

**Qwest's Response to
KPMG's Manual Order Entry PID Adequacy Study of April 30, 2002**

May 24, 2002

KPMG was requested by the ROC Steering Committee to express an opinion on the "adequacy of existing and proposed performance measures to monitor the effectiveness of manual order handling by Qwest." In addition, KPMG was asked to "propose any revisions to existing performance measures, or additional performance measures, that would strengthen the tools for monitoring manual order processing performance."

In sum, KPMG proposed the following:

- Change PIDs OP-3, OP-4 and PO-15¹ to add disaggregations for:
 - Manually submitted orders;
 - Electronically submitted orders that fall out; and
 - Electronic submitted orders that flow through.
- Define new PIDs for:
 - Functional Acknowledgements of manually submitted orders;
 - Accuracy of LSR Rejection Notices;
 - Conformance of FOC due dates with the SIG; and
 - Service Order Accuracy.

Executive Summary

Qwest understands and appreciates the desire of commission staffs to be in a position to monitor the effectiveness of manual order handling. Accordingly, Qwest's response starts by agreeing to develop and present a proposal for new PIDs addressing order accuracy, and then builds from there by agreeing to

¹ KPMG's document refers to PID number "OP-15," but the narrative consistently addresses "due date changes per order," which is PO-15. Accordingly, Qwest presumes KPMG intended to refer to PO-15, instead of OP-15.

gather and provide additional data to support further consideration of manual order entry concerns in the upcoming long-term PID administration meetings.

Qwest acknowledges that KPMG is in a unique and informative position, in being able to provide such opinions and proposals, having just completed a thorough test of Qwest's OSS. We also note the limitations emphasized by KPMG in its paper that states, "The opinions expressed herein do not constitute statements of fact, and do not carry the weight of findings such as those contained in our Final Report on the ROC OSS test."² Additionally, KPMG was not present during the workshops that originally designed and approved the PIDs and, therefore, could not incorporate in its opinions and proposals what was considered and concluded on the same matters at that time.

Specifically, Qwest is prepared to address all of KPMG's proposals through a combination of:

- Developing and proposing new performance measurements that focus on order accuracy, for further discussion and approval in one of the first long-term PID administration meetings, using as a guide similar measurements from other RBOCs;
- Gathering and reporting additional data, such as offered in response to Observation 3086, to help confirm the efficacy of Qwest's steps taken to resolve the observation; and
- Using a fact-based approach to further address manual order entry concerns, in long-term PID administration meetings, as part of an overall review of PIDs with the primary goal of more efficiently and effectively measuring and reporting Qwest's performance. Qwest envisions that this process, while generally streamlining PIDs and making them more efficient, can also result in additional PIDs that are carefully focused on validated areas of concern.

² KPMG Manual Order Entry PID Adequacy Study, p.2.

Discussion

The Enormous Number of Qwest's Performance Measurements

The current 700+ PID sub-measurements capture a tremendous amount of data about Qwest's performance throughout the entire life of processing CLEC service requests. These PIDs are reported at a CLEC-specific level, by state and smaller geographic disaggregations, and therefore assure that performance satisfies accepted standards, regardless of the entry modes of LSRs and service orders. If Qwest is providing ineffective manual order handling, those flaws will become apparent through the existing PIDs, and will be costly to Qwest, in terms of the payments proposed under the various state Performance Assurance Plans (PAPs). Existing PIDs, in the context of ongoing data reconciliation, audits, and payments, will capture performance problems and reporting errors, whether manual or otherwise, and provide sufficient incentives for Qwest to insure that its steps to minimize errors are effective. Nevertheless, recognizing the level of staff concern, Qwest volunteered to report other data to the commissions as part of its response to Observation 3086.

As discussed in earlier O & E calls, Qwest is every bit as interested in having an effective order-handling process as are the commissions and CLECs. It is in Qwest's best interest to increase the amount of order flow through and to support a high-quality, manual order entry process. Errors can result in several negative consequences for Qwest, most significantly rework and customer escalations. Additional reporting is not required to drive effectiveness in Qwest's manual ordering processes. Nevertheless, Qwest is willing to examine the facts to identify where there may be vulnerability to manual errors, to evaluate the significance or materiality of such, and to determine what focused steps would be most prudent and necessary, in the context of the aforementioned data reconciliation, audits, and PAP payments, to pursue.

Regarding Specific Proposals

Overall, fewer, not more, measurements are needed now – measurements that focus on the most critical aspects of service. Qwest believes the FCC³ and most CLECs will support this approach. In any event, as already mentioned and as discussed further in some of the details below, all PAPs under consideration contain provisions for ongoing performance monitoring, data reconciliation opportunities, and audits. If there are problems in manual order processing, order accuracy, or other problems affecting the reporting of results, PAPs will require payments, including interest on payments made late due to such problems.

Furthermore, the PIDs, as the name behind the acronym implies, are intended to “indicate” performance levels, which can be further investigated if problems arise. On the one hand, the PIDs are somewhat general in nature, to provide at least a minimal efficiency⁴ in covering the breadth of performance issues, without requiring, up-front, every possible disaggregation, irrespective of whether they will all be needed every month. Then, if a PID indicates a pattern of problems, detailed data is available to help isolate, understand, and resolve the specific problem. This constitutes a focused approach, using only the data necessary, as indicated by the particular nature of the problems observed, to be applied with much more efficiency and less confusion than a “shotgun” approach. On the other hand, the PIDs included in PAPs are detailed enough to permit automatic consequences to be applied, without looking behind every result, every month, to seek explanations.

KPMG-proposed PID Disaggregation of OP-3, OP-4 and PO-15 Disaggregation

The first recommendation is to potentially expand dramatically the sub-measurements of PIDs OP-3, OP-4 and PO-15 to disaggregate based on how

³ The FCC’s recent NPRM on national 271 standards suggested far fewer measurements than any RBOC currently produces as part of their 271 applications.

⁴ And much more efficiency, through fewer PIDs, can be achieved when the parties are ready to explore the options for doing so.

the LSRs were submitted and the corresponding service orders created. OP-3 and OP-4 currently have more than 85 sub-measurements each. Disaggregating these into three sub-parts as suggested by KPMG would result in over 250 sub-measurements to be reported for each of these PIDs, yielding over 500 additional sub-measurements for the two PIDs in total. This clearly would be a very significant undertaking, nearly doubling the current 700+ sub-measurements, with no analysis or new evidence to suggest that the method of LSR submission and service order creation has a significant impact on Qwest's ability to meet due date nor on the interval associated with those orders. Even if there were such evidence, there is no demonstrated basis for saying that the existing PIDs and disaggregations are not sufficient in capturing and indicating the problems. At the same time, on the end of the spectrum, any attempts to aggregate products by the dimensions suggested in KPMG's proposal can create anomalies⁵ in results that are not due to performance. Clearly, further discussion and examination of facts are in order before considering such a proposal further. As indicated, Qwest is willing to undertake such consideration in the long-term PID administration.

However, as a result of this proposal, Qwest examined the misses that occurred for OP-3, for the month of April 2002, to look for variances associated with the different processing options. The analysis demonstrated that there is not a correlation between missing due dates and manual service order creation. If there were a problem, it would be a service order accuracy issue, not a provisioning performance issue. With respect to OP-4, Qwest has not been able to complete the analysis indicating that processing mode does not have a relationship to interval length, but expects the results to be the same as for OP-3. In any event, this is the kind of data that can and should be examined in long-term PID administration before concluding that more measurements are needed.

⁵ I.e., quality levels or differences in quality that appear to represent service problems.

There is a practical source of information available now for addressing manual order entry issues, without new measurements. Though confidential, this information, consisting of individual CLEC results reports, can be requested by commission staffs. They can monitor performance by looking at different CLECs who have high percentages of *flow-through* orders and those who have high percentages of *manually-submitted* orders and identifying whether there are significant differences or anomalies. Nevertheless, at present, Qwest is not aware of anything in such a review that would prompt the creation of new PIDs or sub-measurements.

Otherwise, before KPMG became involved in the ROC 271 OSS test, this issue was discussed at length and on multiple occasions in early workshops that worked on establishing the current PIDs. Since KPMG was not involved in those detailed discussions, it is not surprising that it would raise the concerns and proposals it has about manual order entry. Nevertheless, there is nothing new, and there has been nothing new discovered during testing as to this issue, that was not known in the earlier discussions sufficient to support the PID agreements reached. Moreover, test observations and exceptions have been and are being successfully closed on the basis of Qwest's resolution of issues discovered. The future efficacy of such resolution steps, such as effectiveness of training, will be answered, going forward, through the data reconciliations and audits that are a part of the future of PAP performance reporting, in which automatic liquidated damages will be paid – including interest on amounts paid late, such as due to errors.

In the previous workshop discussions on the subject, the parties determined that order accuracy would be addressed through (1) installation commitments met and interval measurements (OP-3 and OP-4) that will reflect whether accuracy issues have risen to a level that affects them, where discovered during the provisioning process, and (2) the new service installation quality measurement (OP-5), which will capture, among other things, the extent to which service order

inaccuracies triggered trouble reports soon after installation, where discovered after the field provisioning process is recorded as complete. As to the latter measurement, OP-5, the collaborative effort dictated that the trouble reports captured should be expanded to include those that are received after the service has been reported by the technician as complete but before the order is complete in the service order processor. This was intended to be particularly useful in addressing problems arising from inaccuracies in the ordering process. Moreover, the parties also added a diagnostic measurement, PO-15, reflecting due date changes per order. This was done specifically to identify whether trends in due date changes might be occurring, to help evaluate other possible problems indicated by the other measurements.

Therefore, while this information supports the position that current PIDs sufficiently address the concerns, Qwest is willing to participate in ongoing performance monitoring and data review to validate that the concerns triggering KPMG's proposals in this area remain resolved.

KPMG also proposed disaggregating PO-15 based on LSR submission and service order creation process. PO-15 looks at the number of Qwest-initiated due date changes per order. While Qwest believes this is a better alternative, there are still issues.

Currently, PO-15 includes all Qwest-initiated due date changes, whether due to order processing errors, work load, facility issues, etc. As discussed later in relation to PO-5, the PO-15 measurement was put into place originally to monitor trends that might relate to FOC accuracy. To disaggregate PO-15 further, in order to accurately address whether manual order processing contributes to a larger number of errors, it would be necessary to limit the analysis to those due date changes attributed to the order processing centers and exclude those related to other Qwest issues. If it could be implemented, this modified measurement would provide an indication of the variance in order creation quality

based on the order creation mode. While one could compare the new disaggregations with each other, the question that would be addressed by the new data is an operational question, not a 271 requirement. In addition, the measurement has a diagnostic standard for a valid reason and, for the same reason, it would remain so. Nothing in the proposed disaggregation would solve the problems that the parties in the collaborative addressed but could not solve, relating to how to apply a standard other than diagnostic. Finally, the Act contains no requirement for comparability of order accuracy levels between manual and electronic handling, and the FCC has not required any RBOC to produce any such measurement in order to obtain 271 approval.

Notwithstanding, as indicated earlier and in more detail below, Qwest is willing to propose new measurements of order accuracy.

KPMG Proposed New PID: Functional Acknowledgements of Manually Submitted Orders

KPMG proposed a new PID be established to measure the timeliness of functional acknowledgements for manually submitted orders. Qwest is unclear why this recommendation was made, as this was not an issue that was raised at any point in the test.

Currently, CLECs receive two confirmations. First, they receive a confirmation from their own fax machine as to whether or not the transmission was successful. Second, they receive a Confirmation of Receipt (COR), after an initial review of the LSR has been done by Qwest personnel. This initial review primarily checks for legibility. Qwest is not aware of any problems with acknowledgements of faxed orders that have risen to a level that would support creating a new measurement. Moreover, facsimile is a declining method of ordering, in the face of increased and improved electronic ordering.

KPMG Proposed New PID: Accuracy of LSR Rejection Notices

Qwest believes this proposal is similar to a voluntary report that Qwest included in its response to Observation 3086. In that response, Qwest proposed providing data as to the number of LSRs that received an initial Rejection Notice and a subsequent FOC. As previously stated, Qwest is willing to provide this data, but believes it should be done as part of ongoing performance monitoring and auditing that is already called for in PAPs, in order to verify there are no problems in this area that are significant enough for investigation. Of course, this can also be a matter of discussion in long-term PID administration.

PIDs measure Qwest's performance in a manner consistent with its process for delivering service, and they have never been intended for measuring out-of-process situations (i.e., circumstances that are not expected to happen at all, because they are out of process). Instead, out-of-process situations are the subject of data reconciliations and audits, and properly so. Again, in the context of PAPs that will be in effect – all of which contain provisions for data reconciliation, performance monitoring, and PID audits, with penalties for incorrect reporting – regular reporting of such exceptions as PID results is redundant and unnecessary.

KPMG Proposed New PID: Conformance of FOC Due Dates with the SIG

Qwest agrees with KPMG's statements that it is important for due dates provided to CLECs to be consistent with information provided in the service interval guide (SIG). However, this question also has already received extensive attention in the previous workshops that defined the PIDs. The resulting resolutions, in the form of PIDs and retail parity standards or benchmarks, are completely adequate, and nothing new has arisen to dictate otherwise.

The parties in the original collaboratives concluded that (1) if the SIG is properly aligned with intervals offered in the retail environment, which was thoroughly examined and discussed in SGAT workshops and is now clearly a subject of

ongoing CMP activities, then (2) OP-3 and OP-4 will both capture whether Qwest is (a) meeting those commitments, and (b) performing to assigned intervals that are consistent with the SIG. In fact, the core purpose for assigning retail parity standards or, in some cases, benchmarks, is to confirm whether the end result delivers to the CLEC service in at least the same timeliness as for retail customers.

Therefore, if Qwest is consistently *not* following the guidelines provided in the SIG, OP-3 and OP-4 will capture it. In addition, as indicated above, the original collaboratives on defining PIDs called for creating PO-15, specifically with the issue of FOC due date accuracy in mind. Yet another measurement would be unnecessarily redundant and is not required. Again, PAPs will afford the opportunity for data reconciliation and audits that can capture related problems.

Finally, CLECs, themselves, have the ability (order-by-order if they desire) to determine whether FOCs assign due dates consistent with the SIG. The reason is that SIG intervals apply to non-dispatched products only.⁶ Therefore, it is the CLEC who first assigns a due date in the pre-order/ordering process, based on the published SIG. If the FOC returned for the order does not contain the same due date, the CLEC can inquire immediately, rather than waiting for the month-in-arrears, regulatory reporting of 271 results. This recognizes that the question is more of an operational question with real-time response capabilities and solutions, rather than a 271 question that appropriately has only month-old, after-the-fact reporting of results. Then, whatever the situation that results from this, OP-3 and OP-4 will capture whether or not service is being provided in the same time and manner to CLECs as for retail customers.

⁶ For dispatched products, appointment scheduler is utilized, which assigns intervals to both wholesale and retail orders on a first-come, first-served basis, as validated in the OSS test.

KPMG Proposed New PID: Service Order Accuracy

KPMG has also proposed an additional PID evaluating “the percent of Qwest Service Orders that are completely consistent with the LSR received from the CLEC, and establishes the percentage of Services Orders that must be consistent with their related LSRs.”

As part of the ROC OSS Test, Qwest did satisfy an evaluation of this specific issue. In addition, Qwest has provided information through Observation 3086 explaining the ongoing quality reviews conducted in the order processing centers. Finally, as explained above, the existing OP-5 measurement of New Service Installation Quality captures order processing errors as well as provisioning errors. There should be no need to report them separately, unless a pattern of problems exist. And even then, it would be appropriate to evaluate the situation before simply producing data, in order to determine what data and what level of detail is needed to address the particulars of what is being observed.

Nevertheless, Qwest’s response to KPMG’s proposals begins, in fact, by agreeing to develop and present proposals for new performance measurements addressing order accuracy. We expect to use as inputs, in addition to KPMG’s recommendations, similar measurements used by Verizon, SBC, and BellSouth. When the long-term PID administration process is in place and functioning, Qwest will present the draft PIDs it will have developed by then to address order accuracy.

Conclusions

In addition to the new measurements that Qwest will propose to address order accuracy, Qwest continues to offer to provide the data identified in its response to Observation 3086. With respect to manual order processing, this will provide all that is need to validate the efficacy of Qwest’s actions to improve the processes, which resulted in successfully closing the observation.

As for other new measurements, Qwest points out that, in every case, the same issues were thoroughly considered and addressed in the PIDs that have been approved to date, resulting in well over 700 measurements defined for monthly reporting to CLECs, in aggregate and by state. Rather than nearly doubling that number, the direction should be toward narrowing and simplifying PIDs with a focus toward the most critical areas.

In the context of the PAPs that will be in effect – with their provisions for ongoing performance monitoring, data reconciliation, and audits – the existing PIDs provide more than enough basis to assure that performance continues to satisfy standards and, in particular, that the steps Qwest has taken to resolve test observations about manual order entry remain effective. Then, if PID results are affected by problems, including manual order entry issues, the specific circumstances involved can help guide, an efficient, focused investigation to discover the roots of the problems and suggest solutions. There is no basis for a “shotgun” approach that dramatically multiplies the amount of data reported, without regard to whether all the additional detail will be needed every month, on into the future. To the contrary, such an expansion of reporting volume would only hinder efforts to efficiently identify and deal with performance issues. Accordingly, Qwest proposes that the remainder of concerns be addressed in long-term PID administration, in the overall context of reviewing and streamlining PIDs in an effort to improve how well and efficiently they report Qwest’s performance.