BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Six-Month Review of Qwest Corporation's Performance Assurance Plan	)	DOCKET NO. UT-033020
	)	THIRD COMMENTS OF QWEST CORPORATION
. . . .	)	

I. Introduction.

Qwest Corporation ("Qwest") hereby submits its comments in the above proceeding in response to Order No. 04. The Commission directed the parties to address three general topics: (1) Qwest's argument that PID PO-2B was not appropriately included in the QPAP; (2) standards for line sharing and line splitting; and (3) standards and payment opportunities for EELs. Qwest addresses these issues below.

Qwest submits that PO-2B should be eliminated from the QPAP or at the least, significantly modified. Qwest submits that there is virtually no experience on which to create standards for line splitting and Qwest already reports on line sharing, but Qwest will respond to the proposals of other parties on this issue. Qwest already provides payment opportunities on EELs in Washington, and Qwest submits that it is premature to impose payment opportunities in addition to those that exist, before the standards are developed by the LTPA.

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II. Discussion.

A. Imposition of Payments for PO-2B Should be Eliminated or, at the very least, Modified.

Qwest's position is that PO-2 is not appropriate for self-executing mechanisms such as exist in the QPAP. Accordingly, Qwest requests that QPAP payments no longer apply to PO-2, for at least three reasons. First, no linkage has ever been demonstrated between PO-2 performance and harm to CLECs or to their ability to compete. In fact, to the contrary, Qwest's outstanding performance, generally, in the area of installation commitments met (PID OP-3), for example, regardless of PO-2 performance success or failures, suggests that there is no link.[1] Second, CLEC behavior can affect PO-2B results, such that it is necessary to "look behind" the data, in a manner that a self-executing plan cannot accommodate, in order to determine whether Qwest's performance is the reason for a particular lack of flow through. Finally, Qwest has demonstrated that, for those orders that do not flow through, more direct means exist to ensure that Qwest's manual processing of orders is accurate (and the LTPA is currently finalizing revisions to PO-20 which measures manual order accuracy).

If the Commission does not eliminate payment requirements on PO-2B, then Qwest submits, without waiving its arguments just presented, that the Commission should at least significantly modify how payments are applied to PO-2B.

Specifically, Qwest proposes that the manner of imposing payments for PO-2B be modified in this six month review to provide that payments under this PID should not apply unless it is shown that payments are also made under existing PIDs that directly measure the

[1] As pointed out later, the FCC has also recognized that flow through is not necessary for CLECs to compete.

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impact of Qwest's performance on CLECs' ability to compete, which PO-2B does not measure.

PO-2B measures the extent to which certain Local Service Requests ("LSRs") flow through Qwest's mechanized systems from the interface with the CLEC to the Service Order Processors without human intervention. Orders that do not flow through electronically drop out of the automated order flow and must be handled manually. There are no direct impacts of the failure of an LSR to flow through electronically on CLECs' ability to compete. However, potential indirect impacts might arise from among the following three dimensions: (1) the timeliness of the service installation overall, (2) whether CLECs must use their own resources to address LSRs that drop out, and (3) whether errors are introduced in the orders by Qwest's manual processing of affected orders. Again, PO-2B does not measure any of these dimensions, but direct measurements do exist for the first and third of the above three dimensions.

In this context, Qwest makes the following observations. With regard to the first dimension, Qwest proposes that no payments apply under PO-2B unless installation commitments are also missed for the relevant product categories. With regard to the second dimension, Qwest points out that it handles drop out orders without CLEC involvement, so there is no issue in this area. Finally, with regard to the third dimension, PO-20, Manual Service Order Accuracy, which did not exist at the time PO-2B was ordered, can address the issue of manually introduced errors. Support for these observations follows.

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1. Imposing Payments for PO-2B Inappropriately Assumes Harm Related to Timeliness of Provisioning

The current flow-through standard unfairly imposes a payment obligation on Qwest for events which have not been shown to result in a perceptible detriment to CLECs' ability to compete with Qwest, and where the timeliness of provisioning is already subject to other direct measurement. In the *Thirtieth Supplemental Order*[2], at para. 129, the Commission determined to impose PO-2B on the basis that it was the only one of the three new PIDs desired by CLECs that had been developed and on which standards had been agreed, that such a measure was in the CPAP and that PO-2B was necessary for CLECs to compete. Subsequent events have shown that the finding that this PID is necessary for CLECs to compete is incorrect.[3]

Qwest separately measures, through several PIDs, its ability to provide timely order fulfillment to CLECs. If a flow-through eligible LSR drops out of the order process, that event will occur between the interface with the CLEC and the Service Order Processor. From a process standpoint, the first event by which Qwest responds to an LSR is the Firm Order Confirmation ("FOC.") Once the FOC has been generated, the LSR has already been converted to a Service Order and the Service Order flows through the provisioning process along with all other such orders.

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[2] *In the Matter of the Investigation into U S WEST Communications, Inc.'s Compliance with Section 271 of the Telecommunications Act of 1996*, Docket No. UT-0030220, Thirtieth Supplemental Order, April, 2001 ("*Thirtieth Supplemental Order*")

[3] Qwest submits that the fact that PO-2B was the only one of three PIDs desired by CLECs which had been developed and that it had been included in the CPAP are not sufficient reasons to continue it in its present form in the QPAP. The structure of the CPAP is quite different from that of the QPAP, and the fact that PO-2B had been developed as a measurement does not mean that its use had been agreed. In fact this PID was at impasse in the ROC when this Commission ordered its imposition.

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Qwest has created the ability to manage the process so that, despite the drop out of a flow through-eligible LSR, the entire provisioning interval perceived by the CLEC and the CLEC's end user, measured from the time of such an LSR's receipt by Qwest at its interface, will not be lengthened (in comparison to the situation of an identical order which did not drop out of the mechanized process). Thus, the impact of the drop out of a flow through-eligible LSR is that the time for Qwest to issue an FOC to the CLEC is normally extended, but other steps in the provisioning process are adjusted, as possible, to compensate for this change in the schedule. The failure of a flow-through eligible LSR to flow through is thus not usually perceptible to either the CLEC or the end user in terms of timeliness of provisioning of service. In fact, it is the exceptional case when the drop out of an order will cause any delay in the provisioning of the service compared to the situation of an identical order which did not drop out.

In the related area of FOC timeliness, the impact of the drop out of flow-through eligible LSRs on the time to issue an FOC has been negligible over the past year. In the recent twelve months, September, 2002 through August, 2003, the results for PO-5, "Firm Order Confirmations (FOCs) On Time," indicate excellent performance: the benchmarks were exceeded for all disaggregated products for the past twelve months in Washington. Although also typically excellent, the results for PO-2B did have some variability during this 12-month period. However, even during the months when PO-2B results were below the benchmark, Qwest nevertheless exceeded the PO-5 benchmarks. Clearly, Qwest's ability to return timely FOCs is not compromised when LSRs do not flow-through.

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In light of these facts, Qwest submits that for Resale, Unbundled Loops and UNE-P POTS, QPAP payments should only be triggered when the standards are missed in both PO-2B and the corresponding, aggregated sub-parts to OP-3, "Installation Commitments Met." Similarly, QPAP payments for stand-alone LNP should only apply when the standards are missed for both PO-2B and OP-8C, "Number Portability Timeliness."

The "corresponding sub-parts to OP-3" would consist of the product categories that belong to each PO-2B reporting category, keeping in mind that PO-2B covers LSRs for flow-through eligible products. Thus, for example, the PO-2B reporting category of Resale Aggregate (addressed by PO-2B-1 and PO-2B-2) includes the OP-3-related products of Business Resale, Residence Resale, Centrex 21 Resale, and Qwest DSL.[4] All of these products have parity standards. Therefore, to implement Qwest's proposal for this example, OP-3 results for these products would be aggregated, both for wholesale and for the PID-specified retail analogues, and the appropriate, QPAP-compliant, statistical tests would be applied to determine whether the parity standard is met or missed. If the parity standard is missed, the corresponding PO-2B-1 and PO-2B-2 results both would be subject to QPAP payment where the PO-2B standards were not satisfied. On the other hand, if the corresponding OP-3 aggregate results satisfy parity, the related PO-2B results would not be subject to QPAP payment that month.

As another simpler example, the PO-2B reporting category of UNE-P(POTS) includes only one OP-3-related product category, by the same name. This product category is reported

[4] For these products, this involves aggregating OP-3A, B, and C results for Business, Residence, and Centrex 21 resale, along with OP-3A, B, C, D, & E results for Qwest DSL, as these are the sub-measurements covering

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under OP-3A, B, and C. Accordingly, to implement Qwest's proposal for this example, the three OP-3 sub-measurement results for UNE-P(POTS) would be aggregated, as would the corresponding retail analogue results, so that the overall status of parity could be determined. If the UNE-P(POTS) aggregated results missed the parity standard, the corresponding PO-2B results (both for PO-2B-1 and PO-2B-2) for UNE-P(POTS) would be subject to QPAP payments if the PO-2B standards also were not satisfied. On the other hand, if the corresponding OP-3 aggregate results for UNE-P(POTS) satisfy parity, the related PO-2B results would not be subject to QPAP payment that month.

In sum, Qwest proposes that QPAP payments for each disaggregation contained in PO-2B not apply if the standards are met or exceeded for each of the corresponding, aggregated sub-parts to OP-3 or OP-8, as applicable.[5]

<u>2. Imposing Payments for PO-2B Inappropriately Assumes Harm From Manual Order Processing Errors that May Not Be Material and that are/will be Directly Measured Elsewhere.</u>

The drop out of a flow-through eligible LSR does not by itself mean that the service order will be entered inaccurately into Qwest's systems. Yet each incident of drop out that is above the threshold generates payment liability in both QPAP tiers, regardless of the lack of any actual error in the order resulting from the manual order processing. Thus, whether or not a flow-through eligible order actually flows through is not a predictor of manually-introduced order errors.

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these products. The wholesale and retail aggregations would each be properly weighted, so that each result contributes only its share of the effect on the combined result according to its volume.

[5] Qwest will disclose implementation details, such as respecting weighting methods and flow-through eligible product inclusions corresponding to PO-2B's nature of addressing only flow-through eligible products, to the Commission and CLECs upon implementation and first reporting.

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In the past, for example, prior to the *Thirtieth Supplemental Order,* when levels of flow-through were lower, CLECs raised concerns about the impact of manual order processing on order accuracy. Today's vastly greater levels of flow-through mean that the incidence of manual order processing is far less than in the past. Qwest met or exceeded the standards for PO-2B in Washington for the last six months for Resale, Unbundled Loop and UNE-P-POTS for the IMA-GUI interface. The results for the IMA-EDI interface were nearly as favorable. For these same products and timeframe, Qwest for the IMA-EDI interface met or exceeded the standards in all months, except for Resale services in April and September, 2003. However, even in these two months, the results were high as measured against a benchmark of 95%: 93.02% and 93.75%, respectively.

With respect to LNP orders, Qwest has recently completed modifications to its systems which will substantially increase flow-through of such orders from levels which have been observed during the past eighteen months.[6] These high levels of flow-through suggest that manual order processing will be much less, such that, even if errors were generated manually, they would not likely be a significant problem for CLECs.

Also, there are factors that were not part of the record in this proceeding prior to the *Thirtieth Supplemental Order* which show that there are, in place and under development, direct measurements of the impact of manually introduced service order errors. Qwest filed in October, 2003, the revised OP-5 definitions as a result of agreement between Qwest and CLECs in the LTPA process. This revised PID evaluates the quality of ordering and

[6] While flow-through rates for LNP orders have been as high as 100% for certain CLECs over the past year, idiosyncrasies of other CLECs' ordering methods which had not been anticipated in the logic of Qwest's order

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installing new services, focusing on the percentage of newly-installed orders that are free of trouble reports 30 days after installation. Also, in a filing in July, 2002, Qwest submitted PO-20, which measures Manual Service Order Accuracy. This filing was not before the Commission when it issued the order to include PO-2B in the QPAP. The LTPA is currently revising PO-20, in an effort to improve the measurement of Qwest's ability to process manually handled orders with acceptable accuracy. Since a direct measurement for this issue is in place and is being refined in a process in which the Commission is a participant, it makes sense not to impose payment obligations on Qwest for PO-2B based factors such as order errors that cannot appropriately be linked to PO-2B results.

PID PO-2B has only been included in the CPAP (which was also adopted in Minnesota) and the Washington QPAP, within Qwest's region. This Commission included PO-2B in the QPAP on the strength of its inclusion in the CPAP. The CPAP incorporated PO-2B very early on, before it became widely known, as the FCC also recognized, that flow-through at best was only a potential and indirect indicator of OSS performance necessary for CLECs to compete, and which required independent corroboration.[7] Qwest intends to seek

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processing systems, have until recently produced lower flow-through rates for those CLECs' LNP orders. Qwest has now modified its systems to accommodate these order types which had not flowed through in the past.

[7] Memorandum Opinion and Order, *Application of Verizon New England Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise Solutions) And Verizon Global Networks Inc., For Authorization to Provide In-Region, InterLATA Services in Massachusetts,* 16 FCC Rcd 8988 ¶ 77 (2001) (internal citation omitted). "In particular, low flow-through rates, combined with other independent record evidence, can be indicators of: (1) failure to provision orders in a timely manner; (2) failure to provide competing carriers with complete, up-to-date business rules and ordering codes; (3) lack of integration between pre-ordering and ordering functions; (4) failure to provide order status notices electronically; and (5) inability to process competing carriers' orders at reasonably foreseeable commercial volumes in a nondiscriminatory manner. Flow-through rates, therefore, are not so much an end in themselves, but a tool used to indicate a wide range of possible deficiencies in a BOC's OSS that may deny an efficient competitor a meaningful opportunity to compete in the local market." (Id.)

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removal of PO-2B in all states in which it currently exists and to oppose its extension to any additional states.

Qwest also submits that the method of calculation of the PO-2B payment is unfair and unsupported. There is no indication in the Commission orders why this PID should carry a payment of the highest level in Tier 2, of five hundred dollars per "miss." This PID does not relate to core competitive issues such as the other "high" Tier 2 category PIDs, for example trunk blocking, gateway outage resolution and erroneous usage data. PO-2B is at best an indirect and inferential measure as described above. This provision has generated staggering payments by Qwest to the State of Washington, far higher than for any other PID, without any real indication that CLECs have suffered any detriment to their abilities to compete with Qwest.

B. Qwest Reports Line Sharing; Line Splitting is Low Volume and Without Regional Standards

At the outset, Qwest respectfully points out that Order No. 4 in paragraph 10 incorrectly described Qwest's argument in its Reply Comments on this issue. Qwest did not in its Reply Comments claim that the issue of line splitting would be addressed by this Commission in the *Triennial Review Investigation*[8]. What Qwest actually said was that the extent of CLECs' need for line splitting as a service would depend on the outcome of the Commission's determination in the *Triennial Review Investigation* of the geographic areas in which competitors are impaired without access to Qwest's unbundled local switching. Qwest addressed this issue in the context of whether it is "imperative" as Covad argued, that line

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splitting be addressed in this six-month review case. Qwest acknowledges that the Commission has decided to address line splitting in this case.

Qwest already reports line sharing under the QPAP. Line splitting is a novel service. Qwest at this stage of the proceeding, given the infinitesimal volume of services involved and the lack of any historical data for any retail comparative service, is without a proposal for PID standards for line splitting. Qwest submits that it is generally inadvisable to create PID standards for a new service in a vacuum of information about the service. Qwest also submits that such information can only be gained after there has been some experience providing the service. Qwest will respond to the proposals of other parties on this issue.

C. EELS: Standards and Additional Payment Opportunities Should be Determined in the LTPA.

Qwest respectfully notes that Order No. 4 in this proceeding in paragraph 11 confounds the issue of performance standards for EELs with the contents of the QPAP. The Order states that the *QPAP* contains performance standards for provisioning of EELs in PIDs OP-3, OP-4, OP-5, OP-6, OP-15, MR-5, MR-6, MR-7, and MR-8. In fact the PIDs to which the Order refers are contained in Exhibit B of the Qwest Washington SGAT, which is not in or part of the QPAP. The QPAP is Exhibit K of the SGAT, and that document does not contain the performance standards for provisioning EELs to which the Order refers. Of the PIDs listed, only OP-3 and OP-5A (for DS1s) have standards that are other than diagnostic.

This Commission's *Thirtieth Supplemental Order, supra,* appeared to Qwest to indicate that the payment opportunities for EELs that Qwest should include in the QPAP

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[8] *In the Matter of Implementation of the FCC's Triennial Review Order,* Dockets Nos. UT-033025 and UT-

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without waiting for a six month review were those that would be based on standards developed by the ROC-TAG.[9] The ROC established the above listed PIDs in the regional ROC PIDs. These regional PIDs included one non-diagnostic standard for EELs, and Qwest has implemented that standard in Washington, including payments. No other EELs standards have yet been developed by the ROC-TAG. One other EELs standard, OP-5A (for DS1s) has been developed in the ongoing multistate informal process, and Qwest filed to include that standard in the QPAP on November 19, 2003. Qwest believes that having a multi-state process such as the LTPA develop standards for the nine measurements listed in Order No. 4 in this case is beneficial to all parties. Order No. 4 finds that Qwest has not made any filing regarding payment opportunities for EELs standards. Qwest provides payment opportunities for EELs under OP-3 and will provide them for OP-5A (for DS1s) beginning in January, 2004. Qwest believes that determination of additional payment opportunities should logically follow determination of standards, which has not yet occurred except for OP-3 and OP-5A (for DS1s). Since at the current time there are only sixteen EELs in place in Washington, Qwest does not believe that resolution of this issue is an urgent or necessary requirement for this six-month review.

Order No. 4 finds that the parties reached agreement on payment opportunities for EELs standards in Colorado, and that the issue is appropriate for resolution in this six-month review. Qwest submits that there are payment opportunities under the Washington QPAP for

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[9] *Thirtieth Supplemental Order*, at para.124: "The Regional Oversight Committee-Technical Advisory Group (ROC-TAG) recently established a set of performance measures applicable to EELs that includes OP-3, OP-4, OP-5, OP-6, OP-15, MR-5, MR-6, MR-7, and MR-8. Qwest must provide payment opportunities in the QPAP for these measures as the standards are determined and not wait until a six-month review to do so."

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the regional standard measurements which are in effect in Washington for EELs. The measurements that were the subject of agreement in Colorado for EELs are not regional standards.

Qwest supports the general use of the LTPA as the vehicle to establish standards which should be applied on a consistent region wide basis. This support includes the standards for EELs. Qwest believes that the LTPA will consider the standards for EELs. Qwest is confident that after that consideration occurs, this Commission may review the outcome for application in Washington.

III. Conclusion.

In sum, Qwest asks the Commission to eliminate or modify payment requirements under PID PO-2B, to refrain from establishing standards for line splitting until after there has been an opportunity to gain some experience in actually providing the service, and to defer imposition of additional payment opportunities for EELs beyond those under OP-3 and OP-5A (for DS1s) until after standards have been developed in the LTPA.

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Respectfully submitted this 8th day of December, 2003,

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