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EXCEPTION 3094 – SUPPLEMENTAL DISPOSITION REPORT
Qwest OSS Evaluation

Initial Release Date: December 12, 2001
First Response Date: January 7, 2002
Second Response Date: February 12, 2002
Third Response Date: March 28, 2002
Disposition Report Date: April 4, 2002
Fourth Response Date: April 25, 2002
Supplemental Disposition Report Date: May 21, 2002

SUPPLEMENTAL EXCEPTION DISPOSITION REPORT

An exception has been identified as a result of the test activities associated with the Change Management Review, MTP Test 23.

Exception:

Qwest did not adhere to its established change management process for notifying CLECs about a proposed process change, and allowing input from all interested parties.

Summary of Exception:

KPMG Consulting observed an instance in which Qwest did not provide CLECs with complete information about, and a reasonable interval for, a CLEC-impacting Product/Process Change Request (CR). Qwest SMEs held meetings with CLECs but did not adequately address CLEC concerns regarding a significant change. In addition, Qwest implemented the process change according to a pre-determined schedule despite CLEC objections. KPMG Consulting identified the following issues associated with the issuance and implementation of CR No. PC100101-5:

- Qwest, through the CMP, did not provide adequate information to CLECs about a significant CLEC-impacting process change;
- Once Qwest had answered some of the important regulatory, product, and documentation questions, Qwest allowed only four (4) business days for CLECs to prepare for the proposed change;
- Qwest, through the CMP, did not respond to input from all interested parties; a number of CLECs objected to Qwest's implementation of this change and requested its immediate suspension.
- Qwest, through the CMP, did not update CR status on a timely basis;
- Qwest CR includes rate changes that are not explicitly defined to be within the scope of CMP.

KPMG Consulting considered the fact that Qwest implemented CR PC100101-5 without taking into consideration CLEC objections, its failure to make available complete information

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sufficiently in advance of the scheduled change, as well as the subsequent impasse¹ about the process governing Qwest-initiated changes, as indicative of a lack of a defined and documented change management process.

Summary of Qwest’s Initial and Supplemental Responses:

In its initial response, Qwest’s stated that this Exception was based on the *Interim Qwest Initiated Product/Process Change Request Initiation Process* that Qwest and CLECs had jointly developed during earlier CMP Redesign sessions. Qwest believed that the interim process might apply to the testing process clarification, and therefore, in good faith, submitted a CR. Qwest stated that subsequent to the submission of this CR, Qwest decided the CR was unnecessary because the interim process only applied to changes that directly stemmed from the OSS 271 testing efforts. Qwest responded to another issue in the Exception, adequate advance notice of the change, by stating that CLECs had more than six weeks to prepare for the change and that Qwest had already delayed the initial implementation date for a follow-up meeting on November 26, 2001.

Qwest and CLECs continued engaging in the collaborative CMP Redesign process and held a number of meetings to revise the CMP. Over the course of CMP Redesign, Qwest recognized the fact that Qwest and CLECs were at impasse over the process that governs Qwest-initiated Product/Process changes. Qwest subsequently negotiated and implemented a new *ad hoc* process (also referred to by Qwest as the *Interim Qwest-Initiated Product/Process Change Management Process*). Qwest indicated that CMP Redesign participants agreed to implement this process on April 1, 2002, with changes occurring on an ‘as needed basis only.’

On April 22, 2002, Qwest requested that KPMG Consulting resume re-test activity for Exception 3094. Qwest stated that on April 16, 2002, Qwest and CLECs reached final agreement on the revised process for Qwest-initiated product and process changes. This process replaced the previously agreed-to interim process. Qwest requested KPMG Consulting to confirm that the prescribed process had been formalized and that the Redesign sessions were complete for the Product/Process portion of CMP. Qwest acknowledged that KPMG Consulting would be unable to observe adherence to the process.

On May 3, 2002, Qwest provided KPMG Consulting with a list of seven CMP Qwest-Initiated Product/Process changes that had been implemented in accordance with the agreed-upon procedures. Qwest also identified two other changes that had been internally initiated prior to April 1, 2002 (i.e., not subject to the new process) but that were still scheduled for issuance to CLECs on May 10, 2002.

¹ KPMG Consulting observed that Qwest and CLECs were at impasse about Qwest-initiated Product/Process changes from December 2001 to March 2002.

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KPMG Consulting's Supplemental Disposition Report (05/21/02):

Summary of KPMG Consulting's Retest Activities:

Based on the deficiencies noted in this Exception, KPMG Consulting recommended that the Exception remain open pending implementation of, and observation of adherence to, a complete process for Qwest-initiated Product and Process changes.

KPMG Consulting tested the Product/Process portion of the Qwest CMP through April 4, 2002, when it issued its first Disposition Report to this Exception. Since the ad hoc process was not final, and third party testing was concluding at that time, KPMG was unable to conduct its testing to ensure the existence of a complete and functioning Product/Process CMP. At Qwest's request, KPMG Consulting re-opened Exception 3094 on April 22, 2002, and conducted further testing. Re-test consisted of the following activities:

- Attending and observing Qwest-CLEC Redesign meetings;
- Attending and observing CMP monthly meetings;
- Reviewing publicly available documentation;
- Reviewing Qwest's internal documentation regarding Product/Process changes;
- Responding to Exception 3094; and
- Assessing Qwest notifications for Product/Process changes, including the seven Qwest-initiated changes that reportedly followed the agreed-upon procedures.

On April 25, 2002, KPMG Consulting confirmed that the draft CMP document included the revised process for Qwest-originated Product/Process changes. The revised documentation reflected changes from recent Qwest-CLEC discussions during the CMP Redesign meetings. The CMP Redesign agenda indicated that the collaborative meetings would continue through June 2002.

Summary of KPMG Consulting's Retest Results:

The procedures for Qwest-initiated Product/Process changes underwent considerable revision in April 2002. Since the inception of the interim process on April 1, 2002, Qwest and CLECs changed the number of Qwest-initiated Product/Process change categories from four to five, and revised the criteria for categorizing such changes within defined levels. Qwest documented the revised process in the *Master Redlined CLEC-Qwest CMP Redesign Framework* document.

KPMG Consulting confirmed that Qwest initiated seven changes between April 1, 2002, and April 26, 2002. KPMG Consulting reviewed the relevant Qwest notifications and found that five of the changes were initiated after April 16, 2002, the date on which Qwest and CLECs reached agreement about the revised process. These five notifications include four Level 1 changes and one Level 2 change. Since the draft CMP document specifies that Level 1 changes are effective

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immediately upon notice to CLECs, there was no change implementation interval associated with this type of notification. KPMG Consulting verified that the one Level 2 change followed the 21-day advance notification interval. Due to the relatively few notifications issued since April 16, 2002 under the new process, KPMG Consulting was unable to make a conclusive determination that Qwest adheres to the process for Qwest-initiated Product/Process changes.

Qwest and CLECs will continue discussions about the process for postponing a Product/Process change on May 21, 2002. This component of the Product/Process CMP is relevant to this Exception, which concerns the “notice-and-go” nature of the Product/Process CMP and lack of CLEC input for Product/Process changes. Based on this unresolved component, it appears that Qwest and CLECs have not developed all pertinent components of the Product/Process CMP.

KPMG Consulting recommends that Exception 3094 be closed unresolved.