

## **LTPA Impasse Document and Recommendation PO-20 - Manual Service Order Accuracy**

**Dispute:** What is the appropriate benchmark for PO-20.

### **Overview**

For the past 19 months, the parties have been negotiating in an ad hoc forum, a revised PO-20 measure. The purpose for this measure is to evaluate the degree to which Qwest accurately processes CLECs' Local Service Requests (LSRs), which are electronically-submitted and manually processed by Qwest. At the beginning of the LTPA, parties agreed to continue these negotiations and present the issue to the LTPA at a later date. The issue was first discussed as part of LTPA on the February 12 LTPA conference call. During the last 6 weeks, parties have continued to negotiate in both ad hoc meetings as well as LTPA. As a result, the parties have agreed to a revised measure that would be phased in over a period of months. Phase 1 will be implemented in May 2004; Phase 2 will be implemented with September results and; Phase 3 will be implemented by the first quarter 2005. An implementation date for Phase 4 has yet to be determined. Generally speaking, with the implementation of each phase, Qwest will expand the number of fields on the service order manually typed by Qwest that will be compared with the LSR submitted by the CLEC on a mechanized basis to detect Qwest errors. A copy of the latest version of PO-20 is attached and includes a description of the additional fields that will be reviewed on a mechanized basis with the implementation of each phase.

While the parties have made substantial progress in negotiating a revised PID, the parties could not agree on the appropriate benchmark. CLEC's initial position was a 99% benchmark. Qwest's initial position was a 95% benchmark. The parties discussed many potential compromises such as other constant standards, standards that rose over time, standards that declined over time, and standards in combination with various treatments of PO-20 under the PAPs. When the parties could not agree, the parties brought the matter to impasse based on their original positions of 95% versus 99%.

### **Process**

The following process will be used for addressing the appropriate benchmark for PO-20:

1. Apr. 2 – Position statements presented to the LTPA facilitator.
2. Apr. 12 – Recommendation by the LTPA facilitator.
3. Apr. 20 – Vote by the state staff.

It is assumed that since multiple CLECs have participated in the negotiations, CLECs will confer and submit a joint statement.

### **CLEC's Position on PO-20**

A copy of the position statement submitted by the CLECs, including attachments and exhibits was distributed to the LTPA on April 8, 2004.

### **Qwest's Position on PO-20**

A copy of the position statement submitted by Qwest was distributed to the LTPA on April 8, 2004.

### **Facilitator's Recommendation**

The following CLECs submitted a joint position statement for this disputed issue: AT&T, Eschelon, MCI and US Link. Because a single CLEC position was submitted, this disputed issue is addressed under Section B, Part 2, "Impasse Process with a Single CLEC Position" of the Governance Document.

#### **1. PO-20 Benchmark**

After reviewing the positions submitted by the parties, the facilitator recommends that the benchmark for PO-20 be set at 97% until Phase 2 has been implemented at which time the benchmark will be reduced to 96%. When Phase 3 is introduced, the benchmark will be reduced to 95%.

First, a sliding scale is recommended because as Qwest correctly points out, it "creates a compromise between the CLECs concern that initial field-to-field comparison is not as extensive as it will be in later phases and Qwest's concerns about the ever increasing rigor of the evaluation. As the number of potential field entries and combinations evaluated increases with each phase, the level of performance required in order to meet the standard also increases with each phase."

Second, the benchmark should initially be set at 97% beginning with Phase 1. The parties agree that Phase 1 measures those products that both CLECs and Qwest agree are most important (e.g., resale, UNE-P and UNE-loops), thereby requiring a higher benchmark. In addition, the facilitator agrees with the CLECs that a benchmark greater than 95% is necessary to ensure that back-sliding does not occur and to encourage Qwest to continue to perform its quality control steps.

Finally, the sliding scale should stop at 95% with the implementation of Phase 3. The facilitator agrees with the CLECs that the effect of Qwest's errors on CLEC's end user customers should be recognized and taken into account when setting the benchmark. For this reason, a benchmark lower than 95% is not appropriate.

As outlined below, the facilitator does not agree with either a 99% benchmark as proposed by the CLECs or 95% benchmark as proposed by Qwest. Specifically, Qwest argues that a 95% is appropriate because it is comparable with the benchmarks for other manual PIDs. Qwest also argues that a 95% benchmark is appropriate because KPMG used a 95% benchmark in the 271 OSS test. Finally, Qwest asserts that other RBOCs use

a 95% benchmark for comparable functions. In response to Qwest's arguments, the CLECs assert that a 95% is too low and contend that the effective benchmark is actually closer to 80-85% when OP-5 and PO-20 are considered together. The CLECs also assert that a 5% error rate translates into 2,400 – 3,600 service order errors for the entire region.

Qwest's arguments for a 95% benchmark are not persuasive. First, given the unique history of this PID<sup>1</sup> as well as the significant impacts on end user customers, this PID cannot be compared to other manual processes and therefore the initial benchmark should be higher than 95%. Second, the standard used by KPMG is not relevant to this dispute. KPMG used a 95% benchmark because there was no official standard to use. KPMG would have used a 97% standard had one existed during the time of the test. In addition, while comparing Qwest's PIDs to the metrics of other RBOCs is helpful, Qwest only provided general statements to support this assertion and did not provide any evidence to demonstrate that the metrics of other RBOCs measure the same functions as those measured by the revised PO-20. In fact, Qwest states in their position statement that PO-20 is unique when compared to other RBOCs.<sup>2</sup> Finally, a 95% benchmark is not appropriate, especially considering the conclusive evidence provided by the CLECs that Qwest's service order errors can have a profound impact und user customers.<sup>3</sup>

Given that the facilitator has recommended against the 95% benchmark, the comments by the CLECs regarding the combined affect on PO-20 and OP-5 need not be addressed. However, the facilitator would point out that this analysis might have been useful if presented to the LTPA earlier in the process.

The CLECs argue that a 99% benchmark is appropriate because Qwest has multiple safeguards in-place to identify, avoid and correct service order errors which will help Qwest obtain a 99% benchmark. In addition, the CLECs suggest that Qwest could expand its mechanized review process. The CLECs also argue that Qwest can meet this benchmark because Qwest has achieved 99% performance under the existing PID. The CLECs also argue that a 1% error rate translates into about 700 errors each month; an acceptable amount of errors. Finally, the CLECs argue that a 99% benchmark will encourage Qwest to prevent back-sliding and continue to perform its quality control steps. In response to the CLEC arguments, Qwest asserts that there is no justification for a 99% benchmark. Qwest states that not all fields can be mechanized. In addition, Qwest conducted a study and concluded that of the universe of orders that have a mismatch between the LSR and the service order, the majority of situations do not result in significant end-user impact.

The CLEC arguments for a 99% benchmark are also not persuasive. First, a 99% benchmark is not appropriate in light of the manual handling that is required for complex orders. While Qwest could undertake additional efforts to reduce the amount of manual

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<sup>1</sup> See generally the CLEC comments pgs. 3-7.

<sup>2</sup> The facilitator agrees. A quick review of SBC Midwest metrics revealed no metric comparable to PO-20.

<sup>3</sup> See CLEC Position Statement, pg. 27-37 and Attachment 4.

handling, the facilitator agrees with Qwest that not all fields in the LSR will be candidates for a mechanized review. Second, given the fact that the revised PO-20 will evaluate the universe of eligible orders and add additional products and fields with each subsequent Phase, a benchmark of 99% is overly restrictive. In addition, a comparison of Qwest's performance under the existing PID is not a meaningful comparison given the expansive nature of the revised PO-20. The facilitator agrees with the CLECs that the benchmark needs to be established to prevent back-sliding and to encourage Qwest to continue to perform its quality control steps. However, this can be accomplished with a 97% benchmark, especially when the expanded nature of PO-20 is considered. Finally, the CLECs provided conclusive evidence that Qwest's service order errors adversely impact end-user customers which effectively rebuts the aforementioned study performed by Qwest.

## **2. One Free Miss**

Both parties submitted positions on Qwest's proposal for one free miss when volumes are less than 20 orders. According to Qwest, without this proposal, Qwest could fail the benchmark with only one miss thereby effectively holding Qwest to a standard of perfection. The CLECs assert that this proposal is a PAP issue and therefore, per Qwest's insistence, does not belong in LTPA.

On this point, the facilitator agrees with the CLECs position that, "Throughout LTPA discussions, Qwest has used the PAP as a sword and a shield. When beneficial to Qwest, Qwest has refused to participate in PAP related issues in LTPA, claiming they are not the proper subject of discussion here. Qwest should be bound its own position and prevented from raising the "one free miss" and any other PAP issues in this impasse phase. Such PAP issues are not at impasse in LTPA, because Qwest has not allowed PAP issue discussion in LTPA." Therefore, the facilitator recommends against adopting this proposal.

## **3. Service Affecting Issues on the Due Date**

In their position statement the CLECs raised another issue that may be in dispute. According to the CLECs, since the development of the PO-20 Impasse Document, CLECs have reviewed Qwest testimony and a document prepared by Qwest that raises a potential question as to whether the parties actually have an agreement on another issue relating to service affecting issues on the due date. The CLECs stated that they understood that service affecting issues on the due date, including those resulting from LSR/service order mismatches, were captured in OP-5 (not PO-20) for inward line activity. CLECs also believed that the OP-5 PID reflected that understanding. However the CLECs assert that Qwest recently testified in Colorado that these issues were captured in PO-20.

According to the CLECs, Qwest needs to clarify whether its Colorado testimony and its Exhibits are in error, or whether Qwest actually maintains that these errors are captured in PO-20. The CLECs stated that if Qwest maintains that those errors are captured in

PO-20 as described in Qwest's testimony, an impasse exists for this issue and a new impasse may exist for OP-5. The CLECs also assert that if Qwest has been omitting such errors from OP-5 to date, Qwest should re-state the OP-5 data to include these errors; otherwise, the OP-5B results to date reflect inflated performance by Qwest. Finally, the CLECs have requested guidance from the facilitator on the proper procedure to resolve this issue.

This new issue has never been discussed in LTPA and therefore has not been fully explored. More importantly, Qwest has not been given an opportunity to respond. As a result, the facilitator recommends that this issue be deferred until the next LTPA.