

K. Annual Review, Updates And Audits**1. Annual Review And Updates**

Each year the Department and Verizon MA will review the Performance Assurance Plan to determine whether any modifications or additions should be made. During this review, the Department and Verizon MA can determine, among other things, whether: (1) measures and weights should be modified, added or deleted; (2) modifications should be made to the distribution of dollars at risk among the four MOE and Critical Measures categories; (3) geographic deaveraging should be adopted for reporting metric results; (4) the clustering and CLEC behavior exceptions included in Appendix D should be modified; (5) small sample size procedures should be modified; and (6) the methodologies used to calculate the bill credits should be modified.¹⁷ All aspects of the Plan, however, will be subject to review. The annual review process may be initiated no more than six months before the anniversary date of Verizon MA's entry into the long distance market pursuant to Section 271. Any modifications to the Plan will be implemented as soon as is reasonably practical after Department approval of the modifications.

¹⁷

In particular, during the first annual review, the methodology used to calculate amounts due to CLECs under the Individual Rule for bill credits under the Critical Measures category will be analyzed to determine whether the rule provides for an appropriate distribution of bill credits.

2. Changes to the New York Plan

Changes to the New York Plan adopted by the New York PSC will be filed with the Department within 10 days for inclusion in the Massachusetts Plan upon the Department's approval.

3. Annual Audit

Each year the Department will audit Verizon's data and reporting, with the first audit beginning 6 months after Verizon MA enters the Long Distance market in Massachusetts. The audits shall be performed by an independent auditor, selected by the Department through a competitive bidding process and paid for by Verizon. The first audit will include an examination of data reliability issues. Subsequent audits will include an examination of data reliability issues at the Department's discretion.