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	**)**	

PHASE II REBUTTAL AFFIDAVIT OF JAMES D. EHR

ON BEHALF OF

SBC ILLINOIS

DATED: March 3, 2003

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LIST OF ATTACHMENTS

DESCRIPTION	ATTACHMENT IDENTIFIER
MI FCC Reply Affidavit of Daniel Dolan & Brian Horst, March 4, 2003	A

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 am responsible for the development, implementation and ongoing administration of the wholesale performance measurements system used by SBC Illinois and its operating company affiliates in the Midwest region. I am the same James Ehr that submitted a Phase II affidavit on behalf of SBC Illinois on January 17, 2003, and I testified in person at the Phase II workshops held in Chicago the week of February 10, 2003.

PURPOSE AND SCOPE OF AFFIDAVIT

2. The purpose of my affidavit is to respond to comments filed on February 21, 2003 by several representatives of the Commission's Staff and of competing local exchange carriers, on the following subjects: (a) SBC Illinois' commercial performance results for September, October and November 2002, (b) 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"), (c) the interim report of an independent review of SBC Illinois' reported performance results performed by BearingPoint, Inc. ("BearingPoint") (formerly known as KPMG Consulting), (d) the additional assurances of reliability the Illinois Commission and Illinois CLECs have regarding SBC Illinois' performance

measurement results, (e) the Compromise Performance Remedy Plan ("Compromise Plan") SBC Illinois is proposing in the Section 271 proceeding, (f) compliance with the Commission's Phase I-A order, and (g) unresolved issues from the collaborative "six-month review" of performance measurements.

APPROACH TO PERFORMANCE MEASUREMENT ANALYSIS

3. In my opening affidavit, I provided SBC Illinois' commercial performance results for September-November 2002, using the 150 performance measures (and the nearly 3,000 sub-measure categories within those measures) that were established by collaborative agreement with CLECs and approved by the Commission. I analyzed the results of those measures by following the two-part test employed by the FCC in prior orders under section 271 and used by SBC Illinois in its monthly performance measurement reports: (1) for measures involving analogous wholesale and retail services, I assessed "parity" between wholesale and retail results (or affiliate results, as applicable) using accepted statistical techniques; (2) where no reasonable retail or affiliate analog exists, I assessed SBC Illinois' wholesale performance against "benchmark" levels of service established by agreement in the collaborative processes described above.

4. In most cases, SBC Illinois satisfied the applicable parity or benchmark standard. In total, SBC Illinois met or surpassed parity or benchmark standards for 87.7%, or 398 of 454 performance measurements with at least 10 data points, in at least two of the three months. For measures subject to performance remedies, SBC Illinois met the applicable standard for 93.4% (328 of 351) of Tier 1 and/or Tier 2 measures in at least two of the

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[1] Ameritech Corporation is a wholly owned subsidiary of SBC Communications Inc. Ameritech Corporation

three months. Where the parity or benchmark tests identified differences, I provided further discussion of the totality of the facts and demonstrated that the differences are not competitively significant, usually because (i) they were isolated, occurring in only one of the three months, (ii) they were small, representing only a small percentage or number of transactions, (iii) they were not significant when viewed in the context of related measurements, or (iv) they had been addressed by corrective action.

5. The bulk of my analysis is undisputed. The comments in response reflect two different approaches. First, the CLECs discuss performance briefly, but do not provide any real analysis at all. Their comments simply pick out a few performance measures that SBC Illinois "missed," take them out of context, and say they demonstrate non-compliance. AT&T Witness Connolly, ¶¶ 161-163; WorldCom Witness Lichtenberg, ¶ 40; WorldCom Witness Kinard, ¶¶ 43-53. They do not respond to my analysis, they ignore it. The CLECs' principal argument is not that the performance results show non-compliance, but that the results should be ignored as unreliable. I demonstrated that SBC Illinois' results are sufficiently reliable in my opening affidavit (based on the independent audit by E&Y, the current status of the BearingPoint test, and other assurances of reliability), and I provide further rebuttal to their comments in the next section of this affidavit.

6. Staff's witnesses take a different approach. Staff Witness Staranczak's affidavit sets out the general guidelines taken by the various Staff Witnesses. First, Staff looked at the results of a particular measure: where SBC Illinois "passed" the measure in at least two out of three months, as a general rule Staff concluded that the measure supported

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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".

checklist compliance. By contrast, where there was a performance shortfall in at least two months, Staff requested additional explanation and information from SBC Illinois. If there was performance data for more than one category within a given measure, Staff took an extra step to compile the results of those categories. Staff generally concluded that SBC Illinois "passed" the measure as a whole if it passed 90 percent or more of the categories within that measure in at least two out of three months, and sought additional information or explanation if SBC Illinois did not pass 90 percent of the categories.

7. I understand Staff's approach to be more like a set of guidelines for deciding when to seek more information and where to focus attention, rather than a hard and fast pass/fail rule for reaching an ultimate conclusion on checklist compliance. Staff Witness Staranczak, ¶¶ 17-14. This kind of cooperative sharing of information, ideas, and perspectives is exactly what I had in mind at the workshop, and I appreciate the opportunity to see and comment on Staff's perspectives. And at that level, I do not disagree with Staff; in fact, our approaches share some important common elements. Like Staff, my analysis uses a general guideline that a measure is "passed" if SBC Illinois meets or beats the applicable standard in at least two out of three months, and conversely I provide additional information where there is a shortfall in at least two out of three months. Thus, for several checklist items or parts of checklist items (as I show below) Staff shares my opinion that SBC Illinois has satisfied the checklist.

8. At the same time, however, there are some places where Staff seems to treat the guidelines as a hard-and-fast decision rule, rather than as a tool for focusing attention and gathering information. In other words, Staff considers a "miss" under the guidelines to automatically trigger a conclusion of non-compliance, unless SBC Illinois commits to a

specific corrective action plan. While there are some instances in which SBC Illinois has already taken or will take corrective action, I would caution against taking Staff's guidelines that far as a general matter.

9. First, it would be particularly inappropriate to use Staff's "90 percent of categories" test as a hard rule, to conclude that SBC Illinois "failed" a given measure based solely on the fact that it did not pass 90 percent or more of the categories within that measure. To illustrate the potential pitfalls of such an approach (and to contrast the approaches taken by me, Staff, and the CLECs), let's look at the different ways in which the comments approach Performance Measure 29, which covers the percentage of installations within the customer-requested date. Four of the categories in that measure relate to the UNE Platform: (i) orders for residential service that require the "dispatch" of a technician to the field (PM 29-05), (ii) residential service without dispatch (PM 29-06), and business orders, (iii) with and (iv) without dispatch (PMs 29-06 and 29-07). SBC Illinois' wholesale results for missed due dates were consistently (and often substantially) better than retail in three of the four categories (residence with dispatch, residence without dispatch, and business without dispatch), which comprise over 99.7 percent of the total UNE-P order volume reported (PM 29-05, PM 29-06, and PM 29-08) for the months September through November 2002. In the fourth category, PM 29-07 (Business – Field Work), SBC Illinois met the parity standard in September, but not in October and November.

10. In my analysis, I look at the individual categories and count three "makes" and one "miss", a pass rate of 75 percent. (Counting all categories that had sufficient data, for all measures, I come up with an overall pass rate of approximately 88 percent, and a pass

rate on measures subject to remedies of over 93 percent.) And in analyzing the results, I consider the facts that (i) SBC Illinois passed the measure for the vast majority of orders that passed through the UNE-P provisioning process; (ii) the difference between wholesale and retail in PM 29-07 was not large; and (iii) SBC Illinois passed several related measures for installation timeliness (such as the average installation interval and the percentage of customer-requested due dates met) in all four categories, even the business/dispatch category that fell short on PM 29. (See paragraphs 167-175 of my opening affidavit.) All of these facts tell me that the process works, and that the shortfall in PM 29-07 does not affect overall checklist compliance.

11. Staff Witness McClerren, however, rigidly applies Staff's "90 percent" guideline. Because SBC Illinois passed in 75 percent of the categories, he counts PM 29 as one miss and *no* makes: converting a 75 percent pass rate into a 100 percent failure rate for the measure. Applying Staff's scoring method to all measures drives the overall "pass rate" Staff computes (70 percent) to be much lower than the "pass rate" for individual categories that I use.

12. AT&T Witness Connolly also addresses PM 29-07. Like Mr. McClerren, he concludes that the miss demonstrates non-compliance, mainly because he does not consider the low volumes in that category or the "makes" in related categories. Worse, Mr. Connolly does not even mention the fact that there *are* other product categories within that measure (even though the other categories make up the bulk of the business volume).

13. The same example illustrates a second, more fundamental caveat about numerical tests. Performance measures provide a lot of numerical data, and there are many ways to look at the numbers to help inform one's judgment. But it is important to keep the numbers in

their proper perspective: as guidelines to inform judgment, rather than rigid rules that replace judgment. In analyzing the "miss" on PM 29-7, Staff and AT&T did not consider context (e.g. the relatively low volume in the missed category, and the fact that SBC Illinois passed related measures). But a "miss" does not automatically mean there has been non-compliance; rather, it signals a need to look further, just as Staff Witness Zolnierek states (¶¶ 6-7). One needs to consider context, like the trend, the size of the miss, the volume of transactions affected, the nature of the measure, and the results of related measures or of other categories within the same measure.

14. Staff Witness Light's affidavit provides a very good example of this kind of analysis. In examining performance shortfalls, he reviewed overall trends, the nature of the measures, and the small size of the applicable differences. Based on that analysis, he concludes that SBC Illinois passes on operator services, directory assistance, numbering, and number portability even though SBC Illinois did not meet Staff's numerical guidelines for some of the measures in those categories. I provide that same kind of analysis as part of my response to Staff's inquiries under each of the applicable checklist items.

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

CHECKLIST ITEM (I) – INTERCONNECTION/COLLOCATION

15. In paragraphs 44-53 of my opening affidavit, I showed that SBC Illinois met the performance standards in at least two of the previous three months for all seven measures relating to interconnection trunks (such as the rate of call blockage on existing trunks, and the timeliness of provisioning new trunks) and all three measures relating to

collocation arrangements (such as the rate of missed due dates) for which sufficient data were reported. Staff agrees with my conclusion that SBC Illinois satisfies checklist item (i). Staff Witnesses Murray (¶ 11) and Zolnierek (¶ 45) agree with my assessment on interconnection trunks, and Staff Witness Omoniyi agrees with my conclusion on collocation (Omoniyi Aff. ¶ 15, 29).

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

Pre-Ordering

16. As I showed in my opening affidavit (¶ 59), SBC Illinois provided responses within the specified intervals for 98.6% of the 892,916 total requests for pre-ordering information aggregated across all types of inquiries and electronic OSS interfaces (Performance Measure 2). Further, SBC Illinois 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. The differences in the remaining two categories were small. Staff Witness Weber thus appears to agree that the results demonstrate timely access to pre-order information. Weber Aff. ¶ 124.

Ordering

Firm Order Confirmations

17. 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. Over the study period as a whole, SBC Illinois returned 96.81% of the 503,632 FOCs associated with all order types within the specified interval.

18. Staff Witness Weber discusses SBC Illinois' performance on FOC timeliness, concluding that SBC Illinois missed four of the thirty-three submeasures that Staff could assess. This is another measure in which Staff's "90 percent of categories" guideline does not accurately capture timeliness as a whole. As stated above, SBC Illinois returned over 500,000 FOCs to CLECs during September, October and November 2002. The four submeasures Staff Witness Weber identifies as "misses", represent *in total only* 0.04% (191) of the 503,632 FOCs reported for September through November 2002. Additionally, for two of the submeasures (PM 5-16 and 5-42) the volumes were at or above 10 in only one of the three months, with totals of 10 and 13 reported.

19. This paragraph intentionally left blank.

Rejection Notices

20. SBC Illinois returned rejection notices for over 98% of mechanized rejects within one hour of receipt in MOR, with an average time of just 0.17 of an hour during each month of the study period.

21. 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). Witness Weber, however, indicates that SBC Illinois

"should be required to address these deficiencies as CLECs require timely notification of errors on their orders". But as I stated in my opening affidavit (¶¶ 70-71) the issue has been addressed in the recently completed six-month review collaborative, where SBC Illinois and the CLECs agreed to revise the reject performance benchmarks to reflect the industry's expectation that a reject or a FOC be delivered with the same specified interval. These agreements have been filed for the Commission's approval. Based on the reported results for the "mean time to return manual rejection notice measures" under PM 11, SBC Illinois would have met the newly agreed-upon benchmarks. Performance on PMs 11, 11.1 and 11.2 was also discussed in my prior affidavit (¶¶ 68-69).

Jeopardy Notices

22. 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.

23. As I explained at the workshop, jeopardy notices provide a perfect example of how a given performance measure should be evaluated in conjunction with related measures. And as I described in the workshop, and as Staff Witness McClerren concurs in his affidavit (¶ 52), the jeopardy status does not mean that the due date *will* be missed. A major contributor to the "failures" on the submeasures of PM MI 2 is the requirement of a parity standard of comparison. SBC Illinois does not issue jeopardy notices to its retail customers. The parity standard necessitates SBC Illinois create a pseudo-measurement for retail orders that reflects what might be reported if jeopardy notices were actually provided to SBC Illinois retail customers. Accordingly, SBC Illinois and the CLECs have now agreed to apply a benchmark standard of 5% to both PM MI 2 and PM 10.4,

which also measures jeopardy notices. This agreed-upon change is before the Commission for approval at this time.

Completion Notices: Installation

24. SBC Illinois' service order completion ("SOC") timeliness was consistently above 97%, averaging 98.25% over the months September through November 2003 for the Resale, UNE and Combinations submeasures of PM 7.1. Those submeasures included over 98% of all SOCs reported for those three months.

25. Staff Witness Weber analyzes SBC Illinois' performance on Service Order Completion (SOC) timeliness (PM 7.1). Staff Weber, ¶ 130. AT&T Witness Connolly simply cites the performance shortfalls against the 99% benchmark. AT&T Connolly, ¶ 161. As I explained in my opening affidavit, the most important points are that (a) the CLECs have agreed that 97% is an appropriate benchmark for (delivering SOCs within one business day of work completion), and (b) results for three of the four PM 7.1 submeasures exceed the 97% standard agreed to by the CLECs. As to the performance reported for PM 7.1-04 for LNP Only service order completions, our current results are understated as they do not reflect the excludable delays due to CLEC causes; and in any event the PM 7.1-04 results represent less than 2 percent of the volume of SOCs reported over the September – November 2002 period. Note that the results for PM 7.1-04 in January 2003 (which exclude SOCs delayed due to CLEC causes) show over 92% of SOCs for LNP Only orders were sent within one business day of work completion, a much better level of performance than the 46-70% rates for September-November.

Flow-Through

26. Flow-through is another classic example of a measure that must be viewed in the context of related measures. Flow-through relates to one step in the overall ordering and provisioning process: the translation of orders from the interface format to the format used by SBC Illinois' downstream systems. 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.*

27. AT&T Witness Connolly, however, simply says that SBC Illinois "missed" on flow-through without providing any real analysis, and then claims that SBC Illinois' performance is inadequate. AT&T Connolly Aff. ¶ 161. I disagree. First, the shortfall in flow-through performance was slight: SBC Illinois flowed through 95.56% of orders designed to flow through, and I showed in my affidavit that the rate is superior to that provided by other BOCs whose section 271 applications have been approved. True, the rates were slightly below the parity standard for four of the five submeasures, but the differences were not material. Also, it is important to recognize that the current parity standard requires comparison of dissimilar processes. Wholesale orders are processed through interfaces prior to reaching the common point where service orders are generated for both types of orders (wholesale and retail). This "apples-to-oranges" comparison means that one should take the parity results with a grain of salt.

28. More importantly, AT&T is completely ignoring the proper context. In focusing on flow-through, one step in the ordering process, AT&T does not even address the end results that really matter (processing and provisioning orders), much less show that the small shortfalls in flow-through have any impact on those results.

Provisioning Accuracy

29. In my opening affidavit, I addressed a measure of "provisioning accuracy" (PM 12-01) 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. SBC Illinois met the parity standard for that measure in each month of the study period. The accuracy rate on CLEC orders was 97.36%, compared to 94.51% for SBC Illinois' retail operations.

30. WorldCom Witness Kinard (¶ 12) argues that the measure does not accurately portray performance. In reality, WorldCom simply wants an additional measure implemented along with the current PM 12. What WorldCom fails to point out is that there are already several other measures of provisioning accuracy: namely SBC Illinois' installation trouble report measures (PMs 35, 46 and 59), which identify the rate of trouble reports on lines/circuits within 30 days of service order completion. The results on those measures are very strong, with SBC Illinois passing 13 of 15 submeasures for which a two-out-of-three months assessment can be made. As such, the appropriate place to address WorldCom's proposal for still more measures is through the collaborative process.

Line Loss Notification

31. The separate affidavit of Mark Cottrell discusses operational issues and improvements related to "line loss" notification, which SBC Illinois sends to CLECs who "lose" a circuit or line they had served using SBC Illinois facilities. In my opening affidavit, I showed that SBC Illinois issued at least 95 percent of line loss notifications within one hour of service order completion (PM MI 13) 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). For the fourth disaggregation, Resale, SBC Illinois did not meet the benchmark, but still averaged 93% over the three-month study period.

32. AT&T Witness Connolly discusses his concerns with the reported results for PM MI 13. Connolly Aff. ¶ 166. At current, SBC Midwest is engaged in data reconciliation with AT&T (the first time any CLEC has requested data reconciliation of SBC Midwest) regarding this issue.

Completion Notices: Maintenance

33. Staff Witness McClerren discusses SBC Illinois' performance in delivering maintenance ticket completion notices in a timely fashion (as reported in the results of PM MI 14) and concludes that "SBC Illinois fails to provide PM MI 14 in a non-discriminatory manner". McClerren Aff. ¶¶ 53, 105. Before addressing this measure, an important clarification is in order. Mr. McClerren states that "Completion notifications are particularly important because they indicate to the CLEC when they may begin their billing to the new customer." That comment properly refers to service order completions, which I discussed above. PM MI 14 does not measure service order completion notices, but the maintenance ticket completion notices. Specifically, PM MI 14 refers to the notification

that SBC Illinois provides CLECs when the trouble report they submitted for a customer who they already have, and for which service is already in place, has been completed. As such, PM MI 14 has nothing to do with a CLEC's ability to recognize they have a new customer or to begin billing the customer.

34. With regard to the timeliness with which those maintenance completion notices are sent to CLECs, it is also important to realize that the trouble tickets captured by PM MI 14 have been cleared already, and service is working. This measure relates solely to notifying the CLEC that its end users' lines have been repaired. The actual maintenance work and the restoration of service to the end user are not affected. With these points in mind, the out-of-parity performance on the manual disaggregations of PM MI 14 were related to the manual process of creating and sending the manual fax notifications. As I noted at the workshop, effective February 1, 2003, the fax process has been replaced (through discussions and agreement with CLECs in the CLEC User Forum) with the posting of completion notices to a web site.

Billing

35. No one disputes that SBC Illinois provides carrier bills and customer usage information on a timely basis. The results for both CABS and AEBS bills (PMs 18-01and 18-02) have been perfect during each month of the study period, and SBC Illinois provided 99.69% of daily usage feeds on time over the September - November 2002 interval.

36. With respect to billing accuracy, SBC Illinois met the parity standards for PM 14-01 (Billing Accuracy – Resale Monthly Recurring / Non Recurring); indeed, 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.

37. Staff Witness Staranczak requested additional explanation to address billing completion as reported in PM 17. As I said in my opening affidavit, the results on billing completion reflect assessment against a higher standard than called for in the PM 17 business rules (SBC Illinois measured the percent of orders posting to billing before the first bill cycle after completion in the ordering systems, rather than the 20 bill cycles, roughly 30 days, as called for in the current business rules). Even so, performance is above 91% in each month, a high level of performance. For the few orders that are not posted to billing prior to the first bill cycle for the account after the order completes in the ordering systems, there is no impact on a CLEC's ability to bill their end-customers. The SOC notice provides confirmation to the CLEC that the order is complete and the service is in place to their customer. And lastly, adjustments to PM 17 have been agreed to in the recently completed six-month review collaborative, and are before the Commission for approval, that will provide for more appropriate comparisons of like products to the retail equivalent process.

Interface Availability/Center Responsiveness

38. SBC Illinois met the benchmarks for OSS availability for all eighteen submeasures in at least two of the three study period months, with the overall average availability at 99.86 percent. Staff Witness Weber assessed SBC Illinois' performance on PM 4, and as noted

at paragraph 126 of her affidavit, and in Schedule 29.02 attached to the McClerren affidavit, PM 4 passed Staff's statistical guidelines.

39. SBC Illinois has also achieved parity in all categories related to speed of answering calls to the Local Service Center. Staff Witness Staranczak assessed SBC Illinois' performance on these measures, and as noted in Schedule 29.02 attached to the McClerren affidavit, indicated that both PMs 22 and 25 passed the Staff's statistical guidelines.

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

40. SBC Illinois met the applicable standards for all measurements related to this checklist item that had data. While Staff Witness Murray correctly points out that the volume of CLEC requests was not sufficient to permit statistical analysis, SBC Illinois still met the benchmark on those requests that were submitted, and he does not disagree with my conclusion that SBC Illinois satisfies checklist item (iii). Murray Aff. ¶¶ 12-13.

CHECKLIST ITEM (IV) – UNBUNDLED LOCAL LOOPS

41. In my opening affidavit, I showed that SBC Illinois provides nondiscriminatory access to unbundled local loops and to UNE combinations by providing provisioning and maintenance results for 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. 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.

42. Staff Witness Zolnierek agrees, in part, with my assessment of unbundled loop performance, but raises concerns in the following specific areas: 55, 59, 65, 65.1, 66, 67, CLEC WI 6, CLEC WI 7, CLEC WI 11. I address each of these issues below.

Unbundled DSL Loops

Standalone DSL Loops

43. SBC Illinois' rate of missed due dates for CLEC orders was consistently better than the 5% benchmark, and never exceeded 1.93%. For those due dates that were missed, the delays in installation were short. SBC Illinois met the 6.5-day benchmark for average delays in two of the three months, and there were *no* delays greater than 30 days.

44. SBC Illinois' installation intervals 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%) for stand-alone DSL loops without conditioning. In addition, the overall average interval was below the 5-day benchmark in two of the three months. Where conditioning was required, SBC Illinois consistently surpassed the benchmark of "95% within 10 business days," and for the three months as a whole SBC Illinois installed 98.39% of stand-alone DSL orders within the 10-day target interval. The overall average interval was also below 10 days in each of the three months.

45. While Staff Witness Zolnierek agrees that SBC Illinois' performance meets the Commission-approved benchmarks for various measures of stand-alone DSL loop performance, he states that SBC Illinois' performance is not "at parity" with SBC Illinois' affiliate, citing the reported performance for PMs 55.1-04 and 56-12.2. Staff Zolnierek Aff. ¶¶ 48-53. As the Commission has adopted the benchmark standards, a

comparison to results for the affiliate is not pertinent to assessment of performance against the measures. Additionally, Staff Witness Zolnierek provides his conclusions regarding performance that is not in parity with SBC Illinois' affiliate without performing the statistical calculations required to address random variation.

46. With respect to the quality of installation, SBC Illinois met the 6% benchmark for installation trouble reports in each of the three months ending with November 2002, and the overall average rate for the three months as a whole was 5.15 percent.

Line Sharing

47. SBC Illinois met the parity standard for installations completed within the customer requested due date 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. SBC Illinois' average installation interval for CLEC orders where conditioning was not required was just 2.88 days, a day shorter than for SBC Illinois' affiliate, and SBC Illinois met the applicable parity standard in each month. Where conditioning was required, the average installation interval was 9.98 days, but the volumes were low (48 CLEC line-shared loops required conditioning in the study period as a whole, and only 2 in the most recent two months).[2]

48. As Staff Witness Zolnierek points out (¶ 68), SBC Illinois' performance results did not achieve the statistical criteria for parity for installation trouble reports (PM 59-03). As described in my opening affidavit (¶ 117), one reason for performance shortfalls for PM 5903 has been traced to the inability to identify minor facility failures (such as shorts

or grounds) at time of provisioning without dispatch of a technician. As I stated, SBC Illinois' network organization has been assessing alternatives and implementing changes to address additional facility issues additional facility issues. One example of these changes is that, in areas where there are congested crossboxes with high levels of in and out activity, SBC Illinois' Network organization has initiated field checks to validate facility database records.

Maintenance and Repair

49. SBC Illinois' overall rate of trouble reports on CLECs' stand alone DSL loops were low (0.66 trouble reports per 100 lines), and substantially better than the benchmark of 3.0 troubles per 100 circuits set by PM 65-04 in each of the three months. Nevertheless, as Staff Witness Zolnierek states, the rate of troubles (both overall, and net of installation and repeat reports) was short of the parity standards set by PM 65-03 (Trouble Report Rate – DSL – Line Sharing) and PM 65.1-03 (Trouble Report Rate Net of Installation and Repeat Reports – DSL – Line Sharing).

50. E&Y's audit identified an issue with reporting of maintenance and repair results. Specifically, Issue 39 in Section II of Attachment A to the Report Of Management (filed as Attachment Q to my January 17, 2003 affidavit) identified a situation where troubles on the voice portion of the DSL lineshare circuit were reported in the UNE repair PMs, as opposed to troubles on the data portion of the circuit. That issue was corrected, and restatements made, prior to filing of my affidavit. The issue affected DSL Lineshare results for the following PMs: 59, 65, 65.1, 66, 67 and 69. Since the restatement of

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

results, SBC Illinois Network organization management staff have taken the following steps to address maintenance and repair performance on CLEC DSL Lineshare loops:

- Institution of weekly DSL Lineshare repair and maintenance performance conference calls, including line and staff management, top ensure appropriate management focus on improving service;
- Creation of new daily reports for line and staff management to proactively assess DSL Lineshare repair and maintenance performance on a daily basis;
- Retraining of technicians regarding maintenance and repair procedures for DSL Lineshare circuits
- Development of additional job-aids for technicians on DSL Lineshare maintenance
- Scheduling and execution of quality checks of SBC-owned splitter equipment conditions in central offices
- Requirement of new quality reviews checking workmanship on DSL Lineshare orders and trouble reports
- Institution of a new checklist to be completed by the technician for each non-ASI order
- Additional new checklists and review processes for Chicago Metro area managers to verify their technician's work

51. With regard to the percent of repeat trouble reports for DSL Loops with linesharing, as reported in the results of PM 69-03, Staff Witness Zolnierek asserts that performance is "at near parity with that provided to affiliates." Zolnierek Aff. ¶ 73. However, performance was in parity for all three months, and improved in each month, as can be seen in the Z-Value provided with the results. As Z-Value of 1.645 or less indicates parity between service provided to CLECs and SBC Illinois Retail or its affiliate. As the Z-Values for September through November 2002 are 0.98, 0.90 and negative 0.97, the differences cited by Dr. Zolnierek were not statistically significant, and performance is in parity each month.

52. For those lines that reported trouble, SBC Illinois met the 9-hour benchmark for mean time to restore service in each month of the study period (PM 67-19). However, Staff

Witness Zolnierek notes that the results were still short of parity (PMs 67-03 and 67-18) in September and October. As discussed above, SBC Illinois' Network organization is taking steps to address the performance issues, and the reported results are expected to be in parity or meet the applicable benchmark standard shortly.

53. Staff Witness Zolnierek notes that SBC Illinois' affiliate's DSL No-Linesharing loops are, on average, "out of service" less time than CLEC DSL No-Lineshare circuits. Zolnierek Aff. ¶ 56. Two clarifications are needed. First, the results for PM 67-04 that Staff Witness Zolnierek discusses do not reflect out-of-service situations only. PM 67-04 includes both affecting-service and out-of-service trouble reports. Further, the Commission-approved standard is a benchmark, not parity.

54. SBC Illinois' performance results also met the criteria for parity in November for PM 66-03 (Percent Missed Repair Commitments – DSL – Line Sharing). While Staff Witness Zolnierek (¶ 75) points out that the performance results for September and October did not meet the statistical criteria for parity, the difference between wholesale and affiliate results translates to only 5 repair commitments in September and 8 repair commitments in October. Again, as discussed above, SBC Illinois' Network organization is taking steps to address the performance issues on DSL Lineshare maintenance and repair.

55. With respect to the quality of repair work, SBC Illinois met the 12% benchmark for repeat trouble reports on standalone loops (PM 69-04) in each month of the study period, and the overall average rate was 7.06 percent. For line-shared loops, SBC Illinois met the criteria for parity in each of the three months (PM 69-03), with only 15 repeat reports on such loops.

Timeliness of Access to Pre-Ordering and Ordering Information

56. In pre-ordering, SBC Illinois provides DSL loop qualification information within the time set by the applicable standard for manual loop qualification requests (PM 1.1-01), and for electronic requests (PMs 2-09 and 2-12) Staff Weber Aff. ¶ 122.

Unbundled Digital Loops

Unbundled BRI Loops

57. SBC Illinois' percentages of due dates missed on CLEC orders for BRI loops were substantially lower than for retail. SBC Illinois also achieved parity in each of the three months for missed due dates over 30 days (PM 63-04), for average installation delays (PM 61-06), for the rate of installations completed within the customer- requested due date (PM 56-02), and for average installation interval (PM 55-02). SBC Illinois also achieved parity in each month of the study period for installation trouble reports.

58. SBC Illinois met the criteria for parity in two of the three months in the study period for the net trouble report rate for CLEC loops, and for repeat trouble reports (PM 69-06). Staff Witness Zolnierek states that 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 as I discussed in paragraph 141 of my opening affidavit, the differences in that category were not significant: about one-half of a trouble report per 100 lines. Staff Witness Zolnierek also discusses November 2002 performance for PM 65.1-06, the trouble report rate net of installation and report reports, noting that SBC Illinois was out of parity for that month. Zolnierek Aff. ¶ 101. When looking over the three months data for September – November 2002, it is apparent that wholesale performance is consistent,

as the trouble report rate for the each of the three months varies within a range of only 0.08 troubles per 100 lines. And performance for December 2002 and January 2003 returned to parity, with improved trouble report rates of 0.41 and 0.59 respectively. These results show that performance is not "getting worse over time" as suggested by Staff Witness Zolnierek suggests.

59. Further, where trouble is reported, SBC Illinois consistently repairs CLECs' BRI loops more quickly than its own retail loops, whether or not dispatch is required. For the study period as a whole, SBC Illinois' average repair interval 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.

Unbundled DS1 Loops

60. SBC Illinois met the parity standard in at least two of the three months during the study period for missed due dates (PM 58-08), missed due dates over 30 days (PM 63-06), and for the average delays when due dates are missed (PM 62-06), and for average installation intervals (PM 55-03). The quality of wholesale installations was better than retail, as SBC Illinois achieved a lower rate of installation trouble reports in each month of the study period.

61. Staff Witness Zolnierek discusses the results for PM 62-06 for November 2002. Zolnierek Aff. ¶¶ 112-113. A question on this result was posed to me in the workshop, and a written response was provided on February 17, 2002. For ease of reference that response is provided below.

> A single circuit had a calculated installation interval of 323 days, although the actual installation time was much shorter. The reason for the delay was that completion of the associated service order was delayed within the ordering system. Initially, the order was held for facilities and was then completed through the Network systems (providing service to the CLEC well in advance of the completion date shown for PM purposes) but not in the ordering system. The situation was discovered in October, and the original order was completed in the ordering system. The completion date on the order for purposes of this measure thus fell in October 2002, when in fact the order had been provisioned and the circuit had been in use for over 10 months before then.

62. As Staff Witness Zolnierek states, SBC Illinois did not meet parity for the overall rate of trouble reports (PM 65-08). SBC Illinois' Network organization has reviewed the details regarding this performance. That analysis has shown that 25 percent of the Wholesale troubles were associated with recent installations. As DS1 loops are testable upon installation, compliance with existing installation procedures will be reinforced and monitored to ensure all installation tests are performed and documented. The expected reduction in troubles will result in parity performance for PM 65-08 similar to that for PM 65.1-08, which excludes installation trouble reports.

Unbundled Voice Grade (8.0 dB) Loops

63. For 2-wire analog (8.0 dB) loops, SBC Illinois missed fewer due dates on CLEC orders than for retail, and the resulting installation delays were also shorter on CLEC orders. In addition, SBC Illinois met the standard for parity in two of the three months for average installation intervals (PM 55-01.1and PM 55-01.2). For loops provisioned by Frame Due Time and non-Coordinated Hot Cut conversions, SBC Illinois' average installation intervals met the applicable target in at least two of three months (PM 55.2).

64. 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. When trouble was reported, SBC Illinois achieved parity in the mean time to restore service (PM 67-05 and 67-20) and for the rate of missed repair commitments (PM 66-04).

65. Staff Witness Zolnierek assesses SBC Illinois' results for the Facilities Modification ("FMOD") process performance measures. With regard to stand-alone DSL loops, Staff Witness Zolnierek notes that performance failed to meet the 95% within 24 hours benchmark for Form A, as reported in PM CLEC WI 6, in the months October and November 2002. Zolnierek Aff. ¶ 57. Upon investigation, it was determined that the below-benchmark performance in these two months was due to the inadvertent inclusion of certain loops that should have been excluded. This process issue has been addressed and those orders are no longer included effective with December 2002 results. Staff Witness Zolnierek also comments on performance results for 8.0 dB Loops, BRI Loops and DS1 Loops in PM CLEC WI 11, stating that SBC Illinois "is having significant problems meeting due dates" on these orders. Zolnierek Aff. ¶¶ 90 & 121. However, the results are in statistical parity for October and November 2002 for 8.0 dB Loops (with only two missed due dates in each month) and BRI Loops, and they are in statistical parity for all three months for DS1 Loops. These submeasures are each rated a pass by Staff Witness Zolnierek in his analysis under Staff's statistical guidelines.

UNE Loop and Port Combinations

66. AT&T Witness Connolly contends that SBC Illinois is not provisioning UNE platforms on a timely basis. Connolly ¶¶ 162-163. I disagree. SBC Illinois' average installation intervals for UNE platforms were consistently faster than retail, in all four product categories (business and residence, with and without dispatch). Further, SBC Illinois met the parity standard for installations within the customer-requested date in each of the three months for all four categories (PM 28). SBC Illinois' wholesale results for missed due dates were consistently (and often substantially) better than retail in three of the four categories (residence with dispatch, residence without dispatch, and business without dispatch), which comprise over 99.7 percent of the order volume (PM 29-05, PM 29-06, and PM 27-08).

67. As I stated in the "Approach to Performance Measurement Analysis" section above, Messrs. McClerren and Connolly instead focus on the one category of one measure that had a shortfall: 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. Mr. McClerren rigidly applies Staff's guideline (that SBC Illinois passes a measurement only if it passes at least 90 percent of the categories in that measure in two out of three months), notes that SBC Illinois passed three out of four categories (75 percent), and concludes that SBC Illinois failed the entire measure. But the provisioning process overall is working: First, as I stated above, SBC Illinois exceeded the applicable standards for the three other UNE-P categories, which comprise the bulk of the volume. Second, given the low volumes for this particular category, 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 – a trivial portion of the over 340,000 UNE Platform service orders provisioned during the study period. Finally, SBC Illinois met related standards for timely provisioning in *all* UNE-P categories, including the business/dispatch category that had a shortfall here.

68. Nevertheless, SBC Illinois conducted an analysis of performance for the UNE-P Business Field work disaggregation of PM 29. As I clearly stated in the workshop, that analysis has confirmed that there is a defect in the mechanized process for assigning due dates (not in the process for meeting them) that is impacting the results for PM29. While WorldCom Witness Kinard (¶ 54) might like this Commission to think that SBC Illinois would "make up" root causes for issues, that is not true, and such a claim is lacking any supporting evidence from WorldCom. As a result of this issue with the mechanized processes, UNE-P Business orders are sometimes given a due date of today when the due date should be 3 days out. The system problem is being resolved. The fix will require establishing new interface links between the ordering systems and the facilities assignment system to determine when conditions will cause a pair change and the required field visit. Once determined that a field visit is required, the due date for the field visit service order will be scheduled appropriately (generally around 3 days). Implementation is currently planned for this month, March 2003. Additionally, SBC Illinois' Network organization is manually reviewing field visit orders due on the same date as the application date. Where possible, Network is attempting to complete the order without the need for a field visit. The subsequent months of December 2002 and January 2003 have been in parity as a result.

69. The same analysis applies to installation trouble reports. SBC Illinois' results here were *better* for CLECs than for retail in the three categories of UNE-P orders with the most volume – PM 35-05 (residence with field work), PM 35-06 (residence with no field work), and PM 35-08 (business with no field work) – in each month of the study period. However, Messrs. McClerren and Connolly focus solely on the fourth category, PM 35-07 (business with field work), where SBC Illinois' performance results met the standard for parity in September but not in October or November. Again, however, their comments overlook the fact that the volumes in this category were relatively small (for November, UNE-P business orders comprised only 0.36 percent of all UNE-P orders completed in the month, and only 4.5% of all UNE-P orders that required field work). 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. Moreover, SBC Illinois' Network organization has recently implemented an improved management tool that allows for daily monitoring of PM 35 results, and now has the ability to proactively monitor results and identify issues. A current area of process improvement is increased testing of Pending Auto Complete (PAC) service orders. In the event of line trouble a Network technician is dispatched to resolve the service issue. These efforts have resulted in parity performance for the most recent two months, December 2002 and January 2003.

70. Staff Witness McClerren also discusses trouble report rate performance, focusing on the two submeasures where performance failed to meet the parity standard, PM 37-01 (Resold POTS Residence) and PM 37-04 (UNE-P Business). McClerren Aff. ¶ 123.

Performance did not meet the standard in at least two of the three months for both sub-measures. As discussed in my initial affidavit, the actual trouble report rates are not significantly different. The reason for these performance shortfalls is the level of installation trouble reports. Research by SBC Illinois' Network organization has determined the out-of-parity performance to be due to trouble reports relating to new service order activity that required "pair changes." SBC Illinois has determined that these "installation troubles" were caused by the manner in which the order was processed by the facility assignment system, as I discussed previously in this affidavit. System changes are in process to address the issue.

71. SBC Illinois met or surpassed parity in all measures, in all UNE-P categories, relating to the timeliness of maintenance work. McClerren Aff. ¶¶ 126-135.

CHECKLIST ITEM (V) – UNBUNDLED LOCAL TRANSPORT

72. I showed in my opening affidavit that SBC Illinois met the applicable performance standards for all measurements under this checklist item (for which sufficient data were reported) in each month of the study period. Staff Witness Zolnierek (¶ 125) agrees with my conclusion that the results demonstrate compliance with checklist item (v).

CHECKLIST ITEM (VI) – UNBUNDLED LOCAL SWITCHING

73. While CLECs are not currently purchasing stand-alone unbundled local switch products from SBC Illinois, the process is the same as for other wholesale products (including loops combined with switching and shared transport). Staff Witness Zolnierek (¶ 128) states that there is no evidence of non-compliance with checklist item VI.

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

74. My opening affidavit demonstrated that SBC Illinois provides nondiscriminatory access to 911, E-911, operator services (OS) and directory assistance (DA) services, and directory assistance databases. Staff Witness Light agrees with my opinion on OS, DA, and the DA database. With respect to 911, however, Staff Witness Schroll disagrees.

75. Before I respond, I would like to point out an important area of agreement. Staff's underlying premise is that 911 services are critical to public safety, and I agree. In my opinion, however, SBC Illinois' performance results show that SBC Illinois attaches the same importance to 911 obligations – and satisfies them.

76. There are four measures related to 911. PM 102-01 measures the average time it takes SBC Illinois to clear errors in database records. Here, SBC Illinois easily met the parity standard in each month of the study period, averaging 8.56 hours for processing CLEC corrections, compared to 16.56 hours for retail. These results are both well within the one business day standard I understand to have been established by the National Emergency Number Association ("NENA") for resolution of errored records.

77. PM 103-01 assesses the accuracy of 911 database updates through a comparison process. A CLEC initiates this process by requesting a compare file from SBC Illinois. No CLEC requested such a file for the months of September – November 2002, and as a result no data is available. Staff Witness Schroll concurs. Schroll Aff. ¶ 8.

78. PM 104-01 measures the average time to process updates to the 911 database, in minutes. Here, too, I understand NENA's safety standard to be that updates are to be processed within 24 hours of receipt, and SBC Illinois more than met that standard. On average,

SBC Illinois processed updates for facilities-based CLECs in less than two hours: approximately 84 minutes in September, 118 minutes in October, and 88 minutes in November. Further, in response to the question raised by Staff, SBC Illinois processed every single file within 24 hours. Should Staff desire detailed documentation, SBC Illinois can provide summary reports that identify total records processed, error records, total processing minutes, total files processed, and average processing minutes per file by month. Additionally, actual raw data files can be provided in necessary.

79. While SBC Illinois met the industry safety standard with room to spare, it met the parity standard for only one month in the study period, December. The shortfalls in October and November lead Staff Witness Schroll to conclude that SBC Illinois does not provide nondiscriminatory access to 911 services. I disagree, for the following reasons. First, the differences between retail and CLEC results were not significant: The difference in average update time was approximately 14 minutes in September and 24 minutes in November. Second, the results for CLEC files are still well within the NENA standard.

80. Third, there is no difference in the process for retail and CLEC updates. SBC Illinois' process is "parity-by-design", as it accepts and processes update files received at its gateway on a first-in, first-out basis, without regard to the identity of the carrier that submits them. The slight differences in the end *results* are caused by two factors outside the control of SBC Illinois. First, there are more CLEC update files than retail update files, as each CLEC submits a separate file. CLECs submit nearly four times as many 911 update files as submitted by SBC Midwest (SBC Midwest regional (five-state) results: average 879 files per month from September through November 2002 for CLECs, versus average 239 files per month for SBC Midwest). As a natural result, it is more

likely that a CLEC file will wait in the "queue" for processing. CLEC update files contained, on average, more errors than retail update files. The more errors in the file, the longer it will take to process, and again the average processing time will increase. CLEC files generally contained more errors than SBC Midwest files: there were 18.7% error records on average for September through November 2002 CLEC files versus 7.3% error rate for SBC Midwest files in the same period. SBC Illinois, of course, is not responsible for CLEC errors; however, SBC Illinois has taken steps to help CLECs submit accurate records. SBC Illinois' CLEC Online website provides a "tutorial" matrix that suggests corrective actions for every error type. In addition, each CLEC has a state-specific analyst at Intrado, the third party database administrator. SBC Illinois also has a dedicated 911 Database Manager, and a CLEC manager that reviews CLEC results on a weekly basis, to identify and respond to CLEC needs or trends. Finally, SBC Illinois provides each CLEC a copy of the Master Street Address Guide, as well as free on-line access to that Guide on request.

81. Staff Witness Schroll indicates that PM 104.1 was determined to be a miss under Staff's statistical guidelines. Schroll Aff. Schedule 36.01, Item 3. I believe Staff meant to apply that assessment to PM 104 only, as PM 104.1 has no standard against which to assess pass or fail. PM 104.1 measures the average time it takes to unlock a 911 database record when the number is ported to another carrier. The performance measure is defined as a diagnostic measure, with no standard defined.

CHECKLIST ITEM (IX) – ACCESS TO TELEPHONE NUMBERS

82. My opening affidavit (¶ 199 & Attachment K) demonstrated that SBC Illinois provides nondiscriminatory access to telephone numbers. Staff Witness Light (¶ 18) agrees with my assessment.

CHECKLIST ITEM (XI) – NUMBER PORTABILITY

83. My opening affidavit demonstrated that SBC Illinois provides CLECs nondiscriminatory access to number portability services. 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. Staff Witness Light agrees that SBC Illinois complies with checklist item (xi). (Staff Witness Light , ¶ 18)

CHECKLIST ITEM (XIV) – RESALE

84. SBC Illinois met or exceeded the performance standard for 92.1% of the sub-measurements related to this checklist item in at least two of the three study period months. Staff Witness McClerren, however, looks at the few misses (which occurred in low-volume categories) and contends that SBC Illinois does not pass checklist item (xiv).

85. Consider first the measures for provisioning timeliness. The vast majority (90 percent) of resale POTS order volume is in five categories: residential POTS with and without field work, business POTS with and without field work, and Centrex without field work. (The sixth category is Centrex with field work, and I address that below.) SBC Illinois' average installation intervals in those five categories were better than for the retail analogues, in all three months (PM 27-01, 27-02, 27-03, 27-04, and 27-10). In those categories, SBC Illinois missed fewer due dates on CLEC orders in each of the three

months (PM 29) and met or beat parity standards in all three months where sufficient data were available for (i) the percentage of installations completed within the customer-requested due date (PM 28), (ii) the percentage of due dates missed because of lack of facilities (PM 30), (iii) average delay days on missed due dates (PMs 31 & 32), and (iv) missed due dates over 30 days (PM 33). (Note, too, that SBC Illinois met parity for all categories of quality, as measured by the rate of installation trouble reports.)

86. Staff Witness McClerren, however, notes that one of the six POTS disaggregations (Centrex with field work) was out of parity in two of the three study period months for average installation interval (PM 27-09) and for the percentage of installations completed within the customer-requested due date (PM 28-09). As with Mr. McClerren's analysis of UNE-P, his conclusion does not properly consider these categories in context. First, SBC Illinois exceeded parity in all three months in the categories that comprise the most volume. Second, the shortfalls in Centrex dispatch orders were small: The average installation intervals were less than a day longer than retail, and if SBC Illinois had made the customer due date on just two additional installations in October and four in November, it would have achieved parity in all three months. Third, SBC Illinois met the applicable standards for *all* POTS categories, including Centrex dispatch, on all other measures of provisioning timeliness (such as missed due dates caused by lack of facilities). And fourth, the comparison between average installation interval for wholesale CIA Centrex orders and SBC retail Centrex orders allows for the inclusion of all CIA Centrex with requested due date of five days or less, while SBC retail orders are consistently given a three-day standard due date interval. However, SBC Illinois'

Network organization continues to monitor performance and identify any areas where process changes are need to provide parity service on CIA Centrex product orders.

87. The same analysis applies to the timeliness of repair. With respect to the rate of missed repair commitments, SBC Illinois met the parity standard in all three months for the categories with the most volume (over 90 percent of the trouble reports): PM 38-01 (POTS Residence – Dispatch), PM 38-03 (POTS Business – Dispatch), and PM 38-04 (POTS Business – No Dispatch). As Mr. McClerren points out, PM 38-02 (POTS Residence – No Dispatch) was out of parity two of the three study period months. Again, however, the differences in that category were small (SBC Illinois fell short of parity by two missed appointments in September and one in November). 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 this submeasure has been specifically addressed, and performance has returned to parity in December 2002 and January 2003.

88. Staff Witness McClerren discusses the statistical performance of SBC Illinois with regard to Resold POTS Residence trouble report rate. McClerren Aff. ¶ 95. While performance for PM 37-01 did not meet the parity standard in two of the three months, the results improved from 2.19 trouble reports per 100 lines to 1.8 trouble reports per 100 lines over the September – November 2002 period. Research by SBC Illinois' Network organization has determined the out-of-parity performance to be due to trouble reports relating to new service order activity that required "pair changes." SBC Illinois has determined that these "installation troubles" were caused by the manner in which the

order was processed by the facility assignment system, as I discussed previously in this affidavit. System changes are in process to address the issue.

89. Staff Witness McClerren also identifies that SBC Illinois did not achieve parity for PM 54.1-04 (Trouble Report Rate Net of Installation and Repeat Reports – Resold Specials – VGPL), the corollary PM 54-04 (Failure Frequency – Design – Resold Specials – VGPL), and PM 54-06 (Failure Frequency – Design – Resold Specials – ISDN PRI). McClerren Aff. ¶ 103. SBC Illinois' Network organization's analysis has shown that a large number of the trouble reports for Resold VGPL were caused by Central Office work errors (i.e. wires missing, equipment optioned wrong, etc). SBC Illinois has implemented a program to educate and reinforce existing procedures to eliminate such work errors. The same root cause was identified for PM 54.1-04, with the same corrective action being taken. While no specific root cause has yet been identified for the lack of parity performance on Resold ISDN PRI trouble report rates, SBC Illinois' Network organization continues to monitor performance and analyze processes to minimize the number of troubles realized by CLEC end-customers on those circuits.

SBC ILLINOIS' PERFORMANCE MEASUREMENTS RESULTS ARE RELIABLE

90. In the preceding section, I confirmed that SBC Illinois' commercial performance results demonstrate compliance with the applicable items of the competitive checklist. As I said in the opening to that section, the principal response by the commenters is not to dispute my analysis: The CLECs do not do a comprehensive analysis of performance at all; Staff does a comprehensive analysis and agrees with me in many areas. Rather, the main

theme of the commenters is to say that the commercial performance results should be *ignored*, on the theory that they are unreliable.

91. My opening affidavit addressed a number of factors that provide reasonable assurance that the results I analyzed above are sufficiently reliable to assess checklist compliance: (i) the current status of the BearingPoint test, and the results of the independent audit by E&Y, (ii) the open and collaborative nature of metric workshops, (iii) supervision by the Commission, (iv) the availability of the raw performance data to CLECs, and SBC Illinois' readiness to engage in "reconciliations" of its reports with the CLEC's own business records, and (v) SBC Illinois' internal and external data controls.

92. I respond to the opposing comments on these subjects below, specifically addressing comments on the E&Y audit, the BearingPoint test and the additional assurances.

THE ERNST & YOUNG AUDIT PROVIDES ADDITIONAL ASSURANCES OF DATA RELIABILITY.

93. In my opening affidavit, I examined the results of E&Y's audit of commercial performance results for March-May 2002. As I showed, most of the issues had been addressed by corrective action, and that action was reflected in the September-November 2002 results analyzed above. In this section I provide an update as to the status of E&Y issues and the associated corrective actions, and respond to specific issues raised by the comments. Other matters, particularly with regard to E&Y's independence and its audit methodologies and procedures, are identical to issues raised in the FCC proceedings on SBC Michigan's section 271 application, and they are addressed in the joint FCC affidavit of Daniel Dolan and Brian Horst attached to this Affidavit as Attachment A.

94. In my opening affidavit, I addressed the issues identified by E&Y in the following five categories:

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

95. As I stated at ¶ 226 of my opening Affidavit, the 53 issues in Category I had been corrected by SBC Illinois. The performance results reported for September-November 2002 provided in my opening Affidavit reflected these corrections, and the performance results for March – May 2002 were restated. E&Y verified those corrections. Staff Witness Weber (¶ 92) states that there is no assurance that the corrections remained in effect after their implementation. The apparent suggestion is that after going to the time and effort to modify systems and procedures, we would go to the additional time and effort of changing back to the old methods. That is not true. Note also that the Change Management Process for performance measures is being reviewed by BearingPoint as part of its PMR 3 evaluation, and that test is substantially complete.

96. For Category II issues, SBC Illinois has implemented corrective action, but did not go back and restate March-May 2002 results. Staff Witness Weber (¶¶ 93-94) states that even if September-November 2002 results are correct, the data for March -May 2002 are incorrect. While she disagrees with my emphasis on the accuracy of September-November results, those results are the focus of SBC Illinois' and Staff's analysis of

checklist compliance. Further, Staff Witness Weber reiterates her concern that E&Y did not provide assurance that corrections remained in place for months after the implementation of corrective action. Again, the implication is that SBC Illinois would go back and reverse corrective actions after going to the time and effort to implement them. That is untrue.

97. Staff Witness Weber discusses two Category III issues at ¶ 95 of her affidavit. She is concerned that these issues may not have been corrected and that E&Y may not have been contracted to continue their evaluation work in Illinois. However, both issues identified by Ms. Weber were corrected with December 2002 results reported in January 2003. E&Y tested these issues for their Wisconsin report. E&Y was also engaged on February 12, 2003 to continue their evaluation work for Illinois.

98. At ¶ 96, Staff Witness Weber expresses her concern that the issues discussed under Category IV may exist in the results date provided in my affidavit for September, October and November 2002. However, her fears are unfounded because I very clearly stated at ¶ 229 of my Affidavit that the issues identified were one-time occurrences that would not carry forward to subsequent periods.

99. Finally, Staff Witness Weber is correct in her determination at ¶ 97 that the SBC Illinois had not implemented corrective actions for the fifteen issues identified in Category V at the time of filing my affidavit. However, she fails to address the analysis in my affidavit, in which I showed why the issues did not affect overall checklist compliance. And a number of these issues have, in fact, fact been addressed since the filing of my affidavit, specifically the following: Section V, Issues 1, 2, 4, 5, 7, 8, 13, 15. Each of these issues

was addressed with January 2003 results reported February 20, 2003.The issues that remain to be addressed, and their current status, are provided in the table below

Status of Remaining Issues from Ernst & Young Audit as of February 28, 2003			
E&Y Issue (From Attachment Q)	**Affected PM(s)s**	**Current Status of Corrective Action**	**Impact On Previously Reported Results**
Sec. V, Issue 14	104.1	Computer coding enhancements to exclude CLEC-caused delayed 911 Database record unlocks is to be implemented with February 2003 results to be reported March 20, 2003.	Corrective action will only improve results as delayed unlocks will lengthen the average time to unlock the record (the result reported fin PM 104.1). This is a diagnostic measure with no performance standard defined
Sec. V, Issue 3	91	Computer coding enhancements to include project orders are to be implemented with February 2003 results to be reported March 20, 2003.	Analysis of project data identified that, for June through August 2002, projects excluded from the results represent 1.05% or less of orders reported, with no impact on attainment of the benchmark. No restatement of prior month's results is planned.
Sec. V, Issues 6	28, 29, 30, 31, 32, 33	Computer coding enhancements to exclude internal orders correcting the CLEC account in SBC Illinois wholesale system when the end customer transfers service to SBC Illinois are to be implemented with February 2003 results to be reported on March 20, 2003.	Analysis of ordering activity of customers migrating partial accounts to SBC Illinois indicates that less than 5% of all "winback" orders are "partial winback" orders. The impact of this small volume of orders (less than 1% of all orders reported in the results for these PMs) is not material.
Sec. V, Issue 9	96, 97	Computer coding enhancements to add logic to relate LNP and Loop orders when the related order field is not populated on the LNP order are to be implemented with February 2002 results to be reported on March 20, 2003.	This issue could result in the orders being reported in the incorrect disaggregation of these PMs. The number of orders affected is limited, both disaggregations report against the same benchmark, and all orders are included in results.
Sec. V, Issue 12	MI 14	Computer coding enhancements to report UNE-P trouble ticket completion notices provided electronically separately from Resale notices provided electronically (both are reported combined currently) is to be implemented with February 2003 results reported on March 20, 2003.	Both UNE-P and Resale trouble ticket completion notices are measured against the same standard, and all have been included in the results for the Resale electronic submeasure. Performance has been consistently above 99% sent within one hour.
Sec. V, Issue 10	WI 1	Computer coding enhancements to exclude customer-caused no access reports are to be implemented with February 2003 results to be reported on March 20, 2003.	Exclusion of customer-caused no access reports will result in improved performance once implemented.
Sec. V, Issue 11	CLEC WI 5	Computer coding enhancements to include resold specials and UNE dispatches to customer premise are to be implemented with February 2003 results to be reported on March 20, 2003.	SBC Illinois' procedures for moving the NID (assessed in PM CLEC WI 5) do not differentiate between retail and wholesale end customers. Reported results indicate no failures on the PM, and the performance is expected to continue.

100. Staff Witness Weber addresses interpretations of business rules (also included in the E&Y report) at paragraphs 99 through 103 of her affidavit. She correctly states that the interpretations applied by SBC Illinois to the September, October and November 2002 have not yet been approved by the Illinois Commission. As Ms. Weber is aware, the interpretations needing to be addressed through performance measurement business rule changes have been discussed and approved by the CLECs in the collaborative sessions and the new business rules have now been filed with the Illinois Commission for review and approval.

101. Both Staff Witness Weber (¶¶ 104-110) and AT&T Witness Connolly (¶¶ 155-160) discuss the E&Y Controls Report in their comments.

102. The E&Y's Controls Report raised three issues. Initial implementation of the performance measurements in the year 2000; manual activities required for a limited subset of measurements; and, implementation of the LASR application as part of the Plan of Record ("POR") release in April 2002.

103. The first issue is with regard to the level of controls that were in place when the performance measures were initially implemented. SBC has been up front regarding the fact that controls were less than perfect at that time. Accordingly, SBC Illinois has established processes by where the organization responsible for each processes being measured, and thereby the performance results, have been analyzing the implementation of every measurement to ensure that they the manner in which performance is assessed is in compliance with the letter and intent of the business rules. The Long Distance Compliance staff (of which I am part) participates in those reviews to ensure that any

issues identified are resolved as quickly as possible. This activity is an ongoing part of, and is governed by, the formal Change Management Guidelines that BearingPoint has been testing, and continues to test, in PMR3.

104. The second controls issue identified by E&Y related to manual processing involved to generate the performance results. AT&T Witness Connolly at ¶ 159 suggests that SBC Illinois "relies upon manual processes for measures that involve large volumes of transactions." His characterization is misleading. The processes for reporting certain high volume measures, such as PM 20 (Unbillable Usage), PM 25 (Local Operations Center Grade of Service) and PM 79 (Directory Assistance Average Speed of Answer), have a manual *component*, but that does not mean that they are entirely manual. These measures, specifically, use complex computer systems to collect, retain and report upon the activity being measured. The manual component of the PM reporting processes is not to collect this data (as implied by AT&T) but simply to post the calculated results to a database for web site display.

105. The third control issue involves a review of SBC's performance measurement change management process. I address the current status of BearingPoint's evaluation of that process below, and as I show there the test is substantially complete.

106. Additionally, AT&T Witness Connolly suggests (¶ 127) that the E&Y audit is obsolete due to the implementation of "DSS." He states that "it may well be that BearingPoint will determine that its prior PMR findings … now fail." Connolly Aff. ¶ 130. However, his characterization of DSS is incorrect, and the much more likely outcome of BearingPoint's testing will be that it will continue be satisfied.

107. SBC Midwest is in the process of migrating its process for performance reporting to new systems. These migrations fall into three general areas:

- Where SBC Midwest is in the process of migrating the manual data reporting processes to a more automated process and the data is loaded into the DSS database. At that point, the same calculations that were previously provided in an Excel spreadsheet are performed in the database.

- Where SBC Midwest is transferring data from an operational system ("MorTel"), which currently also calculates the results for the performance measure, to a metrics specific reporting system ("DSS"), which performs the same calculations from the original source data.

- Where SBC is upgrading the operational database, which also calculates the measure, to a new database to improve operational functionality. The implementation of the performance measure remains the same, using the same data, which is now managed in a new (enhanced) database.

108. Over the past 9 reporting months, SBC Illinois has migrated 25 measures to the ICS/DSS performance reporting platform. Each of these migrations has been accompanied by several months of parallel testing and approval of those results by both management of the organization "owning" the measure, whose performance is measured, and the Long Distance Compliance organization responsible for ensuring that the measures are accurately implemented. The measures for which the implementation has been migrated to the ICS/DSS performance reporting platform since the Plan Of Record release in April 2002 are as follows: 5, 5.2, 6, 7, 7.1, 8, 9, 10, 10.1, 10.2, 10.3, 10.4, 11, 11.1, 11.2, 11.3, 13, 13.1, MI 13, MI 9, MI 2, 17, 91, 93, 95.

109. At ¶ 148 of his affidavit, AT&T Witness Connolly asserts that SBC Illinois is ignoring 7 of E&Y's findings documented in Section IV of Attachment Q to my affidavit. SBC Illinois is doing no such thing. In that same Attachment Q, SBC Illinois explains why no

corrective action is planned for those findings. Mr. Connolly has plainly chosen to ignore the explanation presented.

110. AT&T Witness Connolly further cites the three issues remain to be addressed and the impact of the issues has not yet been determined. Connolly Aff. ¶ 149. While that is correct, and that was explained in Attachment Q of my affidavit, below I provide an updated status for each of these three issues.

- **Attachment Q – Issue V, 5 –** Corrective actions have been implemented for PMs 27 and 28 effective with January 2003 results reported February 20, 2003. UNE-P and POTS Residence and Business Field Work submeasures (numbers 27-01, 27-03, 27-05, 27-07 and 28-01, 28-03, 28-05 and 28-07) were expected to be impacted. However, while volumes increased in comparison to previous months, performance results either improved or were consistent with prior months, as expected.

- **Attachment Q – Issue V, 7 –** Corrective actions were implemented for PM 55 and the lineshare disaggregations for PMs 55.1, 56 and 56.1 effective with January 2003 results reported February 20, 2003. Only the two following submeasures showed an impact from the change: PM 55.1-02 increased volume and did not meet the parity standard, with an average installation interval of just over one-half day more than for SBC Illinois affiliate; appropriate restatements of prior results will be undertaken. PM 56-13 volume increased but performance remained at 100% installations completed within customer requested due date.

- **Attachment Q – Issue V, 11 –** Corrective actions for PM CLEC WI 5 are scheduled for February 2003 results to be reported March 20, 2003. As discussed in Attachment O to my Affidavit, SBC Illinois does not expect any difference in results after the corrective action is implemented.

111. AT&T Witness Connolly then discusses two specific issues he believes to be examples of deficiencies that one can only assume he believes are significant in their impact in the accuracy of reported results. He first addresses an issue regarding performance measure 91 and the exclusion of projects from the result. While AT&T Witness Connolly cites in his footnote 66 to Issue 10 at page 14 of Attachment Q to my affidavit, I believe he is actually discussing Issue 3 at page 29 of Attachment Q. While SBC Illinois has not yet implemented the corrective action to PM 91 to include projects, the discussion provided

in Attachment Q indicates that the analysis performed on June – August 2002 results showed that results changed by only 1.05% or less, and neither submeasure would have missed the parity standard.

112. Second, AT&T Witness Connolly discusses how E&Y "failed to detect" an "infirmity" with regard to PMs 114 and 115. Ehr Aff. Attachment Q, Issue 47, Page 22. The difference between E&Y and BearingPoint is not that E&Y missed the issue, but that E&Y has actually completed assessment of this issue while BearingPoint continues to assess the corrective action already taken and reflected in reported results for five months. He points out that BearingPoint issued Exception 175 with relation the issue of the start times used for these two PMs. He fails to note, however, that the timeframe BearingPoint based Exception 175 on is January to June 2002. SBC Illinois fully implemented its corrective actions effective with September 2002 results reported in October 2002. E&Y validated those results. BearingPoint's exception is based upon a literal read of the business rules, and SBC Illinois has responded to their additional questions and awaits BearingPoint's closure of Exception 175 as "Satisfied". E&Y has determined that the corrective actions taken adequately address the issue and the results reported are accurate.

113. AT&T Connolly addresses 7 other examples of what he classes as "error-ridden performance results" at ¶ 152 of his affidavit. In the table below I provide the current status for each of the 7 items AT&T Witness Connolly lists.

Updated Status of E&Y Findings Cited by AT&T		
Issue From Attachment Q to Ehr Affidavit	Status Included In the Report Of Management	Current Status as of February 20, 2003 Reporting of January 2003 Results
Section V, Issue 1	SBC Illinois planned to implement corrective actions effective with January 2002 results reported in February 2002. Analysis of August data showed data not included would not have a material impact on previously reported results, so restatement was not planned.	Corrective action implemented as planned with January 2002 results reported on February 20, 2002. As expected, reported results did not vary from results reported for prior months, and the change to implementation did not affect attainment of the appropriate standard of comparison.
Section II, Issue 10	SBC Illinois implemented corrective actions effective with October and November 2002 results to be reported in November and December 2002. No restatements were planned due to no volume of orders for the specific product in June- August 2002.	Results filed reflected the corrective actions for the months in which they were implemented. Restatement of prior months was not required because no orders were received for the specific product at issue.
Section V, Issue 2	SBC Illinois planned to implement corrective actions effective with February 2003 results reported in March 2003. No restatement was planned, as exclusion of CLEC-caused misses would only improve results.	Corrective action was implemented with January 2003 results reported February 20, 2003. Results for PM 7.1-04 (LNP Only) improved from average 54.9% SOC Notices returned within one day (for the period September – November 2002 to 92.6% returned within one day in January 2003, as expected. Performance on PM 91 remained at previously high levels.
Section V, Issue 5	SBC Illinois planned to implement corrective actions effective with January 2003 results reported in February 2003.	Discussed above with regard to Attachment Q – Issue V, 5
Section V, Issue 6	SBC Illinois planned to implement corrective actions effective with February 2003 results reported in March 2003.	Unchanged. Expected reduction of 3-5% total CLEC volume not expected to materially impact results.
Section V, Issue 7	SBC Illinois planned to implement corrective actions effective with January 2003 results reported in February 2003.	Discussed above with regard to Attachment Q – Issue V, 7
Section II, Issue 37	SBC Illinois implemented the corrective action with October 2002 results reported November 2002, and did not plan to restate September 2002 results based on analysis of June – August 2002 results.	Reported results for October and November 2002 reflected consistent or improved performance when compared to September 2002. As such, no restatement was deemed necessary due to the improved or minimal impact on results when compared to prior months.

114. Connolly also discussed, as best can be determined, Issue V, 4 from Attachment Q to my affidavit.. He makes the totally unsupported statement that "SBC has unilaterally excluded wholesale categories of orders from SBC's reported results". My understanding is that the issue identified by E&Y, and the corresponding Management Assertion regarding corrective action, referred to PM MI 12, not to the Ordering measures, as was indicated in Attachment Q to my affidavit.

115. AT&T Witness Connolly conclude his recitation of E&Y findings with a brief discussion at ¶ 154 of a single interpretation issue where SBC Illinois had not excluded weekends and holidays from the calculation of two measures (PMs 105 and 106) which assess the timeliness with which SBC Illinois responds to request for access to poles, conduits and rights-of-way. AT&T asserts that "it would appear that SBC's prior reported results are inaccurate" while failing to actually analyze the effect, or to address the analysis I provided in my opening affidavit. There, I explained that even if one did include weekend days within the average interval reported in PM 106, the benchmark of 35 days would still have been met with several days to spare.

116. Regarding his comments, it is clear that AT&T Witness Connolly has simply listed issues without addressing either (a) the explanation I provided, or (b) the impact on reported results.

117. What is clear is that SBC Illinois has continued to address the issues identified in E&Y's findings, and very shortly will have completed the corrective actions required. When each issue is reviewed in context, with the explanations provided in my affidavit and this rebuttal affidavit, the impact of those issues does not materially impact the accuracy of the results for purposes of checklist compliance assessment.

BEARINGPOINT'S REVIEW

118. 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.

BEARINGPOINT'S PERFORMANCE MEASUREMENT REVIEW

119. BearingPoint is also reviewing SBC Illinois' 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,"[3] 117 are considered "Not Satisfied," and 91 are "Indeterminate." Given that the BearingPoint is a regional test, the test results for the most recently released report for Indiana, update this scoring to 84 PMR test points as "Satisfied",[4] 86 are considered "Not Satisfied," and 100 are "Indeterminate".

120. In my opening affidavit, I analyzed the current status of each BearingPoint test domain (PMR 1-5) in detail. I examined the open test points, observations, and exceptions. I explained what the issues were, what SBC Illinois had already done to address them, and the process SBC Illinois and BearingPoint had set up going forward. I showed that the

[3] Illinois Draft Report, Section 1B, High Level Test Results, page 8.

remaining open issues are not sufficient to affect the Commission's analysis of the September – November 2002 performance results discussed in the preceding section of this affidavit, given the results of the E&Y audit, together with other assurances of reliability (such as the process of data reconciliation with CLECs).

121. Staff Witness Weber, AT&T Witness Connolly, and WorldCom Witness Lichtenberg offer their own interpretation of the PMR. I respond in detail below, considering each of the five PMR tests in turn. However, all three affidavits take the same basic approach – and make the same basic errors. They try to portray each "Not Satisfied" or "Indeterminate" test point as if it were an affirmative conclusion that there is a problem, rather than what it really is – a test that is not complete, where SBC Illinois and BearingPoint are still working towards resolution. Their basic approach can be illustrated by the following chain: (i) data integrity [or some other test criterion] is important; (ii) PMR "x" relates to data integrity; (iii) PMR "x" is "Not Satisfied"; therefore (iv) BearingPoint found there is no data integrity, and the data are or might be corrupt.

122. The problem with that approach is that it breaks down on the "therefore." True, data integrity *is* important, and in the abstract one could imagine some data integrity issues that would affect the analysis of checklist compliance. But that is not what BearingPoint found. Thus, to really understand the meaning of the PMR results, one has to go beyond the raw score of Satisfied, Not Satisfied, and Indeterminate.

123. First, one needs to know what the open test point is, and *why* it is still open. As I show below, many "Not Satisfied" scores do not stem from BearingPoint finding a real

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[4] Indiana Draft Report, released on 2/28/03, can be found at http://www.osstesting.com/, Section 1B, High Level Test Results, page 10.

problem or error in reported results, but from BearingPoint wanting to see more information before it is satisfied. Other test points are open because of an issue that only affects *part* of a test point and that is not material to the September – November results provided here.

124. Second, one needs to know SBC Illinois' response to the open test point. As I show below, SBC Illinois has already responded to most of the current Observations and Exceptions, and BearingPoint is in the process of re-testing. Since the December 20, 2002 BearingPoint Report, BearingPoint has already closed or significantly narrowed several exceptions – such as Exceptions 19 and 20, which the CLECs have used as the centerpiece of their "data reliability" arguments in the past two years.

125. Both of these factors consider the nature of BearingPoint's work. The PMR test is an iterative process in which BearingPoint requests information, SBC Illinois responds, BearingPoint asks for more information as a follow-up, and SBC Illinois provides it. Throughout the process, we gain additional understanding about what BearingPoint wants on a particular issue (from its perspective, as a tester), while BearingPoint gains additional understanding from us (from our perspective, and our in-depth knowledge of our systems and processes) about what it should look for and how to interpret what it sees.

126. In that process, observations and exceptions are mechanisms to inform the Commission and SBC Illinois of issues that should be addressed, which may include SBC Illinois providing clarification to BearingPoint, tweaking documentation to make it technically correct, or working together with BearingPoint to arrive at a common understanding of the issues. An "Indeterminate" status indicates that there have not been issues associated

with the test criteria, contrary to the CLEC suggestion that "Indeterminate" points somehow represent an affirmative failure.[5] And finally, the December 20 Report is not a conclusion about SBC Illinois' performance results, it is a snapshot at one point in time of a process that is moving forward – and has continued to move forward since the Report.

127. I performed an in-depth analysis of BearingPoint's Report and status in my opening affidavit. The comments in response, however, do not go below the surface of what each test point is, what points are not satisfied or indeterminate, and what an adverse test result *might* mean. Below, I show what the current test results *do* mean.

128. Before proceeding though, I would like to respond to a more general atmospheric comment that does not deal with the BearingPoint Report, or the test results themselves. AT&T suggests that SBC Illinois is attempting to delay completion of the BearingPoint test, based on the fact that SBC Illinois and BearingPoint defer discussion of some issues on the weekly status calls.[6] Staff Witness Weber similarly suggests that recent Observations and Exceptions indicate that the test is not progressing.[7] My analysis of the test status below shows that nothing could be farther from the truth.

129. As shown below, SBC Illinois has (i) answered the great majority of Observations and Exceptions; (ii) answered a vast number of questions raised by BearingPoint; and (iii) provided extensive documentation. Since the first of this year alone, SBC Midwest has submitted responses to 100 PMR observations and 14 PMR exceptions.[8] As a result

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5 Connolly Affidavit, ¶ 49.
6 Connolly Affidavit, ¶ 188.
7 Weber Affidavit ¶ 61.
8 This information is as of the close-of-business on February 25, 2003.

of these efforts, BearingPoint has closed several Exceptions and Observations in the two months following the December 20 Report – including three of the four issues that caused Staff Witness Weber's concern.

130. AT&T's interpretation of the weekly status calls is also incorrect. The deferral of some issues does not indicate delay by SBC Illinois. Both BearingPoint and SBC Illinois defer issues. Some issues are more complex than others and require longer to adequately prepare and address (similarly, BearingPoint sometimes needs a longer time to consider an SBC Illinois response). It serves no useful purpose for either SBC Illinois or BearingPoint to spend time discussing every issue every week if either party knows that it will take longer to provide a full and complete answer. Conversely, it makes sense to focus on the issues where we can make the most progress efficiently. It is misleading for AT&T to focus only on the issues deferred rather than the vast amount of work that has been done.

1. Collection and Storage of Data (PMR 1)

131. This test evaluates SBC Illinois' policies and practices for the collection and storage of data. At the time of the December 20 Report PMR1 had 12 "Satisfied" test points, 60 "Not Satisfied" test points, and 54 test points classified as "Indeterminate." All 60 of the "Not Satisfied" test points related in one manner or another to Exception 19 (which concerned data retention) and /or Exception 20 (which concerned documentation of procedures and "restatements" of previously reported data). In my opening affidavit, I described the extensive information that SBC Illinois had provided to BearingPoint on both issues, and noted that BearingPoint was in the process of reviewing that information.

132. BearingPoint closed Exception 19 on February 18, 2003 after determining that SBC Illinois had made sufficient progress on the data retention issues, and it narrowed the remaining issues to those specified in Exception 186,[9] a newly issued exception. As a result, the closure of Exception 19[10] effectively moves one test point from "Not Satisfied" to "Satisfied" and two test points from "Not Satisfied" to "Indeterminate."

133. And on February 25, 2003, BearingPoint closed Exception 20. Here again, BearingPoint determined that the bulk of its initial concerns had been satisfied, and it moved the remaining open issues to two newly created exceptions, 187 and 188. BearingPoint's action effectively moves five test points from "Not Satisfied" to "Satisfied" and 22 test points from "Not Satisfied" to "Indeterminate".

a. Documentation of Processes and Technical Requirements

134. BearingPoint's December 20 Report classified six of 36 criteria in PMR 1-1 and 1-2 as "Satisfied." The other 30 test criteria were "Not Satisfied" based on BearingPoint's Exception 20, which stated 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.

135. What did Exception 20 mean? The commenters talk about documentation of procedures in the abstract, as if BearingPoint found that there was *no* documentation *at all*. That is not at all what happened. The principal reason for this Exception relates to the extraordinary scope of BearingPoint's test. SBC Illinois' documentation was sufficient to

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[9] BearingPoint's Exception 186 and associated SBC Midwest responses can be found at http://www.osstesting.com/exceptions_151-200.htm

enable us to produce performance reports in the ordinary course of business – we have been doing that since 2000. BearingPoint is not running an ongoing business, and it is not auditing results (that is, it is not validating performance results against source documents and data). Instead, BearingPoint is building an entire set of performance measurement processes and systems of its own, from the ground up, as part of an effort to independently produce its own reports and check them against ours. Thus, BearingPoint wanted not only to understand the general flow of data from source systems through operational processes to performance reporting systems, but to rebuild every element used in the calculation of the over 3,400 performance measurement categories (for Illinois).

136. What happened after BearingPoint issued the Exception? SBC Illinois engaged in a massive effort to enhance its documentation to the level required to support BearingPoint's test. That undertaking required many thousands of SBC Midwest person-hours regionwide. As I said in my opening affidavit, BearingPoint stated on August 21, 2002 that it had received a complete set of documentation.

137. More importantly, after its December 20 Report BearingPoint completed its review of documentation relating to data retention, concluded that the documentation accurately reflects SBC Illinois' Data Retention Policies for all 150 performance measurements, and closed Exception 20. Instead of the original, broad-based exception about documentation generally, BearingPoint has completed its work on several groups of performance measures, and narrowed the scope of remaining issues to follow-up on documentation on

[10] This scoring for Exceptions 19 and 20 were based on the Indiana report, released 2/28/03.

the remaining groups. These remaining issues were moved to Exceptions 187 and 188 to which SBC Illinois responded on February 28, 2003.[11]

138. As far as resolving the issues that remain, in my opening affidavit I stated that BearingPoint and SBC Midwest have been using a collaborative Documentation Content Review process (in which the parties exchange information on a weekly basis to discuss issues and answer questions). As the progress so far demonstrates, that process has already yielded positive results. Further, as of February 28, SBC Midwest has responded to over 750 of 785 questions BearingPoint had asked concerning SBC Midwest's documentation. In addition, SBC Midwest continues to provide BearingPoint with regular updates to the documentation as necessary.

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

139. BearingPoint reported that 18 test points in PMR1 criteria 4 were "Not Satisfied (In Retest)" due primarily to Exception 20. In addition to the documentation issues described above, Exception 20 related to 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.

140. What happened then? As I explained in my opening affidavit, SBC Illinois implemented numerous control improvements to reduce the need for restatements. In 2002, while there have still been restatements, they have not been material. Staff and the CLECs, however, contend that the existence and number of restatements (as opposed to their actual impact on results) mean that SBC Illinois' results are unreliable. But BearingPoint

[11] BearingPoint's Exception 187 and 188 and associated SBC Midwest responses can be found at http://www.osstesting.com/exceptions_151-200.htm.

has rejected that position. It closed Exception 20, and in so doing BearingPoint stated in unambiguous terms that "BearingPoint is no longer using restatement frequency as a general indicator of procedural and control deficiencies." The Indiana report further reinforces that statement by moving all 18 of these test points (PMR1-4) previously scored as "Not Satisfied" to "Indeterminate" status.

141. At the February 5, 2003, workshop, Mr. Eringis of BearingPoint explained, in response to a question from Staff:

> At the time much earlier in our evaluation, we published findings describing that we thought that the level – the degree to which restatements were occurring were suggestive that there were problems in controls and that we would pursue that further to substantiate whether that suggestion was in fact correct….At this stage of the evaluation, it's very hard for us – if not impossible for us to use restatement activity as a proxy for making a judgment as to whether there's a problem with controls and edits because we are now at a point in the test where we actually stimulate restatements. When we find that there's a problem with the measure, the company may determine that it's going to restate.[12]

142. Nevertheless, AT&T continues to use the number of restatements as evidence of a problem. AT&T Witness Connolly goes so far as to say that the materiality of restatements is irrelevant, and his entire "analysis" is a chart that simply counts the number of restatements since March 2002.

143. But materiality obviously *does* matter. I will illustrate the point, and refute Mr. Connolly's argument, at three different levels. First, let's take an example of a restatement. For June 2002, our original performance reports stated that the wholesale results for PM 13 (which relates to the rate of "flow through" on line sharing orders) was 98.0574 percent. On September 5, 2002, we restated those results and reported that the

correct wholesale result was 98.0926 percent. The retail analog, approximately 97.2 percent, remained exactly the same, and SBC Illinois still passed the measure. Clearly, that restatement would not have changed anyone's mind about checklist compliance. Even putting aside the fact that "flow-through" for line sharing is only one category out of thousands that feed into the checklist, SBC Illinois still exceeded parity under the original and restated results, and the difference between the two wholesale results (less than one-twentieth of one percent) was trivial. AT&T Witness Connolly, however, would include that restatement on his chart. Notably, he does not provide even a single example of any one of the restatements on his chart that actually made a real difference.

144. Obviously, though, that is one example, so let's take the analysis to the next level and look at all restatements in the aggregate. One way to do that is by 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 restatements like the one to PM 13 that had no real impact. As I stated in my opening affidavit, SBC Illinois' restatement rate for January through November 2002 data is less than one percent of all the reported results. AT&T Witness Connolly does not challenge that figure, he simply asks the Commission to ignore it. If we focus on the May-December restatements that appear on Mr. Connolly's chart, only 0.70 percent of them actually affected the "pass" or "fail" of a measure.[13]

145. Now let's take another step back and look at the *cumulative* effect of restatements in the aggregate, and see whether they are material to the question that is before the

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[12] Illinois Commerce Commission, Docket No. 01-0662, February 5, 2003, pp.2237-38.

Commission, the one that I addressed in my analysis of performance results: the question of overall checklist compliance. One way to get a sense of performance results – and the restatements of those results – at the aggregate level is to look at the overall "pass rate" SBC Illinois achieved on the various performance measures. The following table shows the overall pass rate for March – September 2002 results (the months covered by Mr. Connolly's chart) on measures that are subject to "Tier 2" remedies, before and after restatements. As the table shows, even after applying *all* of the various restatements that Mr. Connolly counted, there was only a small impact on the (high) overall pass rates. The pass rate for any month never changed by even one percent in any month.

[13] The 0.70% materiality factor refers to data months March 2002 through December 2002 that were restated from May 2002 through December 2002. It refers to the restatements in terms of the percentage of total measures at the fully disaggregated level.

Analysis of Performance Measurement Restatements March 2002 through October 2002 Results Percentage of Remedied Measures Met								
Report Date	**March 2002**	**April 2002**	**May 2002**	**June 2002**	**July 2002**	**August 2002**	**September 2002**	**October 2002**
June 4, 2002	94.2%							
July 15, 2002	94.4%	94.5%	92.7%					
August 7, 2002	94.2%	94.3%	92.5%	92.6%				
September 10, 2002	94.2%	94.4%	92.8%	93.7%	94.7%			
December 18, 2002	93.6%	94.1%	92.8%	93.0%	94.3%	94.6%	94.7%	95.0%
February 10, 2003	93.6%	94.1%	92.8%	93.0%	93.8%	94.1%	94.2%	94.5%
Change in % Met	**(0.6%)**	**(0.4%)**	**0.1%**	**0.4%**	**(0.9%)**	**(0.5%)**	**(0.5%)**	**(0.5%)**

146. Paragraph intentionally left blank.

c. Data Retention

147. BearingPoint's December 20 Report classified 6 of 18 test points in this area as "Satisfied." The 12 "Not Satisfied" test points were based largely on Exception 19. What happened then? As I said in my opening affidavit, 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. At the time of my affidavit, BearingPoint was reviewing and validating SBC Illinois' responses.

148. On January 9th, 2003 BearingPoint provided a status report to the five State Commission staffs and SBC Illinois, and confirmed that SBC Midwest's Data Retention Policies were accurate for all performance measures reported in all five states. As a result of that review, BearingPoint closed Exception 19 on February 18, 2003, and in so doing it stated:

> As of January 20, 2003, SBC Ameritech had provided data retention policy documentation for the source systems and systems of record for reported performance measurements. BearingPoint has verified that the retention periods are consistent with regulatory requirements in Illinois, Indiana, Michigan, Ohio and Wisconsin.

149. BearingPoint then opened a new, more narrow exception (number 186) to address remaining issues.

150. What does that mean? AT&T avoids that question; AT&T Witness Connolly mentions the closing of Exception 19 and the opening of Exception 186 in passing and without any analysis or explanation. That is because BearingPoint's actions refute AT&T's attempt to transform the open test points on data retention into an affirmative conclusion that SBC Midwest has "no usable or reliable data retention practices or procedures."[14]

151. Exception 19 originally addressed data retention issues for over 60 source data systems. BearingPoint has now validated data retention documentation for all of those systems, noting that the documentation was both complete[15] and accurate.[16] Thus, Exception 186 narrows the number of source data systems still under review to 9 systems. Of those 9, BearingPoint has verified that 5 systems retained data for more than one year, and that the remaining 4 have been meeting appropriate retention guidelines for at least five months. They are as follows:

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[14] Connolly Affidavit, ¶ 59.

[15] On August 22nd, 2002 BearingPoint stated within an email to the five State Commission staffs and SBC, "All of the performance measurement documentation was assessed as "complete" as of last week."

[16] On January 9th, 2003 BearingPoint provided status to the five State Commission staffs and SBC concerning their review of SBC's retention policy documentation (SRPs). Within this status report BearingPoint confirmed for all 153-performance measures that SBC's Data Retention Policies were accurate.

Current Data Retained – Selected Systems		
System	**Oldest Data Retained**	**Number of Months Retained**
ARIS/Exact	April 2002	11 months
CAMPS	August 2002	7 months
DUF Parity File	October 2002	5 months
Manual Directory Assistance Database PMs	September 2002	6 months

152. One of these four systems,[17] the DUF Parity File, is a "reporting system" according to BearingPoint. SBC disputes BearingPoint's designation as such and considers it an intermediate system where no retention requirements apply. In other words, with the exception of this disputed system, SBC Illinois has been meeting data retention requirements – even at the demanding standards set by BearingPoint – during the September – November 2002 period that this Commission is reviewing for checklist compliance.

153. AT&T does not argue that SBC Illinois is incapable of retaining data (given BearingPoint's actions, no such argument could be made) so AT&T argues that data has not been retained in the past.[18] But what matters now is that SBC Illinois is retaining data now – and for all but a few systems it has been retaining data according to BearingPoint's standards for over a year. Given that past data cannot be magically regenerated and then retained, I understand the retest interval for Exception 186 will likely be very short and limited to the discussion among the parties as to whether SBC Midwest agrees with BearingPoint's assessment of the current retention environment. Otherwise,

[17] BearingPoint designates two "reporting systems" in its list of twelve contained in Exception 186. These are the DUF Parity File (from 10/02) and NSDB (from 10/01). SBC does not consider these as reporting systems and knows of no regulatory requirement to retain data for its intermediate systems.

[18] Connolly Affidavit, ¶ 68.

BearingPoint would be required to continue to monitor data retention until 2005, which is more reasonably a subject for future audits.

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

154. AT&T Witness Connolly expresses concerns about procedures "to ensure adequate capacity for processing and storing metrics data"[19] and, in doing so, talks about what *might* happen if there was insufficient capacity. The reality is that we are processing today's volumes of data (which are enormous), we report the results on a monthly basis, and we have presented the results to the Commission for review. Going forward, SBC Illinois – like every other business – reviews its data processing and storage capability needs for the future, and increases capacity as needed. That process is not new, and it is not unique to just "competitive" data; resources used for retail data processing and storage are the same as those for wholesale data.

155. BearingPoint is still in the process of reviewing those procedures, thus, its test points in this area were "Indeterminate" when the Illinois report was produced. In the update of that information from the Indiana report, BearingPoint now categorizes 7 test points as "Satisfied" and 11 as "Indeterminate" for this test criterion. For purposes of completing BearingPoint's review of the procedures, SBC Illinois and BearingPoint have collaborated to develop a detailed project plan. But for present purposes, these scores hardly represents a negative finding, much less the "worst-case scenario" that AT&T portrays.

[19] Connolly Affidavit, ¶ 56

156. Similar to his discussion of capacity (PMR1-5), Mr. Connolly opines on whether the access to SBC Illinois PM Data is effectively and sufficiently safeguarded from its personnel. He is critical that these tests were reported as "Indeterminate" in the Illinois report, and this scoring indicates only that the review was not yet completed. The updated scoring for Indiana also indicates here, that BearingPoint has made progress in that review, and that the PMR1-7 criteria is now scored as 7 test points "Satisfied" and 11 "Indeterminate."

2. Metrics Definitions and Standards (PMR 2)

157. BearingPoint's December 20 Report shows that SBC Illinois' policies and practices for developing, documenting, and publishing performance measurement definitions, standards and performance reports satisfied each of the 3 test criteria. No one raises an issue about this aspect of the test.

3. Performance Measurement Change Management (PMR 3)

158. PMR3 evaluates the overall policies and practices for managing periodic changes to the standards, definitions, and calculation methods for performance metrics, and for communicating these changes to the Commission and the CLECs. The test consists of two main parts: PMR "3A" addresses change management in general, while PMR "3B" tests procedures for recalculating performance remedies if the underlying results are restated. Staff, WorldCom, and AT&T focus on the few remaining test points in this area.

159. Before I respond, however, I would like to reiterate the most important thing: As of BearingPoint's December 20 Report, SBC Illinois satisfied 26 of the 30 test points,[20] including all 14 of the test points in PMR 3B. Since that Report, BearingPoint closed Exception 133 on February 25, 2003, satisfying an additional test point in PMR 3A (PMR 3-12) as indicated in the Indiana Report. Thus, BearingPoint has already found that SBC Illinois' metrics change management process includes well-defined procedures for managing change requests, and that all critical instructions and steps in the metrics change management process are documented, including roles and responsibilities. The remaining test points relate to two BearingPoint exceptions, and neither affects the reliability of current reports.

160. **Exception 41 is in Retest:** Exception 41 is couched in broad terms, and states that SBC Illinois' "change management process does not require the identification of changes to source data systems that impact metrics and the communication of those changes to relevant parties."[21] What does that really mean? There was only one instance where BearingPoint identified what it believed to be an issue, which was associated with the implementation of LASR and LSOG5 in the spring of 2002. SBC Illinois showed that its change management process effectively tracked the issue and communicated it to other parties. In fact, BearingPoint has been seeking an opportunity to retest a specific scenario[22] for several months. Unfortunately, SBC has not encountered the type or source of a change that would satisfy BearingPoint's testing, so the Exception remains open for now.

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[20] See, BearingPoint's December, 2002 reports for Illinois.

[21] BearingPoint's Exception 41 is available at http://www.osstesting.com/exceptions_1-50.htm

161. **Exception 157 Does Not Affect The Reliability Of Current Reports.** Exception 157 focused on SBC Illinois' implementation of the last set of revisions to its performance measurement business rules in early 2002. What does the Exception mean? Most importantly, it does *not* mean that SBC Illinois did not correctly implement the business rules or correctly report the data. Rather, the Exception relates to two issues. First, when SBC Illinois first posted the business rules on its website, they contained typographical errors. The errors have long since been corrected, and going forward two members of our group review all changes to rules before posting those changes to the website.

162. Second, SBC Illinois did not implement all of the changes in the agreed-upon time. However, upon implementation SBC Illinois went back and retroactively restated prior months, so that all months that were supposed to be reported under the new business rules were reported under the new business rules. The 2002 changes have long since been implemented, and the September – November 2002 performance results in my opening affidavit were all calculated under Version 1.8 of the business rules.

163. Going forward, BearingPoint will re-test these issues when SBC Illinois implements the next round of periodic changes to the business rules, which were recently submitted to the Commission for approval in the form of a tariff update.

4. Metrics Data Integrity (PMR 4)

164. PMR4 evaluates the overall policies and practices for processing the data used by SBC Illinois in the production of the reported performance metrics and standards. AT&T suggests that since BearingPoint has not completed its test the Commission does not have

[22] BearingPoint is interested in testing a change that originated in the CIA (CLEC Impact Analysis) process linked

a basis for finding that SBC Illinois' data are reliable.[23] Staff and WorldCom take a similar approach. That view is not justified. Here too, the comments are taking an overly simplistic view of the "score," without considering what the results mean and how SBC Illinois has responded. Further, the comments disregard – and expressly ask the Commission to disregard – the bottom-line test of data integrity: E&Y's audit of the results.

165. Consistent with the process of "blind replication" described under PMR 5, BearingPoint's testing methodology is complex and inherently takes an extremely long time to complete, as evidenced by other BearingPoint tests.[24] It tests whether source system data can be traced through SBC Midwest's reporting systems and exists in its reported performance results unchanged from the original source data. A review of the PMR4 observations and exceptions shows that testing has made significant progress.

166. As of February 25, 2003, 12 exceptions relating to Data Integrity (PMR4) had been issued by BearingPoint.[25] AT&T inaccurately states that only 2 exceptions have been resolved, in an attempt to make it sound like nothing has been done on the other 10.[26] Similarly, Staff and WorldCom simply list exceptions and claim they are open and evidence data integrity problems, without really discussing subsequent action or current status. But of the three exceptions cited by Staff,[27] two (Exceptions 184 and 185) have already been closed as "Satisfied", and the last (Exception 183) is now in retest with

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to the PM Change Management process by SBC Illinois last fall. This process generates automatic notifications to Business Process Owners when modifications are proposed to systems that "could" impact CLECs.

23 Connolly Affidavit, ¶ 82.

24 For example, the Bell South Florida metrics test is discussed in meeting minutes posted on the Florida PSC website at http://www.psc.state.fl.us/industry/telecomm/oss/ccsch.cfm as early as October 1999 and meeting minutes as of February 5, 2003, indicate that PMR4 and PMR5 activity is continuing beyond 271 approval.

25 Table 1 after paragraph 46 lists the twelve exceptions.

BearingPoint. (Observation 783, also cited by Staff, has likewise been closed by BearingPoint.)[28]

167. In all, four PMR4 exceptions have been closed, [29] and SBC Illinois has provided BearingPoint with appropriate responses to 7 others.[30] Only one exception is pending a response (Exception 134), and that was a series of questions issued on February 21, 2003; SBC Illinois expects to respond in the normal course.

168. The following table provides a summary status of all PMR4 exceptions issued by BearingPoint as of February 25, 2003.

Summary Status of PMR4 Exceptions		
Exception	**Status**	**Latest Status**
E- 42	CLOSED	June 27, 2002
E-134	Open	February 21, 2003
E-169	CLOSED	December 20, 2002
E-174	Retest	January 13, 2003
E-175	Retest	February 17, 2003
E-176	Retest	November 22, 2002
E-179	Retest	December 9, 2002
E-181	Retest	January 17, 2003
E-182	Retest	January 17, 2003
E-183	Retest	February 4, 2003
E-184	CLOSED	February 25, 2003
E-185	CLOSED	February 25, 2003

26 Connolly Affidavit, ¶ 74.
27 Weber Affidavit ¶ 71.
28 Weber Affidavit ¶ 71.
29 E-42, E-169, E-184, and E-185 are all Closed.
30 Two of these PMR4 exceptions (E-181 and E-182) apply to the same issue and could be regarded as one. They address the matching of records for PM 104.1. E-182 is a "Wisconsin only" exception based on the independent samples being drawn for Wisconsin in the PMR4 test.

169. AT&T next states that BearingPoint has issued 18 observations for PMR4.[31] Eight of these observations are in Closed (Satisfied) status, meaning there is no longer an issue, and 8 observations are in Retest status, meaning that SBC Illinois has responded and BearingPoint is continuing its testing. In reality, then, there are only two "open" observations for PMR4: (1) Observation 807, which was opened on February 12, 2003, and (2) Observation 638, where the most recent request for information occurred on February 20, 2003.

170. Finally, Mr. Connolly discusses the use of the status "Not Applicable"[32] in the PMR4 testing. His description is factually accurate, but he fails to mention its implications. For those measures where the raw transaction data is the same physical data used to calculate and report results,[33] BearingPoint scores a "Not Applicable" because they did not test the integrity of the data. But the reason that they did not test data integrity is that the data, by design, have perfect integrity. There could be no difference between the processed and unprocessed data because it is one and the same. While this scoring methodology is understandable, omitting it from the score of "Satisfied" criteria understates the quality of SBC Illinois' performance measure data.

171. Clearly, then, SBC Illinois has made substantial progress in this area. Going forward, SBC Illinois and its affiliates, and BearingPoint, share detailed PMR4 project plan information with regulators each week, and this information is integrated into BearingPoint's monthly project plan, which is communicated publicly. For present

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[31] Connolly Affidavit, ¶ 74.
[32] AT&T Connolly ¶ 74.
[33] BearingPoint's Illinois report, PMR4-3-L at 156.

purposes, though, the bottom-line test of data integrity is that E&Y conducted an audit, and the results of that audit necessarily show that the data have sufficient integrity.

5. Metrics Calculation and Reporting (PMR 5)

172. 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. It also includes a "blind replication" of *all* of SBC Illinois' reported results for selected months.

173. AT&T's first complaint does not relate to any test result. Rather, AT&T complains that there have been changes in the data months selected for PMR5 testing, such as the recent decision to test July – September 2002 data instead of the January – March data that had previously been planned.[34] AT&T suggests that these deferrals were caused by SBC Illinois or some affirmative problem in the test. In assessing the change in data months, it is important to understand how this determination and the decision to move them were reached.

174. In the most recent case, BearingPoint was testing data from January-March 2002. As depicted in the table following paragraph 282 in my initial affidavit, the PMR5 section of the test had progressed to the point where many of the measure families had yielded positive results. On October 22, 2002, SBC Illinois recommended that testing for all states in PMR5 move to the July, August, and September data months,[35] in order to comply with the methodology adopted by Staff here, which sets up rules for considering the effect of restatements.

[34] Connolly Affidavit, ¶¶ 84-85.

175. That takes us to the Exceptions and Observations. In all, BearingPoint has issued only 2 Exceptions in the PMR5 section of the test. One, Exception 111,[36] is in retest with BearingPoint. It is discussed in more detail in my initial affidavit at paragraph 290. On February 17, 2003, SBC Illinois updated its response to this exception and addressed each of BearingPoint's issues point by point, providing our rationale as to why the existing comparisons are correct, accurate, and reasonable. This response stems from discussions among the parties (including Commission staffs) to further understand BearingPoint's concerns. BearingPoint is retesting.

176. Exception 113 involves a disagreement on the interpretation of the business rule for Performance Measure 2 (Average Response Time for Pre-Order Interfaces). BearingPoint's perspective was that the response times should include the time for protocol translation. SBC Illinois disagreed, and provided evidence that the measurement was based on the SWBT Texas measure, which did not include the time for protocol translation. (In fact, SWBT Texas recently added a new measurement category for protocol translation time, which shows that such time had not been measured previously.) The disagreement on this issue is now a moot point, however, as CLECs and SBC Illinois agreed in the six-month review session to implement a separate measurement category for protocol translation time, just as is done in Texas.

177. Most of the "Not Satisfied" points in PMR5 instead relate to Observations. In the Illinois report for PMR5, BearingPoint scored 21 "Satisfied" test points, 40 "Not Satisfied" and

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[35] Illinois only requires the testing of two months; therefore, the data months under consideration in the Illinois test are July and August, 2002.

[36] Ehr affidavit ¶290.

11 “Indeterminate”. This scoring was updated in the publishing of the Indiana report to 22 test points “Satisfied”, 36 “Not Satisfied”, and 14 “Indeterminate”.

178. Mr. Connolly and I are in agreement in that the progress made in January is a predictor of the success that BearingPoint will eventually experience in testing the July and August data months.[37] I do not, however, agree with his evaluation of PMR5.

179. In paragraphs 286 through 291 of my initial affidavit I describe the test points associated with PMR5 criteria. I will not reiterate those here, but will summarize each test criteria and the important issues affecting the BearingPoint scoring.

180. PMR5-1 assesses the reporting of all performance measure disaggregations as defined in the performance measure business rules. SBC Illinois is satisfying these criteria for all 18 measure families.

181. PMR5-2 is “blind replication”. This test involves BearingPoint using SBC Illinois business and technical documentation to build a reporting system that will yield a result exactly the same as the result SBC Illinois publishes. This replication process is an iterative one. BearingPoint attempts replication, and if it fails to match SBC exactly, provides a data file (and an accompanying Observation or a Notification Report[38]) representing the data that would be in BearingPoint’s numerator and denominator. SBC Illinois analyzes this file and BearingPoint’s implementation of the requirements in order to provide feedback to BearingPoint as to what it may have done incorrectly. Although some issues identified in the course of this analysis require SBC Illinois to implement

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[37] Connolly Affidavit, ¶ 91.

[38] Notification Reports are used in advance of Observation reports at times in the blind replication process to allow BearingPoint to get feedback from SBC Illinois on how it implemented the business and technical requirements.

modifications to its code or documentation, many are resolved through communication between the parties as facilitated by the Observation, Exception, and Notification Report process. As of February 28, 2003, for criteria PMR5-2 there are 13 Observations and 8 Notification reports in "Open" status and 9 Observations and 5 Notification Reports in "Retest" status that account for this scoring.[39]

182. PMR 5-3 assesses whether or not SBC Illinois is calculating measures according to the current business rules. This test relies on the completeness and accuracy of the documented business rules and the interpretations that are made when those rules are not completely clear. The scoring for PMR 5-3 is impacted greatly by the fact that the BearingPoint methodology does not generally allow for interpretations. As of February 28, 2003, for criteria 5-3 there are 5 Observations "Open", 14 Observations and 1 Exception in "Retest", and 9 Observations and 1 Exception are classified as "Closed Not Satisfied".[40]

183. The "Closed Not Satisfied" test points are the only ones that will impact scoring at the end of the test, as the rest are still in the process of being tested and retested. Of the 9 Observations in this status, SBC Illinois has clarified the business rules (and CLECs have agreed) with "documentation only" modifications in the most recent six-month review. Given these modifications, these rules provide the clarity that would have allowed BearingPoint to close these as "Satisfied". This is also true for the one exception, E-113.

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[39] As of February 28, 2003, Observations 538, 613, 637, 633, 639, 664, 679, 791, 799, 802, 805, 806, 812, and Notification Reports 089, 090, 091, 094, 095, and 096 are "Open. Observations 547, 625, 645, 646, 686, 796, 797, 798, 800, and Notification Reports 067, 070, 076, and 077 are in "Retest".

[40] As of February 28, 2003, Observations 732, 785, 793, 811, and 813 are "Open". Exception 111 and Observations 429, 488, 461, 570, 624, 631, 642, 643, 676, 684, 687, 729, 786, and 794 are in "Retest". Exception 113 and Observations 594, 659, 677, 711, 727, 728, 731, 733, and 756 are in "Closed, Not Satisfied" status.

184. For PMR 5-4, which assesses whether SBC Illinois is including or excluding according to the current business rules, the story is the same. As of February 28, 2003, there are 8 Observations in "Open" status, 16 are in "Retest", and 16 have been "Closed Not Satisfied".[41] Similarly, for these "Closed, Not Satisfied" findings, 9 of the 16 Observations involve documentation changes in the business rules that were agreed to in the last six-month review. In addition, three Observations require simple clarifications that were not identified in time to address them in the current six-month review.

185. Considering only those Observations for which BearingPoint has concluded its testing, the vast majority (21 of the 25) are simply due to business rule interpretations, which I addressed in the preceding discussion of the E&Y audit. Of the 25 "Not Satisfied" Observations, SBC Illinois has clarified the business rule for 18, and the CLECs have agreed to the changes, which are to become effective with tariff approval by the Commission. The other 3 are pending modifications in the next six-month review. If anything, these Observations indicate that the business rules defining the performance measures that they relate to were not as precise as they could have been, and an interpretation beyond the literal reading of the business rules that BearingPoint uses in its review was required in order to implement them, as SBC Illinois did.

ADDITIONAL ASSURANCES OF RELIABLITY

186. In addition the extensive and comprehensive third party reviews of SBC Illinois' performance data, there are three additional assurances of reliability discussed in my

[41] As of February 28, 2003, Observations 709, 710, 738, 747, 751, 778, 803, and 810 are in "Open" status. Observations 584, 587, 623, 637, 661, 687, 688, 717, 725, 739, 748, 749, 750, 755, 768, and 787 are in "Retest". Observations 628, 694, 711, 716, 718, 719, 722, 723, 724, 726, 741, 743, 746, 776, 777, and 804 are in "Closed, Not Satisfied" status.

initial Phase II affidavit: on-going supervision by the ICC, data reconciliation and access to raw data and SBC Illinois' data controls.

187. While the Staff Witness Weber disagrees that Staff involvement has been extensive (Weber Aff. ¶ 113), over the past 15 months that I have been in this position I have had numerous opportunities to discuss performance measures, performance results, and remedy plans with various Staff members, beyond the six-month review collaborative involvement she mentions. I continue to believe Staff have a very real interest in the performance results SBC Illinois publishes, and anticipate this same on-going working relationship with Staff as they continue to monitor SBC Illinois wholesale performance. Additionally, I do believe that Staff will continue its active supervision over the course of the ongoing BearingPoint performance metric review.

188. SBC Illinois' reported and underlying raw data has been made available to CLECs, and SBC Illinois is ready and willing to participate in data reconciliations when requested. Data has been provided to several CLECs a number of times in the past. Implementation of CLEC access to raw data through the CLEC OnLine web site has begun. The first data reconciliation ever requested of SBC Midwest is currently underway, initiated early in February. And as I stated in my initial Phase II affidavit, the remedy plan currently in place allows for CLECs to initiate "mini-audits" should they not be satisfied with the results of a data reconciliation. This mini-audit function is important as a going-forward assurance of data reliability after the BearingPoint test.

189. As discussed above with regard to the BearingPoint test, the recent closing of several exceptions related to controls (Exceptions 20, 47) confirms that SBC Illinois has made improvements to internal data controls and BearingPoint has determined those

improvements sufficient to close these exceptions. These recent closures go far in satisfying Staff Witness Weber's concern that "until the [control] deficiencies have been addressed … this Commission should not accept the contention that SBC Illinois internal controls today provide assurance of data reliability". Weber Aff. ¶ 115.

PROPOSED COMPROMISE REMEDY PLAN

190. In my opening affidavit, I described SBC Illinois' proposed section 271 remedy plan ("Compromise Plan"). I explained its principal features, and I showed that many of them were identical to the plan adopted by the Commission in Docket No. 01-0120, while others reflect changes proposed by CLECs. I described the plan's most significant change from Docket No. 01-0120: a proposal to "index" individual remedy amounts to overall performance, so that they decrease if performance reaches a high level – and so that they increase if performance declines. I provided two main reasons why the Commission should adopt the Compromise Plan as sufficient for purposes of section 271:

191. (a) The "0120 Plan" was founded on a record that closed with December 2000 results, and the results since then show significant improvement. The Compromise Plan better reflects the current performance environment, in contrast to the 01-0120 plan, which would impose substantial penalties each month notwithstanding good performance overall.

192. (b) The Compromise Plan leads to significantly higher remedies than plans that have already been found sufficient for section 271 purposes by the FCC.

193. The comments in response do not dispute my point that performance has improved since the record closed in Docket No. 01-0120; in fact, they agree with me. The only

difference is that they try to give the credit for that improvement to the 0120 Plan, and argue that the 0120 Plan should remain in place. But in taking that position, the commenters are looking only at results *during* the 01-0120 Plan – that is, results for September-November 2002. As I show below, the improvements in SBC Illinois' performance occurred well *before* the 01-0120 Plan even took effect, thus, that Plan is not the cause of SBC Illinois' improvements. Rather, it is penalizing SBC Illinois *despite* those improvements.

194. The commenters also do not respond to, or even discuss, my second point. They simply say that remedies under the Compromise Plan are not high enough to suit them. They do not provide any evidence to support that assertion.

195. Next, most of the comments try to portray the Compromise Plan as a "complete re-write" of the 0120 Plan. They single out any provisions of the Compromise Plan that differ in any respect from the 0120 Plan (such as the indexing feature), and criticize those changes, usually with exaggerated rhetoric that suggests that plan language is a scheme to wipe CLECs out. I discuss the challenged provisions below, but in so doing I want the Commission to keep such comments in perspective. Most of the operational features of the Compromise Plan are the same as the 0120 Plan, and many of the differences from the 0120 plan either (a) make the Compromise Plan more stringent than the 0120 plan or (b) concern administrative details, using reasonable language. And *all* of the language in the Compromise Plan was the subject of negotiation and agreement with two competing LECs.

196. Next, Staff Witness Patrick suggests a "hybrid" plan would be most appropriate if the Commission determines that any changes should be made to the current 0120 Remedy

Plan. This approach essentially takes two features of the Compromise Plan, Gap Closure and the Step-Down Table, and adds then to the 0120 Remedy Plan. A slight decrease in some remedy amounts would accompany these features taken out-of-context from the Compromise Plan.

197. Finally, I address two administrative issues raised by Staff Witness McClerren: (i) his concern that not all CLECs have opted into the 0120 Plan, and (ii) his proposal regarding the proposed four-year term of the Compromise Plan.

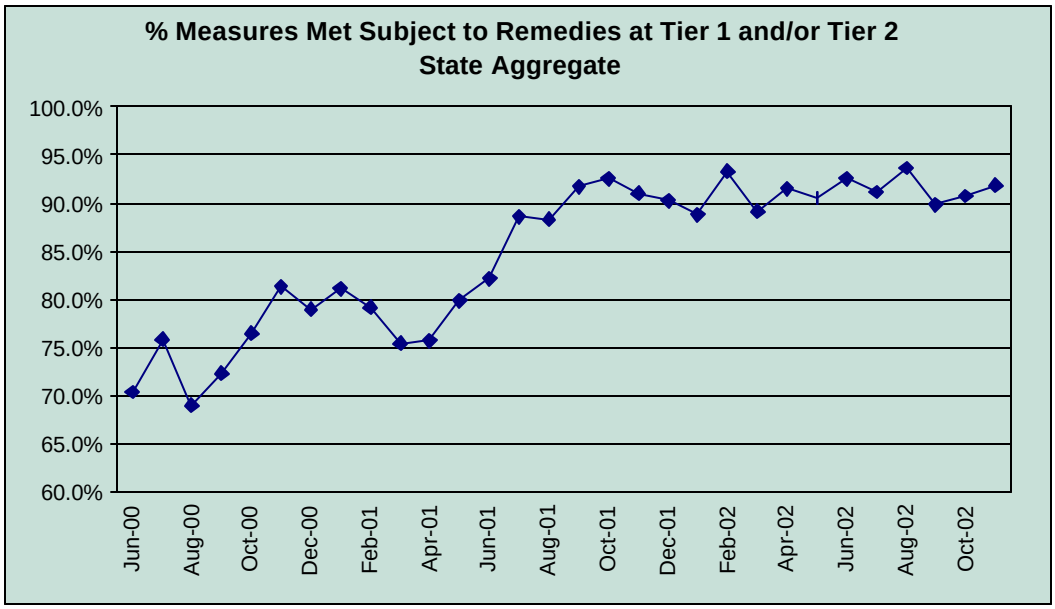
SBC ILLINOIS IMPROVED WHOLESALE PERFORMANCE BEFORE THE 0120 PLAN, NOT BECAUSE OF THE 0120 PLAN

198. The Commission issued its order in Docket No. 01-0120 on July 10, 2002, and the 0120 Plan took effect with September 2002 data for Tier 1 results. Several commenters cite SBC Illinois' performance results for September-November 2002, and state that the results have improved because of the 0120 Plan. I agree that the September-November results are good, but I disagree with their view that the 0120 Plan is the reason.

199. The basic problem with these allegations is that the various witnesses are trying to draw a conclusion about performance before and after the 0120 Plan, but they are looking *only* at the results *after* the 0120 Plan took effect. That provides no basis for analysis and comparison. To see if the 0120 Plan has really had the effect that the witnesses describe, one has to look at results before the plan was put in place.

200. A complete analysis of performance results shows that SBC Illinois' improvements in performance occurred before the 0120 Plan took effect, and cannot be credited to that Plan. As can be seen from the chart below, performance improves from a low of 70 percent measures met in second quarter 2000 to the recent level of greater than 90 percent

prior to the 0120 Remedy Plan being in effect. With regard to remedy plans, the original Condition 30, or "Texas", remedy plan was in place during the time of this improvement.



201. That record of improvement is precisely why SBC Illinois is offering the Compromise Plan. The record in Docket No. 01-0120 was closed with December 2000 data, and it does not reflect improvements that occurred since then. Thus, the Commission's order in that docket was designed for a different environment, one in which (i) comprehensive performance measures and standards had only recently been introduced, (ii) post-merger OSS enhancements (such as the implementation of version 4 of the Local Service Ordering Guide) were still under development, (iii) the third-party OSS test was just getting started, and (iv) overall performance was not as good as today. The Commission's focus was on spurring improvement.

202. In today's environment, meanwhile, SBC Illinois has (i) completed implementation of the Illinois OSS merger commitments, (ii) nearly completed the operational aspects of the OSS test, and (iii) developed experience in and processes for better tracking and

improving performance. Responsibility for managing operations with regard to the wholesale performance results has been pushed to line managers in many organizations, and proactive assessment of results to identify processes requiring improvement is now prevalent in most all wholesale functions. As a result, performance has improved, and we are now at the point where we have shown compliance with the competitive checklist, and are planning to file a section 271 application with the FCC soon. The focus should thus not be on punishment or deterrence as a way to improve performance, but on incentives to maintain good performance in a post-271 setting.

203. The Compromise Plan is designed to suit the current environment, because it considers overall performance. Currently, SBC Illinois is meeting or beating the standard on a high percentage, the index value under the Compromise Plan would be in the 92-100% bracket, and remedies would be set at the lowest amount. Even so, as I showed in my opening affidavit, remedies would be over $1.2 million a month, quadruple the amounts that would be due under plans found sufficient by the FCC. Even more important: If SBC Illinois' overall performance were to go *below* the current index value of 92-100%, remedies would increase across the board – not only because SBC Illinois would pay remedies on more measures (as occurs under the 0120 Plan), but also because the amount of each payment would increase significantly across the board (something that does not occur the 0120 Plan, which uses the same remedy amounts for each "occurrence" of substandard performance without regard to the level of performance overall).

204. The 0120 Plan, however, was not designed in, and is not suited to, the current environment. As I showed in my opening affidavit, that plan would require SBC Illinois to make "remedy" payments of approximately $3 million each month despite good

performance. 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.

THE COMPROMISE PLAN IS NOT A "COMPLETE RE-WRITE" OF THE 0120 PLAN

205. The main approach to the opposing comments is to pick at individual provisions of the Compromise Plan that differ from the 0120 Plan, and to characterize the plan as a "complete re-write" or an attempt to "re-litigate the nuances" of the Commission's order in Docket No. 01-0120. I discuss each of the challenged provisions below, but before doing that, I want to keep such comments in perspective. While there are some differences between the plans, there are many more (and more important) similarities. I presented a detailed comparison of the plans in my opening affidavit, and for ease of reference I reproduce here the summary comparison chart that appeared in my opening affidavit.

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 Standards	Parity standard, with benchmarks used if no retail analog.	Parity standard, with benchmarks used if no retail analog.	Allows for floors and ceilings to be applied to certain measures with a "parity" standard of performance upon collaborative agreement and Commission approval.	Section 8.4
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

206. The basic structure of the two remedy plans is the same: (i) assess remedies when SBC Illinois does not meet the appropriate parity or benchmark standard for a measure that is subject to the plan, (ii) assess remedies on the individual occurrences of substandard performance within that measure, and (iii) calculate remedies by multiplying the number of occurrences by a "base" amount.

207. The Compromise Plan uses virtually the same methodology as the 0120 Plan for determining when to assess remedies. For parity measures, it uses the same statistical tests, with the same 95 percent confidence level (and like the 0120 Plan, it does not use the "K table). For benchmark measures, the Compromise Plan uses the same "bright line" test described in the Commission's order in Docket No. 01-0120. And for measures that have affiliate and retail data, the 0120 Plan provides that remedies are to be based on a comparison of CLEC performance to retail or affiliate performance, whichever is "better." As I explained at the hearing, the only difference is that affiliate performance is not used if the number of affiliate transactions is less than 30 (a provision described in more detail below).

208. The Compromise Plan uses the exact same methodology to determine the number of occurrences on which to assess remedies. The basic idea is to assess remedies on the transactions that caused SBC Illinois to miss the applicable performance standard: For example, if SBC Illinois missed 25 due dates, and a result of 20 would have satisfied the applicable "parity" or benchmark standard, SBC Illinois would pay on the 5 misses that fell below standard. If SBC Illinois missed 50 due dates, it would pay on 30 misses (50 minus 20). In this way, payments under the Compromise Plan increase with the size of

the difference between wholesale performance and the standard, using the same approach as the 0120 plan.

209. Next, like the 0120 Plan, the Compromise Plan uses a "procedural threshold" – if SBC Illinois' annual payments exceed the threshold, the Commission would institute proceedings to determine the appropriate action.. As with the 0120 Plan, the threshold is set at 36% of Net Return, and it is *not* a "cap" that limits the total remedies.

210. Next, two differences from the 0120 Plan are undisputed. Under the 0120 Plan, the base liquidated damage amounts increase or "escalate" 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 decreases to the minimum level, however, once performance returns to standard levels. The Compromise Plan provides for an even 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. No one objects to this proposal – in fact, Staff Witness Patrick adopts it as part of her "Hybrid" offer. And AT&T Witness Kalb, the other most vocal commenter, does not even acknowledge this feature of the Compromise Plan.

211. Also undisputed is Section 8.12 of the Compromise Plan, which gives the CLEC an opportunity to request and/or recommend a corrective action plan if SBC Illinois misses a measure for 3 consecutive months. No one objects to this feature of the Compromise

Plan. Staff Witness McClerren discusses "gap closure" in his affidavit (¶¶ 260-262) and suggests alterations to the language provided in the Compromise Plan. His alterations, however, are incomplete. The language in the Compromise remedy plan calls for gap closure to be available upon CLEC request whenever one of the two situations occur: (i) when performance on a specific submeasure does not meet or exceed that standard for three consecutive months, or (ii) for measures to which a floor exists for remedy purposes, when the performance on a specific submeasure does not meet or exceed that standard for two consecutive months. SBC Illinois does not disagree with the removal of language specific to measures with a floor. However, Staff Witness McClerren's edits fail to fully delete the "floor" reference, and require the deletion of the entire second sentence. The result would be, simply, that gap closure could be requested whenever performance for any submeasure does not meet or exceed the applicable standard for three consecutive months.

212. The main changes from the 0120 Plan come in the last step – the "base amount." The other changes cited in the comments relate to administrative language. I address each of the comments below.

Indexing of Liquidated Damages Amounts

213. As I stated above, the Compromise Plan, like the 0120 Plan, calculates 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.

214. The 0120 Plan uses the same remedy amounts for individual measures even if overall performance levels were high, and even if the individual misses were small. 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. The lowest base amount applies where SBC Illinois meets or exceeds 92 percent of its performance tests, and 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).

215. Most of the commenters say that the individual remedy amounts under the Compromise Plan are lower than those under the 0120 Plan, or lower than they would like. My affidavit already made clear that payments under the Compromise Plan *would* be lower than the 0120 Plan, but I also showed why that makes sense, given the current levels of performance. Moreover, I showed that even at today's high performance levels, payments under the Compromise Plan would still be significant ($1.2 million per month) and significantly higher – four times higher – than plans found sufficient by the FCC. No one really responds to those points.

216. I disagree with AT&T witness Kalb's statement that the index values are "arbitrary." They are the product of negotiations between SBC Illinois and two CLECs, TDS and Time Warner. I, and the business people within my company, reviewed the remedy

amounts for reasonableness based on our business experience, and I'm sure that TDS and Time Warner did the same.

217. AT&T Witness Kalb makes two additional comments. First, he poses a hypothetical situation, in which SBC Illinois misses a performance measure in consecutive months, but the remedy paid for that measure decreases from one month to the next because SBC Illinois' overall performance increased by one index value (for example, the overall pass rate went from just under 92 percent to just over 92 percent). Before proceeding, I want to make clear that Dr. Kalb's hypothetical *is* a hypothetical: SBC Illinois' current performance level is well above the 92 percent index value. That aside, the first problem with Dr. Kalb's analysis is that it only considers the one measure in his hypothetical. The reason remedies decreased for that one measure is because SBC Illinois achieved a better level of performance overall by passing other measures, and that is what merits a decrease in remedies. Further, Dr. Kalb is only looking in one direction, at the situation in which performance improves from one index value to another. If we take his hypothetical the other way, we would note that if SBC Illinois' overall performance *declines* from one index value to the one below it (for example, from just *over* 92 percent to just *under* 92 percent) remedies on the hypothetical measure – and all other measures – would *increase* significantly, and I'm sure AT&T would not object to that. Given that SBC Illinois' performance is currently at the highest index value, and given that we are looking at a remedy plan for maintaining good performance in a post-271 environment, the latter direction is the one on which the Commission should focus.

218. Second, Dr. Kalb suggests that the indexing approach is an attempt to bring back the "K" table that the Commission ordered SBC Illinois to remove in Docket No. 01-0120. That is false. The two features operate in entirely different ways.

219. As I explained at the workshop, the "K table" was a statistical tool for determining when to assess remedies in the first place. Because the various statistical performance tests have a 5 percent risk of "false failure" due to random variation in the data, the K table said that *no remedies at all* would be assessed on the first few statistical shortfalls (that threshold number, known as "K," was based on the number of performance tests for the CLEC). Remedies would be assessed at the usual rate after that threshold was reached. Under the K table, if SBC Illinois had 100 measures for a given CLEC, and 5 shortfalls, the remedy amount would be zero.

220. By contrast, the index value is a tool for determining the *amount* of remedies. SBC Illinois would pay remedies for all shortfalls in any measure subject to remedies. Thus, if SBC Illinois had 100 measures for a given CLEC, and 5 shortfalls, SBC Illinois would pay on all 5 shortfalls. True, the amount of each remedy would be less than if there were, say, 20 shortfalls, but that is a plus: It encourages SBC Illinois to keep the number of shortfalls low.

221. Finally, WorldCom Witness Kinard criticizes the indexing approach by posing another hypothetical – a scheme in which SBC Illinois picks and chooses a few key measures for a particular CLEC, intentionally fails all of them, then passes other measures for other CLECs to keep its index value high. Here too, I feel compelled to remind the Commission that this is strictly a hypothetical. SBC Illinois does not intend such a strategy, Ms. Kinard offers no evidence that SBC Illinois has ever done such a thing, and

it would not be feasible for SBC Illinois to try, because we use common systems and procedures for serving all CLECs.

222. Even on its hypothetical terms, Ms. Kinard's analysis is off the mark. Section 7.5 of the Compromise Plan specifically protects the CLEC against such a situation, by allowing it to petition the Commission for expedited resolution if its remedies are low even though its own "pass rate" is low (as would occur if SBC Illinois singled out a particular CLEC for bad performance while maintaining a high pass rate overall). Thus, WorldCom's only complaint is about procedure – i.e., WorldCom doesn't want to have to initiate a proceeding or prove that its hypothetical happened. To that, all I can say is that no remedy plan can adjust payments automatically to address every hypothetical situation that could ever arise in the future. The Compromise Plan provides a structure that works automatically in the general case, and it anticipates and sets up a procedure for addressing special circumstances. It makes sense to require proof that such special circumstances exist and warrant additional remedies, and all we want is the chance to respond. The Compromise Plan expressly contemplates an expedited procedure.

Floors and Ceilings

223. Many performance standards are based on "parity" between wholesale and retail results. Section 8.4 of the Compromise Plan provides for "floors and ceilings" for certain measures. As I explained in my opening affidavit, the standard of comparison on these performance measures would still be parity within a specified range of performance, but there would be a benchmark comparison when service provided to the CLEC is above or below that range. 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.

224. I am surprised by the strident tone with which the CLECs and Staff attack this provision. In Docket No. 01-0120, the CLECs proposed (and Staff supported) a one-sided "floor" on certain measures, without a ceiling, on the theory that CLECs were damaged by poor performance even if there was parity. The Commission rejected that proposal in Docket No. 01-0120. We agree with that decision, but in the interest of compromise we were willing to agree to "floors" so long as the CLECs agreed to "ceilings" once performance reaches a sufficiently high level.

225. I disagree with AT&T Witness Kalb's view that the Compromise Plan "wildly distort[s]" the CLECs' previous "floor" proposal. All we have done is make a one-sided offer a symmetrical deal. It makes sense that, once wholesale performance reaches a high enough level, a statistical disparity between wholesale and retail makes no real difference. Further, the floors and ceilings apply only to certain measures, to be established by collaborative agreement. (The current Plan lists the measures to which TDS and Time Warner agreed.) Even for those measures, parity remains the general rule: the floors and ceilings apply only at very high or very low performance.

Priority Weights

226. I am also surprised by the objections to eliminating the "priority" system of weighting individual performance measures. In Docket No. 01-0120, Staff and the CLECs objected to the priority system. The Final Order in that docket agreed with SBC Illinois that priority weights were appropriate. The Compromise Plan assigns the same priority and

base amounts to all measures that are subject to remedies, just as Staff and the CLECs suggested, and it focuses priorities in a different way. First, the indexing approach focuses on improving performance as a whole. Second, the "gap closure" and "escalation" provisions that I described above – to which no one objects – focus attention on individual measures where SBC Illinois has not met the standard for three or more consecutive months (two or more consecutive months for measures with a "floor").

Waiver Procedure

227. AT&T Witness Kalb takes issues with several of the administrative portions of the Compromise Plan. Kalb Aff. ¶¶ 31-34. Specifically, the provisions he questions are in Section 7.2 (regarding the process for payments to be withheld in situations where a CLEC holds, then dumps, orders in unreasonably large batches), Section 7.3 (withholding half of remedies potentially owed when CLEC is in violation of obligations under interconnection agreement, tariff or Illinois law or the Telecom Act of 1996), Section 7.4 (establishes the monthly cap as 1/12th of the annual cap), and Section 7.6 (protects SBC Illinois from the potential incentive for CLECs to "game" the system such that revenues from payments would exceed the amounts the CLEC owes to SBC Illinois). Each of these terms are reasonable conditions, deigned to promote fair business-to-business conduct between SBC Illinois and CLECs, that are in place in remedy plans in other SBC states and have been included, in very similar form, in remedy plans deemed adequate by the FCC for purposes as an on-going incentive to by the FCC

Method of Payment

228. Next, AT&T Witness Kalb contends that Section 5.6 of the Compromise Plan provides for payment of remedies by bill credits rather than by check, as the 0120 Plan does. That is not a fair characterization. Section 5.6 clearly says that a CLEC may obtain payment

by check if it wants a check. All the CLEC needs to do is tell us where to send the check and who to list as payee, which they can do by completing a form on the CLEC Online website.

Audit Requirement

229. AT&T Witness Kalb also takes issue with the slight changes made to the CLEC "mini-audit" provision in Section 6.5 of the Compromise Plan. Kalb Aff. ¶ 11. The change proposed is a very simple, and equitable one. As a CLEC can request the mini-audit should they not be satisfied with the outcome of data reconciliation, SBC Illinois is required to allow the CLEC to commission an audit with the auditor of their choosing to review the subject issue. The CLEC is responsible for the auditor's costs, on whatever terms the CLEC negotiates, unless and until the auditor confirmed the issue the CLEC alleged. At that time, SBC would be required to reimburse the CLEC for the cost of the auditor. The requirement in the 0120 Plan, for SBC Illinois to pay 50% of the cost of the mini-audit regardless of whether or not SBC Illinois is at fault, is simply unreasonable and unfair by any definition..

Miscellaneous Provisions

230. AT&T Witness Kalb (¶ 21) states that Sections 2.0 and 4.0 of the Compromise Plan (which set out the statistical methodology) are confusing. But the statistical methodology is the same as in the 0120 Plan. The only substantive difference is the one I described at the workshop. While both plans generally test parity by comparing CLEC results to retail or affiliate analog (whichever shows better performance and thus a higher standard of comparison), the Compromise Plan would use retail results if the number of affiliate transactions is small (less than 30). As I explained at the workshop, in such cases the

retail results (with more data) provide a more representative view of performance for comparison. I think the language in the Compromise Plan is quite clear about this feature. In addition, SBC Illinois was requested by Staff to calculate the impact of the requirement for minimum 30 transactions for affiliate performance to be used. That calculation was done, and the response provided to Staff indicated that the effect of eliminating the minimum 30 affiliate transactions was a decrease in total remedies and assessments paid (Tier 1 and Tier 2 combined) of $245. In other words, the elimination of the minimum 30 transactions for the affiliate had essentially no effect on total remedies and assessments paid.

231. I am baffled by AT&T Witness Kalb's suggestion that the Compromise Plan deleted Section 4.0 from the 0120 Plan. The Compromise Plan retains the language of Section 4.0, and its sequence; all it does is assign separate section numbers to each paragraph from the 0120 Plan. The first paragraph of Section 4.0 in the 0120 Plan ("The proposed Z-tests . . . ") is labeled Section 4.1 in the Compromise Plan; the second paragraph of Section 4.0 ("The minimum sample size . . .") corresponds to Section 4.2 of the Compromise Plan; the third paragraph of Section 4.0 ("In calculating the difference . . .") is now labeled Section 4.3; and the last paragraph of Section 4.0 ("For measurements . . .") is now labeled Section 4.4. Further, contrary to Dr. Kalb's view that the Compromise Plan deleted the 0120 Plan's non-statistical "bright line" test for meeting benchmarks, that same language appears in Section 4.1 of the Compromise Plan ("The Z-test is not applied to measurements with benchmark standards").

232. Similarly, I don't see the basis for AT&T Witness Kalb's statement that Section 4.4.1 is "confusing." That provision clearly states that a statistical permutation test will be

applied in lieu of the normal "Z" test when the number of CLEC transactions is less than 30, with two exceptions. (As I understand it, the permutation test is better suited for small samples, a principle with which Dr. Kalb, as a statistician, is more familiar than I.) The first exception applies when the underlying data are not available, and that exception was recognized in the Commission's Order in Docket No. 01-0120. The second exception applies when both CLEC and retail results for a measure are perfect (for example, there were zero missed due dates at all). As I explained at the workshop, there is no point in going through the formality of a permutation test when the CLEC received perfect performance, and Dr. Kalb does not dispute that.

233. This paragraph intentionally left blank.

STAFF'S "HYBRID" PLAN PROPOSAL

234. Staff Witness Patrick proposes a "hybrid" plan that takes the 0120 Plan and (i) reduces the individual payment amounts on "low" priority measures, while (ii) implementing the Compromise Plan's more stringent rules for escalating and "stepping down" remedies for measures missed in consecutive months. Since then, Staff has issued a data request asking SBC Illinois to calculate remedies under the Hybrid Plan "pro forma." That calculation (which is complex, as the "step down" rule requires us to re-run the entire calculation) is underway. I will thus address the Hybrid Plan in more detail after the calculation is available, and after Staff has had the chance to review and comment.

235. I would like to make two global points. First, my overall sense is that Staff's proposed reduction in low-priority base amounts, while it would reduce payments from the 0120 Plan, would still result in payments that are significantly higher than the Compromise

Plan. Further, Staff's proposed reduction would be at least partially offset by its proposed modification to add the "step down" process.

236. Second, while I appreciate Staff's effort, the Compromise Plan already represents a middle ground. Many provisions of the Compromise Plan are identical to those adopted in Docket No. 01-0120, and many other provisions make the Compromise Plan more stringent. Remedies under the Compromise Plan would already be significantly higher than those under plans found sufficient by the FCC, even at today's high levels of performance. And the indexing feature of the Compromise Plan would increase payments still more if performance were to decline.

IMPLEMENTATION OF THE COMPROMISE PLAN

237. Staff Witness McClerren raises two issues regarding implementation.

238. First, Staff Witness McClerren discusses the proposed "opt-in" process for CLECs to participate in the Compromise Plan. McClerren Aff. ¶¶ 236-248. 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. SBC has already advised CLECs via accessible letter of remedy plans available in Illinois, including 01-0120. SBC is willing to send another accessible letter. However, SBC and the Commission have made the opt-in process as simple and straightforward as possible.

To the extent that Staff believes that "performance remedy plans effectively prevent backsliding, only if all carriers, or a majority of the carriers, take the same plan", SBC is willing to discuss implementing as its sole remedy plan for Illinois the plan approved by this Commission for Verizon, so that there would truly be a single plan for CLECs to participate in for the State of Illinois, regardless of the ILEC. In the meantime, it is important to note that the 0120 Remedy Plan, with only 21 CLECs participating for the month of January 2003, addresses over addresses over 77% of the CLEC lines/circuits in service, and over 87% of the orders submitted. In other words, the 21 CLECs participating in January 2003 control over three-fourths of the CLEC lines/circuits purchased from SBC Illinois, while these same 21 CLECs submit nearly nine out of every 10 orders SBC Illinois receives. As such, there clearly is no need for a remedy plan to be applicable to all CLECs to provide effective anti-backsliding incentives.[42]

239. In his affidavit Staff Witness McClerren discusses the proposed term for the Compromise Remedy Plan. McClerren Aff. ¶¶ 263-268. As proposed, 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. Staff Witness McClerren proposes that a review be conducted in 36 months to "address all aspects" of the remedy plan. SBC is agreeable to entering negotiations in 36 months to discuss modifications, should it be determined that a plan is still needed beyond four years.

[42] The percentages provided were generated based on the in-service lines/circuit counts reported in performance measures 37, 54 and 65, and the FOCs provided in PM 5. Volumes used were January 2003.

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

240. The Proposed Order on Phase I-A[43] directed SBC Illinois to address a number of specific issues. In this section I respond to two of those issues that relate to performance measurements.

241. The first is Staff's recommendations regarding implementation of the revised PM MI 13. The revised business rules for PM MI 13, as agreed to by the collaborative, have been filed via tariff update for this Commission's approval. One item included in the Phase 1 Order that is not reflected in the tariff update is the change of remedy level from "Low" to "Medium". SBC Illinois will be implementing the revised PM MI 13 with that change included, and will update the tariff accordingly.

242. The second is the manner in which performance on EELs circuits is assessed in the performance measurements. In my Phase I compliance filing I communicated how this would be addressed, as agreed to with the CLECs in the six-month review collaborative process. I believe those changes to the PMs adequately address the requirements of the Phase I Order.

WORLDCOM'S TWO PERFORMANCE MEASUREMENT DISPUTES FROM THE SIX-MONTH REVIEW COLLABORATIVE

243. WorldCom Witness Kinard presents two proposals made by WorldCom upon which SBC Illinois and the CLECs could not agree to in the recently-completed six-month review collaborative. Kinard Aff. ¶¶ 42-51. These two issues have been filed as disputed items in Michigan and Ohio, and the Michigan Public Service Commission ("MPSC") has

ruled on the disputes, agreeing with WorldCom that remedies should apply to PM MI 13.1, and agreeing with Michigan Bell that PM MI 12 reports on a subset of the orders included in PM 17, a measure already subject to remedies, and it is not appropriate to subject the same order to remedies under two PMs measuring the same process. The arguments here are essentially unchanged from those presented to the MPSC. SBC Illinois response to WorldCom's disputed items is included below.

244. WCOM proposes to create a remedy for PM MI 12 that would duplicate an existing remedy provided under PM 17. Such duplication is unreasonable and contrary to collaborative precedent. As such, the Commission should reject WCOM's proposal.

245. PM MI 12 assesses SBC Illinois' ability to resolve 3E service order errors that occur in the billing completion process. The process measured by PM MI 12 is a sub-process of the billing completion process measured in PM 17 (Billing Completeness). PM 17 measures the timeliness with which SBC Illinois processes an order for which provisioning has been completed (the start point of PM 17) to the point where the order has been updated to the account records in the billing system. This interval, described as the period from "service order completion in the Ordering system to a bill posting in the Billing system," necessarily encompasses the entire 3E error resolution process. The time required to resolve any erred service order is already included in the time reported in PM 17. If SBC Illinois is taking a long time to correct CLEC service orders in 3E status, performance reported on PM 17 will decline, and the likelihood of remedy payments will increase.

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

246. WorldCom Witness Kinard confuses this issue with Billing Completion Notices ("BCNs"). Kinard Aff. ¶ 44. SBC Illinois is in discussion with CLECs, including WorldCom to date, in a special billing PM collaborative underway parallel to this process. Implementation of a PM to measure the "post-to-bill" processes differently than the current PM 17, to reflect delivery of a BCN, has been requested and is being discussed there. Measurement of the average time to process orders that go to 3E status is not analogous to BCN delivery, and the appropriate forum to address the CLECs request regarding reporting of BCN timeliness is the collaborative process. In the meantime, the current PM 17 is the analogous measure to metrics of BCN timeliness in other regions, not PM MI 12.

247. Applying remedies to PM MI 12 would result in orders that enter error status, and are not resolved in a timely fashion, being subject to remedies in both PM MI 12 and PM 17. A general agreement that has been reflected a number of times in the performance measurement collaboratives, including in agreements reached in the most recent collaborative, is that the same failure should only be subject to remedies once. Application of remedies to PM MI 12 would clearly call for unreasonably duplicative remedies applying to the same failure, should such failure occur.

248. The existing remedy provisions reasonably account for billing completion, particularly given that this measure is not directly related to end user service. Thus, the Commission should reject WCOM's proposed remedy on PM MI 12.

249. WCOM's second proposal, which seeks to attach remedies to the newly proposed and agreed-upon PM MI 13.1, is both unreasonably duplicative and premature. PM MI 13.1 is a diagnostic measure that will work in conjunction with the updated PM MI 13 to

provide the CLECs and the Commission additional visibility into SBC Illinois's performance on Line Loss Notification timeliness. For three reasons, the Commission should not apply remedies to the new PM MI 13.1.

250. First, for much the same reason as PM MI 12 above, results of PM MI 13.1 should not be subject to remedies because failures by SBC Illinois to send a line loss notice in a timely manner will already be subject to remedies under PM MI 13. Remedies were added to PM MI 13, by collaborative agreement, in the recently completed six-month review. And this Commission has ordered SBC Illinois to increase the agreed-to remedy level from "Low" to "Medium" on PM MI 13. PM MI 13.1 assesses the number of days a line loss notice is delayed once the line loss notice is late. As such, the line loss notice is already included as a "late" or "missed" notice in PM MI 13, and will be subject to remedies there. This remedy approach has precedent in agreements reached in the recently completed collaborative. In the collaborative, the manner in which remedies apply to the provisioning measures was altered (by agreement of the collaborative) to remove remedies from the "average delay days" measures. An example is the realignment of remedies on the POTS and UNE-P resale measures 28, 30, 31 and 32. PMs 28 and 30 assess performance against customer requested due dates. Both are remedied, but orders missed due to lack of facilities are excluded from PM 28, and therefore are not subject to remedies under both PMs as they are today. PMs 31 and 32, which measure the average delay from due date for missed orders, have been revised specifically to remove remedies to avoid the "double remedy" situation.

251. Second, the collaborative has traditionally considered brand new measures to be implemented on a diagnostic basis until the next six-month review or a six-month period.

There is no reason to take a different approach here. SBC Illinois has agreed to apply remedies to PM MI 13, even with the significant implementation changes being made. To add the "double remedy" situation, particularly on a brand-new measure, does not align with past implementation approaches.

252. Lastly, one of the reasons new measures are typically implemented on a diagnostic basis initially is so that an appropriate standard can be defined. Definition of a standard is best done through the collaborative process with the participants having the benefit of results from a diagnostic implementation period. WCOM's proposal seeks to circumvent this generally-accepted process.

253. All reasonable issues put before the second six-month performance measurements review were resolved collaboratively. SBC Illinois has been willing in the collaboratives to agree to diagnostic measures such as MI 13.1 that provide a different perspective with regard to a work activity already subject to measurement and remedy. Associating a duplicative remedy with such a diagnostic measure would be counterproductive in that it would reduce the opportunity to reach agreement on any such diagnostic measures in future six-month reviews.

CONCLUSION

254. 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.

255. This concludes my affidavit.