

## **Exhibit K**

# **PERFORMANCE ASSURANCE PLAN**

### **1.0 Introduction**

1.1 As set forth in this Agreement, Qwest and CLEC voluntarily agree to the terms of the following Performance Assurance Plan ("PAP"), prepared in conjunction with Qwest's application for approval under Section 271 of the Telecommunications Act of 1996 (the "Act") to offer in-region long distance service.

### **2.0 Plan Structure**

2.1 The PAP is a two-tiered, self-executing remedy plan. CLEC shall be provided with Tier 1 payments if, as applicable, Qwest does not provide parity between the service it provides to CLEC and that which it provides to its own retail customers, or Qwest fails to meet applicable benchmarks.

2.1.1 As specified in section 7.0, if Qwest fails to meet parity and benchmark standards on an aggregate CLEC basis, Qwest shall make Tier 2 payments to a Fund established by the state regulatory commission or, if required by existing law, to the state general fund.

2.2 As specified in sections 6.0 and 7.0 and Attachments 1 and 2, payment is generally on a per occurrence basis, (i.e., a set dollar payment times the number of non-conforming service events). For the performance measurements which do not lend themselves to per occurrence payment, payment is on a per measurement basis, (i.e., a set dollar payment). The level of payment also depends upon the number of consecutive months of non-conforming performance, (i.e., an escalating payment the longer the duration of non-conforming performance).

2.3 Qwest shall be in conformance with the parity standard when service Qwest provides to CLEC is equivalent to that which it provides to its retail customers. The PAP relies upon statistical scoring to determine whether any difference between CLEC and Qwest performance results is significant, that is, not attributable to simple random variation. Statistical parity shall exist when performance results for CLEC and for Qwest retail analogue result in a z-value that is no greater than the critical z-values listed in the Critical Z-Statistical Table in section 5.0

2.4 For performance measurements that have no Qwest retail analogue, agreed upon benchmarks shall be used. Benchmarks shall be evaluated using a "stare and compare" method. For example, if the benchmark is for a particular performance measurement is 95% or better, Qwest performance results must be at least 95% to meet the benchmark. Percentage benchmarks will be adjusted to round the allowable number of misses up or down to the

closest integer, except when a benchmark standard and low CLEC volume are such that a 100% performance result would be required to meet the standard and has not been attained. In such a situation, the determination of whether Qwest meets or fails the benchmark standard will be made using performance results for the month in question, plus a sufficient number of consecutive months so that a 100% performance result would not be required to meet the standard. For purposes of section 6.2, a meets or fail determined by this procedure shall count as a single month.

### **3.0 Performance Measurements**

3.1 The performance measurements included in the PAP are set forth in Attachment 1. Each performance measurement identified is defined in the Performance Indicator Definitions ("PIDs") developed in the ROC Operational Support System ("OSS") collaborative, and which are included in the SGAT at Exhibit B. The measurements have been designated as Tier 1, Tier 2, or both Tier 1 and Tier 2 and given a High, Medium, or Low designation.

### **4.0 Statistical Measurement**

4.1 Qwest uses a statistical test, namely the modified "z-test," for evaluating the difference between two means (i.e., Qwest and CLEC service or repair intervals) or two percentages (e.g., Qwest and CLEC proportions), to determine whether a parity condition exists between the results for Qwest and the CLEC(s). The modified z-tests shall be applicable if the number of data points are greater than 30 for a given measurement. For testing measurements for which the number of data points are 30 or less, Qwest will use a permutation test to determine the statistical significance of the difference between Qwest and CLEC.

4.2 Qwest shall be in conformance when the monthly performance results for parity measurements (whether in the form of means, percents, or proportions and at the equivalent level of disaggregation) are such that the calculated z-test statistics are not greater than the critical z-values as listed in Table 1, section 5.0.

4.3 Qwest shall be in conformance with benchmark measurements when the monthly performance result equals or exceeds the benchmark, if a higher value means better performance, and when the monthly performance result equals or is less than the benchmark if a lower value means better performance.

The formula for determining parity using the modified z-test is:

$$z = \text{DIFF} / \sigma_{\text{DIFF}}$$

Where:

$$\text{DIFF} = M_{\text{Qwest}} - M_{\text{CLEC}}$$

$M_{QWEST}$  = Qwest average or proportion

$M_{CLEC}$  = CLEC average or proportion

$\sigma_{DIFF}$  = square root [ $\sigma^2_{Qwest} (1/n_{CLEC} + 1/n_{Qwest})$ ]

$\sigma^2_{Qwest}$  = calculated variance for Qwest

$n_{Qwest}$  = number of observations or samples used in Qwest measurement

$n_{CLEC}$  = number of observations or samples used in CLEC measurement

The modified z-tests will be applied to reported parity measurements that contain more than 30 data points.

In calculating the difference between Qwest and CLEC performance, the above formula applies when a larger Qwest value indicates a better level of performance. In cases where a smaller Qwest value indicates a higher level of performance, the order is reversed, i.e.,  $M_{CLEC} - M_{QWEST}$ .

~~The practical application of the modified z test and critical values to per occurrence payment calculations for measures with parity standards is described in more detail in sections 8 and 9. The actual payment calculations utilize a 'parity value' for the adjusted ILEC mean, percentage, or proportion that is derived from the preceding statistical formula as follows:~~

~~Parity value = ILEC mean +/- critical value \* square root [ $\sigma^2_{Qwest} (1/n_{CLEC} + 1/n_{Qwest})$ ]~~

~~The practical application of the modified z-test and critical z-values to per occurrence payment calculations for measures with parity standards is described in more detail in sections 8 and 9. Payment calculations consider Qwest's processes and Table 1 critical z-values to determine whether Qwest's wholesale performance provided was statistically equivalent to performance Qwest provided itself. To determine this, parity values are developed. For instances where higher is better, the parity value formula is:~~

~~Parity value = ILEC mean - critical z-value \* square root [ $\sigma^2_{Qwest} (1/n_{CLEC} + 1/n_{Qwest})$ ]~~

~~In cases where lower values represent better performance, the minus sign is simply reversed.~~<sup>1</sup>

4.3.1 For parity measurements where the number of data points is 30 or less, Qwest will apply a permutation test to test for statistical significance. Permutation analysis will be applied to calculate the z-statistic using the following logic:

<sup>1</sup> [WUTC 30<sup>th</sup> Supp Order at ¶ 79, 338.](#)

Calculate the modified z-statistic for the actual arrangement of the data

Pool and mix the CLEC and Qwest data sets

Perform the following 1000 times:

Randomly subdivide the pooled data sets into two pools, one the same size as the original CLEC data set ( $n_{CLEC}$ ) and one reflecting the remaining data points, and one reflecting the remaining data points, (which is equal to the size of the original Qwest data set or  $n_{QWEST}$ ).

Compute and store the modified z-test score ( $Z_S$ ) for this sample.

Count the number of times the z-statistic for a permutation of the data is greater than the actual modified z- statistic

Compute the fraction of permutations for which the statistic for the rearranged data is greater than the statistic for the actual samples

If the fraction is greater than  $\alpha$ , the significance level of the test, the hypothesis of no difference is not rejected, and the test is passed. The  $\alpha$  shall be .05 when the critical z value is 1.645 and .15 when the critical z value is 1.04.

## 5.0 Critical Z-Value

5.1 The following table shall be used to determine the critical z-value that is referred to in section 6.0. It is based on the monthly business volume of the CLEC for the particular performance measurements for which statistic testing is being performed.

**TABLE 1: CRITICAL Z-VALUE**

CLEC volume (Sample size)	LIS Trunks, UDITs, Resale, UBL-DS1 and DS-3	All Other
1-10	1.04*	1.645
11-150	1.645	1.645
151-300	2.0	2.0
301-600	2.7	2.7
601-3000	3.7	3.7
3001 and above	4.3	4.3

\* The 1.04 applies for individual month testing for performance measurements involving LIS trunks and DS-1 and DS-3 that are UDITs, Resale, or Unbundled Loops. The performance measurements are OP-3d/e, OP-4d/e, OP-5, OP-6-4/5, MR-5a/b, MR-7d/e, and MR-8. For purposes of determining consecutive month misses, 1.645 shall be used. Where performance measurements disaggregate to zone 1 and zone 2, the zones shall be combined for purposes of statistical testing.

## 6.0 Tier 1 Payments to CLEC

6.1 Tier 1 payments to CLEC shall be made solely for the performance measurements designated as Tier 1 on Attachment 1. The payment amount for non-conforming service varies depending upon the designation of performance measurements as High, Medium, and Low and the duration of the non-conforming service condition as described below. Non-conforming service is defined in section 4.0.

6.1.1 Determination of Non-Conforming Measurements: The number of performance measurements that are determined to be non-conforming and, therefore, eligible for Tier 1 payments, are limited according to the critical z-value shown in Table 1, section 5.0. The critical z-values are the statistical standard that determines for each CLEC performance measurement whether Qwest has met parity. The critical z-value is selected from Table 1 according to the monthly CLEC volume for the performance measurement. For instance, if the CLEC sample size for that month is 100, the critical z-value is 1.645 for the statistical testing of that parity performance measurement.

6.2 Determination of the Amount of Payment: Tier 1 payments to CLEC, except as provided for in sections 6.3 and 10.0, are calculated and paid monthly based on the number of performance measurements exceeding the critical z-value. Payments will be made on either a per occurrence or per measurement basis, depending upon the performance measurement, using the dollar amounts specified in Table 2 [or 2A](#)<sup>2</sup> below. The dollar amounts vary depending upon whether the performance measurement is designated High, Medium, or Low and escalate depending upon the number of consecutive months for which Qwest has not met the standard for the particular measurement. [Tier 1 payment escalation shall be in accordance with Table 2 \[or 2A\]\(#\) below and shall not exceed the month 6 payment level.](#)<sup>3</sup>

6.2.1 The escalation of payments for consecutive months of non-conforming service will be matched month for month with de-escalation of payments for every month of conforming service. For example, if Qwest has four consecutive monthly “misses” it will make payments that escalate from month 1 to month 4 as shown in Table 2 [or 2A, if applicable](#).<sup>4</sup> If, in the next month, service meets the standard, Qwest makes no payment. A payment “indicator” de-escalates down from month 4 to month 3. If Qwest misses the following month, it will make payment at the month 3 level of Table 2 [or 2A](#)<sup>5</sup> because that is where the payment “indicator” presently sits. If Qwest misses again the following month, it will make payments that escalate back to the month 4 level. The payment level will de-escalate back to the original month 1 level only upon conforming service sufficient to move the payment “indicator” back to the month 1 level.

6.2.2 For those performance measurements listed on Attachment 2 as “Performance Measurements Subject to Per Measurement Caps,” payment to a CLEC in a single month

<sup>2</sup> [WUTC 30<sup>th</sup> Supp Order at ¶ 135, 346.](#)

<sup>3</sup> [WUTC 30<sup>th</sup> Supp Order at ¶ 70, 336.](#)

<sup>4</sup> [WUTC 30<sup>th</sup> Supp Order at ¶ 135, 346.](#)

<sup>5</sup> [Id.](#)

shall not exceed the amount listed in Table 2 below for the “Per Measurement” category. For those performance measurements listed on Attachment 2 as “Performance Measurements Subject to Per Measurement Payments,” payment to a CLEC will be the amount set forth in Table 2 below under the section labeled “per measurement.”

**TABLE 2: TIER-1 PAYMENTS TO CLEC**

Per Occurrence						
Measurement Group	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6 and each following month
High	\$150	\$250	\$500	\$600	\$700	\$800
Medium	\$ 75	\$150	\$300	\$400	\$500	\$600
Low	\$ 25	\$ 50	\$100	\$200	\$300	\$400

Per Measurement Cap						
Measurement Group	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6 and each following month
High	\$25,000	\$50,000	\$75,000	\$100,000	\$125,000	\$150,000
Medium	\$10,000	\$20,000	\$30,000	\$ 40,000	\$ 50,000	\$ 60,000
Low	\$ 5,000	\$10,000	\$15,000	\$ 20,000	\$ 25,000	\$ 30,000

**TABLE 2A: TIER-1 PAYMENTS TO CLEC – SPECIFIC PRODUCTS<sup>6</sup>**

<u>Per Occurrence</u>						
<u>Measurement Group</u>	<u>Month 1</u>	<u>Month 2</u>	<u>Month 3</u>	<u>Month 4</u>	<u>Month 5</u>	<u>Month 6 and each following month</u>
<u>DS3 – UBL</u>	<u>\$3,000</u>	<u>\$3,500</u>	<u>\$4,000</u>	<u>\$4,500</u>	<u>\$5,000</u>	<u>\$5,500</u>
<u>DS3 – UDIT</u>	<u>\$1,000</u>	<u>\$1,500</u>	<u>\$2,000</u>	<u>\$2,300</u>	<u>\$2,600</u>	<u>\$2,900</u>
<u>DS1 – UBL</u>	<u>\$ 300</u>	<u>\$ 400</u>	<u>\$ 600</u>	<u>\$ 800</u>	<u>\$ 900</u>	<u>\$1,000</u>
<u>DS1 – LIS</u>	<u>\$ 150</u>	<u>\$ 250</u>	<u>\$ 500</u>	<u>\$ 600</u>	<u>\$ 700</u>	<u>\$ 800</u>
<u>DS1 – LIS-ISP</u>	<u>\$ 150</u>	<u>\$ 250</u>	<u>\$ 500</u>	<u>\$ 600</u>	<u>\$ 700</u>	<u>\$ 800</u>
<u>DS1 – UDIT</u>	<u>\$ 150</u>	<u>\$ 250</u>	<u>\$ 500</u>	<u>\$ 600</u>	<u>\$ 700</u>	<u>\$ 800</u>
<u>Residence Resale</u>	<u>\$ 25</u>	<u>\$ 50</u>	<u>\$ 100</u>	<u>\$ 200</u>	<u>\$ 300</u>	<u>\$ 400</u>
<u>UBL-2 wire/analog</u>	<u>\$ 75</u>	<u>\$ 150</u>	<u>\$ 300</u>	<u>\$ 400</u>	<u>\$ 500</u>	<u>\$ 600</u>
<u>Business Resale</u>	<u>\$ 75</u>	<u>\$ 150</u>	<u>\$ 300</u>	<u>\$ 400</u>	<u>\$ 500</u>	<u>\$ 600</u>
<u>UNE-P</u>	<u>\$ 150</u>	<u>\$ 250</u>	<u>\$ 500</u>	<u>\$ 600</u>	<u>\$ 700</u>	<u>\$ 800</u>

<sup>6</sup> [WUTC 30<sup>th</sup> Supp Order at ¶ 135, 346.](#)

6.3 ~~For collocation, Except as specifically addressed by WAC 480-120-560, the QPAP collocation performance measures shall rely on~~ CP-2 and CP-4 performance measurements ~~shall be relied upon~~ for delineation of collocation business rules. For purposes of calculating Tier 1 payments for failure to meet collocation installation intervals, if Qwest fails to deliver the Collocation space by the required Ready for Service (RFS) date, Qwest will credit the CLEC in an amount equal to one tenth (1/10) of the total non-recurring charge for the ordered Collocation for each week beyond the required RFS data. For purposes of calculating Tier 1 payments for collocation feasibility studies that are later than the due date, ~~will have~~ a per day payment will be applied according to Table 3. ~~The per day payment will be applied to any collocation job in which the feasibility study is provided or the collocation installation is completed later than the scheduled date.~~ The calculation of the payment amount will be performed by applying the per day payment amounts as specified in Table 3. Thus, for days 1 through 10, the payment is ~~\$150~~ \$45 per day. For days 11 through 20, the payment is ~~\$300~~ \$90 per day and so on.

**TABLE 3: TIER-1 COLLOCATION FEASIBILITY STUDY PAYMENTS TO CLECS**

Days Late	<del>Completion Date</del>	Feasibility Study
1 to 10 days	<del>\$150/day</del>	\$45/day
11 to 20 days	<del>\$300/day</del>	\$90/day
21 to 30 days	<del>\$450/day</del>	\$135/day
31 to 40 days	<del>\$600/day</del>	\$180/day
More than 40 days	<del>\$1,000/day</del>	\$300/day

6.4 A minimum payment calculation shall be performed at the end of each year for each CLEC with annual order volumes of no more than 1,200. The payment shall be calculated by multiplying \$2,000 by the number of months in which at least one payment was made to the CLEC. To the extent that the actual CLEC payment for the year is less than the product of the preceding calculation, Qwest shall make an additional payment equal to the difference.

**7.0 Tier 2 Payments to the State**

7.1 Payments to the State shall be limited to the performance measurements designated in section 7.4 for Tier 2 per measurement payments and in Attachment 1 for per occurrence payments and which have at least 10 data points each month for the period payments are being calculated. Similar to the Tier 1 structure, Tier 2 measurements are categorized as High, Medium, and Low and the amount of payments for non-conformance varies according to this categorization.

7.2 Determination of Non-Conforming Measurements: The determination of non-conformance will be based upon the aggregate of all CLEC data for each Tier 2 performance measurement. Non-conforming service is defined in section 4.2 (for parity measurements) and 4.3 (for benchmark measurements), ~~except that a 1.645 critical z-value shall be used for~~

~~all parity measurements but MR-2 and OP-2~~ The number of performance measurements determined to be “non-conforming” and, therefore, eligible for Tier-2 payments, is limited according to the critical z-value shown in Table 1, section 5.0. The critical z-value is the statistical standard that determines for each performance measurement whether Qwest has met parity.

7.3 Determination of the Amount of Payment: Except as provided in section 7.4, Tier 2 payments are calculated and paid monthly based on the number of performance measurements ~~failing performance standards exceeding the critical z-value in any single month, for a third consecutive month, or if two out of three consecutive months in the 12 month period have been missed, the second consecutive month for Tier 2 measurements with Tier 1 counterparts and one month for Tier 2 measurements that do not have Tier 1 counterparts.~~<sup>7</sup> Payment will be made on either a per occurrence or per measurement basis, whichever is applicable to the performance measurement, using the dollar amounts specified in Table 4 or Table 5 below. Except as provided in section 7.4, the dollar amounts vary depending upon whether the performance measurement is designated High, Medium, or Low.

7.3.1 For those Tier 2 measurements listed on Attachment 2 as “Performance Measurements Subject to Per Measurement Caps,” payment to the State in a single month shall not exceed the amount listed in Table 4 for the “Per Measurement” category.

**TABLE 4: TIER-2 PAYMENTS TO STATE FUNDS**

Per Occurrence

Measurement Group	
High	\$500
Medium	\$300
Low	\$200

Per Measurement/Cap

Measurement Group	
High	\$75,000
Medium	\$30,000
Low	\$20,000

7.4 Performance Measurements Subject to Per Measurement Payment: The following Tier 2 performance measurements shall have their performance results measured on a region-wide (14 state) basis. Failure to meet the performance standard, therefore, will result in a per measurement payment in each of the Qwest in-region 14 states adopting this PAP. The performance measurements are:

- GA-1: Gateway Availability - IMA-GUI
- GA-2: Gateway Availability - IMA-EDI
- GA-3: Gateway Availability – EB-TA
- GA-4: System Availability – EXACT
- GA-6: Gateway Availability – GUI-Repair

<sup>7</sup> [WUTC 30<sup>th</sup> Supp Order at ¶ 86,339.](#)



PO-1: Pre-Order/Order Response Times  
 OP-2: Call Answered within Twenty Seconds – Interconnect Provisioning Center  
 MR-2: Calls Answered within Twenty Seconds – Interconnect Repair Center

GA-1 has three sub-measurements: GA-1A, GA-1B, and GA-1C. PO-1 shall have two sub-measurements: PO-1A and PO-1B. PO-1A and PO-1B shall have their transaction types aggregated together.

For these measurements, Qwest will make a Tier 2 payment based upon monthly performance results according to Table 5: Tier 2 Per Measurement Payments to State Funds.

**TABLE 5: TIER-2 PER MEASUREMENT PAYMENTS TO STATE FUNDS**

Measurement	Performance	State Payment	14 State Payment
GA-1,2,3,4,6	1% or lower	\$1,000	\$14,000
	>1% to 3%	\$10,000	\$140,000
	>3% to 5%	\$20,000	\$280,000
	>5%	\$30,000	\$420,000
PO-1	2 sec. or less	\$1,000	\$14,000
	>2 sec. to 5 sec.	\$5,000	\$70,000
	>5 sec. to 10 sec.	\$10,000	\$140,000
	>10 sec.	\$15,000	\$210,000
OP-2/MR-2	1% or lower	\$1,000	\$14,000
	>1% to 3%	\$5,000	\$70,000
	>3% to 5%	\$10,000	\$140,000
	>5%	\$15,000	\$210,000

7.5 Payment of Tier 2 Funds: Payments to a state fund shall be used for any purpose determined by the Commission that is allowed to it by state law. Qwest will maintain an identified escrow account for the State of Washington for the purposes of conducting audits or QPAP reviews and deposit any payments of Tier 2 funds for Washington State into that account, pending Commission review of the proper placement of those funds based upon its decision whether to participate in a multi-state process.<sup>8</sup> If the Commission is not permitted by state law to receive or administer Tier 2 payments, the payments shall be made to the state general fund or to such other source as may be provided for under state law.

**8.0 Step by Step Calculation of Monthly Tier 1 Payments to CLEC**

8.1 Application of the Critical Z-Values: Qwest shall identify the Tier 1 parity performance measurements that measure the service provided to CLEC by Qwest for the month in question and the critical z-value from Table 1 in section 5.0 that shall be used for purposes of statistical testing for each particular performance measurement. The statistical

<sup>8</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 162, 351.

testing procedures described in section 4.0 shall be applied. For the purpose of determining the critical z-values, each disaggregated category of a performance measurement is treated as a separate sub-measurement. The critical z-value to be applied is determined by the CLEC volume at each level of disaggregation or sub-measurement.

8.2 Performance Measurements for which Tier 1 Payment is Per Occurrence:

8.2.1 Performance Measurements that are Averages or Means:

8.2.1.1 Step 1: For each performance measurement, the ~~average or the mean that would yield the critical z-value~~ parity value described in section 4.3 shall be calculated. ~~The same denominator as the one used in calculating the z-statistic for the measurement shall be used.~~<sup>9</sup> (For benchmark measurements, the benchmark value shall be used.)

8.2.1.2 Step 2: The percentage differences between the ~~actual-CLEC~~ averages and the ~~calculated averages~~ parity value shall be calculated. The calculation is % diff = (CLEC result – ~~Calculated-Parity~~ Value)/Calculated-Parity<sup>10</sup> Value. ~~The percent difference shall be capped at a maximum of 100%. In all calculations of percent differences in sections 8.0 and 9.0, the calculated percent differences is capped at 100%.~~<sup>11</sup>

8.2.1.2 Step 3: For each performance measurement, the total number of data points shall be multiplied by the percentage calculated in the previous step and the per occurrence dollar amounts from the Tier 1 Payment Tables shall determine the payment to the CLEC for each non-conforming performance measurement.

8.2.2 Performance Measurements that are Percentages:

8.2.2.1 Step 1: For each performance measurement, the percentage ~~that would yield the critical z-value~~ determined by the parity value described in section 4.3 shall be calculated. ~~The same denominator as the one used in calculating the z-statistic for the measurement shall be used.~~<sup>12</sup> (For benchmark measurements, the benchmark value shall be used.)

8.2.2.2 Step 2: The difference between the actual percentages for the CLEC and the ~~calculated-parity value~~<sup>13</sup> percentages shall be determined.

8.2.2.3 Step 3: For each performance measurement, the total number of data points shall be multiplied by the difference in percentage calculated in the previous step, and the per occurrence dollar amount taken from the Tier 1 Payment Tables, to determine the payment to the CLEC for each non-conforming performance measurement.

<sup>9</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 79, 338.

<sup>10</sup> Id.

<sup>11</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 78, 337.

<sup>12</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 79, 338.

<sup>13</sup> Id.

### 8.2.3 Performance Measurements that are Ratios or Proportions:

8.2.3.1 Step 1: For each performance measurement the ratio ~~that would yield the critical z-value determined by the parity value described in section 4.3~~ shall be calculated. ~~The same denominator as the one used in calculating the z-statistic for the measurement shall be used.~~<sup>14</sup> (For benchmark measurements, the benchmark value shall be used.)

8.2.3.2 Step 2: The absolute difference between the actual rate for the CLEC and the ~~calculated parity value~~<sup>15</sup> rate shall be determined.

8.2.3.3 Step 3: For each performance measurement, the total number of data points shall be multiplied by the difference calculated in the previous step, and the per occurrence dollar amount taken from the Tier 1 Payment Tables, to determine the payment to the CLEC for each non-conforming performance measurement.

### 8.3 Performance Measurements for which Tier 1 Payment is Per Measure:

8.3.1 For each performance measurement where Qwest fails to meet the standard, the payment to the CLEC shall be the dollar amount shown on the “per measure” portion of Table 2: Tier 1 Payments to CLEC.

## 9.0 Step by Step Calculation of Monthly Tier 2 Payments to State Funds

~~9.1 Application of the Critical Z-Values: Qwest shall identify the Tier 2 parity performance measurements that measure the service provided to all CLECs by Qwest for the month in question and the critical z-value from Table 1 in section 5.0 that shall be used for purposes of statistical testing for each particular performance measurement. There must be at least 10 data points each month for each particular performance measurement. The statistical testing procedures described in section 4.0 shall be applied. For the purpose of determining the critical z-values, each disaggregated category of a performance measurement is treated as a separate sub-measurement. The critical z-value to be applied is determined by the CLEC volume at each level of disaggregation or sub-measurement.~~

~~9.1.1 Application of the Critical Z-Value: Qwest shall identify the Tier 2 parity performance measurements that measure the service provided by Qwest to all CLECs for the month in question shall be determined. The statistical testing procedures described in section 4.0 shall be applied, except that a 1.645 critical z-value shall be used for all parity measurements but MR-2 and OP-2.~~

~~9.1.2 To determine if Tier 2 payments for performance measurements listed on Attachment 1 shall be made in the current month, the following shall be determined. For Tier 2 measurements that have Tier 1 counterparts, it shall be determined whether Qwest missed the~~

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<sup>14</sup> Id.

<sup>15</sup> Id.

~~performance standard for three consecutive months, or if any two out of three consecutive months for the 12-month period, for two consecutive months. For Tier 2 measurements that do not have Tier 1 counterparts, it shall be determined whether Qwest missed the performance standard for three consecutive months, or if any two out of three consecutive months for the 12-month period, for the current month. If any of these conditions are met and there are at least 10 data points for the measurement in each month, a Tier 2 payment will be calculated and paid as described below and will continue in each succeeding month until Qwest's performance meets the applicable standard.<sup>16</sup>~~

9.2 Performance Measurements for which Tier 2 Payment is Per Occurrence:

9.2.1 Performance Measurements that are Averages or Means:

9.2.1.1 Step 1: ~~The monthly average or the mean for each performance measurement that would yield the critical-z value for each month parity value described in section 4.3 shall be calculated. The same denominator as the one used in calculating the z-statistic for the measurement shall be used.<sup>17</sup>~~ (For benchmark measurements, the benchmark value shall be used.)

9.2.2.2 Step 2: The percentage difference between the ~~actual-CLEC averages and the calculated-parity value averages~~ for each month shall be calculated. The calculation for parity measurements is % diff = ~~(actual-CLEC average – calculated-average parity value)/calculated-average parity value.<sup>18</sup>~~ ~~The percent difference shall be capped at a maximum of 100%. In all calculations of percent differences in section 8.0 and section 9.0, the calculated percent difference is capped at 100%.<sup>19</sup>~~

9.2.2.3 Step 3: For each performance measurement, the total number of data points each month shall be multiplied by the percentage calculated in the previous step. The average for three months (rounded to the nearest integer) shall be calculated and multiplied by the result of the per occurrence dollar amount taken from the Tier 2 Payment Table to determine the payment to the State for each non-conforming performance measurement.

9.3 Performance Measurements that are Percentages:

9.3.1 Step 1: For each performance measurement, the monthly percentage ~~that would yield the critical-z value determined by the parity value described in section 4.3~~ for each month shall be calculated. ~~The same denominator as the one used in calculating the z-statistic for the measurement shall be used.<sup>20</sup>~~ (For benchmark measurements, the benchmark value shall be used.)

<sup>16</sup> ~~WUTC 30<sup>th</sup> Supp Order at ¶ 86, 339.~~

<sup>17</sup> ~~WUTC 30<sup>th</sup> Supp Order at ¶ 79, 338.~~

<sup>18</sup> ~~Id.~~

<sup>19</sup> ~~WUTC 30<sup>th</sup> Supp Order at ¶ 78, 337.~~

<sup>20</sup> ~~WUTC 30<sup>th</sup> Supp Order at ¶ 79, 338.~~

9.3.1.2 Step 2: The difference between the ~~actual-CLEC~~ percentages and the ~~calculated parity value percentages-percentage~~ for each ~~of the three~~-non-conforming months shall be calculated. The calculation for parity measurement is  $\text{diff} = (\text{CLEC result} - \text{calculated-parity value}^{21} \text{ percentage})$ . This formula shall be applicable where a high value is indicative of poor performance. The formula shall be reversed where high performance is indicative of good performance.

9.3.1.3 Step 3: For each performance measurement, the total number of data points ~~for each month~~ shall be multiplied by the difference in percentage calculated in the previous step. The ~~amount average for three months shall be calculated~~ (rounded to the nearest integer) and is then multiplied by the result of the per occurrence dollar amounts taken from the Tier 2 Payment Table to determine the payment to the State.

#### 9.4 Performance Measurements that are Ratios or Proportions:

9.4.1 Step 1: For each performance measurement, the ratio ~~that would yield the critical z-value determined by the parity value described in section 4.3~~ for each month shall be calculated. ~~The same denominator as the one used in calculating the z-statistic for the measurement shall be used.~~<sup>22</sup> (For benchmark measurements, the benchmark value shall be used.)

9.4.1.1 Step 2: The difference between the actual rate for the CLEC and the ~~calculated-parity value~~ rate for each month of the non-conforming three-month period shall be calculated. The calculation is:  $\text{diff} = (\text{CLEC rate} - \text{calculated-parity value}^{23} \text{ rate})$ . This formula shall apply where a high value is indicative of poor performance. The formula shall be reversed where high performance is indicative of good performance.

9.4.1.2 Step 3: For each performance measurement, the total number of data points shall be multiplied by the difference calculated in the previous step for each month. The average for three months shall be calculated (rounded to the nearest integer) and multiplied by the result of the per occurrence dollar amounts taken from the Tier 2 Payment Table to determine the payment to the State.

#### 9.5 Performance Measurements for which Tier 2 Payment is Per Measure:

9.5.1 For each performance measurement where Qwest fails to meet the standard, the payment to the State Fund shall be the dollar amount shown on the “per measure” portion of the Tier 2 Payment Table.

## 10.0 Low Volume, Developing Markets

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<sup>21</sup> Id.

<sup>22</sup> Id.

<sup>23</sup> Id.

10.1 For certain qualifying performance standards, if the aggregate monthly volumes of CLECs participating in the PAP are more than 10, but less than 100, Qwest will make Tier 1 payments to CLECs for failure to meet the parity or benchmark standard for the qualifying performance sub-measurements. The qualifying sub-measurements are the UNE-P (POTS), megabit resale, and ADSL qualified loop product disaggregation of OP-3, OP-4, OP-5, MR-3, MR-5, MR-7, and MR-8. If the aggregate monthly CLEC volume is greater than 100, the provisions of this section shall not apply to the qualifying performance sub-measurement.

10.2 The determination of whether Qwest has met the parity or benchmark standards will be made using aggregate volumes of CLECs participating in the PAP. In the event Qwest does not meet the applicable performance standards, a total payment to affected CLECs will be determined in accordance with the high, medium, low designation for each performance measurement (see Attachment 1) and as described in section 8.0, except that CLEC aggregate volumes will be used. In the event the calculated total payment amount to CLECs is less than \$5,000, a minimum payment of \$5,000 shall be made. The resulting total payment amount to CLECs will be apportioned to the affected CLECs based upon each CLEC's relative share of the number of total service misses.

10.3 At the six (6)-month reviews, Qwest will consider adding to the above list of qualifying performance sub-measurements, new products disaggregation representing new modes of CLEC entry into developing markets.

## 11.0 Payment

11.1 Payments to CLEC or the State, except as provided in section 11.3, shall be made one month following the due date of the performance measurement report for the month for which payment is being made. Qwest will pay interest on any late payment and underpayment at the prime rate as reported in the Wall Street Journal. Interest on any late payments and underpayments shall not be included in assessments of the annual cap described in section 12.1. On any overpayment, Qwest is allowed to offset future payments by the amount of the overpayment plus interest at the prime rate.

11.2 All payments shall be in cash. Qwest shall be allowed through the use of electronic fund transfers to CLECs and the State. Qwest shall be able to offset cash payments to CLECs with bill credits applied against any non-disputed charges that are more than 90 days past due.<sup>24</sup>

~~Payment to CLEC shall be made via bill credits. Bill credits shall be identified on a summary format substantially similar to that distributed as a prototype to the CLECs and the Commissions. To the extent that a monthly payment owed to CLEC under this PAP exceeds the amount owed to Qwest by CLEC on a monthly bill, Qwest will issue a check or wire~~

<sup>24</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 220, 358.

~~transfer to CLEC in the amount of the overage. Payment to the State shall be made via check or wire transfer.~~

11.3 ~~A Special Fund shall be created for the purpose of (a) payment of an independent auditor and audit costs as specified in section 15.0, (b) payment of an independent arbitrator to resolve disputes arising out of the six-month review as described in section 16.0, and (c) payment of other expenses incurred by the participating Commissions in the regional administration of the PAP. This PAP does not prohibit the Commission from directing the establishment of an identified escrow account or other fund, and or contributing a portion of Tier 2 funds to the escrow account for the purpose of funding a multi-state process to review and audit the PAP.<sup>25</sup>~~

11.3.1 Qwest shall establish the Special Fund as an interest bearing escrow account upon the first FCC section 271 approval of the PAP applicable to a participating state Commission. Qwest shall be authorized to withhold and deposit into the Special Fund one-fifth of all Tier 1 payments to CLECs that exceed the month 1 payment amounts in Table 2 and one-third of all Tier 2 payments. The cost of the escrow account will be paid for from account funds.

11.3.2 Commissions participating in the Special Fund shall appoint a person designated to administer and authorize disbursement of funds. All claims against the fund shall be presented to the Commissions' designates and shall be the responsibility of the participating Commissions. Disbursements from the Special Fund shall first be from Tier 2 funds and second from Tier 1 funds. Not less than every two years, Tier 1 funds that are not needed to meet the continuing obligations of the Special Fund shall be returned on a pro-rata basis to CLECs.

11.3.3 Qwest shall advance funds, not to exceed \$200,000, to meet initial claims against the Special Fund to the extent Tier 1 and Tier 2 contributions are insufficient. Qwest shall be allowed to recover any such advances plus interest at the rate that the escrow account would have earned.

## 12.0 Cap on Tier 1 and Tier 2 Payments

12.1 There shall be a cap on the total payments made by Qwest for a 12 month period beginning with the effective date of the PAP for the State of Washington. The annual cap for the State of Washington shall be \$81,000,000 (36% of the 1999 ARMIS Net Return), ~~subject to any applicable adjustment permitted pursuant to section 12.2.~~ The cap shall be recalculated each year based on the prior year's Washington ARMIS results. Qwest shall submit to the Commission the calculation of each year's cap no later than 30 days after the submission of ARMIS results to the FCC.<sup>26</sup> CLEC agrees that this amount constitutes a maximum annual cap that shall apply to the aggregate total of Tier 1 liquidated damages, including any such damages paid pursuant to this Agreement, any other interconnection

<sup>25</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 161, 352.

<sup>26</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 51, 56, 335.

agreement, or any other payments made for the same underlying activity or omission under any other contract, order or rule and Tier 2 assessments or payments made by Qwest. ~~for the same underlying activity or omission under any other contract, order or rule. Subject to the limitations in section 13 of this Agreement, the following shall not count toward the cap: any penalties imposed by the Commission; any penalties imposed directly by this Agreement for failure to report, failure to report timely, or failure to report accurately; and any interest payments for underpayment.~~<sup>27</sup>

~~12.2—The 36% annual cap may be increased to 44% or decreased to 30% of 1999 ARMIS Net Return as follows:~~<sup>28</sup>

~~12.2.1—An increase in the cap of a maximum of 4 percentage points at any one time (i.e., first to 40 percent) shall occur upon order by the Commission if the cap has been exceeded for any consecutive period of 24 months by that same 4 percent or more, provided that: (a) the Commission has determined that the preponderance of the evidence shows Qwest could have remained beneath the cap through reasonable and prudent effort, and (b) the Commission has made that determination after having available to it on the record the results of audits and root cause analyses, and provided an opportunity for Qwest to be heard.~~<sup>29</sup>

~~12.2.2—A decrease in the cap of a maximum of 4 percentage points at any one time shall occur upon order by the Commission after performance for any consecutive period of 24 months in which total payments are 8 or more percentage points below the cap amount, provided that: (a) the Commission has determined that the preponderance of the evidence shows the performance results underlying those payments results from an adequate Qwest commitment to meeting its responsibilities to provide adequate wholesale service and to keeping open its local markets and (b) the Commission shall have made that determination after providing all interested parties an opportunity to be heard.~~<sup>30</sup>

~~12.2.3—The provisions of 12.2.1 and 12.2.2 shall be in effect for the next 24 month period commencing with the end of the 24 month period upon which the Commission's order is based.~~<sup>31</sup>

12.32 If the annual cap is reached, each CLEC shall, as of the end of the year, be entitled to receive the same percentage of its total calculated Tier 1 payments. In order to preserve the operation of the annual cap, the percentage equalization shall take place as follows:

12.32.1 The amount by which any month's total year-to-date Tier 1 and Tier 2 payments exceeds the cumulative monthly cap (defined as 1/12<sup>th</sup> of the annual cap times the cumulative number of months to date) shall be calculated and apportioned between Tier 1 and Tier 2

<sup>27</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 98, 341, 109, 342.

<sup>28</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 63.

<sup>29</sup> Id.

<sup>30</sup> Id.

<sup>31</sup> Id.



according to the percentage that each bore of total payments for the year-to-date. The Tier 1 apportionment resulting of this calculation shall be known as the "Tracking Account."

12.32.2 The Tier 1 apportionment shall be debited against the monthly payment due to each CLEC, by applying to the year-to-date payments received by each the percentage necessary to generate the required total Tier 1 amount.

12.32.3 The Tracking Amount shall be apportioned among all CLECs so as to provide each with payments equal in percentage of its total year to date Tier 1 payment calculations.

12.32.4 This calculation shall take place in the first month that the year-to-date total Tier 1 and Tier 2 payments are expected to exceed the cumulative monthly cap and for each month of that year thereafter. Qwest shall recover any debited amounts by reducing payments due from any CLEC for that and any succeeding months, as necessary.

### 13.0 Limitations

13.1 The PAP shall not become available in the State unless and until Qwest receives effective section 271 authority from the FCC for that State.

13.2 Qwest will not be liable for Tier 1 payments to CLEC in an FCC approved state until the Commission has approved an interconnection agreement between CLEC and Qwest which adopts the provisions of this PAP.

13.3 The Commission will determine whether a request for waiver of payment obligations will be granted. Qwest must file any waiver request with the Commission no later than the last business day of the month after the month in which payments are being disputed.<sup>32</sup> If such waiver is granted, Qwest shall not be obligated to make Tier 1 or Tier 2 payments for any measurement if and to the extent that non-conformance for that measurement was the result of any of the following: 1) with respect to performance measurements with a benchmark standard, a Force Majeure event as defined in section 5.7 of the SGAT. Qwest will provide notice of the occurrence of a Force Majeure event within 72 hours of the time Qwest learns of the event or within a reasonable time frame that Qwest should have learned of it; 2) an act or omission by a CLEC that is contrary to any of its obligations under its interconnection agreement with Qwest or under federal or state law; an act or omission by CLEC that is in bad faith. Examples of bad faith conduct include, but are not limited to: unreasonably holding service orders and/or applications, "dumping" orders or applications in unreasonably large batches, "dumping" orders or applications at or near the close of a business day, on a Friday evening or prior to a holiday, and failing to provide timely forecasts to Qwest for services or facilities when such forecasts are explicitly required by the SGAT; 3) problems associated with third-party systems or equipment, which could not have been avoided by Qwest in the exercise of reasonable diligence, *provided, however*, that this third

<sup>32</sup> [WUTC 30<sup>th</sup> Supp Order at ¶ 208.357.](#)

party exclusion will not be raised in the State more than three times within a calendar year. If a Force Majeure event or other excusing event recognized in this section merely suspends Qwest's ability to timely perform an activity subject to a performance measurement that is an interval measure, the applicable time frame in which Qwest's compliance with the parity (excluding Force Majeure events) or <sup>33</sup>parity or <sup>34</sup>benchmark criterion is measured will be extended on an hour-for-hour or day-for-day basis, as applicable, equal to the duration of the excusing event.

13.3.1 Qwest will not be excused from Tier 1 or Tier 2 payments for any reason except as described in Section 13.0. Qwest will have the burden of demonstrating that its non-conformance with the performance measurement was excused on one of the grounds described in this PAP. A party may petition the Commission to require Qwest to deposit dispute payments into an escrow account when the requesting party can show cause, such as commercial uncertainty.

13.3.2 Notwithstanding any other provision of this PAP, it shall not excuse performance that Qwest could reasonably have been expected to deliver assuming that it had designed, implemented, staffed, provisioned, and otherwise provided for resources reasonably required to meet foreseeable volumes and patterns of demands upon its resources by CLECs.

13.4 Qwest's agreement to implement these enforcement terms, and specifically its agreement to pay any "liquidated damages" or "assessments" hereunder, will not be considered as an admission against interest or an admission of liability in any legal, regulatory, or other proceeding relating in whole or in part to the same performance.

13.4.1 CLEC may not use: 1) the existence of this enforcement plan; or 2) Qwest's payment of Tier -1 "liquidated damages" or Tier 2 "assessments" as evidence that Qwest has discriminated in the provision of any facilities or services under Sections 251 or 252, or has violated any state or federal law or regulation. Qwest's conduct underlying its performance measures, however are not made inadmissible by its terms.

13.4.2 By accepting this performance remedy plan, CLEC agrees that Qwest's performance with respect to this remedy plan may not be used as an admission of liability or culpability for a violation of any state or federal law or regulation. (Nothing herein is intended to preclude Qwest from introducing evidence of any Tier 1 "liquidated damages" under these provisions for the purpose of offsetting the payment against any other damages or payments a CLEC might recover.) The terms of this paragraph do not apply to any proceeding before the Commission or the FCC to determine whether Qwest has met or continues to meet the requirements of section 271 of the Act.

13.5 By incorporating these liquidated damages terms into the PAP, Qwest and CLEC accepting this PAP agree that proof of damages from any non-conforming performance

<sup>33</sup> [WUTC 33<sup>rd</sup> Supp Order at ¶ 78, 114.](#)

<sup>34</sup> [WUTC 30<sup>th</sup> Supp Order at ¶ 208, 357.](#)

measurement would be difficult to ascertain and, therefore, liquidated damages are a reasonable approximation of any contractual damages that may result from a non-conforming performance measurement. Qwest and CLEC further agree that Tier 1 payments made pursuant to this PAP are not intended to be a penalty. The application of the assessments and damages provided for herein is not intended to foreclose other noncontractual legal and non-contractual regulatory claims and remedies that may be available to a CLEC.

~~13.6 ——— This PAP contains a comprehensive set of performance measurements, statistical methodologies, and payment mechanisms that are designed to function together, and only together, as an integrated whole. To elect the PAP, CLEC must adopt the PAP in its entirety, in its interconnection agreement with Qwest. By electing remedies under the PAP, CLEC waives any causes of action based on a contractual theory of liability, and any right of recovery under any other theory of liability (including but not limited to a regulatory rule or order) to the extent such recovery is related to harm compensable under a contractual theory of liability (even though it is sought through a noncontractual claim, theory, or cause of action). When CLEC elects the PAP, the PAP shall replace any other service standards and/or accompanying liquidated damages contained in the contract for the same underlying activity or omission.~~

13.6 This PAP contains a comprehensive set of performance ~~sub~~measurements, statistical methodologies, and payment mechanisms that are designed to function together, and only together as an integrated whole. To elect the PAP, CLEC must adopt the PAP in its entirety, in its interconnection agreement with Qwest in lieu of other alternative standards or relief, except as stated in sections 13.6.1, 13.6.2, and 13.7.<sup>35</sup> ~~A CLEC may elect either: (a) the remedies otherwise available at law, or (b) those available under the QPAP and other remedies as limited by the QPAP.~~<sup>36</sup>

13.6.1 In electing the PAP, CLEC shall surrender any rights to remedies under state wholesale service quality rules or under any interconnection agreement designed to provide such monetary relief for the same performance issues addressed by the PAP. The PAP shall not limit either non-contractual legal or non-contractual regulatory remedies that may be available to CLEC.<sup>37</sup> ~~Before CLEC shall be able to file an action seeking contract damages that flow from an alleged failure to perform in an area specifically measured and regulated by the CPAP, CLEC must first seek permission through the Dispute Resolution Process set forth in SGAT section 5.18 to proceed with the action. This permission shall be granted only if CLEC can present a reasonable theory of damages for the non-conforming performance at issue and evidence of real world economic harm that, as applied over the preceding six months, establishes that the actual payments collected for non-conforming performance in the relevant area do not address the extent of the competitive harm. If CLEC can make this showing, it shall be permitted to proceed with the action.~~<sup>38</sup>

<sup>35</sup> WUTC 33<sup>rd</sup> Supp Order at ¶ 66, 113.

<sup>36</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 195, 355.

<sup>37</sup> WUTC 33<sup>rd</sup> Supp Order at ¶ 66, 113.

<sup>38</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 195, 355.

13.6.2 Tier 1 payments to CLECs are in the nature of liquidated damages. Before CLEC shall be able to file an action seeking contract damages that flow from an alleged failure to perform in an area specifically measured and regulated by the PAP, CLEC must first seek permission through the Dispute Resolution Process set forth in Section 5.18 of the SGAT. This permission shall be granted only if CLEC can present a reasonable theory of damages for the non-conforming performance at issue and evidence of real world economic harm that, as applied over the preceding six months, establishes that the actual payments collected for non-conforming performance in the relevant area do not redress the extent of the competitive harm. If CLEC can make this showing, it shall be permitted to proceed with this action. Any damages awarded through this action shall be offset with payments made under this PAP. If the CLEC cannot make this showing, the action shall be barred. To the extent that CLEC's contract action relates to an area of performance not addressed by the PAP, no such procedural requirement shall apply.<sup>39</sup>

~~13.7 13.7 ——— If for any reason CLEC agreeing to this PAP is awarded compensation for the same underlying activity or omission for which Tier 1 assessments are made under this PAP, Qwest may offset the award with amounts paid under this PAP or offset future payments due under the PAP by the amount of any such award. If for any reason CLEC agreeing to this PAP is awarded compensation for the same harm for which it received payments under the PAP, the court or other adjudicatory body hearing such claim may offset the damages resulting from such claim against payments made for the same harm. Only that relevant finder of fact, and not Qwest in its discretion, can judge what amount, if any, of PAP payments should be offset from any judgment for a CLEC in a related action.~~<sup>40</sup> ~~This section is not intended to permit offset of those portions of any damages allowed by noncontractual theories of liability that are not also recoverable under contractual theories of liability. Nothing in this PAP shall be read as permitting an offset related to Qwest payments related to CLEC or third-party physical damage to property or personal injury.~~

~~13.8 Qwest shall not be liable for both Tier 2 payments under the PAP and assessments, sanctions, or other payments for the same underlying activity or omission pursuant to any Commission order or service quality rules. If Qwest believes that some Tier 2 payments duplicate payments that are made to the state under other service quality rules, Qwest may make the payments to a special interest bearing escrow account and then dispute the payments before the Commission. If Qwest can show that the payments are indeed duplicative, it may retain the money (and its interest) that indeed duplicated other state payments. Otherwise the money will be paid as Tier 2 payments.~~<sup>41</sup>

13.9 Whenever a Qwest Tier 1 payment to an individual CLEC exceeds \$3 million in a month, Qwest may commence a proceeding to demonstrate why it should not be required to

<sup>39</sup> WUTC 33<sup>rd</sup> Supp Order at ¶ 66, 113.

<sup>40</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 202, 356.

<sup>41</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 109, 342.

pay any amount in excess of the \$3 million. Upon timely commencement of the proceeding, Qwest must pay the balance of payments owed in excess of \$3 million into escrow, to be held by a third-party pending the outcome of the proceeding. To invoke these escrow provisions, Qwest must file, not later than the due date of the Tier 1 payments, its application. Qwest will have the burden of proof to demonstrate why, under the circumstances, it would be unjust to require it to make the payments in excess of \$3 million. If Qwest reports non-conforming performance to CLEC for three consecutive months on 20% or more of the measurements reported to CLEC and has incurred no more than \$1 million in liability to CLEC, then CLEC may commence a similar proceeding. In any such proceeding CLEC will have the burden of proof to demonstrate why, under the circumstances, justice requires Qwest to make payments in excess of the amount calculated pursuant to the terms of the PAP. The disputes identified in this section shall be resolved in a manner specified in the Dispute Resolution section of the SGAT or interconnection agreement with the CLEC.

#### 14.0 Reporting

14.1 Upon receiving effective section 271 authority from the FCC for a state, Qwest will provide CLEC that has an approved interconnection agreement with Qwest, a monthly report of Qwest's performance for the measurements identified in the PAP by the last day of the month following the month for which performance results are being reported. However, Qwest shall have a grace period of five business days, so that Qwest shall not be deemed out of compliance with its reporting obligations before the expiration of the five business day grace period. Qwest will collect, analyze, and report performance data for the measurements listed on Attachment 1 in accordance with the most recent version of the PIDs. Upon CLEC's request, data files of the CLEC's raw data, or any subset thereof, will be transmitted, without charge, to CLEC in a mutually acceptable format, protocol, and transmission medium.

14.2 Qwest will also provide paper and electronic copies of monthly reports of aggregate CLEC performance results to the Commission and Public Counsel<sup>42</sup>, and relevant parties upon request a monthly report of aggregate CLEC performance results<sup>43</sup> pursuant to the PAP by the last day of the month following the month for which performance results are being reported. However, Qwest shall have a grace period of five business days, so that Qwest shall not be deemed out of compliance with its reporting obligations before the expiration of the five business day grace period. Qwest will make the State aggregate CLEC performance results available to the public on its website.<sup>44</sup> Individual CLEC reports of participating CLECs will also be available to the Commission upon request. By accepting this PAP, CLEC consents to Qwest providing CLEC's report and raw data to the State Commission. Pursuant to the terms of an order of the Commission, Qwest may provide CLEC-specific data that relates to the PAP, provided that Qwest shall first initiate any procedures necessary to protect the confidentiality and to prevent the public release of the information pending any applicable Commission procedures and further provided that Qwest provides such notice as the

<sup>42</sup> WUTC 33<sup>rd</sup> Supp Order at ¶ 87.

<sup>43</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 244, 361.

<sup>44</sup> WUTC 33<sup>rd</sup> Supp Order at ¶ 87.

Commission directs to the CLEC involved, in order to allow it to prosecute such procedures to their completion. Data files of participating CLEC raw data, or any subset thereof, will be transmitted, without charge, to the Commission in a mutually acceptable format, protocol, and transmission form.

14.3 In the event Qwest does not provide CLEC and the Commission with a monthly report by the last day of the month following the month for which performance results are being reported, Qwest will pay to the State a total of \$500 for each business day for which performance reports are 6 to 10 business days past the due date; \$1,000 for each business day for which performance reports are 11 to 15 business days past the due date; and \$2,000 for each business day for which performance results are more than 15 business days past the due date. If reports are on time but are missing performance results, Qwest will pay to the State a total of one-fifth of the late report amount for each missing performance measurement, subject to a cap of the full late report amount. These amounts represent the total payments for omitting performance measurements or missing any report deadlines, rather than a payment per report. Prior to the date of a payment for late reports, Qwest may file a request for a waiver of the payment, which states the reasons for the waiver. The Commission may grant the waiver, deny the waiver, or provide any other relief that may be appropriate. Any payments made by Qwest in accordance with this section shall be excluded from assessments under the annual cap.<sup>45</sup>

14.4 ~~To the extent that Qwest recalculates payments made under this PAP, such recalculation shall be limited to the preceding three years (measured from the later of the provision of a monthly credit statement or payment due date). Qwest shall retain sufficient records to demonstrate fully the basis for its calculations for long enough to meet this potential recalculation obligation. CLEC verification or recalculation efforts should be made reasonably contemporaneously with Qwest measurements. Qwest shall retain for a three year period (measured from the monthly payment due dates) sufficient records to demonstrate fully the basis of its calculations for making payments under this PAP.~~<sup>46</sup> In any event, Qwest shall maintain the records in a readily useable form for one year. For the remaining two years, the records may be retained in archived format. Any payment adjustments shall be subject to the interest rate provisions of section 11.1.

## 15.0 Integrated Audit Program/Investigations of Performance Results

~~15.1 Audits of the PAP shall be conducted in a two year cycle under the auspices of the participating Commissions in accordance with a detailed audit plan developed by an independent auditor retained for a two year period. The participating Commissions shall select the independent auditor with input from Qwest and CLECs.~~

<sup>45</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 98, 341.

<sup>46</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 229, 359.

~~15.1.1—The participating Commissions shall form an oversight committee of Commissioners who will choose the independent auditor and approve the audit plan. Any disputes as to the choice of auditor or the scope of the audit shall be resolved through a vote of the chairs of the participating commissions pursuant to Section 15.1.4.~~

~~15.1.2—The audit plan shall be conducted over two years. The audit plan will identify the specific performance measurements to be audited, the specific tests to be conducted, and the entity to conduct them. The audit plan will give priority to auditing the higher risk areas identified in the OSS report. The two year cycle will examine risks likely to exist across that period and the past history of testing, in order to determine what combination of high and more moderate areas of risk should be examined during the two year cycle. The first year of a two year cycle will concentrate on areas most likely to require follow up in the second year.~~

~~15.1.3—The audit plan shall be coordinated with other audit plans that may be conducted by other state commissions so as to avoid duplication, shall not impede Qwest's ability to comply with the other provisions of the PAP and should be of a nature and scope that can be conducted in accordance with the reasonable course of Qwest's business operations.~~

~~15.1.4—Any dispute arising out of the audit plan, the conduct of the audit, or audit results shall be resolved by the oversight committee of Commissioners. Decisions of the oversight committee of Commissioners may be appealed to a committee of the chairs of the participating Commissions.~~

~~15.2—Qwest may make management processes more accurate or more efficient to perform without sacrificing accuracy. These changes are at Qwest's discretion but will be reported to the independent auditor in quarterly meetings in which the auditor may ask questions about changes made in the Qwest measurement regimen. The meetings, which will be limited to Qwest and the independent auditor, will permit an independent assessment of the materiality and propriety of any Qwest changes, including, where necessary, testing of the change details by the independent auditor. The information gathered by the independent auditor may be the basis for reports by the independent auditor to the participating Commissions and, where the commissions deem it appropriate, to other participants.~~

~~15.3—In the event of a disagreement between Qwest and CLEC as to any issue regarding the accuracy or integrity of data collected, generated, and reported pursuant to the PAP, Qwest and the CLEC shall first consult with one another and attempt in good faith to resolve the issue. If an issue is not resolved within 45 days after a request for consultation, CLEC and Qwest may, upon a demonstration of good cause, (e.g., evidence of material errors or discrepancies) request an independent audit to be conducted, at the initiating party's expense. The independent auditor will assess the need for an audit based upon whether there exists a material deficiency in the data or whether there exists an issue not otherwise addressed by the audit plan for the current cycle. The dispute resolution provision of section 18.0 is available to any party questioning the independent auditor's decision to conduct or not conduct a CLEC requested audit and the audit findings, should such an audit be conducted. An audit may not proceed until dispute resolution is completed. Audit findings will include: (a) general~~

~~applicability of findings and conclusions (i.e., relevance to CLECs or jurisdictions other than the ones causing test initiation), (b) magnitude of any payment adjustments required and, (c) whether cost responsibility should be shifted based upon the materiality and clarity of any Qwest non-conformance with measurement requirements (no pre-determined variance is appropriate, but should be based on the auditor's professional judgment). CLEC may not request an audit of data more than three years from the later of the provision of a monthly credit statement or payment due date.~~

~~15.4— Expenses for the audit of the PAP and any other related expenses, except that which may be assigned under section 15.3, shall be paid first from the Tier 2 funds in the Special Fund. The remainder of audit expenses will be paid one half from Tier 1 funds in the Special Fund and one half by Qwest.~~

~~15.5— Qwest will investigate any second consecutive Tier 2 miss to determine the cause of the miss and to identify the action needed in order to meet the standard set forth in the performance measurements. To the extent an investigation determines that a CLEC was responsible in whole or in part for the Tier 2 misses, Qwest shall receive credit against future Tier 2 payments in an amount equal to the Tier 2 payments that should not have been made. The relevant portion of subsequent Tier 2 payments will not be owed until any responsible CLEC problems are corrected. For the purposes of this sub-section, Tier 1 performance measurements that have not been designated as Tier 2 will be aggregated and the aggregate results will be investigated pursuant to the terms of this Agreement.~~

15.1 Any party may request that the Commission conduct an audit of performance results or performance measures. The Commission will determine, based upon requests and upon its own investigation, which results and/or measures should be audited. The Commission may, at its discretion, conduct audits through participation in a collaborative process with other states. Any audit requested pursuant to this section shall be coordinated with other audits including audits planned or conducted by the regional audit program or pursuant to any other PAP, shall be planned and conducted so as to avoid duplication and interference with Qwest's ability to comply with the other provisions of the PAP, and shall be of a nature and scope that it can be conducted within the reasonable course of Qwest's business. In order to avoid the unnecessary duplication of other audits, Qwest shall make the audit results of performance measurements in the QPAP available to the Commission.

15.2 The costs of auditing will be paid for from Tier 2 funds. If such funds are insufficient, the Commission may require that a portion of Tier 1 escalated payments be set aside for auditing programs.

15.3 Qwest must report to the Commission monthly any changes it makes to the automated or manual processes used to produce performance results including data collection, generation, and reporting. The reports must include sufficient detail to enable the parties to understand the scope and nature of the changes.



15.4 In the event of a dispute between Qwest and any CLEC regarding the accuracy or integrity of data collected, generated, and reported pursuant to the QPAP, Qwest and the CLEC will first consult with one another and attempt to resolve the dispute. If the issue is not resolved within 45 days, either party may request that the Commission consider the matter.

15.5. Any party may petition the Commission to request that Qwest investigate any consecutive Tier 1 miss or any second consecutive Tier 2 miss to determine the cause of the miss and to identify the action needed in order to meet the standard set forth in the performance measurements. Qwest will report the results of its investigation to the Commission, and to the extent an investigation determines that a CLEC was responsible in whole or in part for the Tier 2 misses, Qwest may petition the Commission to request that it receive credit against future Tier 2 payments in an amount equal to the Tier 2 payments that should not have been made. Qwest may also request that the relevant portion of subsequent Tier 2 payments will not be owed until any responsible CLEC problems are corrected. For the purposes of this sub-section, Tier 1 performance measurements that have not been designated as Tier 2 will be aggregated and the aggregate results will be investigated pursuant to the terms of this agreement.<sup>47</sup>

## **16.0 Reviews**

16.1 Reviews of the QPAP occur every six months, commencing with the effective date of the QPAP. Under the six-month QPAP review process, a Commission staff person shall submit a report to the Commission at the five month mark to recommend a series of changes, if any, to the QPAP, noting which of those were agreed to by all parties and which were contested.

16.2 In order to prepare this six-month review report, the relevant Commission staff person (along with any technical advisor the Commission may choose to retain and pay from the Tier 2 Special Fund) shall request feedback on possible changes and shall meet with parties (individually or together) and the Independent Monitor beginning no later than 90 days into the relevant cycle.

16.3 After the Commission staff person submits a six-month review report to the Commission on any suggested changes, parties shall have two weeks to file exceptions to, or comment on, that report. The Commission will rule within four weeks of receiving the parties' exceptions and/or comments on what changes, if any, should be instituted.

16.4 The Commission shall conduct a proceeding to resolve any disputed issues.<sup>48</sup>

16.5 The six-month QPAP review process shall focus on refining, shifting the relative weighing of, deleting, and adding new PIDs; however, the six-month review is not limited to

<sup>47</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 241, 242, 360.

<sup>48</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 150, 349.

these areas. With the exception of the areas specifically identified in Section 16.7 any other part of the QPAP is eligible for review during the six-month QPAP review. After the Commission considers such changes through the six-month process, it shall determine what set of changes should be embodied in an amended SGAT that Qwest will file in order to effectuate these changes.<sup>49</sup>

16.6 If a PID continues to trigger a payment escalation for six months or more, that PID shall automatically be reviewed during a six-month review pursuant to this Section, in order to determine if there are issues with that PID, such as poor definition, that need to be addressed. In order to minimize this likelihood, the sound practice for introducing PIDs is to work through a collaborative forum before bringing a proposed PID addition or change to the Commission. The preferred approach is to introduce new PIDs as diagnostic measures, allowing for some reporting of actual data before determining the relevant standard and appropriate penalties.

16.7 Parties may suggest more fundamental changes to the QPAP; but, unless the suggestion is highly exigent, the suggestion shall be denied. The following areas of the QPAP will not be eligible for review at the six-month review.<sup>50</sup>

- (1) The statistical methodology (Sections 4 and 5)
- (2) The payment caps (Section 12);
- (3) The duration of the QPAP (Section 16.12);
- (4) The payment regime structure (Sections 6, 7, 8, 9, 10, and 11)
- (5) The legal operation of the QPAP (Sections 13 and 14);
- (6) Any proposal that does not relate directly to measuring and/or providing payments for non-discriminatory wholesale performance.

16.8 If, at the conclusion of a six-month QPAP review, the Commission orders a change in any areas identified in Section 16.7 without Qwest's consent, the Commission decision shall be stayed automatically during the course of any judicial challenge up to issuance of a final non-appealable order on the merits. This provision shall not apply if there is no judicial challenge.

16.9 Qwest shall calculate separately, payments owed under the QPAP that do not include changes made at the six-month review ("baseline QPAP") and payments owed under a QPAP revised to reflect changes made at the six-month review ("revised QPAP"). If payments calculated under the revised QPAP are more than 110% of payments calculated under the baseline QPAP, Qwest shall limit payments to the affected CLECs and to the Special Fund to a 10% increase ("10% collar") above the total baseline QPAP payment liability. At any six-month review, if the total payment liability for the revised QPAP is below 110% of the total payment liability for the baseline QPAP for the preceding six month period, the revised QPAP

<sup>49</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 146, 347.

<sup>50</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 147, 348.

shall become the baseline QPAP for the next six month period, otherwise, the same baseline QPAP shall remain in effect for the next six month period.

16.10 If any agreements on adding, modifying, or deleting performance measurements as permitted by section 16.1 are reached between Qwest and CLECs participating in an industry Regional Oversight Committee (ROC) PID administration forum, those agreements shall be incorporated into the QPAP and modify the agreement between CLEC and Qwest at any time those agreements are submitted to the Commission, whether before or after a six-month review.

16.11 The QPAP neither denies nor grants the Commission the ability to join a multi-state effort to conduct QPAP reviews or develop a process whereby the multi-state group would have the authority to act on the Commission's behalf.<sup>51</sup>

~~16.1— Every six (6) months, beginning six months after the effective date of the first Section 271 approval by the FCC of one of the states that participated in the multi-state QPAP review proceeding, Qwest, CLECs, and the Commissions of those state shall participate in a common review of the performance measurements to determine whether measurements should be added, deleted, or modified; whether the applicable benchmark standards should be modified or replaced by parity standards; and whether to move a classification of a measurement to High, Medium, or Low or Tier 1 to Tier 2. The criterion for reclassification of a measurement shall be whether the actual volume of data points was less or greater than anticipated. Criteria for review of performance measurements, other than for possible reclassification, shall be whether there exists an omission or failure to capture intended performance, and whether there is duplication of another measurement. The first six month period will begin upon the FCC's approval of Qwest's 271 application for that particular state. Changes shall not be made without Qwest's agreement, except that disputes as to whether new performance measurements should be added shall be resolved by one arbitration proceeding conducted pursuant to section 5.18.3 of the SGAT, which shall bind CLEC and Qwest and all parties to the arbitration and determine what new measures, if any, should be included in Exhibit K to the SGAT. The administration expenses of the six month reviews and that of an arbitrator shall be paid from the Special Fund.<sup>52</sup>~~

~~16.212~~ Two years after the effective date of the first FCC 271 approval of the PAP, the ~~participating~~ Commissions<sup>53</sup> may conduct a joint review by a independent third party to examine the continuing effectiveness of the PAP as a means of inducing compliant performance. This review shall not be used to open the PAP generally to amendment, but would serve to assist ~~the~~ Commissions in determining existing conditions and reporting to the FCC on the continuing adequacy of the PAP to serve its intended functions. The expense of the reviews shall be paid from the Special Fund. This QPAP will expire six years from its effective date. Only the submeasures identified in Attachment 3 and payments will continue

<sup>51</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 146, 347.

<sup>52</sup> Id.

<sup>53</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 150, 349.

beyond six years, and these submeasures and payments shall continue until the Commission orders otherwise. Five and one-half years after the QPAP's effective date, a review shall be conducted with the objective of phasing-out the QPAP entirely. This review shall focus on ensuring that phase-out of the QPAP is indeed appropriate at that time, and on identifying any submeasures in addition that should continue as part of the QPAP.<sup>54</sup>

~~16.3—Qwest will make the PAP available for CLEC interconnection agreements until such time as Qwest eliminates its Section 272 affiliate. At that time, the Commission and Qwest shall review the appropriateness of the PAP and whether its continuation is necessary. However, in the event Qwest exits the interLATA market, that State PAP shall be rescinded immediately.~~

## **17.0 Voluntary Performance Assurance Plan**

This PAP represents Qwest's voluntary offer to provide performance assurance. Nothing in the PAP or in any conclusion of non-conformance of Qwest's service performance with the standards defined in the PAP shall be construed to be, of itself, non-conformance with the Act.

## **18.0 Dispute Resolution**

For the purpose of resolving disputes over the meaning of the provisions of the PAP and how they should be applied, the dispute resolution provisions of the SGAT, section 5.18, shall apply whether the CLEC uses the SGAT in its entirety or elects to make the PAP part of its interconnection agreements (i.e., the unique dispute resolution provisions of interconnection agreements should not apply).

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<sup>54</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 180.354.

**Attachment 1: Tier 1 and Tier 2 Performance Measurements Subject to Per Occurrence Payment**

Performance Measurement		Tier 1 Payments			Tier 2 Payments		
		Low	Med	High	Low	Med	High
<b>GATEWAY</b>							
Timely Outage Resolution	GA-7						X
<b>PRE-ORDER/ORDERS</b>							
Electronic Order Flow-Through <sup>55</sup>	PO-2b	X					X
LSR Rejection Notice Interval	PO-3 <sup>a</sup>	X					
Firm Order Confirmations On Time	PO-5	X				X	
Work Completion Notification Timeliness	PO-6 <sup>b</sup>	X					
Billing Completion Notification Timeliness	PO-7 <sup>b</sup>	X					
Jeopardy Notice Interval	PO-8	X					
Timely Jeopardy Notices	PO-9	X					
Release Notifications	PO-16						X
<b>ORDERING AND PROVISIONING</b>							
Installation Commitments Met	OP-3 <sup>c</sup>			X		X	
Installation Intervals	OP-4 <sup>d</sup>			X		X	
New Service Installation Quality	OP-5			X		X	
Delayed Days	OP-6 <sup>e</sup>			X		X	
Number Portability Timeliness	OP-8			X		X	
Coordinated Cuts On Time – Unbundled Loops	OP-13a			X		X	
LNP Disconnect Timeliness	OP-17			X		X	
<b>MAINTENANCE AND REPAIR</b>							
Out of Service Cleared within 24 hours	MR-3			X			
All Troubles Cleared within 4 hours	MR-5			X			
Mean time to Restore	MR-6a,b,c			X			
Repair Repeat Report Rate	MR-7			X		X	
Trouble Rate	MR-8			X		X	
LNP Trouble Reports Cleared within 24 Hours	MR-11			X		X	
LNP Trouble Reports—Mean Time to Restore	MR-12			X		X	
<b>BILLING</b>							
Time to Provide Recorded Usage Records	BI-1	X					X
Billing Accuracy-Adjustments for Errors	BI-3	X					
Billing Completeness	BI-4	X				X	
<b>NETWORK PERFORMANCE</b>							
Trunk Blocking	NI-1			X			X
NXX Code Activation	NP-1			X			X

<sup>55</sup> WUTC 30<sup>th</sup> Supp Order at ¶ 129, 345.


- a. PO-3 is limited to PO-3a-1, PO-3b-1, and PO-3c.
  
- b. PO-6 is included with PO-7 as two “families:” PO-6a/PO-7a and PO-6b/PO-7b. Measurements within each family share a single payment opportunity with only the measurements with the highest payment being paid.
  
- c.. OP-4 is included with OP-6 as five “families:” OP-4a/OP-6-1, OP-4b/OP-6-2, OP-4c/OP-6-3, OP-4d/OP-6-4, and OP-4e/OP-6-5. Measurements within each family share a single payment opportunity with only the measurement with the highest payment being paid.
  
- d. For purposes of the PAP, OP-6a and OP-6b will be combined and treated as one. The combined OP-6 breaks down to OP-6-1 (within MSA), OP-6-2 (outside MSA), OP-6-3 (no dispatch), OP-6-4 (zone 1), and OP-6-5 (zone 2).

**Attachment 2: Performance Measurements Subject to Per Measurement Caps**

Billing

Time to Provide Recorded Usage Records – BI-1 (Tier 1/Tier 2)

Billing Accuracy – Adjustments for Errors – BI-3 (Tier 1)

Billing Completeness – BI-4 (Tier 1/Tier 2)

**Attachment 3: Performance Measurements Subject to Continuation Beyond Six-Year Review**

**Interconnection**

Trunk Blocking

NI-1A	<i>LIS Trunks to Qwest Tandem Offices (Percent)</i>
NI-1B	<i>LIS Trunks to Qwest End Offices (Percent)</i>

Provisioning

For LIS Trunks:

OP-3D	<i>Installation Commitments Met (Percent)</i>
OP-3E	<i>Installation Commitments Met (Percent)</i>
OP-4D <sup>1</sup>	<i>Installation Interval (Average Days)</i>
OP-6A-4 <sup>1</sup>	<i>Delayed Days (Average Days)</i>
OP-6B-4 <sup>1</sup>	<i>Delayed Days (Average Days)</i>
OP-4E <sup>1</sup>	<i>Installation Interval (Average Days)</i>
OP-6A-5 <sup>1</sup>	<i>Delayed Days (Average Days)</i>
OP-6B-5 <sup>1</sup>	<i>Delayed Days (Average Days)</i>
OP-5	<i>New Service Installation without Trouble Reports (Percent)</i>

Maintenance and Repair

For LIS Trunks:

MR-5A	<i>All Troubles Cleared within 4 Hours (Percent)</i>
MR-5B	<i>All Troubles Cleared within 4 Hours (Percent)</i>
MR-6D	<i>Mean Time to Restore (Hours:Minutes)</i>
MR-6E	<i>Mean Time to Restore (Hours:Minutes)</i>
MR-7D	<i>Repair Repeat Report Rate (Percent)</i>
MR-7E	<i>Repair Repeat Report Rate (Percent)</i>
MR-8	<i>Trouble Rate (Percent)</i>

**Switching Customers**

For Unbundled Loops:

OP-13A Analog	<i>Coordinated Cuts on Time (Percent)</i>
OP-13A All Other	<i>Coordinated Cuts on Time (Percent)</i>
OP-7	<i>Coordinated Hot Cut Interval (Percent)</i>
OP-8B	<i>Number Portability Timeliness (Hours:Minutes)</i>
OP-8C	<i>Number Portability Timeliness (Hours:Minutes)</i>
NP-1A	<i>NXX Code Activation (Percent)</i>
OP-17	<i>Timeliness of Disconnects associated with LNP Orders (Percent)</i>
MR-11	<i>LNP Trouble Reports Cleared within 24 Hours</i>

<sup>1</sup> Submeasures for OP-4 are included with OP-6 as “families” OP-4A with (OP-6A-1 & OP-6B-1 combined); OP-4B with (OP-6A-2 & OP-6B-2 combined); OP-4C with (OP-6A-3 & OP-6B-3 combined); OP-4D with (OP-6A-4 & OP-6B-4 combined); and OP-4E with (OP-6A-5 & OP-6B-5 combined). Submeasures within each family share a single payment opportunity with only the submeasure (OP-4 or OP-6A & OP-6B combined) with the highest payment being paid.



(Percent)  
 MR-12 LNP Trouble Reports-Mean Time to Restore  
(Hours:Minutes)

### Collocation

Installation Interval – Washington Rule  
Feasibility Study Interval – Days Late QPAP Table 3

### Access to Local Loops

#### Pre-Order

##### For Unbundled Loops:

PO-5A-1(b)	IMA Electronic LSRs	<i>FOCs On Time (Percent)</i>
PO-5A-2(b)	EDI Electronic LSRs	<i>FOCs On Time (Percent)</i>
PO-5B-1(b)	IMA Electronic/Manual LSRs	<i>FOCs On Time (Percent)</i>
PO-5B-2(b)	EDI Electronic/Manual LSRs	<i>FOCs On Time (Percent)</i>
PO-5C-(b)	Fax Manual LSRs	<i>FOCs On Time (Percent)</i>
PO-9B		<i>Timely Jeopardy Notices (Percent)</i>

#### Provisioning

##### For Unbundled Analog Loops:

OP-3A	non-designed	<i>Installation Commitments Met (Percent)</i>
OP-3B	non-designed	<i>Installation Commitments Met (Percent)</i>
OP-3C	non-designed	<i>Installation Commitments Met (Percent)</i>
OP-3D	designed	<i>Installation Commitments Met (Percent)</i>
OP-3E	designed	<i>Installation Commitments Met (Percent)</i>
OP-4A <sup>1</sup>	non-designed	<i>Installation Interval (Average Days)</i>
OP-6A-1 <sup>1</sup>	non-designed	<i>Delayed Days (Average Days)</i>
OP-6B-1 <sup>1</sup>	non-designed	<i>Delayed Days (Average Days)</i>
OP-4B <sup>1</sup>	non-designed	<i>Installation Interval (Average Days)</i>
OP-6A-2 <sup>1</sup>	non-designed	<i>Delayed Days (Average Days)</i>
OP-6B-2 <sup>1</sup>	non-designed	<i>Delayed Days (Average Days)</i>
OP-4C <sup>1</sup>	non-designed	<i>Installation Interval (Average Days)</i>
OP-6A-3 <sup>1</sup>	non-designed	<i>Delayed Days (Average Days)</i>
OP-6B-3 <sup>1</sup>	non-designed	<i>Delayed Days (Average Days)</i>
OP-4D <sup>1</sup>	designed	<i>Installation Interval (Average Days)</i>
OP-6A-4 <sup>1</sup>	designed	<i>Delayed Days (Average Days)</i>
OP-6B-4 <sup>1</sup>	designed	<i>Delayed Days (Average Days)</i>
OP-4E <sup>1</sup>	designed	<i>Installation Interval (Average Days)</i>
OP-6A-5 <sup>1</sup>	designed	<i>Delayed Days (Average Days)</i>
OP-6B-5 <sup>1</sup>	designed	<i>Delayed Days (Average Days)</i>
OP-5		<i>New Service Installation without Trouble Reports (Percent)</i>

For Unbundled Non-Loaded Loops (2-wire):

<u>OP-3D</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-3E</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-4D<sup>1</sup></u>	<u><i>Installation Interval (Average Days)</i></u>
<u>OP-6A-4<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-6B-4<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-4E<sup>1</sup></u>	<u><i>Installation Interval (Average Days)</i></u>
<u>OP-6A-5<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-6B-5<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-5</u>	<u><i>New Service Installation without Trouble Reports (Percent)</i></u>

For Unbundled Non-Loaded Loops (4-wire):

<u>OP-3D</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-3E</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-4D<sup>1</sup></u>	<u><i>Installation Interval (Average Days)</i></u>
<u>OP-6A-4<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-6B-4<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-4E<sup>1</sup></u>	<u><i>Installation Interval (Average Days)</i></u>
<u>OP-6A-5<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-6B-5<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-5</u>	<u><i>New Service Installation without Trouble Reports (Percent)</i></u>

For Unbundled DS1-Capable Loops:

<u>OP-3D</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-3E</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-4D<sup>1</sup></u>	<u><i>Installation Interval (Average Days)</i></u>
<u>OP-6A-4<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-6B-4<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-4E<sup>1</sup></u>	<u><i>Installation Interval (Average Days)</i></u>
<u>OP-6A-5<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-6B-5<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-5</u>	<u><i>New Service Installation without Trouble Reports (Percent)</i></u>

For Unbundled ISDN-Capable Loops:

<u>OP-3D</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-3E</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-4D<sup>1</sup></u>	<u><i>Installation Interval (Average Days)</i></u>
<u>OP-6A-4<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-6B-4<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-4E<sup>1</sup></u>	<u><i>Installation Interval (Average Days)</i></u>
<u>OP-6A-5<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-6B-5<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-5</u>	<u><i>New Service Installation without Trouble Reports (Percent)</i></u>

For Unbundled ADSL-Qualified Loops:

<u>OP-3D</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-3E</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-4D<sup>1</sup></u>	<u><i>Installation Interval (Average Days)</i></u>
<u>OP-6A-4<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>

<u>OP-6B-4<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-4E<sup>1</sup></u>	<u><i>Installation Interval (Average Days)</i></u>
<u>OP-6A-5<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-6B-5<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-5</u>	<u><i>New Service Installation without Trouble Reports (Percent)</i></u>

For Unbundled Loops of DS3 and Higher:

<u>OP-3D</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-3E</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-4D<sup>1</sup></u>	<u><i>Installation Interval (Average Days)</i></u>
<u>OP-6A-4<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-6B-4<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-4E<sup>1</sup></u>	<u><i>Installation Interval (Average Days)</i></u>
<u>OP-6A-5<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-6B-5<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-5</u>	<u><i>New Service Installation without Trouble Reports (Percent)</i></u>

For Sub-Loop Unbundling:

<u>OP-3A</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-3B</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-4A<sup>1</sup></u>	<u><i>Installation Interval (Average Days)</i></u>
<u>OP-6A-1<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-6B-1<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-4B<sup>1</sup></u>	<u><i>Installation Interval (Average Days)</i></u>
<u>OP-6A-2<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-6B-2<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>

For Unbundled Loop Conditioning:

<u>OP-3D</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-3E</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-4D</u>	<u><i>Installation Interval (Average Days)</i></u>
<u>OP-4E</u>	<u><i>Installation Interval (Average Days)</i></u>

For Line Sharing/Line Splitting:

<u>OP-3A</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-3B</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-3C</u>	<u><i>Installation Commitments Met (Percent)</i></u>
<u>OP-4A<sup>1</sup></u>	<u><i>Installation Interval (Average Days)</i></u>
<u>OP-6A-1<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-6B-1<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-4B<sup>1</sup></u>	<u><i>Installation Interval (Average Days)</i></u>
<u>OP-6A-2<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-6B-2<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-4C<sup>1</sup></u>	<u><i>Installation Interval (Average Days)</i></u>
<u>OP-6A-3<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>
<u>OP-6B-3<sup>1</sup></u>	<u><i>Delayed Days (Average Days)</i></u>

Maintenance and Repair

For Unbundled Analog Loops:

MR-3D	<i>All Troubles Cleared within 24 Hours (Percent)</i>
MR-3E	<i>All Troubles Cleared within 24 Hours (Percent)</i>
MR-6D	<i>Mean Time to Restore (Hours:Minutes)</i>
MR-6E	<i>Mean Time to Restore (Hours:Minutes)</i>
MR-7D	<i>Repair Repeat Report Rate (Percent)</i>
MR-7E	<i>Repair Repeat Report Rate (Percent)</i>
MR-8	<i>Trouble Rate (Percent)</i>

For Unbundled Non-loaded Loops (2-wire):

MR-3D	<i>All Troubles Cleared within 24 Hours (Percent)</i>
MR-3E	<i>All Troubles Cleared within 24 Hours (Percent)</i>
MR-6D	<i>Mean Time to Restore (Hours:Minutes)</i>
MR-6E	<i>Mean Time to Restore (Hours:Minutes)</i>
MR-7D	<i>Repair Repeat Report Rate (Percent)</i>
MR-7E	<i>Repair Repeat Report Rate (Percent)</i>
MR-8	<i>Trouble Rate (Percent)</i>

For Unbundled Non-loaded Loops (4-wire):

MR-5A	<i>All Troubles Cleared within 4 Hours (Percent)</i>
MR-5B	<i>All Troubles Cleared within 4 Hours (Percent)</i>
MR-6D	<i>Mean Time to Restore (Hours:Minutes)</i>
MR-6E	<i>Mean Time to Restore (Hours:Minutes)</i>
MR-7D	<i>Repair Repeat Report Rate (Percent)</i>
MR-7E	<i>Repair Repeat Report Rate (Percent)</i>
MR-8	<i>Trouble Rate (Percent)</i>

For Unbundled DS1-Capable Loops:

MR-5A	<i>All Troubles Cleared within 4 Hours (Percent)</i>
MR-5B	<i>All Troubles Cleared within 4 Hours (Percent)</i>
MR-6D	<i>Mean Time to Restore (Hours:Minutes)</i>
MR-6E	<i>Mean Time to Restore (Hours:Minutes)</i>
MR-7D	<i>Repair Repeat Report Rate (Percent)</i>
MR-7E	<i>Repair Repeat Report Rate (Percent)</i>
MR-8	<i>Trouble Rate (Percent)</i>

For Unbundled ISDN-Capable Loops:

MR-3D	<i>All Troubles Cleared within 24 Hours (Percent)</i>
MR-3E	<i>All Troubles Cleared within 24 Hours (Percent)</i>
MR-6D	<i>Mean Time to Restore (Hours:Minutes)</i>
MR-6E	<i>Mean Time to Restore (Hours:Minutes)</i>
MR-7D	<i>Repair Repeat Report Rate (Percent)</i>
MR-7E	<i>Repair Repeat Report Rate (Percent)</i>
MR-8	<i>Trouble Rate (Percent)</i>

For Unbundled ADSL-Qualified Loops:

MR-3D	<i>All Troubles Cleared within 24 Hours (Percent)</i>
MR-3E	<i>All Troubles Cleared within 24 Hours (Percent)</i>

<u>MR-6D</u>	<u>Mean Time to Restore (Hours:Minutes)</u>
<u>MR-6E</u>	<u>Mean Time to Restore (Hours:Minutes)</u>
<u>MR-7D</u>	<u>Repair Repeat Report Rate (Percent)</u>
<u>MR-7E</u>	<u>Repair Repeat Report Rate (Percent)</u>
<u>MR-8</u>	<u>Trouble Rate (Percent)</u>

For Unbundled Loops of DS3 and Higher:

<u>MR-5A</u>	<u>All Troubles Cleared within 4 Hours (Percent)</u>
<u>MR-5B</u>	<u>All Troubles Cleared within 4 Hours (Percent)</u>
<u>MR-6D</u>	<u>Mean Time to Restore (Hours:Minutes)</u>
<u>MR-6E</u>	<u>Mean Time to Restore (Hours:Minutes)</u>
<u>MR-7D</u>	<u>Repair Repeat Report Rate (Percent)</u>
<u>MR-7E</u>	<u>Repair Repeat Report Rate (Percent)</u>
<u>MR-8</u>	<u>Trouble Rate (Percent)</u>

For Sub-Loop Unbundling:

<u>MR-3A</u>	<u>All Troubles Cleared within 24 Hours (Percent)</u>
<u>MR-3B</u>	<u>All Troubles Cleared within 24 Hours (Percent)</u>
<u>MR-3C</u>	<u>All Troubles Cleared within 24 Hours (Percent)</u>
<u>MR-6A</u>	<u>Mean Time to Restore (Hours:Minutes)</u>
<u>MR-6B</u>	<u>Mean Time to Restore (Hours:Minutes)</u>
<u>MR-6C</u>	<u>Mean Time to Restore (Hours:Minutes)</u>
<u>MR-7A</u>	<u>Repair Repeat Report Rate (Percent)</u>
<u>MR-7B</u>	<u>Repair Repeat Report Rate (Percent)</u>
<u>MR-7C</u>	<u>Repair Repeat Report Rate (Percent)</u>
<u>MR-8</u>	<u>Trouble Rate (Percent)</u>

For Line Sharing/Line Splitting:

<u>MR-3A</u>	<u>All Troubles Cleared within 24 Hours (Percent)</u>
<u>MR-3B</u>	<u>All Troubles Cleared within 24 Hours (Percent)</u>
<u>MR-3C</u>	<u>All Troubles Cleared within 24 Hours (Percent)</u>
<u>MR-6A</u>	<u>Mean Time to Restore (Hours:Minutes)</u>
<u>MR-6B</u>	<u>Mean Time to Restore (Hours:Minutes)</u>
<u>MR-6C</u>	<u>Mean Time to Restore (Hours:Minutes)</u>
<u>MR-7A</u>	<u>Repair Repeat Report Rate (Percent)</u>
<u>MR-7B</u>	<u>Repair Repeat Report Rate (Percent)</u>
<u>MR-7C</u>	<u>Repair Repeat Report Rate (Percent)</u>
<u>MR-8</u>	<u>Trouble Rate (Percent)</u>