46%	≤96.86%
Maintenance & Repair	D	≤100.00%	≤98.22%	≤97.91%	≤94.94%
Billing	E	≤100.00%	≤100.00%	≤66.67%	≤100.00%
Miscellaneous Administrative	F	100.00%	87.50%	n/a	n/a
Interconnection Trunks	G	≤100.00%	≤94.62%	n/a	n/a
Directory Assistance/Operator Services	H	≤100.00%	≤100.00%	≤100.00%	≤100.00%

⁷³ The BearingPoint evaluation for January was not complete when testing for PMR5 was moved to the July data month. Therefore, the scores reflected in the table represent the maximum possible score that SBC could have achieved. This table also reflects results as of September 11, 2002 for the August 30, 2002 version of the January 2002 data month. (i.e. includes restatements)

January Data Month					
Measure Group	Measure Group	Required Metrics Values Reported (Criterion 1)	Blind Replication (Criterion 2)	Calculating Consistently (Criterion 3)	Excluding Consistently (Criterion (5-4))
Local Number Portability	I	≤100.00%	≤83.33%	n/a	n/a
911	J	100.00%	100.00%	≤81.82%	≤81.82%
Poles, Conduits, and Right-of-Way	K	100.00%	95.83%	≤95.83%	≤45.83%
Collocation	L	100.00%	93.62%	n/a	n/a
Directory Assistance Database	M	100.00%	100.00%	≤100.00%	≤100.00%
Coordinated Conversions	N	100.00%	100.00%	≤43.48%	≤65.22%
NXX	O	≤100.00%	≤100.00%	≤100.00%	≤100.00%
Bona Fide Requests	P	100.00%	100.00%	100.00%	≤100.00%
Facilities Modification	Q	≤100.00%	≤100.00%	≤99.29%	≤29.74%
Other	R	≤72.60%	n/a	n/a	n/a

283. As is clear by the table above, SBC had made good progress in addressing issues identified by BearingPoint in PMR5 through modifications reflected in restatement of January 2002 results. BearingPoint has since moved its testing to the July and August data months. This move of data months required BearingPoint to restart its replication efforts and to track changes in SBC Illinois' OSS, including the implementation of LSOG 5 in April 2002. The table below summarizes the information presented in Tables 5-6, 5-8, 5-10, and 5-12, representing the July and August data months. This table reflects the scoring from the December 20, 2002 Report.

July – August Data Months (October 22, 2003 version)						
Measure Group	Measure Group	Required Metrics Values Reported (Criterion 1)	Blind Replication (Criterion 2)	Calculating Consistently (Criterion 3)	Excluding Consistently (Criterion (5-4))	
Pre-Ordering	July	A	100%	≤47.42%	n/a	n/a
	August		100%	≤51.37%	n/a	n/a
Ordering	July	B	99.0%	≤74.13%	n/a	n/a
	August		99.0%	≤77.36%	n/a	n/a
Provisioning	July	C	100%	≤97.49%	≤85.13%	≤54.87%
	August		100%	≤93.17%	n/a	n/a
Maintenance & Repair	July	D	100%	≤80.01%	n/a	n/a
	August		100%	≤78.22%	n/a	n/a

July – August Data Months (October 22, 2003 version)					
Measure Group	Measure Group	Required Metrics Values Reported (Criterion 1)	Blind Replication (Criterion 2)	Calculating Consistently (Criterion 3)	Excluding Consistently (Criterion (5-4))
Billing	July	100%	≤93.65%	n/a	n/a
	August	100%	≤100.00%	≤73.02%	≤90.48%
Miscellaneous Administrative	July	100%	≤100.00%	≤100.00%	43.75%
	August	100%	≤100.00%	≤100.00%	43.75%
Interconnection Trunks	July	100%	≤81.17%	n/a	n/a
	August	100%	≤83.86%	n/a	n/a
Directory Assistance/Operator Services	July	25.3%	NA	n/a	n/a
	August	25.3%	NA	n/a	n/a
Local Number Portability	July	100%	≤100.00%	≤71.43%	≤28.57%
	August	100%	≤100.00%	≤71.43%	≤28.57%
911	July	100%	≤100.00%	≤100.00%	81.82%
	August	100%	≤100.00%	≤100.00%	81.82%
Poles, Conduits, and Right-of-Way	July	100%	≤75.00%	n/a	n/a
	August	100%	≤79.17%	n/a	n/a
Collocation	July	100%	≤100.00%	≤100.00%	≤78.72%
	August	100%	≤100.00%	≤100.00%	≤78.72%
Directory Assistance Database	July	100%	≤94.44%	n/a	n/a
	August	100%	≤88.89%	n/a	n/a
Coordinated Conversions	July	100%	<96.74%	≤66.30%	≤26.09%
	August	100%	≤93.48%	n/a	n/a
NXX	July	100%	≤100.00%	≤100.00%	≤100.00%
	August	100%	≤100.00%	≤100.00%	≤100.00%
Bona Fide Requests	July	100%	100.00%	100.00%	100.00%
	August	100%	100.00%	100.00%	100.00%
Facilities Modification	July	100%	≤99.13%	≤89.90%	0.00%
	August	100%	≤96.52%	≤87.11%	0.00%
Other	July	98.2%	≤84.47%	n/a	n/a
	August	98.2%	≤84.47%	n/a	n/a

284. The status at present reflects the progress of BearingPoint and SBC’s efforts to “come up to speed” in testing the July data. The subsections below summarize test status to date, based upon the 4 test criteria used by BearingPoint in its PMR 5 evaluation, as described in the table above.

a. Required Metrics Reported

285. BearingPoint assesses the reporting of all performance measure disaggregations as defined in the performance measure business rules. Seventeen test criteria are scored as “Satisfied” and one (PMR 5-1-H), relating to Observation 714 in the Directory Assistance/Operator Services measure group, was classified “Not Satisfied” for both July and August data months. SBC’s has responded to Observation 714 and is awaiting BearingPoint’s review of that response.

b. Blind Replication

286. Blind replication is the process BearingPoint uses to replicate SBC’s performance measure results by recalculating them all from the original raw data. This process is complex and very time consuming as it literally requires “re-inventing the wheel”: re-building the performance measurement calculations using the Business and Technical requirements documents as the primary information source. One test criteria is “Satisfied” (PMR 5-2-P) and six are “Indeterminate.” BearingPoint categorized 11 test criteria (PMR 5-2-A, 2-B, 2-C, 2-D, 2-E, 2-G, 2-H, 2-K, 2-M, 2-N, and 2-R) as “Not Satisfied” test points. In this report BearingPoint considers any point “Not Satisfied” based on the review of the October 22, 2002 version July 2002 data, without regard to whether the issue was corrected after that time and restated. In other words, BearingPoint has not yet reached the point of testing beyond the October version of the July and August Performance Reports. There are 5 open Observations⁷⁴, 4 Observations in retest

⁷⁴ As of January 15, 2003, Observations 627, 639, 646, 664, and 686 are Open, Observations 538, 570, 640, 645 and Notification Reports NR064, 067, 069, are in Retest, and Notification Reports 071, 072, and 073 have been Closed.

and 3 Notification Reports⁷⁵ in retest, and 3 Notification Reports that have now been closed representing these test points.

c. Calculate according to the business rules

287. BearingPoint assesses whether SBC calculates performance results in accordance with BearingPoint's reading of the business rules. One test criteria is "Satisfied" (PMR 5-3-P) and four are "Indeterminate." BearingPoint identified 13 test criteria (PMR 5-3-A, 3-B, 3-C, 3-D, 3-E, 3-G, 3-H, 3-I, 3-K, 3-M, 3-N, 3-Q and 3-R) as "Not Satisfied."
288. Most of test criteria identified in criteria 3 (and criteria 4) as "Not Satisfied" relate to differences between BearingPoint's strict reading of literal business rules and SBC Illinois' interpretation. For example, the business rules for performance measure 7.1, Percent Mechanized Completions Returned within One Day of Work Completion, state that the interval is to be calculated in calendar days, while SBC Illinois calculates the interval based on the hours that the system is available (Observation 659): in other words, SBC Illinois stops the clock during regularly scheduled downtime and maintenance. CLECs have tentatively agreed to clarify this business rule in the current six-month review, mooted this issue, but under a literal reading of the business rules in place at the time BearingPoint classifies the related test points as "Not Satisfied" pending the Commission's approval of the modified business rules. Observations 492, 659, 728, 731, 733, and 756 fall into this category. There are 13 open Observations⁷⁶, 7

⁷⁵ Notification Reports are sent to SBC prior in advance of opening an Observation in order that SBC investigate and comment on BearingPoint's analysis related to PMR5, criteria 2, blind replication activities.

⁷⁶ As of January 15, 2003, Observations 429, 461, 488, 624, 631, 643, 684, 697, 727, 729, 730, 732, and 745 are Open, Observations 565, 570, 642, 659, 676, 756, and 757 are in Retest, Observations 492 and 708 are Closed and Observations 728, 731, and 733 are Closed, Not Satisfied based on a literal reading of the business rules.

Observations in retest, 2 Observations closed and 3 Observations categorized as “Closed, Not Satisfied” according to this strict reading of the business rules.

289. Only two “Not Satisfied” criteria relate to actual Exceptions. Test criteria PMR 5-3-A, and Exception 113, relate to a dispute as to the proper interpretation of the business rules for Performance Measure 2 (Percent Responses Received within ‘X’ Seconds – OSS Interfaces), which calculates the speed of responses to pre-order inquiries. Upon receipt of a pre-order inquiry, SBC Illinois’ electronic systems “translate” it from the industry standard format in which the CLEC submits it, to the internal format that SBC’s systems understand and use. SBC Illinois currently computes response intervals by starting *after* the translation step, because that is the point where its systems can understand and record information. BearingPoint’s position is that the interval should start *before* translation. SBC Illinois disagrees (its method is the same as used in Texas, Kansas, Oklahoma, Arkansas and Missouri, all of which have received section 271 approval) but the Commission need not resolve that issue now. BearingPoint itself has estimated the disputed interval as four seconds, an amount the FCC has previously found immaterial to analysis of pre-order response times. *New York 271 Order*, ¶147. Additionally, CLECs and SBC have now agreed on a modification to the business rule that adds a separate disaggregation to measure protocol translation time, using a benchmark of 95% within four seconds. The disagreement on the business rule has become a “non-issue.”
290. Test criteria PMR 5-3-F, also at issue in Exception 111, relates to the measures for timeliness of repairs to unbundled loops (excluding UNE Loop and Port combinations): performance measures 66-68. This finding does not relate to the reasonableness of currently reported wholesale repair intervals; rather, BearingPoint’s view is the retail

results used for comparison were not calculated on the exact same basis as wholesale (due to differences in the way of computing and excluding time that is not attributable to SBC Illinois, such as time in which SBC Illinois is not permitted access to facilities to do the maintenance work). As a result, BearingPoint determined that the comparison was not “apples to apples.” SBC Illinois modified the retail computations and has proposed and CLECs have accepted clarifications to the wholesale business rules in the most recent six-month review. SBC followed up with responses to additional questions from BearingPoint on July 11, 2002 and August 24, 2002. BearingPoint did not close its exception, however, and SBC is re-evaluating BearingPoint’s analysis to determine what concerns remain. Again, however, this issue does not affect the Commission’s analysis of wholesale results; even if one were to consider wholesale results for these three measures on their own (without considering the retail analogs), they still suffice to show checklist compliance. For example, Performance Measure 66-04 shows that the rate of missed repair commitments for 2-wire analog loops was only 2.68 percent for September, 2.41 percent for October, and 2.03 percent for November; Performance Measure 67-05 shows that the mean time to restore such loops ranges from 5.29 to 5.49 hours even with dispatch of a service technician; and Performance Measure 68-01 shows that approximately 7 percent of lines are restored within 24 hours.

d. Exclusions Based On Business Rules

291. Finally, BearingPoint assesses whether SBC implemented exclusions in accordance with BearingPoint’s reading of the business rules. One test criteria is “Satisfied” (PMR 5-4-P) and 1 is “Indeterminate.” BearingPoint identified 15 test criteria (PMR 5-4-A, 4-B, 4-C, 4-D, 4-E, 4-F, 4-G, 4-H, 4-I, 4-J, 4-K, 4-M, 4-N, 4-Q and 4-R) as “Not Satisfied.”

Several of the related Observations (O-628, 689, 694, 711, 716, 718, 719, 722, 723, 726, 746, 752, 760, and 777) on these test criteria can only be satisfied by the adoption of business rule clarifications which have been proposed at the ongoing six-month review. The remaining issues either have the implementation or response pending, or were corrected on a going forward basis from when the issue was identified and corrected.⁷⁷

ADDITIONAL ASSURANCES OF RELIABILITY

292. In addition the extensive and comprehensive third party reviews of SBC Illinois' performance data, there are three additional assurances of reliability: on-going supervision by the ICC, data reconciliation and access to raw data and SBC Illinois' data controls. In particular, SBC Illinois is confident that the ICC will continue its active supervision over the course of the ongoing BearingPoint performance metric review. As discussed below, SBC Illinois' reported and underlying raw data are made available to CLECs, and SBC Illinois is ready and willing to participate in data reconciliations when requested. Finally, although solid to begin with, SBC Illinois' internal data controls have been further enhanced as a result of the past and on-going third party reviews.

THE ONGOING SUPERVISION OF THE ICC

293. The supervision and oversight of the ICC in matters of SBC Illinois' performance data has been ongoing and extensive. SBC Illinois expects the ICC to exercise continued supervision regarding its plans and the integrity of the data reported by SBC Illinois.

⁷⁷ As of January 15, 2002, Observations 742 and 761 have been closed: Observations 661, 687, 688, 689, 720, 725, 746, 752, 755, 758, 759, 760, and 762 are in retest: Observations 587, 623, 630, 637, 709, 710, 717, 721, 738, 739, 740, 741, 747, 748, 749, 750, 751, 753, 763, and 768; are Open and Observations 628, 677, 694, 711, 716, 718, 719, 722, 723, 724, and 726 have been closed not satisfied due to business rule interpretations.

DATA RECONCILIATION AND CLEC ACCESS TO RAW DATA

294. Several controls included in SBC Illinois' Performance Remedy Plan ensure the reliability of SBC Illinois' performance measurements data. SBC Illinois is committed to continued compliance with these controls, so that CLECs and the ICC can rely on the data to assess SBC Illinois' wholesale performance.
295. If CLECs have concerns regarding definitions of performance measures, the issues may be raised at the collaborative review sessions required under the Performance Assurance Plan.⁷⁸
296. SBC Illinois has made underlying raw data available upon CLEC request under the conditions of the SBC Illinois Condition 30 Performance Remedy Plan in effect since May 2000, and several CLECs have requested and received such data.
297. SBC Illinois is obligated, through its performance assurance plan ordered by the Illinois Commission in Docket No. 01-0120, to work with CLECs to “resolve any issues regarding the accuracy and integrity of the data collected, generated and reported” pursuant to the performance assurance plan. This process is generally regarded as “CLEC reconciliation” and is documented at Section 6.4 of the 0120 Plan.
298. SBC Illinois will conduct a data reconciliation upon request by a CLEC to address the accuracy of any reported data in comparison to the CLEC’s own records and, if the issue is not resolved, support the CLEC’s commission of a mini-audit of the specific

⁷⁸ See Section 6.3 of the 0120 Plan.

performance measure in question. However, not one CLEC has requested a data reconciliation or mini-audit in SBC Illinois or other SBC Midwest state.

299. In addition, should that collaborative effort not resolve the issues raised by the CLEC, SBC Illinois is obligated to allow and support an “independent audit of the data collection, computing and reporting processes” required to collect the necessary data and generate and report the results, should the CLEC request such an audit. These audits are generally referred to as “mini-audits” and are also provided for in Section 6.4 of the 0120 Plan. Both the data reconciliations and mini-audits are available to provide a process, in situations where a CLEC believes the results reported by SBC Illinois are incorrect, inaccurate or otherwise unreliable, by which SBC Illinois is required to work with the CLEC to resolve their concerns.
300. It is apparent that the CLECs have relied upon SBC Illinois' reported results since May 2000, and in fact have readily accepted liquidated damages remedy payments that rely upon the performance reported using the current performance measurement processes and systems.
301. Finally, I am aware of only one formal complaint regarding the accuracy of reported performance results that has occurred in the SBC Midwest region.⁷⁹ In that case, the CLEC did not make any attempt to reconcile data with SBC Michigan prior to filing the complaint. In subsequent discussion with SBC Michigan, the CLEC became aware that it was not calculating results using its own data as defined in the business rules approved by the MPSC. SBC Michigan explained the points where the CLEC's calculations needed to

⁷⁹ See “Request for Emergency Relief” filed by ACD Telecom, in MPSC Case No. 13321, Count V.

be changed, and that once those changes were made the results would essentially match those reported by SBC Michigan. Shortly after those discussions, other counts in the complaint were settled and the complaint was withdrawn, with no action required or problem found regarding data accuracy.

SBC ILLINOIS' INTERNAL AND EXTERNAL DATA CONTROLS

302. Finally, SBC Illinois' own commitment to reliable reporting and its own controls over the accuracy of its results is substantial. Internal and external controls often go hand in hand. As a result of feedback received during the BearingPoint test, SBC has implemented improvements to its internal controls and to its already extensive documentation of performance measurement procedures throughout the SBC Midwest region. As I explained in more detail above, some of the more significant control steps include (a) copying and storing both the input and output files for performance data; (b) using numerical control records in the header and trailer of the input and output files to ensure that all records are processed; and (c) processing data more than one time, and cross-checking the results for accuracy. By the same token, many of the exceptions noted in E&Y's audit reflect issues that SBC Illinois had already identified and targeted for correction, either by restatement of previously reported results or by prospective changes in procedure.

PROPOSED COMPROMISE REMEDY PLAN

303. In the preceding sections of my affidavit, I demonstrated that SBC Illinois' current performance results demonstrate compliance with the pertinent items of the competitive checklist, and that the reported results are sufficiently reliable for that purpose. In this

section of my affidavit, I describe the performance assurance plan SBC Illinois is proposing to help show that it will continue to meet its section 271 obligations after section 271 approval is granted. This assurance of continued compliance is relevant to the FCC's decision that the BOC's entry would be consistent with the public interest. *New York 271 Order*, ¶ 429.

304. The first element of a performance assurance plan is the set of *performance measures* I described above, which summarize the results of certain wholesale and retail operations. The second element consists of the above-described *performance standards*, which are used to evaluate the results of performance.
305. The third element, which I address here, is a performance “remedy plan,” a system of automatic payments that are assessed in the event performance fails to meet the applicable standards. The remedy plan defines the rules under which SBC Illinois is to make automatic, self-executing payments to CLECs, or to the State, for performance shortfalls.
306. While the existence of a performance remedy plan is relevant to the FCC's “public interest” analysis, a remedy plan is not the only way to assure continued compliance with legal and contractual obligations. Even if there was no performance remedy plan, SBC Illinois has significant incentives to continue to satisfy its obligations. First and foremost, SBC Illinois is in the business of providing telecommunications services to all of its customers and intends to provide a good quality of service to those customers, whether they are retail or wholesale.

307. Second, SBC Illinois fully intends to comply with the laws and rules of the federal government regarding non-discriminatory access. These include Sections 251, 252 and 271 of the Telecommunications Act of 1996. There are numerous mechanisms under federal law to enforce these obligations, starting with the fact that the FCC could deny or suspend long-distance relief under Section 271. Finally, as the ICC knows, the ICC has numerous methods to ensure that SBC Illinois complies with applicable obligations.
308. The Commission ordered SBC Illinois to implement a remedy plan (the “Texas” plan) pursuant to Condition 30 of the Commission’s approval of the SBC/Ameritech merger in 1999. Attachment X. The Commission then ordered SBC Illinois to implement certain modifications to that plan in Docket No. 01-0120. A copy of the resulting plan (“0120 Plan”) is provided as Attachment Y. The Commission’s orders in Docket No. 01-0120 are on appeal.
309. In its December 30, 2002 order in Docket Nos. 98-0252 et al., the Commission stated that the 0120 Plan would remain in effect until a wholesale service quality plan is approved for purposes of section 271. Accordingly, SBC Illinois is offering a modified remedy plan in this proceeding (“Compromise Plan”). I describe this proposal below, and I attach a copy as Attachment Z. The Compromise Plan is based on the 0120 plan, and in most cases it carries forward modifications that the Commission considered and adopted in Docket No. 01-0120. In addition, SBC Illinois here proposes some modifications that are designed to make the plan even more “pro-CLEC,” such as a provision that allows the participating CLEC to institute a “gap closure” process on measures that show shortfalls over three consecutive months.

310. Finally, one of the principal modifications proposed is to “index” remedy payment amounts for individual measures in relation to SBC Illinois’ performance as a whole. While the 0120 Plan assesses the same (high) payment amounts on each individual occurrence of substandard performance without regard to the level of performance or “pass rate” on all performance standards as a whole, the Compromise Plan gives credit for performance improvements by reducing the individual payment amounts as the “pass rate” increases.
311. It is not SBC Illinois’ intent to relitigate here all the matters that were decided in Docket No. 01-0120, or to simply return to the “Texas” plan that preceded the Commission’s order in that docket. As I show below, most of the features of the 0120 Plan – including features that were adopted for the first time by the Commission in Docket No. 01-0120 – are also embodied in this proposal, and many of the modifications to the 0120 Plan reflect *CLEC* requests that were not adopted in Docket No. 01-0120. Further, the Compromise Plan leads to significantly higher payments than the Texas plan.
312. Nevertheless, the commercial performance data that were used in Docket No. 01-0120 are now over two years old (the latest data in that record were from December 2000), and they reflect results early in the implementation of the operational enhancements that were reflected in the other conditions of the Merger Order. For example, SBC Illinois implemented version 4 of the Local Service Ordering Guide (“LSOG 4”) in March 2001. When SBC Illinois first implemented the Texas plan, its “pass” rate on performance standards was below 80 percent, the level of *CLEC* entry was lower than today, and the third-party OSS test had just begun. In that environment, the Commission’s order in Docket No. 01-0120 focused mostly on increasing the *negative* incentives to redress *poor*

performance. With the continued implementation of OSS and process enhancements, however, SBC Illinois' wholesale performance improved significantly, and in particular after the close of the record in Docket No. 01-0120, wholesale performance continued to improve to the point where (as I have demonstrated above) the results show compliance with section 271. Further, the level of CLEC entry and volume have increased, and the operational aspects of the OSS test are now almost complete. Given that the Commission is already undertaking a comprehensive analysis of current commercial performance data (and the results of the third-party OSS test), it makes sense to reassess the remedy plan and its real-world operation, in light of more current performance.

313. As I showed above, SBC Illinois has met nearly 88% percent of its numerous performance measurement standards in at least two of the three months of September, October and November 2002, and it has met over 93% percent of the measurement standards that are subject to remedies under the 0120 Plan during that period. Further, the performance shortfalls that do exist are either isolated, one-month occurrences, or small shortfalls in which performance was still very close to standard. Finally, the results of BearingPoint's test of operations support systems have been successful, as described in the affidavit of Mr. Cottrell. As I showed above, these results demonstrate compliance with section 271, so one would not expect substantial penalties for that level of performance. But the 0120 Plan would *still* require SBC Illinois to make "remedy" payments of approximately \$3 million each month (assuming all CLECs participate in the plan). That amount is over *nine* times the amount of payments that would have been found sufficient by the FCC for purposes of section 271 for the three months of the study

period. It inappropriately penalizes SBC Illinois for good performance, and it provides an undue windfall to CLECs who are receiving good performance.⁸⁰

314. By contrast, the Compromise Plan proposed here would assess remedies of over \$1.2 million per month (average for the months of September, October and November 2002 assuming all CLECs participated in the plan) for the current level of performance. That amount is still significant, and it is still quadruple the amount that would have been sufficient for purposes of section 271. Thus, the Compromise Plan is still much more stringent in operation than plans that the FCC has found sufficient. But the Compromise Plan also reflects modifications that are designed to better reward good performance and to better target remedies where they are most warranted. Further, it gives the participating CLEC the benefit of additional, pro-CLEC modifications such as the “gap closure” process. The basic principles of the Compromise Plan are simple: (1) to retain much of the structure and key features of the 0120 plan, (2) to maintain the Commission’s underlying goals that the remedy plan be more stringent than the Texas model, and that payments should be high *if* overall performance is at low levels, while at the same time (3) recognizing the better levels of performance that SBC Illinois has achieved, so long as the overall level of performance remains high.

315. The compromise performance remedy plan would be available to CLECs as soon as this Commission approves it as being consistent with Section 271 of the Telecommunications Act of 1996. It will become effective upon adoption by the CLEC as an amendment to its

⁸⁰ Remedy amounts included here assume that all CLECs doing business in Illinois would participate in the remedy plan.

interconnection agreement. We are proposing a four-year term for the Performance Assurance Plan.

A. HISTORY OF PROPOSED PERFORMANCE ASSURANCE PLAN

1. Condition 30 of The SBC/Ameritech Merger Order

316. The proposed plan here was developed over several years, and reflects extensive input from competing local exchange carriers and from the Commission.

317. The starting point in this history is the plan used by Southwestern Bell Telephone Company (“SWBT”) in Texas (“Texas Plan”). SBC Illinois agreed to implement the Texas Plan as a condition of the Commission’s approval of the merger between SBC and Ameritech in 1999.

318. Pursuant to the same merger condition, SBC Illinois, Staff and interested CLECs engaged in a collaborative process to address potential changes to the Texas plan. The participants agreed to modifications of the performance measurements and standards, but were unable to reach agreement with respect to the performance remedy plan. The agreed-to performance measurements and associated business rules, along with the performance remedy plan, became effective September 12, 2000. The performance remedy plan issue became the subject of a separate proceeding in Docket No. 01-0120.

2. The Illinois Commission's Order in Docket No. 01-0120

319. On July 10, 2002, the Illinois Commission issued an order in Docket No. 01-0120. The July 10 Order directed SBC Illinois to implement a modified plan (“0120 Plan”) which

retained the structure and many elements of the original Texas plan, but was modified in several respects. The Commission's orders in Docket No. 01-0120 are now on appeal.

3. The Compromise Remedy Plan

320. While Docket No. 01-0120 was in progress, SBC Illinois and its affiliates in the Midwest region continued negotiations with competing local exchange carriers in an effort to reach agreement on remedy plan issues on a five-state basis. Many (but not all) of the CLECs participating in this proceeding here were also included in those discussions. The discussions reached impasse at the end of 2001. Collaborative discussions were resumed in March of 2002, but again reached a temporary impasse at the end of May.
321. SBC Illinois resumed negotiations with TDS Metrocom, Inc. ("TDS") and eventually reached agreement on a remedy plan ("Compromise Plan") in October of 2002. Time Warner has also agreed to adopt the plan. Interconnection agreement amendments reflecting the Compromise Plan have been approved by the state commissions of Wisconsin and Ohio. SBC Illinois now seeks to have this Commission review the Compromise Plan for adequacy under section 271.

B. DESCRIPTION OF PROPOSED COMPROMISE REMEDY PLAN

322. I describe the principal features of the Compromise Plan below, and I provide a comparison of projected payments under the Compromise Plan to other plans in section C. As described below, the Compromise Plan is significantly more stringent than other plans that been considered adequate by the FCC for purposes of section 271. It retains the same basic structure, and many of the same elements, of the Plan ordered by the Commission in Docket No. 01-0120. It also uses the same performance measures and

standards to which the CLECs have agreed. The Compromise Plan is designed to address the principal concerns noted by the Commission, its Staff, and CLECs in that docket. At the same time, however, the Compromise Plan also (i) reflects more recent developments in wholesale performance that occurred after the close of evidence in Docket No. 01-0120, (ii) balances the concerns noted in that Docket with the considerations of overall fairness, the need to avoid unduly punitive results and the desire to recognize good performance; and (iii) reflects additional pro-CLEC features that increase the plan's meaningfulness.

323. Like the 0120 Plan, SBC Illinois' proposed Compromise Plan consists of performance measurements, standards, and a performance remedy plan. This Performance Assurance Plan is structured like a contract because SBC Illinois promises to perform services at an objectively determined standard, and also promises to pay contract-type remedies (liquidated damages and assessments) if its performance fails to meet the agreed upon objective standard.

324. The performance measures and related standards are included by reference as Appendix 1 of the Compromise Plan. They are identical to the measures and standards approved by the Commission in Docket No. 01-0120. Updates to these measures and standards will be made in periodic "six-month" review sessions with CLECs and the Staff of the ICC. Section 6.4 of the Compromise Plan states that SBC Illinois, CLECs, and the ICC are to review performance measures to determine (1) whether measurements should be added, deleted, or modified; (2) whether the applicable benchmark standards should be modified or replaced by parity standards, or vice versa; and (3) whether to move the classification

of a measure, either Tier 1, Tier 2 or both, from Remedied to Diagnostic, or vice versa. This review feature is identical to the Condition 30 Remedy Plan.

325. Like the 0120 Plan, the Compromise Plan consists of two “tiers” of remedies. Tier 1 liquidated damages are paid to CLECs, while Tier 2 assessments are paid to the State. Basically, statistical analysis is used to determine *when* remedies are to be paid by identifying whether the size and number of performance shortfalls are significant, or instead are small enough that they can be attributed to the random variation inherent in actual wholesale and retail performance. These statistical methods are summarized at Sections 3 and 4 of the Compromise Plan. They are virtually identical to the methodology set forth in the 0120 Plan.
326. The *amount* of remedies to be paid is based on two factors: the number of substandard transactions, or “occurrences”, within the applicable performance measure, multiplied by a “base” liquidated damage or assessment amount. The formula for determining the number of occurrences appears at Section 11 of the plan, and it is identical to the formula used in the 0120 Plan. The base amounts are designed to increase if the performance measure has shown a disparity in consecutive months, or if the overall “pass rate” on performance standards falls below specified “index” rates. This “index” methodology is the principal change from the 0120 Plan.
327. In the sections below, I perform a detailed comparison of the Compromise Plan to the 0120 Plan, in order to illustrate the many features that are common, and the defining features of the Compromise Plan. I also show how the Compromise Plan includes many of the components that the Commission ordered in Docket No. 01-0120. The chart below

highlights the principal areas in which there are differences in one or more of the three plans.

AREA	TEXAS PLAN	0120 PLAN	COMPROMISE PLAN	PLAN REFERENCE
When remedies are assessed (statistical methodology)	"K" table used to maintain 95% statistical confidence for the results in the CLEC aggregate.	"K" table eliminated.	Same as in Docket No. 01-0120.	Section 11.0.
When remedies are assessed (statistical methodology)	Uses statistical test to compare performance against benchmark.	Uses "bright line" test to compare performance against benchmark.	Same as in Docket No. 01-0120.	Section 2.0.
When remedies are assessed	Wholesale performance is compared to retail performance for purposes of assessing remedies.	Wholesale performance is compared to both retail and affiliate performance, with remedies paid based on comparison to the better of retail or affiliate.	Same as in Docket No. 01-0120.	Section 2.0.
When remedies are assessed	Waiver procedure for performance shortfalls caused by factors outside SBC Illinois control.	Waiver procedure clarified.	Follows the remedy plan ordered by the MPSC.	Section 7.1.
When remedies are assessed (statistical methodology)	Procedure for using "small sample" tests	"Small sample" procedure clarified	Same as in Docket No. 01-0120.	Section 4.4
How much remedies are assessed ("Base" amounts for liquidated damages)	Base amounts identical to those approved for use in SWBT states.	All base amounts multiplied by factor of two.	Base amounts are multiplied if aggregate "pass rate" falls below established thresholds.	Sections 8.5 and 8.6.
How much remedies are assessed ("base" amounts for liquidated damages)	Measures assigned a "priority" weight of High, Medium, or Low; base amounts increase with priority level.	Priority levels retained.	All measures subject to remedies carry the same level for purposes of determining liquidated damage or assessment amounts; previous "priority" weights eliminated as CLECs and Staff requested in Docket No. 01-0120.	Section 8.8
How much remedies are assessed (annual "cap")	Cap on annual remedies.	Cap on annual remedies is not "hard" but a threshold for additional proceedings before Commission.	Same as in Docket No. 01-0120.	Section 7.2
How remedies are paid	Tier 1 liquidated damages paid by credits to wholesale bills.	Tier 1 liquidated damages paid by check, rather than by credits.	Same as in Docket No. 01-0120, unless CLEC requests otherwise.	Section 5.6.
Performance	Parity standard, with	Parity standard, with	Allows for floors and	Section 8.4

AREA	TEXAS PLAN	0120 PLAN	COMPROMISE PLAN	PLAN REFERENCE
Standards	benchmarks used if no retail analog.	benchmarks used if no retail analog.	ceilings to be applied to certain measures with a "parity" standard of performance upon collaborative agreement and Commission approval.	
Audit	Comprehensive regional audit eighteen months after approval or end of current audit under Docket No. 98-0555.	Requires comprehensive annual audit annual audit	Requires first periodic comprehensive audit 18 months after approval or completion of BearingPoint review, whichever later. Future audits as deemed necessary by the Commission.	Section 6.6

2. Key Features of Compromise Plan That Track The 0120 Plan

a. "K" Table

328. Before discussing the differences between the Compromise Plan and the 0120 Plan, I want to emphasize that many defining features are the same. The first is that neither plan uses the "K" table that had appeared in the Texas plan. As I noted above, the Texas plan assessed performance in each category using a "critical value" designed to yield 95 percent confidence that the difference between wholesale performance and the standard was due to something other than random error. The Texas plan added a second step.
329. Simply put, the original Texas plan assessed Tier 1 remedies only after a threshold number of performance shortfalls for the CLEC, to address the fact that the performance tests had a 5 percent risk of "false failure" that actually resulted from random variation in the data. The threshold number was known as "K" and it was based on the number of performance tests for the CLEC, as illustrated in a table known as the "K" table. The 0120 Plan eliminated the K table step, and instead uses a single critical Z-value with no "exclusion" or threshold for "false failures."

330. The Compromise Plan, like the 0120 Plan, does not use a “K” table.

b. Statistical Analysis of "Benchmark" Measures

331. As I stated earlier, in many cases wholesale performance is compared to a retail analogue, but in some cases there is no reasonable analogue. In that latter situation, SBC Illinois compares performance against a “benchmark” established by agreement in the performance measurement collaboratives. For example, the benchmark for issuing a “completion notice” to inform a CLEC that its order has been complete is 99 percent within one hour of completion of the order in the ordering system for Performance Measurement 7.

332. Under the Texas plan, SBC Illinois used a statistical test to assess performance against the benchmark: that is, the test was considered “passed” even if actual performance was somewhat less than the benchmark (say, actual performance was only 98 percent, versus a benchmark of 99 percent) so long as the difference was not statistically significant.

333. The Order in Docket No. 01-0120 required SBC Illinois to use a “bright line” test, under which the test is not passed whenever wholesale performance does not meet the benchmark, no matter how slight the difference.

334. The Compromise Plan proposed here reflects the same “bright line” test described in the Commission’s order in Docket No. 01-0120.

c. Affiliate Performance

335. In some cases, SBC Illinois performs a function for CLECs, and also performs the same function for one of its affiliates. For example, SBC Illinois provides certain pre-ordering

and ordering services to its advanced services affiliate, Advanced Solutions Incorporated (“ASI”) formerly known as Ameritech Advanced Data Services (“AADS”). Under the original Texas plan, we reported on SBC Illinois’ performance with respect to CLECs, SBC Illinois retail operations, and affiliates. However, remedies were for the most part based on a comparison of CLEC and retail performance.

336. The 0120 Plan provides that remedies are to be based on a comparison of CLEC performance to retail or affiliate performance, whichever is “better.”

337. The Compromise Plan reflects this modification and is consistent with the Order in Docket No. 01-0120.

d. Waiver Procedure

338. Sections 7.1 and 7.2 of the original Texas Plan established a limited, expedited “fail-safe” procedure, through which SBC Illinois could petition the Commission (or a commercial arbitrator, if the parties agreed) to waive a remedy if SBC Illinois established that the apparent shortfall in performance was caused by an act of God, or an error or omission by the CLEC, or some other factor outside the control of SBC Illinois. This is only fair: SBC Illinois should not be held liable for something that was not its fault. SBC Illinois was required to initiate the “waiver” procedure before the applicable remedy payment was due; otherwise, it must pay the remedy.

339. The 0120 Plan retained, but clarified the “waiver” procedure in Section 7.1. Under this provision, SBC Illinois 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 could not have been avoided by SBC Illinois in the exercise of due

diligence. The Compromise Plan retains this procedure, using language approved by the Michigan Public Service Commission.

e. Small Sample Tests

340. Under the original Texas Plan, SBC Illinois' practice was to calculate Z-scores for measures/sub-measures with small volumes (less than 30 observations) through use of permutation tests (which are designed to work better with small samples) unless the data required for these tests is unavailable, in which case SBC Illinois used the normal Z-score calculation process. The Order in Docket No. 01-0120 codified this practice, and the compromise proposal includes the language provided in the 0120 Plan for treatment of results with small sample sizes. This language is in Section 4.4 of the Compromise Plan.

f. Remedy Caps

341. The original Texas Plan set a cap on annual remedies at \$90 million, pursuant to the Commission's order approving the SBC/Ameritech merger. *Merger Order*, at 221.

342. Under the 0120 Plan, that cap was converted into a "procedural threshold" set at 36% of Net Return, using the same formula SWBT uses to calculating the annual caps for Texas, Kansas, Oklahoma, Arkansas, and Missouri. The threshold is to be recalculated annually using publicly available FCC ARMIS reporting data. If the cap is reached, the Commission would institute proceedings to determine the appropriate action. See Attachment Y, Section 7.3.

343. The Compromise Plan uses the same "procedural threshold," calculated the same way, as the 0120 Plan. The "proceeding" triggered by reaching the threshold would be expected to determine if the threshold has been reached due to inadequate service provided by SBC

Illinois, or due to deficiencies within the remedy plan itself that cause inappropriate remedy amounts to be paid given the level of service provided by SBC Illinois to CLECs. In the situation where it is determined that the cap has been reached due to inadequate performance by SBC Illinois, additional remedies could be assessed over and above the threshold amount (as opposed to a “hard” cap that limits the total remedies). Likewise, if the remedy cap has been reached while service provided to CLECs by SBC Illinois has been adequate, the Commission can modify the remedy plan to provide for remedy payments that are more appropriate for SBC Illinois’ level of performance.

3. Pro-CLEC Modifications Going Above And Beyond The 0120 Plan

a. Priority Weights

344. Of the differences between the Compromise Plan and the 0120 Plan, several reflect CLEC requests that go above and beyond the Commission’s Order in Docket No. 01-0120. First, the original Texas Plan classified performance measures as “high”, “medium” or “low” priority, and it set different base amounts for each priority level. In Docket No. 01-0120, Staff and the CLECs objected to the priority system. Although the Final Order in that docket agreed with SBC Illinois that priority weights were appropriate, our Compromise Plan assigns the same priority and base amounts to all measures that are subject to remedies.

b. Escalating Remedy Amounts for Measures Missed In Consecutive Months

345. The base liquidated damage amounts under the Texas plan increased or “escalated” if the applicable performance measure had shortfalls in consecutive months, giving SBC Illinois additional incentive to correct the situation and prevent chronic problems. The

applicable liquidated damage amount decreased to the minimum level, however, once performance returns to standard levels.

346. In Docket No. 01-0120, the Commission retained this feature of the Texas Plan. The Compromise Plan proposed here nevertheless provides for a more stringent approach. Under the Compromise Plan, liquidated damage amounts still increase for consecutive misses, and they decrease when performance returns to standard, but they are not “reset” to the minimum level until performance meets the applicable standard for three consecutive months. That gives SBC Illinois some credit for addressing performance issues, and at the same time it provides an added incentive to institute lasting corrective actions.

c. Gap Closure Process

347. Section 8.12 of the Compromise Plan contains a new pro-CLEC feature adapted from similar procedures in the SWBT states. It provides the CLEC an opportunity to request and/or recommend a corrective action plan if SBC Illinois misses a measure for 3 consecutive months.

4. Other Proposed Modifications to the 0120 Plan

a. Indexing of Liquidated Damages Amounts

348. All three plans – the Texas plan, the 0120 Plan, and the Compromise Plan -- calculate remedies on most measures on a “per occurrence” basis: that is, a “base” liquidated damage amount is assessed on each individual transaction that caused SBC Illinois to miss the applicable standard. The base amounts are included in a table in each plan.

349. The Order in Docket No. 01-0120 required that all Tier 1 and Tier 2 remedy amounts for individual measures be doubled (even if overall performance levels were high, and even if the individual misses were small), apparently in order to increase the potential liability and provide increased incentive to SBC Illinois to maintain high levels of service and prevent “back-sliding”, or reduction in performance levels, after obtaining approval to offer long-distance service to its Illinois customers. SBC Illinois has appealed the final Order, in part on the grounds that the proposed multipliers were arbitrary and did not give SBC Illinois enough credit for improved performance during the life of the plan.
350. At the same time, we recognize the underlying intent to provide more incentive for improvement *if* performance is *not* satisfactory. The Compromise Plan introduces an “indexed” process for determining the liquidated damages due when a performance standard is not met. In this process the Tier 1 “base” amount is determined based on two criteria: (1) the number of consecutive months where performance has failed to meet the standard (as in the 0120 Plan), and (2) the overall “pass” rate of SBC Illinois’ overall performance for all performance measures subject to remedies across all CLECs. Remedy amounts become progressively higher if the level of performance on the measures as a whole declines. To facilitate administration, the aggregate performance levels are defined by bands. The lowest base amount applies where SBC Illinois meets or exceeds 92 percent of its performance tests. This level of performance is calculated as an “Index Value”, and is defined in Section 8.3 of the Compromise Plan. The base amounts are progressively higher when the pass rate is 86-92 percent, 80-86 percent, 74–80 percent, and below 74 percent. Roughly, base amounts at the lowest level of

performance (below 74 percent) are approximately 4.25 times the base amounts at the highest level (92 percent and above).

351. Our objective here is to balance the interest in giving reasonable credit for good performance, on the one hand, against the interest in providing more stringent remedies when performance is not as good. I believe that increasing the base amounts when overall performance declines to a threshold level, and reducing them when overall performance reaches a solid level, provides a more appropriate incentive to SBC Illinois.
352. A practical illustration shows how this indexing procedure works. Most remedies are assessed on each substandard transaction or “occurrence.” To find the “base” remedy per occurrence, you would go to Table 1 (the table for “per occurrence” amounts). You would then find the appropriate point in the table. Assume, during the first year of the Compromise Plan, SBC Illinois passed 92 percent or more of its remedied performance tests on an aggregate statewide basis, and that this is the first month of disparity for the individual measure being addressed. The base amount would be \$35, taken from the column marked “One” consecutive months missed, and the row marked IV (index value) $\geq 92.0\%$. If the “pass rate” or index value on the measures as a whole were only 76 percent, the base amount for individual measures would be \$100 (moving down the same column to the row for that index value). Now let’s move to see what happens in the next month. If the individual measure in question is missed again in the next month, and the aggregate statewide pass rate for that month is 87 percent, the base amount would be \$70, taken from column “Two” and the row for index values between 86 and 92 percent. In sum, the remedies on an individual measure are highest when performance in the aggregate is in the lowest “band” (74 percent or below); remedies on individual measures

decrease as aggregate performance improves, and they reach the lowest point when aggregate performance on all measures is in the highest band – 92 percent and above.

b. Floors and Ceilings

353. As I stated earlier, many performance standards are based on “parity” between wholesale and retail results. In Section 8.4 of the Compromise Plan SBC Illinois provides for “floors and ceilings” for certain measures. Basically, the standard of comparison on these performance measures would still be parity within a specified range of performance. However, SBC Illinois proposes a benchmark comparison when service provided to the CLEC is above or below that range.
354. The “floor” means that if SBC Illinois performance for that CLEC is worse than that level, it will be deemed a performance shortfall even if the measure was in parity. The “ceiling” means that if SBC Illinois performance is better than that level, it will not be deemed a performance shortfall even if there is some minor disparity between wholesale and retail.
355. The basic idea is that if wholesale performance is sufficiently good, there is no real harm to the CLEC even if performance does not exactly match retail; conversely, the CLECs have argued that if wholesale (and retail) performance are at a sufficiently low level, they should receive a remedy even if wholesale performance is still as good or better than retail.
356. In this fashion the Compromise Plan allows, for certain high-priority measures, standards of comparison that vary based on actual performance. Specific measures to which this “floors and ceilings” concept might apply are not provided here, as the measures and the

corresponding “floors and ceilings” would be negotiated in the six-month review collaboratives. In other words, the Compromise Plan contemplates that this variation on the general “parity” rule would be the result of voluntary negotiation.

357. Notably, in Docket No. 01-0120 the CLECs proposed a one-sided “floor” on certain measures, without a ceiling. The Commission rejected that proposal in Docket No. 01-0120, and we agree with that decision. By contrast, our proposal here is symmetrical, in that it also recognizes “ceilings” once performance reaches a sufficiently high level. Further, the floors and ceilings apply on certain measures upon negotiation and agreement.

C. ANALYSIS OF PAYMENTS UNDER COMPROMISE PLAN

358. To illustrate the practical effect of the Compromise Plan (and of the various features described above), my group has computed remedies under the 0120 Plan, the “Texas” plan (which is used as a benchmark for the FCC’s standards, because the FCC has found the plan to be adequate for purposes of section 271), and the Compromise Plan for September-November 2002 results (using the previous five months of data to assess the impact of consecutively-missed months). The computation assumes that all CLECs in Illinois are operating under the plan specified.

	% of Remedied Standards Met (Aggregate of All CLECs)	“Texas” Plan	0120 Plan	Compromise Plan
September 2002 Tier 1		\$ 34,200	\$2,438,300	\$1,151,970
September 2002 Tier 2		\$251,500	\$ 707,000	\$ 142,200
September 2002 Total	89.8%	\$285,700	\$3,145,300	\$1,294,170
October 2001 Tier 1		\$ 91,050	\$2,309,000	\$1,046,785
October 2002 Tier 2		\$204,600	\$ 637,000	\$ 142,200
October 2002 Total	90.7%%	\$295,650	\$2,946,000	\$1,188,985
November 2002 Tier 1		\$207,775	\$2,520,000	\$1,156,800
November 2002 Tier 2		\$194,000	\$ 561,000	\$ 114,200
November 2002 Total	91.8%	\$401,775	\$3,081,000	\$1,271,000
September-November 2002 Total	93.4%	\$983,125	\$9,172,300	\$3,752,365

359. As I described in Section I above, SBC Illinois provided a high level of service to CLECs. It met 87.7 percent of its performance standards overall (met in at least of two of the three months), and 93.4 percent of those standards that are subject to remedies under the 0120 Plan. Further, the shortfalls that did exist were generally isolated (occurring only in one of the three months) or small (representing a high level of performance that fell just short of the standard). The Compromise Plan would assess remedies of approximately \$1.2 million in each month – clearly a significant amount, and approximately four times the amount that has been found sufficient by the FCC. The current 0120 Plan, however, would require payments of over \$3 million each month – over \$36 million per year. On its face, this amount is punitive, given the high level of performance I have demonstrated in this affidavit.

360. Much of the difference between the 0120 Plan and the Compromise Plan is attributable to SBC Illinois having achieved a high level of performance. Because SBC Illinois achieved a high percent pass rate for the months of September, October and November 2002, the Compromise Plan assessed remedies using the lowest “index” level, the one that corresponds to performance at or above 92 percent. If we instead used the highest index, the one applicable to a 73.9 percent pass rate or lower, the amounts under the Compromise Plan would have increased to over \$16 million across total for the three months.⁸¹
361. The 0120 Plan, by contrast, does not employ indexing. The “base” payment amounts per occurrence do not change based on the overall level of performance. Thus, it assesses payments of over \$3 million per month – roughly the same as would apply for a 74 – 80 percent pass rate under the Compromise Plan. The appropriate incentive to achieve high performance overall is missing.
362. This gap is precisely why SBC Illinois seeks approval of its Compromise Plan. While the Commission sought to achieve a reasonable result in Docket No. 01-0120, the latest performance data in the record of that case came from December 2000. The decision thus did not consider improvements in performance since then. Not surprisingly, then, the Plan it imposed does not adequately recognize such improvements.
363. The basic idea of the modifications proposed in the Compromise Plan is provide greater positive incentives to encourage good performance, rather than focusing only on the

⁸¹ An exact number would require many detailed assumptions to be made about actual performance. In the most simple sense, the \$150 base “per occurrence” amount applicable for performance (“Index Value”) below 74% is 4.28 times greater than the \$35 base amount when performance is equal to or above 92%. Multiplying the

penalties for punishing performance shortfalls. One such incentive comes from the “indexing” feature. Another comes from the gap closure process I described above, which provides a forum for closing gaps in performance, not just penalizing them.

D. SBC ILLINOIS' COMPROMISE PROPOSAL ALSO SATISIFES THE KEY ELEMENTS OF SECTION 271 PERFORMANCE ASSURANCE PLANS AS DEFINED BY THE FCC

364. The FCC defined the characteristics of an effective performance assurance plan in its order approving the application under Section 271 by Bell Atlantic (now Verizon) to provide long-distance service in New York and then reaffirmed and applied these criteria in its orders approving Section 271 applications by SWBT for Texas, Kansas, Oklahoma, Arkansas and Missouri.

365. The FCC has identified the following five criteria as the important characteristics of an effective performance assurance plan.

- (1) Potential liability that provides a meaningful and significant incentive to comply with the designated performance standards;
- (2) Clearly-articulated, pre-determined measures and standards, which encompass a comprehensive range of carrier-to-carrier performance;
- (3) A reasonable structure that is designed to detect and sanction poor performance when it occurs;
- (4) A self-executing mechanism that does not leave the door open unreasonably to litigation and appeal; and,
- (5) Reasonable assurances that the reported data is accurate.

New York 271 Order, ¶ 433.

three-month total estimated remedy payments (\$3,752,365) by this 4.28 factor results in \$16, 060,122. This can be expected to represent a minimum amount.

366. In my opinion, SBC Illinois' proposed performance assurance plan satisfies each of the FCC's criteria, and should be sufficient for this proceeding. I describe each of the criteria below, but I can summarize the principal bases for my opinion as follows:

- (1) The performance measurements and standards are clearly adequate, because they resulted from extensive negotiations and agreement in collaborative workshops, which included representatives from the Commission Staff and from CLECs operating in Illinois.
- (2) The performance remedy plan proposed here is substantially more stringent than Section 271 performance remedy plans approved by the FCC for SBC Illinois' affiliates in Texas, Kansas, Oklahoma, Arkansas, and Missouri.

367. As I described above, the Compromise Plan we are proposing for section 271 purposes is much more stringent than the original Texas plan. The FCC found that the Texas remedy plan satisfied all five of its criteria for an effective plan when it approved SWBT's section 271 application in June 2000. *Texas 271 Order*, ¶¶ 420-430. The FCC came to the same conclusion in December 2000, when it reviewed SWBT's applications for Kansas and Oklahoma. *Kansas & Oklahoma 271 Order*, ¶¶ 269-280. And when it reviewing the Arkansas and Missouri plans, the FCC observed that "[e]ach plan is nearly identical to the Texas, Kansas, and Oklahoma Performance Remedy Plans, which are essentially modified versions of the plan that we reviewed in the Texas section 271 proceedings," (*Arkansas & Missouri 271 Order*, ¶ 128) and it again found that the plans satisfied the five FCC criteria for an effective plan.

368. With this overview in mind, I proceed to the five specific factors considered by the FCC.

1. FCC CHARACTERISTIC NO. 1: MEANINGFUL INCENTIVE

369. SBC Illinois' proposed compromise Section 271 performance remedy plan provide a meaningful incentive for SBC Illinois to provide wholesale service to its competitors at the levels required by the performance measures and thus satisfy FCC Characteristic No. 1 referenced above. Simply put, the proposed remedy plan is designed to assess remedies where there is sufficient evidence of a disparity between wholesale performance and the applicable standard, to increase payments as performance worsens, and to reduce payments as performance improves. That provides the proper incentive to maintain a high level of performance and to institute improvements should performance fall below the agreed-upon standards. The initial potential financial exposure to SBC Illinois (up to 36 percent of net return) is clearly significant, and it has been found by the FCC to be meaningful. *Texas 271 Order*, ¶ 424; *Kansas & Oklahoma 271 Order*, ¶ 274; *Arkansas & Missouri 271 Order*, ¶ 130.
370. The Compromise Plan here is even more stringent. First, SBC Illinois proposes to “index” liquidated damages amounts so that remedies for individual performance shortfalls increase if overall performance worsens. Second, the Compromise Plan gives CLECs the opportunity to request a “gap closure” process to address any persistent shortfalls in performance. Third, the Compromise Plan would continue to “escalate” remedy amounts if a performance standard is missed in consecutive months, and it will also keep the remedy amounts at an escalated level until the applicable standard is met for three months. Fourth, the cap on remedy payments has been changed from a “hard” cap to a procedural threshold, calling for a Commission proceeding to be initiated if SBC Illinois’ remedy payments exceed the threshold.

2. FCC CHARACTERISTIC NO. 2: CLEARLY ARTICULATED STANDARDS

371. There is no dispute regarding the performance measures and standards included in SBC Illinois' Compromise Plan. These measures and standards, and the rules for calculating them, were defined by agreements reached after extensive, very detailed negotiations with CLECs in performance measurement collaboratives throughout the region. These measures and standards were established by mutual agreement in collaborative sessions, and they were modified by mutual agreement in subsequent “six-month review” sessions. The parties are now finalizing the most recent periodic “six-month review” to implement updates and improvements.

3. FCC CHARACTERISTIC NO. 3: REASONABLE STRUCTURE

372. The basic structural elements of the plan are the same as the 0120 Plan, which in turn used the same structure approved by the FCC in the *Texas 271 Order* (§ 426), the *Kansas & Oklahoma 271 Order* (§ 276) and the *Arkansas & Missouri 271 Order* (§§ 129-130). Most of the modifications ordered in Docket No. 01-0120 and retained here concern the numbers that go into the remedy calculations, not the structure of the plan or the steps involved in calculating remedies. The basic principle remains the same: Each month SBC Illinois' actual performance is mathematically determined for each individual performance measurement result. Each of these results is then compared to an objective standard for that measurement, using accepted statistical techniques, as required by FCC Characteristic 3 referenced above. If the comparison shows that SBC Illinois did not provide the required level of service, remedy payments will be calculated pursuant to the methodology detailed in the performance remedy plan.

4. FCC CHARACTERISTIC NO. 4: SELF-EXECUTING MECHANISM

373. "Remedy" payments in SBC Illinois' proposed Compromise Plan are self-effectuating payments that are undertaken on a voluntary basis and directly relate to objective, agreed-upon measurements. This direct tie between performance and payment allows CLECs to receive remedies in a timely fashion instead of having to go to the ICC for relief, and it also does not require SBC Illinois to pay excessive amounts when it is in substantial compliance with these standards. Payments under these plans are automatic, and the FCC has found them to be sufficiently self-effectuating. There is an expedited procedure that allows the Commission to waive remedies if it finds that a particular performance shortfall was caused by some factor outside the control of SBC Illinois (for example, a CLEC error, or a natural disaster). The Commission approved that concept in Docket No. 01-0120, and the FCC has found such a procedure to be sufficiently self-executing for purposes of Characteristic No. 4. *Texas 271 Order*, ¶ 427; *Kansas & Oklahoma 271 Order*, ¶ 277; *Arkansas & Missouri 271 Order*, ¶¶ 129-130.

5. FCC CHARACTERISTIC NO. 5: ACCURATE DATA

374. As I described above, SBC Illinois's performance measurements have been audited, and are also being assessed as part of BearingPoint's ongoing third-party OSS. For audits going forward, the proposed Compromise Plan adds a provision for a comprehensive regional audit to be conducted eighteen months after either adoption of the remedy plan or completion of the current BearingPoint audit. In addition, the Compromise Plan includes a provision for CLECs to request an independent "mini-audit" to address disputes on specific measurements or results.

375. The 0120 Plan also provided for CLEC-initiated audits for measures specified by the CLEC where the CLEC and SBC Illinois could not reconcile reported results and the CLEC decided to have a third-party conduct and assessment of SBC Illinois' reporting of the specified measure(s). That provision remains essentially intact in Section 6.5 of the Compromise Plan.
376. In addition, SBC Illinois has included a provision for comprehensive audits of SBC Illinois' performance measurement data collection, transformation, result and remedy calculation, and result publication processes and systems. This provision comprises Section 6.6. Under this section an audit will be initiated beginning the later of eighteen months after approval of this remedy plan, or eighteen months after completion of BearingPoint's Performance Measurement Review. The subsequent audit would be paid for by SBC Illinois, and will utilize a third-party auditor chosen by SBC Illinois and approved by the Commission.

E. IMPLEMENTATION OF THE COMPROMISE PLAN

377. SBC Illinois will make its Compromise Plan available via an "opt-in" process provided for in the Order in Docket No. 01-0120. Additional details as to how the "opt-in" process will work are provided in Section 5.4 of the Compromise Plan. These additional details define (1) the effective date of participation in the plan and accrual of remedy payments as twenty days after filing of its intent to "opt-in" with the Commission; and (2) the payment of remedies as beginning with first full month of results following the effective date.

378. The term would begin if and when the Commission approves our alternative proposal as consistent with section 271, and it would be effective for 48 months (or four years) from that time.

CONCLUSION

379. SBC Illinois has implemented the Performance Measurements approved by the Illinois Commission in a manner that provides accurate and reliable results. Further, the three consecutive months of performance data for September, October and November 2002 demonstrate that SBC Illinois is providing to CLECs nondiscriminatory access to interconnection, access to network elements and resold services in full compliance with the competitive checklist requirements of Section 271. Finally, for purposes of performance assurance going forward, the Commission should approve the Compromise Plan proposed here as consistent with section 271.

380. This concludes my affidavit.